



SEMBCORP INDUSTRIES LTD
Registration Number: 199802418D

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT
FOR THE SECOND HALF AND FULL YEAR ENDED DECEMBER 31, 2023**

TABLE OF CONTENTS

Item No	Description	Page
1.	CONSOLIDATED INCOME STATEMENT	2
2.	NOTES TO THE CONSOLIDATED INCOME STATEMENT	4
3.	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	9
4.	SEGMENTAL REPORTING	10
5.	BALANCE SHEETS	19
6.	STATEMENTS OF CHANGES IN EQUITY	26
7.	CONSOLIDATED STATEMENT OF CASH FLOWS	34
8.	ACCOUNTING POLICIES	39
9.	RELATED PARTIES	41
10.	FAIR VALUE MEASUREMENTS	41
11.	CONTINGENT LIABILITIES	44
12.	COMMITMENTS	44
13.	OTHER DISCLOSURE	45
14.	AUDIT	45
15.	AUDITORS' REPORT	45
16.	VARIANCE FROM PROSPECT STATEMENT	45
17.	PROSPECTS	45
18.	SUBSEQUENT EVENTS	46
19.	DIVIDEND	46
20.	INTERESTED PERSON TRANSACTIONS	47
21.	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)	48
22.	REPORT OF PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO A DIRECTOR, CHIEF EXECUTIVE OFFICER OR SUBSTANTIAL SHAREHOLDER	48

UNAUDITED RESULTS FOR THE SECOND HALF AND FULL YEAR ENDED DECEMBER 31, 2023

The Board of Directors of Sembcorp Industries Ltd wishes to announce the following unaudited results of the Group for the second half and full year ended December 31, 2023.

1. CONSOLIDATED INCOME STATEMENT

	Note	GROUP			GROUP		
		2H2023	2H2022	+ / (-) %	FY2023	FY2022	+ / (-) %
<i>(S\$ million)</i>							
Continuing operations:							
Turnover	2a	3,384	3,924	(14)	7,042	7,825	(10)
Cost of sales		(2,643)	(3,184)	(17)	(5,469)	(6,598)	(17)
Gross profit		741	740	*	1,573	1,227	28
General & administrative expenses		(224)	(336)	(33)	(432)	(499)	(13)
Other operating income, net		18	41	(56)	36	169	(79)
Non-operating income		15	4	275	148	9	NM
Non-operating expenses		(5)	(13)	(62)	(7)	(16)	(56)
Finance income	2d	28	24	17	57	37	54
Finance costs	2d	(204)	(175)	17	(409)	(310)	32
Share of results of associates and joint ventures, net of tax	2e	118	115	3	264	248	6
Profit before tax		487	400	22	1,230	865	42
Tax expense	2f	(61)	(71)	(14)	(182)	(138)	32
Profit from continuing operations	2c	426	329	29	1,048	727	44
Profit / (Loss) from discontinued operation, net of tax	7c	–	43	NM	(78)	144	NM
Profit for the period / year		426	372	15	970	871	11
Attributable to:							
Owners of the Company							
Profit from continuing operations		412	315	31	1,020	704	45
Profit / (Loss) from discontinued operation	7c	–	43	NM	(78)	144	NM
Profit attributable to owners of the Company		412	358	15	942	848	11
Non-controlling interests (NCI)		14	14	–	28	23	22
Profit for the period / year		426	372	15	970	871	11

* Denotes amount of less than S\$1 million or less than 1%
 NM Not meaningful

1. CONSOLIDATED INCOME STATEMENT (Cont'd)

	Note	GROUP			GROUP		
		2H2023	2H2022	+ / (-) %	FY2023	FY2022	+ / (-) %
Earnings per ordinary share (cents)							
- basic	2g	23.12	20.09	15	52.83	47.59	11
- diluted	2g	22.76	19.66	16	51.99	46.57	12
Earnings per ordinary share (cents) – Continuing operations							
- basic	2g	23.12	17.67	31	57.21	39.51	45
- diluted	2g	22.76	17.30	32	56.29	38.66	46

RECONCILIATION OF NET PROFIT FROM CONTINUING OPERATIONS BEFORE EXCEPTIONAL ITEMS FOR PERFORMANCE REVIEW (NOTE 4c)

		GROUP			GROUP		
		2H2023	2H2022	+ / (-) %	FY2023	FY2022	+ / (-) %
<i>(S\$ million)</i>							
Attributable to:							
Owners of the Company							
Profit from continuing operations		412	315	31	1,020	704	45
Exceptional items (EI), net of tax							
Add: Exceptional expense		4	35	(89)	4	35	(89)
Less: Exceptional income		*	–	NM	(6)	*	NM
Profit from continuing operations before EI		416	350	19	1,018	739	38
Profit / (Loss) from discontinued operation		–	43	NM	(78)	144	NM
Net profit before EI		416	393	6	940	883	6

Exceptional Items, net of tax (EI)

	Note	GROUP			GROUP		
		2H2023	2H2022		FY2023	FY2022	
<i>(S\$ million)</i>							
Exceptional income							
Gain on disposal of investments	2c	–	–	–	5	–	NM
Negative goodwill on acquisitions		*	–	NM	1	–	NM
Exceptional expense							
Restructuring expense		(4)	–	NM	(4)	–	NM
Impairment of assets		–	(21)	NM	–	(22)	NM
Impairment of joint ventures' underlying assets		–	(4)	NM	–	(4)	NM
Impairment and write-off of other investments, net		–	(10)	NM	–	(9)	NM
Total exceptional items – (expense) / income		(4)	(35)	(89)	2	(35)	NM

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 continuing operations are grouped under five main segments, namely Gas and Related Services, Renewables, Integrated Urban Solutions, Decarbonisation Solutions and Other Businesses and Corporate. Please refer to Note 4a for details.

(\$ million)	Gas and Related Services	Renew- ables	Integrated Urban Solutions	Decarb- onisation Solutions	Other Business- es and Corporate	Elimi- nation	Total
2H2023							
Turnover							
External sales	2,599	329	212	11	233	–	3,384
Inter-segment sales	23	*	13	3	6	(45)	–
Total	2,622	329	225	14	239	(45)	3,384
Major product / service lines							
Provision of energy products and related services (including electricity, gas and steam)	2,356	312	–	–	*	–	2,668
Provision of water products, reclamation of water and industrial wastewater treatment	66	–	96	–	–	–	162
Solid waste management	*	–	96	–	–	–	96
Service concession revenue	123	–	7	–	–	–	130
Construction and engineering related activities	–	–	–	–	215	–	215
Others	54	17	9	11	18	–	109
Total revenue from contracts with customers	2,599	329	208	11	233	–	3,380
Rental income	–	–	4	–	–	–	4
Total external sales	2,599	329	212	11	233	–	3,384
Timing of revenue recognition							
Over time	2,599	323	202	–	219	–	3,343
At a point in time	–	6	6	11	14	–	37
Total revenue from contracts with customers	2,599	329	208	11	233	–	3,380
2H2022							
Turnover							
External sales	3,246	282	227	2	167	–	3,924
Inter-segment sales	24	1	5	*	2	(32)	–
Total	3,270	283	232	2	169	(32)	3,924
Major product / service lines							
Provision of energy products and related services (including electricity, gas and steam)	3,020	268	–	–	*	–	3,288
Provision of water products, reclamation of water and industrial wastewater treatment	74	–	103	–	–	–	177
Solid waste management	*	–	107	–	–	–	107
Service concession revenue	97	–	7	–	–	–	104
Construction and engineering related activities	–	–	–	–	153	–	153
Others	55	14	7	2	14	–	92
Total revenue from contracts with customers	3,246	282	224	2	167	–	3,921
Rental income	–	–	3	–	–	–	3
Total external sales	3,246	282	227	2	167	–	3,924
Timing of revenue recognition							
Over time	3,246	254	221	–	153	–	3,874
At a point in time	–	28	3	2	14	–	47
Total revenue from contracts with customers	3,246	282	224	2	167	–	3,921

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

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

<i>(\$ million)</i>	Gas and Related Services	Renew- ables	Integrated Urban Solutions	Decarb- onisation Solutions	Other Business- es and Corporate	Elimi- nation	Total
FY2023							
Turnover							
External sales	5,457	703	418	16	448	–	7,042
Inter-segment sales	50	1	17	5	11	(84)	–
Total	5,507	704	435	21	459	(84)	7,042
Major product / service lines							
Provision of energy products and related services (including electricity, gas and steam)	4,980	665	–	–	*	–	5,645
Provision of water products, reclamation of water and industrial wastewater treatment	135	–	187	–	–	–	322
Solid waste management	*	–	196	–	–	–	196
Service concession revenue	240	–	14	–	–	–	254
Construction and engineering related activities	–	–	–	–	409	–	409
Others	102	38	14	16	39	–	209
Total revenue from contracts with customers	5,457	703	411	16	448	–	7,035
Rental income	–	–	7	–	–	–	7
Total external sales	5,457	703	418	16	448	–	7,042
Timing of revenue recognition							
Over time	5,457	673	399	–	416	–	6,945
At a point in time	–	30	12	16	32	–	90
Total revenue from contracts with customers	5,457	703	411	16	448	–	7,035
FY2022							
Turnover							
External sales	6,547	503	444	3	328	–	7,825
Inter-segment sales	54	1	8	*	6	(69)	–
Total	6,601	504	452	3	334	(69)	7,825
Major product / service lines							
Provision of energy products and related services (including electricity, gas and steam)	6,122	490	–	–	*	–	6,612
Provision of water products, reclamation of water and industrial wastewater treatment	146	–	200	–	–	–	346
Solid waste management	*	–	212	–	–	–	212
Service concession revenue	189	–	14	–	–	–	203
Construction and engineering related activities	–	–	–	–	298	–	298
Others	90	13	11	3	30	–	147
Total revenue from contracts with customers	6,547	503	437	3	328	–	7,818
Rental income	–	–	7	–	–	–	7
Total external sales	6,547	503	444	3	328	–	7,825
Timing of revenue recognition							
Over time	6,547	469	425	–	298	–	7,739
At a point in time	–	34	12	3	30	–	79
Total revenue from contracts with customers	6,547	503	437	3	328	–	7,818

The Group reported S\$3.4 billion in turnover for 2H2023, 14% lower than S\$3.9 billion in 2H2022. FY2023 turnover was at S\$7.0 billion for FY2023, 10% lower from S\$7.8 billion in FY2022. The lower turnover was mainly due to lower gas prices and lower power prices from the Gas and Related Services segment, offset by higher turnover from the Renewables and Other Businesses segments. The increase in the turnover for the Renewables segment was attributable to the acquisitions and the increased operational capacity, as well as higher contributions from the energy storage business in Singapore. Turnover for the Other Businesses and Corporate segment increased due to higher activities in the specialised construction business.

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

2b. Breakdown of sales

(S\$ million)	GROUP		
	FY2023	FY2022	+ / (-) %
Reported in First Half Year			
(i) Sales	3,658	3,901	(6)
(ii) Profit after tax before deducting NCI for continuing operations	622	398	56
(iii) Profit after tax before deducting NCI	544	499	9
Reported in Second Half Year			
(i) Sales	3,384	3,924	(14)
(ii) Profit after tax before deducting NCI for continuing operations	426	329	29
(iii) Profit after tax before deducting NCI	426	372	15

2c. Profit for the period / year

Profit for the period / year includes:

(S\$ million)	Note	GROUP			GROUP		
		2H2023	2H2022	+ / (-) %	FY2023	FY2022	+ / (-) %
Expenses							
Materials	(i)	(1,822)	(2,602)	(30)	(3,952)	(5,496)	(28)
Depreciation and amortisation	(ii)	(236)	(207)	14	(454)	(372)	22
Sub-contract cost	(iii)	(213)	(149)	43	(408)	(294)	39
Repair and maintenance		(59)	(58)	2	(133)	(102)	30
Allowance for expected credit loss	(iv)	(16)	(103)	(84)	(20)	(108)	(81)
Impairment and write-off of assets		(10)	(27)	(63)	(12)	(31)	(61)
Write-back of provision for remediation of legacy sites		2	3	(33)	2	3	(33)
Write-back of allowance for inventory obsolescence, net		8	3	167	7	*	NM
Other operating income / (expenses), net							
Changes in fair value of financial instruments	(v)	(8)	(15)	(47)	1	61	(98)
Foreign exchange gain / (loss), net		4	(2)	NM	(7)	14	NM
Gain on disposal of assets		*	1	NM	*	1	NM
Grant income (income related)		2	1	100	6	6	–
Other income	(vi)	20	57	(65)	36	88	(59)
Non-operating income and (expenses)							
DPN ¹ income	(vii)	11	–	NM	133	–	NM
Dividend income		2	2	–	2	2	–
Gain on disposal of an associate		–	–	–	5	2	150
Gain on disposal of other financial assets		2	–	NM	5	3	67
Change in fair value of other financial assets		(5)	(2)	150	(5)	(4)	25
Impairment and write-off of other investments	(viii)	–	(10)	NM	–	(10)	NM

¹ DPN denotes deferred payment note, which is the consideration for the disposal of Sembcorp Energy India Limited (SEIL) in January 2023

- (i) The decrease in materials costs was mainly due to lower gas and power costs from the Gas and Related Services segment in Singapore and the United Kingdom (UK), in line with lower turnover.
- (ii) The increase in depreciation and amortisation in 2H2023 was mainly attributable to new capacities, including additions from acquisitions during the year.

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

2c. Profit for the period / year (Cont'd)

- (iii) The sub-contract cost increase in 2H2023 corresponded to the higher business activities of the specialised construction business.
- (iv) The expected credit loss (ECL) in 2H2023 was lower at S\$16 million, mainly from the service concession receivables of Sembcorp Myingyan Power Company Limited (SMPC). SMPC's ECL charge for 2H2023 was S\$23 million compared to S\$108 million in 2H2022.
- (v) Changes in the fair value of financial instruments were mainly from foreign exchange forward contracts, non-deliverable forward, and cross-currency swaps used for managing the Group's foreign currency exposures and interest costs. The corresponding net effects from the revaluation of assets and liabilities in foreign currencies were recorded under foreign exchange gain / (loss), net.

2H2022 amount also included changes in fair value from the economic hedges used for managing the Group's gas costs, net of gains from the unwinding of hedges no longer required following the cancellation of a commitment.

- (vi) Other income in 2H2023 mainly included corporate guarantee fee income, late payment fees income and insurance compensation. The 2H2022 amount included the following: (i) a S\$23 million termination fee from the favourable outcome of arbitration in China and (ii) late payment fees of approximately S\$21 million recognised with the implementation of the equated monthly instalment by the power distribution companies in India.
- (vii) The fair value of the DPN in 2H2023 was impacted by the depreciation of the INR against SGD which resulted in a foreign exchange loss of S\$84 million in 2H2023, compared to a gain of S\$38 million in 1H2023. Excluding the foreign exchange impact, DPN income would have been S\$95 million in 2H2023.
- (viii) 2H2022 amount pertained to the impairment and write-off of investments in UK and Vietnam for project expenses incurred by the companies.

2d. Finance income and finance costs

(S\$ million)	Note	GROUP			GROUP		
		2H2023	2H2022	+ / (-) %	FY2023	FY2022	+ / (-) %
Finance income		28	24	17	57	37	54
Finance costs	(i)	(204)	(175)	17	(409)	(310)	32
<u>Included in finance costs:-</u>							
Interest paid and payable to banks and others		(191)	(162)	18	(384)	(280)	37
Fair value changes of interest rate swaps		2	-	NM	4	(2)	NM
Amortisation of capitalised transaction costs		(6)	(5)	20	(12)	(13)	(8)
Interest expense on lease liabilities		(6)	(5)	20	(11)	(10)	10
Unwind of accretion on restoration costs and financing component from contracts with customers		(3)	(3)	-	(6)	(5)	20

- (i) Higher interest expenses were mainly attributable to funding of acquisitions made during the year as well as the consolidation of the finance costs of the acquired subsidiaries and higher weighted average interest rates on borrowings, partially mitigated by fixed rate borrowings.

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

The Group's share of results of associates and joint ventures was S\$118 million and S\$264 million for 2H2023 and FY2023 respectively. The increase in share of results of associates and joint ventures from the Renewables segment in FY2023 was mainly attributable to contributions from the acquisition of Hunan Xingling New Energy Co., Ltd and Beijing Energy Sembcorp (Hainan) International Renewables Co., Ltd (BESH), as well as higher land sales in Indonesia offset by lower commercial and residential land sales in Vietnam.

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

2f. Tax expense

(S\$ million)	Note	GROUP			GROUP		
		2H2023	2H2022	+ / (-) %	FY2023	FY2022	+ / (-) %
Current tax expense							
Current year		95	79	20	192	136	41
Over provision in prior years	(i)	(37)	(43)	(14)	(36)	(43)	(16)
Foreign withholding tax		7	7	-	12	9	33
Deferred tax expense							
Movements in temporary differences		(2)	3	NM	19	11	73
(Over) / Under provision in prior years	(i)	(3)	20	NM	(6)	20	NM
Effect of changes in tax rate	(ii)	1	5	(80)	1	5	(80)
Tax expense		61	71	(14)	182	138	32

The effective tax rate for the Group's continuing operations for FY2023 was 19% (FY2022: 22%). The lower effective tax rate in FY2023 was mainly a result of higher proportion of taxable profit from Singapore (with a corporate income tax rate of 17%) against the taxable profit from the rest of the Group.

- (i) The over provision of the current tax was mainly related to tax optimisation through Group Tax Relief and write-back of tax provisions including those that were time-barred.
- (ii) This is related to the enactment of UK corporation tax rate from 19% to 25%, which took effect from 2023.

International Tax Reform – Pillar Two

Out of all the tax jurisdictions the Group operates in, four have enacted or substantively enacted new legislation to implement the global minimum top-up tax. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as current tax when it is incurred. The new legislations in the four tax jurisdictions are effective from January 1, 2024 and January 1, 2025 as follows:

Tax jurisdictions	Effective date
Netherlands, UK, and Vietnam	January 1, 2024
Malaysia	January 1, 2025

There is no current tax impact in the period ended December 31, 2023. If these new legislations had applied in 2023, there would not be any global minimum top-up tax expected in each of the above tax jurisdictions for the year ended December 31, 2023.

2g. Earnings per ordinary share

Note	GROUP			GROUP		
	2H2023	2H2022	+ / (-) %	FY2023	FY2022	+ / (-) %
Earnings per ordinary share (cents)						
(i) Based on the weighted average number of shares (in Singapore cents)	23.12	20.09	15	52.83	47.59	11
- Weighted average number of shares (in million)	1,781.7	1,782.3	*	1,783.0	1,782.6	*
(ii) On a fully diluted basis (in Singapore cents)	22.76	19.66	16	51.99	46.57	12
- Adjusted weighted average number of shares (in million)	1,809.5	1,821.0	(1)	1,812.0	1,821.8	(1)
Earnings per ordinary share (cents) – Continuing operations						
(i) Based on the weighted average number of shares (in Singapore cents)	23.12	17.67	31	57.21	39.51	45
- Weighted average number of shares (in million)	1,781.7	1,782.3	*	1,783.0	1,782.6	*
(ii) On a fully diluted basis (in Singapore cents)	22.76	17.30	32	56.29	38.66	46
- Adjusted weighted average number of shares (in million)	1,809.5	1,821.0	(1)	1,812.0	1,821.8	(1)

3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	GROUP			GROUP		
		2H2023	2H2022	+ / (-) %	FY2023	FY2022	+ / (-) %
(S\$ million)							
Profit for the period / year		426	372	15	970	871	11
Items that may be reclassified subsequently to profit or loss:							
Foreign currency translation differences for foreign operations	(i)	(127)	(463)	(73)	(154)	(559)	(72)
Exchange differences on monetary items forming part of net investment in foreign operation		(1)	(2)	(50)	2	(7)	NM
Net change in fair value of cash flow hedges	(ii)	(53)	63	NM	(56)	318	NM
Net change in fair value of cash flow hedges reclassified to profit or loss	(iii)	(11)	(166)	(93)	(3)	(341)	(99)
Realisation of reserves upon disposal of assets 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)	(10)	16	NM	1	62	(98)
Net change in fair value of cash flow hedges reclassified to cost of investment of / loan to a subsidiary		1	*	NM	1	*	NM
Income tax relating to these items		11	19	(42)	11	9	22
		(190)	(533)	(64)	(61)	(516)	(88)
Items that may not be reclassified subsequently to profit or loss:							
Defined benefit plan actuarial gains and losses		(11)	(6)	83	(11)	(7)	57
Change in fair value of financial assets at fair value through other comprehensive income (FVOCI)		(11)	(1)	NM	(6)	*	NM
Income tax relating to these items		2	2	-	2	2	-
Other comprehensive loss		(210)	(538)	(61)	(76)	(521)	(85)
Total comprehensive income / (loss) for the period / year		216	(166)	NM	894	350	155
Attributable to:							
Owners of the Company		209	(172)	NM	874	334	162
NCI		7	6	17	20	16	25
Total comprehensive income / (loss) for the period / year		216	(166)	NM	894	350	155
Total comprehensive income / (loss) attributable to owners of the Company:							
From continuing operations		209	24	NM	819	452	81
From discontinued operation		-	(196)	NM	55	(118)	NM
		209	(172)	NM	874	334	162

3a. Notes to Consolidated Statement of Comprehensive Income

- (i) 2H2023 negative change in foreign currency translation reserve (FCTR) was attributable to the depreciation of India Rupee (INR) of S\$45 million and Renminbi (RMB) of S\$18 million against Singapore dollars.
- (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) Net change in fair value of cash flow hedges reclassified to profit or loss in 2H2023 was predominantly settlement of fuel oil swaps for FY2023 and FY2022.
- (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

2H2023

	Continuing Operations						Total
	Gas and Related Services	Renewables	Integrated Urban Solutions	Decarbonisation Solutions	Other Business- es and Corporate	Elimi- nation	
<i>(S\$ million)</i>							
Turnover							
External sales	2,599	329	212	11	233	–	3,384
Inter-segment sales	23	*	13	3	6	(45)	–
Total	2,622	329	225	14	239	(45)	3,384
Results							
Earnings before interest, taxes, depreciation and amortisation ² (EBITDA)	507	251	65	(8)	(15)	(4)	796
Share of results of associates and joint ventures, net of tax	38	30	50	*	*	–	118
Adjusted EBITDA	545	281	115	(8)	(15)	(4)	914
Depreciation and amortisation	(101)	(100)	(29)	–	(6)	–	(236)
Other non-cash (expenses) / income:							
– Allowance for impairment in value of assets and assets written off, net	(5)	(2)	(3)	–	*	–	(10)
– Others	–	1	–	–	(6)	–	(5)
Finance income	31	6	11	1	47	(68)	28
Finance costs	(47)	(88)	(6)	*	(131)	68	(204)
Profit / (Loss) before tax	423	98	88	(7)	(111)	(4)	487
Tax expense	(43)	(17)	(11)	*	10	–	(61)
NCI	(6)	(3)	(5)	–	*	–	(14)
Profit attributable to owners of the Company (Net Profit / (Loss))	374	78	72	(7)	(101)	(4)	412
Capital expenditure	177	348	27	*	7	–	559

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

The EBITDA elimination amount relates to unrealised profits on the sale of Environmental Attributes across the segments with corresponding adjustment in segment assets.

4. SEGMENTAL REPORTING (Cont'd)

(i) Operating segments (Cont'd)

2H2022

	Continuing Operations						Total
	Gas and Related Services	Renewables	Integrated Urban Solutions	Decarbonisation Solutions	Other Business- es and Corporate	Elimi- nation	
<i>(S\$ million)</i>							
Turnover							
External sales	3,246	282	227	2	167	–	3,924
Inter-segment sales	24	1	5	*	2	(32)	–
Total	3,270	283	232	2	169	(32)	3,924
Results							
EBITDA	461	205	70	(1)	(53)	–	682
Share of results of associates and joint ventures, net of tax	42	22	52	(1)	*	–	115
Adjusted EBITDA	503	227	122	(2)	(53)	–	797
Depreciation and amortisation	(98)	(75)	(26)	*	(8)	–	(207)
Other non-cash (expenses) / income:							
– Impairment and write-off of investments	–	(8)	–	(2)	–	–	(10)
– Allowance for impairment in value of assets and assets written off, net	(20)	(1)	(6)	–	*	–	(27)
– Others	(1)	*	–	1	(2)	–	(2)
Finance income	16	9	9	*	38	(48)	24
Finance costs	(48)	(71)	(7)	*	(97)	48	(175)
Profit / (Loss) before tax	352	81	92	(3)	(122)	–	400
Tax expense	(39)	(19)	(9)	*	(4)	–	(71)
NCI	(6)	(5)	(3)	–	–	–	(14)
Profit / (Loss) from continuing operations	307	57	80	(3)	(126)	–	315
Profit from discontinued operation, net of tax							43
Net Profit							358
Capital expenditure	74	393	18	–	7	–	492

4. SEGMENTAL REPORTING (Cont'd)

(i) Operating segments (Cont'd)

FY2023

	Continuing Operations						Total
	Gas and Related Services	Renewables	Integrated Urban Solutions	Decarbonisation Solutions	Other Business- es and Corporate	Elimination	
<i>(S\$ million)</i>							
Turnover							
External sales	5,457	703	418	16	448	–	7,042
Inter-segment sales	50	1	17	5	11	(84)	–
Total	5,507	704	435	21	459	(84)	7,042
Results							
EBITDA	1,088	514	120	(11)	82	(4)	1,789
Share of results of associates and joint ventures, net of tax	94	88	82	*	*	–	264
Adjusted EBITDA	1,182	602	202	(11)	82	(4)	2,053
Depreciation and amortisation	(190)	(198)	(54)	*	(12)	–	(454)
Other non-cash (expenses) / income:							
– Allowance for impairment in value of assets and assets written off	(7)	(2)	(3)	–	*	–	(12)
– Others	–	1	–	–	(6)	–	(5)
Finance income	55	16	20	1	91	(126)	57
Finance costs	(95)	(174)	(12)	*	(254)	126	(409)
Profit / (Loss) before tax	945	245	153	(10)	(99)	(4)	1,230
Tax expense	(124)	(39)	(19)	*	*	–	(182)
NCI	(12)	(8)	(8)	–	*	–	(28)
Profit / (Loss) from continuing operations	809	198	126	(10)	(99)	(4)	1,020
Loss from discontinued operation, net of tax							(78)
Net Profit							942
Capital expenditure	213	595	40	*	8	–	856

The EBITDA elimination amount relates to unrealised profits on the sale of Environmental Attributes across the segments with corresponding adjustment in segment assets.

4. SEGMENTAL REPORTING (Cont'd)

(i) Operating segments (Cont'd)

FY2022

	Continuing Operations						Total
	Gas and Related Services	Renewables	Integrated Urban Solutions	Decarbonisation Solutions	Other Business- es and Corporate	Elimi- nation	
<i>(S\$ million)</i>							
Turnover							
External sales	6,547	503	444	3	328	–	7,825
Inter-segment sales	54	1	8	*	6	(69)	–
Total	6,601	504	452	3	334	(69)	7,825
Results							
EBITDA	886	353	131	(2)	(60)	–	1,308
Share of results of associates and joint ventures, net of tax	93	62	94	(1)	*	–	248
Adjusted EBITDA	979	415	225	(3)	(60)	–	1,556
Depreciation and amortisation	(184)	(124)	(53)	*	(11)	–	(372)
Other non-cash (expenses) / income:							
– (Impairment and write-off) / Write-back of other investments	–	(8)	–	(1)	–	–	(9)
– Allowance for impairment in value of assets and assets written off	(25)	(1)	(6)	–	*	–	(32)
– Others	–	*	*	–	(5)	–	(5)
Finance income	19	13	14	*	63	(72)	37
Finance costs	(92)	(130)	(13)	*	(147)	72	(310)
Profit / (Loss) before tax	697	165	167	(4)	(160)	–	865
Tax expense	(83)	(26)	(18)	*	(11)	–	(138)
NCI	(11)	(6)	(6)	–	–	–	(23)
Profit / (Loss) from continuing operations	603	133	143	(4)	(171)	–	704
Profit from discontinued operation, net of tax							144
Net Profit							848
Capital expenditure	109	488	32	–	10	–	639

4. SEGMENTAL REPORTING (Cont'd)

(i) Operating segments (Cont'd)

As at December 31, 2023

<i>(S\$ million)</i>	Gas and Related Services	Renew- ables	Integrated Urban Solutions	Decarb- onisation Solutions	Other Business- es and Corporate	Elimi- nation	Total
Assets							
Segment assets	4,844	6,272	1,440	51	3,589	(3,176)	13,020
Interests in associates and joint ventures	514	1,040	837	*	5	–	2,396
Tax assets	22	23	17	–	19	–	81
Total assets	5,380	7,335	2,294	51	3,613	(3,176)	15,497
Liabilities							
Segment liabilities	2,916	4,897	422	13	4,715	(3,172)	9,791
Tax liabilities	328	337	67	–	102	–	834
Total liabilities	3,244	5,234	489	13	4,817	(3,172)	10,625

Other Businesses and Corporate's segment assets include DPN receivable (see Note 5g).

As at December 31, 2022

<i>(S\$ million)</i>	Gas and Related Services	Renew- ables	Integrated Urban Solutions	Decarb- onisation Solutions	Other Business- es and Corporate	Elimi- nation	Total
Assets							
Segment assets	4,855	4,855	1,402	5	2,108	(2,986)	10,239
Interests in associates and joint ventures	504	870	908	*	5	–	2,287
Tax assets	17	9	19	–	17	–	62
	5,376	5,734	2,329	5	2,130	(2,986)	12,588
Assets held for sale							3,432
Total assets							16,020
Liabilities							
Segment liabilities	3,211	3,973	488	6	4,907	(2,986)	9,599
Tax liabilities	326	220	47	–	118	–	711
	3,537	4,193	535	6	5,025	(2,986)	10,310
Liabilities held for sale							1,494
Total liabilities							11,804

4. SEGMENTAL REPORTING (Cont'd)

(ii) Geographical segments

(S\$ million)	Turnover – Continuing Operations							
	2H2023		2H2022		FY2023		FY2022	
		%		%		%		%
Singapore	2,551	75	2,779	71	5,297	75	5,828	74
UK	319	10	682	17	710	10	1,165	15
China ³	176	5	181	5	364	5	301	4
India	180	5	143	3	364	5	277	4
Rest of Asia	134	4	111	3	261	4	211	3
Middle East	24	1	28	1	44	1	42	*
Other countries	*	*	*	*	2	*	1	*
Total	3,384	100	3,924	100	7,042	100	7,825	100

(S\$ million)	Capital Expenditure – Continuing Operations							
	2H2023		2H2022		FY2023		FY2022	
		%		%		%		%
Singapore	239	43	347	71	326	38	404	63
Middle East	164	29	–	–	164	19	–	–
India	90	16	27	5	249	29	52	8
UK	45	8	96	20	83	10	118	18
China ³	20	4	19	4	32	4	29	5
Rest of Asia	1	*	3	*	2	*	36	6
Other countries	–	–	–	–	–	–	–	–
Total	559	100	492	100	856	100	639	100

(S\$ million)	Non-current Assets				Total Assets			
	As at December 31, 2023		As at December 31, 2022		As at December 31, 2023		As at December 31, 2022 ⁵	
		%		%		%		%
Singapore ⁴	3,989	31	2,163	23	5,005	32	3,343	26
China ³	3,681	29	3,212	34	4,406	29	4,016	32
India	2,493	20	1,644	17	2,834	18	1,989	16
Rest of Asia	1,291	10	1,309	14	1,715	11	1,632	13
UK	800	6	828	9	970	6	1,233	10
Middle East	517	4	341	3	547	4	358	3
Other countries	20	*	15	*	20	*	17	*
Total	12,791	100	9,512	100	15,497	100	12,588	100

³ China businesses under Renewables and Integrated Urban Solutions segments comprise associates or joint ventures that are accounted for under the equity method

⁴ The amounts as at December 31, 2023 included the DPN receivable (see Note 5g)

⁵ Excluded amount for disposal group held for sale (see Note 5i)

The increase in assets in FY2023 for China and India was mainly attributable to the acquisitions of subsidiaries during the year.

4. SEGMENTAL REPORTING (Cont'd)

Notes to Segmental Analysis

4a. Operating segments

Sembcorp Industries (Sembcorp) is a leading energy and urban solutions provider. In November 2023, the Group announced its 2023 – 2028 strategic plan, reaffirming its commitment to transform its portfolio from brown to green.

The Group will play its part in achieving a low-carbon future through a responsible energy transition. The Gas and Related Services segment continues to provide reliable energy. Its significantly contracted position provides earnings visibility, to fund the Group's renewables growth as well as the development of decarbonisation solutions.

The Group has categorised 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. The Group's businesses are categorised into the five main segments with comparatives segment information re-presented. These five main segments are:

- (i) The Gas and Related Services 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). This segment also includes sale of water products from its integrated assets.
- (ii) The Renewables segment's principal activities are the provision of self-generated electricity from solar and wind resources, energy storage, 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.
- (iii) 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.
- (iv) The Decarbonisation Solutions segment includes the trading of Energy Attribute Certificates, low-carbon feedstock (green hydrogen and ammonia), power imports and carbon capture, utilisation and storage (CCUS) businesses.
- (v) 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, Rest of Asia, China 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

	2H2023	2H2022	Growth		FY2023	FY2022	Growth	
<i>(S\$ million)</i>				%				%
Adjusted EBITDA	914	797	117	15	2,053	1,556	497	32
Profit before EI	416	350	66	19	1,018	739	279	38
EI – (Expense) / Income	(4)	(35)	31	(89)	2	(35)	37	NM
Profit from continuing operations	412	315	97	31	1,020	704	316	45

Adjusted EBITDA of the Group was S\$914 million in 2H2023, S\$117 million or 15% higher than S\$797 million in 2H2022. This was led by stronger results from the Gas and Related Services and Renewables segments, as well as the specialised construction business and lower corporate costs under the Other Business and Corporate segment.

4. SEGMENTAL REPORTING (Cont'd)

4d. Review of segment performance

Gas and Related Services

	2H2023	2H2022	Growth		FY2023	FY2022	Growth	
(S\$ million)				%				%
Adjusted EBITDA	545	503	42	8	1,182	979	203	21
Profit before EI	374	326	48	15	809	622	187	30
EI – (Expense)	–	(19)	19	NM	–	(19)	19	NM
Net Profit	374	307	67	22	809	603	206	34

Adjusted EBITDA

Adjusted EBITDA of S\$545 million in 2H2023 was S\$42 million or 8% higher than S\$503 million in 2H2022. The increase was mainly attributable to better performance from the gas contracts in Singapore offset by lower contribution from the UK merchant plants due to lower power prices. In 2H2022, EBITDA included a higher ECL charge on the receivables for SMPC and a gain from the unwinding of hedges no longer required.

Profit before EI

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

EI – (Expense)

2H2022 EI expense was from the impairment of a woodchip boiler and other facilities in Singapore.

Renewables

	2H2023	2H2022	Growth		FY2023	FY2022	Growth	
(S\$ million)				%				%
Adjusted EBITDA [^]	281	227	54	24	602	415	187	45
Profit before EI [^]	82	65	17	26	201	141	60	43
EI – (Expense)	(4)	(8)	4	(50)	(3)	(8)	5	(63)
Net Profit [^]	78	57	21	37	198	133	65	49

Adjusted EBITDA[^]

2H2023 adjusted EBITDA of S\$281 million was S\$54 million or 24% higher than 2H2022. The increase was mainly attributable to the profit contributions from the increased capacity in Singapore and acquisitions during the year in India and China, net of the absence of late payment fees of approximately S\$21 million recognised in India in 2H2022.

Profit before EI[^]

Profit before EI of S\$82 million in 2H2023 was an increase of S\$17 million over 2H2022, driven by the higher adjusted EBITDA. The better 2H2023 net profit was reduced by the consolidation of the depreciation and amortisation charges as well as the finance costs of the newly acquired subsidiaries.

[^] The amounts were before the elimination of unrealised profits on the sale of Environmental Attributes of S\$1 million (2022: S\$Nil) across the segments

4. SEGMENTAL REPORTING (Cont'd)

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

Integrated Urban Solutions

	2H2023	2H2022	Growth		FY2023	FY2022	Growth	
(S\$ million)				%				%
Adjusted EBITDA	115	122	(7)	(6)	202	225	(23)	(10)
Profit before EI	72	87	(15)	(17)	121	150	(29)	(19)
EI – (Expense) / Income	–	(7)	7	NM	5	(7)	12	NM
Net Profit	72	80	(8)	(10)	126	143	(17)	(12)

Adjusted EBITDA

2H2023 adjusted EBITDA of S\$115 million was S\$7 million lower than 2H2022 of S\$122 million. The lower adjusted EBITDA was mainly attributable to the absence of (i) a one-off termination fee received from a customer of the water business in China in 2H2022 and (ii) a one-time recognition of return on investment upon Urban's disposal of its investment in China.

On a comparable basis, 2H2023 was an improvement over 2H2022 with improvement from its total water solution business in China and cost savings.

Profit before EI

Profit before EI growth in 2H2023 on a comparable basis was broadly in line with the growth in adjusted EBITDA.

Decarbonisation Solutions

	2H2023	2H2022	Growth		FY2023	FY2022	Growth	
(S\$ million)				%				%
Adjusted EBITDA [#]	(8)	(2)	(6)	300	(11)	(3)	(8)	267
Loss before EI [#]	(7)	(2)	(5)	250	(10)	(3)	(7)	233
EI – (Expense)	–	(1)	1	NM	–	(1)	1	NM
Net Loss [#]	(7)	(3)	(4)	133	(10)	(4)	(6)	150

Adjusted EBITDA[#] & Loss before EI[#]

2H2023 adjusted EBITDA and loss before EI represent the startup cost, which includes the cost incurred to scale up capabilities.

[#] The amounts were before the elimination of unrealised profits on the sale of Environmental Attributes of S\$3 million (2022: S\$Nil) across the segments

Other Businesses and Corporate

	2H2023	2H2022	Growth		FY2023	FY2022	Growth	
(S\$ million)				%				%
Adjusted EBITDA	(15)	(53)	38	(72)	82	(60)	142	NM
- Other businesses	23	15			43	33		
- Net corporate costs	(49)	(68)			(94)	(93)		
- DPN income	11	–			133	–		
Net (Loss) / Profit	(101)	(126)	25	(20)	(99)	(171)	72	(42)
- Other businesses	16	13			31	23		
- Net corporate costs	(38)	(76)			(87)	(103)		
- Corporate finance costs	(90)	(63)			(176)	(91)		
- DPN income	11	–			133	–		

Adjusted EBITDA

Adjusted EBITDA increased in 2H2023 mainly due to the DPN income post divestment of SEIL (see Note 2(c)(vii)), better performance from the specialised construction business with increased construction activities and lower corporate spend.

Net (Loss) / Profit

The higher adjusted EBITDA was reduced by the higher net finance cost arising from funding of new acquisitions and a higher interest rate environment, mitigated by fixed rate borrowings and lower tax which included write-back of tax provisions for those that were time-barred.

5. BALANCE SHEETS

Following the acquisitions of three subsidiaries in the Year 2023, their financials were consolidated, which explains the main difference in the balances of assets and liabilities (see Note 7b on the effect of the acquisitions).

(S\$ million)	Note	GROUP		COMPANY	
		As at December 31, 2023	As at December 31, 2022	As at December 31, 2023	As at December 31, 2022
Property, plant and equipment	5c	6,465	5,305	350	348
Investment properties	5d	153	133	–	–
Investments in subsidiaries		–	–	2,498	2,309
Associates and joint ventures	5e	2,396	2,287	–	–
Intangible assets	5f	952	697	29	27
DPN receivable	5g	1,816	–	–	–
Trade and other receivables		811	855	*	1
Other investments and derivative assets	5h	132	183	1	–
Deferred tax assets		66	52	–	–
Non-current assets		12,791	9,512	2,878	2,685
Inventories		135	137	7	9
Trade and other receivables		1,674	1,564	117	119
Contract assets		15	29	–	–
Other investments and derivative assets	5h	114	89	*	*
Contract costs		1	3	–	–
Cash and cash equivalents		767	1,254	288	239
Current assets		2,706	3,076	412	367
Assets held for sale	5i	–	3,432	–	*
Total assets		15,497	16,020	3,290	3,052
Trade and other payables		1,630	1,715	289	144
Contract liabilities		171	139	1	2
Derivative liabilities	5h	63	99	*	–
Provisions		77	42	35	17
Current tax payable		236	219	21	30
Lease liabilities		18	17	11	10
Loans and borrowings	5a	1,281	1,096	–	–
Current liabilities		3,476	3,327	357	203
Liabilities held for sale	5i	–	1,494	–	–
Net current (liabilities) / assets		(770)	1,687	55	164
Other long-term payables		121	93	1,392	1,379
Contract liabilities		80	69	37	25
Derivative liabilities	5h	20	23	–	–
Provisions		65	62	17	24
Deferred tax liabilities		598	492	20	25
Lease liabilities		292	270	104	107
Loans and borrowings	5a	5,973	5,974	–	–
Non-current liabilities		7,149	6,983	1,570	1,560
Total liabilities		10,625	11,804	1,927	1,763
Net assets		4,872	4,216	1,363	1,289

5. BALANCE SHEETS (Cont'd)

(S\$ million)	Note	GROUP		COMPANY	
		As at December 31, 2023	As at December 31, 2022	As at December 31, 2023	As at December 31, 2022
Equity attributable to owners of the Company:					
Share capital		566	566	566	566
Other reserves		(704)	(639)	(43)	(12)
Revenue reserve		4,726	4,050	840	735
Total		4,588	3,977	1,363	1,289
Non-controlling interests		284	239	–	–
Total equity		4,872	4,216	1,363	1,289

5a. Group's borrowings and debt securities

(S\$ million)	As at December 31, 2023	As at December 31, 2022
Loans and borrowings repayable:		
(i) <u>In one year or less, or on demand</u>		
Secured	293	261
Unsecured	988	835
	<u>1,281</u>	<u>1,096</u>
(ii) <u>Between one to five years</u>		
Secured	785	709
Unsecured	2,395	2,884
	<u>3,180</u>	<u>3,593</u>
(iii) <u>After five years</u>		
Secured	833	1,008
Unsecured	1,960	1,373
	<u>2,793</u>	<u>2,381</u>
Total	<u>7,254</u>	<u>7,070⁶</u>
(iv) The secured loans are collateralised by the following assets' net book value:		
Equity shares of subsidiaries, property, plant and equipment, and other assets	1,895	3,059
	<u>1,895</u>	<u>3,059</u>

⁶ As at December 31, 2022, SEIL's borrowing of S\$1,172 million was presented under liabilities held for sale (see Note 5i)

The increase in borrowings was mainly for financing of the acquisitions made during the year and consolidation of underlying borrowings of the subsidiaries acquired. In 2023, the Group has issued S\$350 million green bond and as at December 31, 2023, S\$750 million, representing 100% of the total S\$750 million green bonds issued, has been deployed to eligible green projects under the Sembcorp Green Financing Framework that meet Climate Bonds Initiative sector-specific technical criteria.

The Group expects its interest cost for the sustainability-linked notes to maintain as disclosed as the Group is on track to achieve its 2025 target[†] for gross installed capacity and carbon emissions intensity. At December 31, 2023, the Group's renewable assets' gross installed capacity was at 9.4GW, compared to the target of 10GW, and has reduced its carbon emission to an indicative level of 0.29 tonnes of carbon dioxide emission per megawatt-hour (tCO₂e/MWh), ahead of the target of 0.40 tCO₂e/MWh.

[†] 2025 targets were set in May 2021

5. BALANCE SHEETS (Cont'd)

5a. Group's borrowings and debt securities (Cont'd)

Financial guarantee

Group

The Group has provided guarantees to banks to secure banking facilities provided to joint ventures. There are no terms and conditions attached to the guaranteed contracts that would have a material effect on the amount, timing and uncertainty of the Group's and Company's future cash flows.

The Group, prior to the disposal of its subsidiary, SEIL, had extended corporate guarantees in favour of some of its lenders. To facilitate SEIL in obtaining its lenders' consent for the change in its shareholders, these corporate guarantees amounting to S\$1,305 million are extended at a fee pegged to market, post divestment. The fair value of the financial guarantee contract is determined using the interest rate differential approach. As such, the guarantee fees receivable approximate the financial guarantee liability. The guarantee fees are payable quarterly in arrears. Applying the net approach, the fair value of the financial guarantee contract is negligible.

For other financial guarantees given, the Group determines the fair value of those financial guarantees using the discounted cash flow approach. The Group believes the joint venture has sufficient resources to fulfil its obligations and the Group does not consider it probable that a claim will be made against the Group under the guarantee. As such, the fair values of these financial guarantee contracts are negligible.

The details of the financial guarantees given at balance sheet date were:

	GROUP	
<i>(S\$ million)</i>	As at December 31, 2023	As at December 31, 2022
Guarantees given to banks to secure banking facilities provided to:		
– Joint ventures	49	25
– SEIL	1,305	–
– Others	1	*
	1,355	25
The periods in which the financial guarantees expire are as follows:		
– Less than 1 year	318	25
– Between 1 year to 5 years	503	*
– More than 5 years	534	–
	1,355	25

Company

The Company has provided guarantees to banks to secure banking facilities provided to a wholly-owned subsidiary, Sembcorp Financial Services Pte Ltd. The intra-group financial guarantees granted by the Company amount to S\$11,686 million (December 31, 2022: S\$8,831 million), with S\$3,732 million (December 31, 2022: S\$4,139 million) drawn down as at balance sheet date. The Company uses the interest rate differential approach to determine the fair value of these financial guarantees and has deemed them to be not material.

	COMPANY	
<i>(S\$ million)</i>	As at December 31, 2023	As at December 31, 2022
The periods in which the financial guarantees expire are as follows:		
– Less than 1 year	376	800
– Between 1 year to 5 years	1,430	1,963
– More than 5 years	1,926	1,376
	3,732	4,139

5. BALANCE SHEETS (Cont'd)

5b. Net asset value

	GROUP		COMPANY	
	As at December 31, 2023	As at December 31, 2022	As at December 31, 2023	As at December 31, 2022
Net asset value per ordinary share based on issued share capital at the end of the financial period (in S\$)	2.58	2.24	0.77	0.73

The Group's net asset value has increased mainly from the net profit for the year, excluding the impact of the realisation of reserves upon divestment of SEIL (see Note 7c) and dividend paid during the period.

5c. Property, plant and equipment

In FY2023, the Group acquired assets amounting to S\$1,666 million (FY2022: S\$1,651 million), with S\$789 million (FY2022: S\$932 million) from acquisition of subsidiaries in the Renewables segment.

In FY2023, the Group revised its estimates for the useful lives of certain assets 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	7	7	7	3	24
Depreciation based on revised useful life till 1Q2024	19	5	–	–	24
Increase / (decrease) in depreciation expense and decrease / (increase) in profit before tax	12	(2)	(7)	(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 December 31, 2023.

In FY2023, there were S\$29 million of acquisitions and S\$1 million of disposals (FY2022: S\$14 million of acquisitions and less than S\$1 million of disposals).

The fair value of the investment properties as at December 31, 2023 was S\$204 million (December 31, 2022: S\$187 million).

5. BALANCE SHEETS (Cont'd)

5e. Associates and joint ventures

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

On March 7, 2023, 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 December 31, 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 of the recoverability of CSZ and as at December 31, 2023, the Group's share of unrecognised losses was S\$11 million (December 31, 2022: S\$22 million).

5f. Intangible assets

(S\$ million)	GROUP						Total
	Goodwill	Service concession arrangements	Long-term contracts	Power generation permits	Carbon allowances	Others	
Cost							
Balance at January 1, 2023	235	51	182	393	78	65	1,004
Translation adjustments	(1)	(2)	2	(17)	3	(3)	(18)
Additions	–	*	–	–	32	9	41
Acquisition of subsidiaries	95	–	164	90	–	–	349
Disposals	–	*	–	–	(72)	*	(72)
Transfer from other category of asset	–	*	–	–	–	1	1
Write-off	*	*	–	–	–	*	*
Balance at December 31, 2023	329	49	348	466	41	72	1,305
Accumulated amortisation and impairment							
Balance at January 1, 2023	109	27	117	9	–	45	307
Translation adjustments	4	(4)	5	(1)	–	*	4
Amortisation charge for the year	–	3	14	17	–	8	42
Disposals	–	*	–	–	–	*	*
Write-off	–	*	–	–	–	*	*
Balance at December 31, 2023	113	26	136	25	–	53	353
Carrying amount							
At January 1, 2023	126	24	65	384	78	20	697
At December 31, 2023	216	23	212	441	41	19	952

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

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

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

<i>(S\$ million)</i>	COMPANY		
	Goodwill	Others	Total
Cost			
Balance at January 1, 2023	19	31	50
Additions	–	5	5
Balance at December 31, 2023	19	36	55
Accumulated amortisation and impairment			
Balance at January 1, 2023	–	23	23
Amortisation charge for the period	–	3	3
Balance at December 31, 2023	–	26	26
Carrying amount			
At January 1, 2023	19	8	27
At December 31, 2023	19	10	29

Goodwill

There have been no changes to the goodwill allocated to cash generating units, except for the increase in goodwill mainly arising from the acquisitions during the year, determined on a provisional basis (see Note 7b). There were no impairment indicators noted as at December 31, 2023.

5g. **DPN receivable**

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

The DPN bears interest at a rate per annum equal to 1.8% plus a benchmark rate equal to the Indian government's 10-year bond yield spot rate, minus a greenhouse gas emissions intensity reduction incentive rate.

The balance as at December 31, 2023, of S\$1,816 million included a fair value gain of S\$133 million for the year, net of receipts of S\$355 million consisting of principal and interest repayment.

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

<i>(S\$ million)</i>	As at December 31, 2023	As at December 31, 2022
Financial assets at amortised cost	10	18
Financial assets at FVOCI	46	53
Other financial assets at fair value through profit or loss (FVTPL)	94	69
Derivative assets	96	132
Other investments and derivative assets	246	272
Derivative liabilities	83	122

There were no significant changes to the other financial assets and liabilities, except for the settlement of the derivative financial assets and liabilities during the year.

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

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

(i) **Group**

Current assets / liabilities

“Trade and other receivables” included subsidies on energy production received by renewables companies in China. As of the date of the report, receipts of certain of these receivables are pending the final verification results from the regulators. The increase in trade and other receivables is also attributable to new contracts signed with key customers during the year.

The Group’s net current liabilities position as at December 31, 2023, was transitional as the Group will be refinancing and/or repaying its borrowings as and when due within the next 12 months (see Note 8a).

Non-current liabilities

“Deferred tax liabilities” increased mainly from assets recognised in business combination as well as for fair value adjustments.

(ii) **Company**

Non-current assets

“Investment in subsidiaries” increased due to additional capital injections during the year.

Current liabilities

“Trade and other payables” increased mainly due to loan obtained from a related company of S\$145 million.

6. STATEMENTS OF CHANGES IN EQUITY

6a. Statement of Changes in Equity of the Group

(S\$ million)	Attributable to Owners of the Company							Total equity
	Share capital	Reserve for own shares	Foreign currency translation reserve	Others	Revenue reserve	Total	Non-controlling interests	
FY2023								
At January 1, 2023	566	(31)	(957)	349	4,050	3,977	239	4,216
Profit for the period	–	–	–	–	530	530	14	544
Other comprehensive income								
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 associates	–	–	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
Total comprehensive income	–	–	405	(238)	498	665	13	678
Transactions with owners of the Company, recognised directly in equity								
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)
Total transactions with owners	–	24	–	(32)	(143)	(151)	15	(136)
At June 30, 2023	566	(7)	(552)	79	4,405	4,491	267	4,758

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

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

(S\$ million) FY2023 (Cont'd)	Attributable to Owners of the Company						Non-controlling interests	Total equity
	Share capital	Reserve for own shares	Foreign currency translation reserve	Others	Revenue reserve	Total		
Profit for the period	-	-	-	-	412	412	14	426
Other comprehensive income								
Foreign currency translation differences for foreign operations	-	-	(120)	-	-	(120)	(7)	(127)
Exchange differences on monetary items forming part of net investment in foreign operations	-	-	(1)	-	-	(1)	-	(1)
Net change in fair value of cash flow hedges	-	-	-	(43)	-	(43)	*	(43)
Net change in fair value of cash flow hedges reclassified to profit or loss	-	-	-	(10)	-	(10)	-	(10)
Net change in fair value of financial assets at fair value through other comprehensive income	-	-	-	(11)	-	(11)	-	(11)
Net change in fair value of cash flow hedges reclassified to cost of investment of / loan to a subsidiary	-	-	-	1	-	1	-	1
Transfer of reserves	-	-	1	(5)	4	-	-	-
Defined benefit plan actuarial gains and losses	-	-	-	-	(9)	(9)	*	(9)
Share of other comprehensive income of associates and joint ventures	-	-	-	(12)	2	(10)	-	(10)
Total other comprehensive income	-	-	(120)	(80)	(3)	(203)	(7)	(210)
Total comprehensive income	-	-	(120)	(80)	409	209	7	216
Transactions with owners of the Company, recognised directly in equity								
Share issuance	-	-	-	-	-	-	11	11
Purchase of treasury shares	-	(35)	-	-	-	(35)	-	(35)
Share-based payments	-	-	-	11	-	11	-	11
Treasury shares transferred to employees	-	2	-	(2)	-	-	-	-
Dividend paid / payable	-	-	-	-	(88)	(88)	(1)	(89)
Total transactions with owners	-	(33)	-	9	(88)	(112)	10	(102)
At December 31, 2023	566	(40)	(672)	8	4,726	4,588	284	4,872

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

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

(S\$ million)	Attributable to Owners of the Company							Non-controlling interests	Total equity
	Share capital	Reserve for own shares	Foreign currency translation reserve	Others	Revenue reserve	Total			
FY2022									
At January 1, 2022	566	(15)	(401)	268	3,349	3,767	151	3,918	
Profit for the period	–	–	–	–	490	490	9	499	
Other comprehensive income									
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	
Transfer of reserves	–	–	(2)	–	2	–	–	–	
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	
Total other comprehensive income	–	–	(102)	115	3	16	1	17	
Total comprehensive income	–	–	(102)	115	493	506	10	516	
Transactions with owners of the Company, recognised directly in equity									
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)	
Total transactions with owners	–	11	–	(8)	(54)	(51)	72	21	
At June 30, 2022	566	(4)	(503)	375	3,788	4,222	233	4,455	

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

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

(S\$ million) FY2022 (Cont'd)	Attributable to Owners of the Company						Non-controlling interests	Total equity
	Share capital	Reserve for own shares	Foreign currency translation reserve	Others	Revenue reserve	Total		
Profit for the period	-	-	-	-	358	358	14	372
Other comprehensive income								
Foreign currency translation differences for foreign operations	-	-	(452)	-	-	(452)	(11)	(463)
Exchange differences on monetary items forming part of net investment in foreign operations	-	-	(2)	-	-	(2)	-	(2)
Net change in fair value of cash flow hedges	-	-	-	55	-	55	3	58
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)
Net change in fair value of cash flow hedges reclassified to cost of investment of a subsidiary	-	-	-	*	-	*	-	*
Transfer of reserves	-	-	-	20	(20)	-	-	-
Defined benefit plan actuarial gains and losses	-	-	-	-	(4)	(4)	*	(4)
Share of other comprehensive income of associates and joint ventures	-	-	-	18	(2)	16	-	16
Total other comprehensive income	-	-	(454)	(50)	(26)	(530)	(8)	(538)
Total comprehensive income	-	-	(454)	(50)	332	(172)	6	(166)
Transactions with owners of the Company, recognised directly in equity								
Purchase of treasury shares	-	(27)	-	-	-	(27)	-	(27)
Share issuance	-	-	-	-	-	-	5	5
Share-based payments	-	-	-	24	-	24	-	24
Dividend paid / payable	-	-	-	-	(71)	(71)	(5)	(76)
Unclaimed dividends	-	-	-	-	1	1	-	1
Total transactions with owners	-	(27)	-	24	(70)	(73)	*	(73)
At December 31, 2022	566	(31)	(957)	349	4,050	3,977	239	4,216

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

6b. Statement of Changes in Equity of the Company

(S\$ million)	Attributable to Owners of the Company				Total equity
	Share capital	Reserve for own shares	Others	Revenue reserve	
FY2023					
At January 1, 2023	566	(31)	19	735	1,289
Profit for the period	-	-	-	28	28
Total comprehensive income	-	-	-	28	28
Transactions with owners of the Company, recognised directly in equity					
Purchase of treasury shares	-	(26)	-	-	(26)
Treasury shares transferred to employees	-	50	(50)	-	-
Share-based payments	-	-	18	-	18
Dividend paid / payable	-	-	-	(143)	(143)
Total transactions with owners	-	24	(32)	(143)	(151)
At June 30, 2023	566	(7)	(13)	620	1,166
Profit for the period	-	-	-	308	308
Other comprehensive income					
Net change in fair value of cash flow hedges	-	-	1	-	1
Total comprehensive income	-	-	1	308	309
Transactions with owners of the Company, recognised directly in equity					
Purchase of treasury shares	-	(35)	-	-	(35)
Treasury shares transferred to employees	-	2	(2)	-	-
Share-based payments	-	-	11	-	11
Dividend paid / payable	-	-	-	(88)	(88)
Total transactions with owners	-	(33)	9	(88)	(112)
At December 31, 2023	566	(40)	(3)	840	1,363

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

6b. Statement of Changes in Equity of the Company (Cont'd)

(S\$ million)	Attributable to Owners of the Company				Total equity
	Share capital	Reserve for own shares	Others	Revenue reserve	
FY2022					
At January 1, 2022	566	(15)	5	826	1,382
Profit for the period	–	–	–	37	37
Total comprehensive income	–	–	–	37	37
Transactions with owners of the Company, recognised directly in equity					
Treasury shares transferred to employees	–	11	(11)	–	–
Share-based payments	–	–	3	–	3
Dividend paid / payable	–	–	–	(54)	(54)
Total transactions with owners	–	11	(8)	(54)	(51)
At June 30, 2022	566	(4)	(3)	809	1,368
Profit for the period	–	–	–	(4)	(4)
Total comprehensive income	–	–	–	(4)	(4)
Transactions with owners of the Company, recognised directly in equity					
Purchase of treasury shares	–	(27)	–	–	(27)
Share-based payments	–	–	22	–	22
Dividend paid / payable	–	–	–	(71)	(71)
Unclaimed dividends	–	–	–	1	1
Total transactions with owners	–	(27)	22	(70)	(75)
At December 31, 2022	566	(31)	19	735	1,289

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

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	1,787,547,732	1,991,241
Treasury shares purchased	–	6,903,000
Treasury shares transferred pursuant to share plan	–	(604,258)
At December 31, 2023	1,787,547,732	8,289,983

Issued and paid-up capital

As at December 31, 2023, the Company's issued and paid-up capital excluding treasury shares comprised 1,779,257,749 (December 31, 2022: 1,776,783,784) ordinary shares.

Treasury shares

During 2H2023, the Company acquired 6,903,000 (2H2022: 8,947,300) ordinary shares by way of on-market purchases. 604,258 (2H2022: 97,317) treasury shares were re-issued pursuant to Performance Share Plan (PSP) and Restricted Share Plan (RSP).

As at December 31, 2023, there were 8,289,983 (December 31, 2022: 10,763,948) 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	18,025,746
Performance shares awarded due to achievement of targets	716,340
Performance shares released	(543,800)
Performance shares lapsed	(1,790,440)
At December 31, 2023	16,407,846

During 2H2023, 716,340 (2H2022: nil) performance shares were awarded under the Company's PSP, 543,800 (2H2022: 19,900) performance shares were released by way of cash-settled and 1,790,440 (2H2022: 505,994) performance shares lapsed.

The total number of performance shares granted conditionally but not released as at December 31, 2023 was 16,407,846 (December 31, 2022: 22,711,791). Based on the achievement factor, the actual release of the awards could range from zero to a maximum of 24,742,626 (December 31, 2022: 34,557,122) performance shares.

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

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

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	-	3,077,922	3,077,922
Restricted shares awarded	-	46,225	46,225
Restricted shares released	-	(60,458)	(60,458)
At December 31, 2023	-	3,063,689	3,063,689

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 2H2023, 46,225 (2H2022: 97,317) restricted shares were awarded under the RSP, 60,458 (2H2022: 186,333) restricted shares were released and nil (2H2022: 132,417) restricted shares lapsed. Of the restricted shares released, 60,458 (2H2022: 97,317) were settled by way of issuance of treasury shares and nil (2H2022: 89,016) were cash-settled.

The total number of restricted shares outstanding for awards achieved but not released as at December 31, 2023 was 3,063,689 (December 31, 2022: 4,072,047).

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. The actual release of the conditional awards is a maximum of 3,063,689 (December 31, 2022: 4,072,047) restricted shares.

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

7. CONSOLIDATED STATEMENT OF CASH FLOWS

(S\$ million)	Note	GROUP		GROUP	
		2H2023	2H2022	FY2023	FY2022
Cash Flows from Operating Activities					
Profit / (Loss) for the period / year:					
Continuing operations		426	329	1,048	727
Discontinued operation		–	43	(78)	144
Adjustments for:					
DPN income		(11)	–	(133)	–
Dividend income		(2)	(2)	(2)	(2)
Finance income		(28)	(38)	(57)	(54)
Finance costs		204	250	409	444
Depreciation and amortisation		236	242	454	461
Amortisation of deferred income and capital grants		(4)	(1)	14	(4)
Share of results of associates and joint ventures, net of tax		(118)	(115)	(264)	(248)
Gain on disposal of property, plant and equipment, intangible assets and other financial assets		(3)	–	(5)	(4)
Loss on disposal of assets held for sale		–	–	78	–
Gain on disposal of associates		–	–	(5)	*
Changes in fair value of financial instruments and other financial assets		6	2	6	4
Inventories written down, written off and allowance for stock obsolescence, net		–	(3)	–	–
Equity settled share-based compensation expenses		11	24	29	27
Impairment of intangible assets		–	–	–	–
Allowance made for impairment loss in value of assets and assets written off, net		10	26	12	31
Negative goodwill		(1)	–	(1)	–
Tax expense		61	73	182	166
Operating profit before working capital changes		787	830	1,687	1,692
Changes in working capital:					
Inventories		28	147	2	(51)
Receivables		56	365	155	277
Payables		(95)	(234)	(230)	(212)
Contract costs		*	(2)	*	(2)
Contract assets		13	(10)	14	(1)
Contract liabilities		23	22	43	13
		812	1,118	1,671	1,716
Tax paid		(73)	(27)	(190)	(64)
Net cash from operating activities		739	1,091	1,481	1,652

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

(S\$ million)	Note	GROUP		GROUP	
		2H2023	2H2022	FY2023	FY2022
Cash Flows from Investing Activities					
Dividend received		105	75	166	95
Interest received		32	36	58	51
Proceeds from sale of other financial assets and business		402	386	698	617
Proceeds from sale of property, plant and equipment		5	2	5	2
Proceeds from sale of intangible assets		–	*	*	*
DPN receipts		313	–	355	–
Proceeds from disposal of investment in joint ventures and associates		–	–	–	12
Acquisition of subsidiaries, business and intangible assets, net of cash acquired	7b	(101)	–	(502)	(350)
Acquisition of additional investments in joint ventures and associates		(20)	(240)	(148)	(630)
Acquisition of other financial assets		(393)	(384)	(674)	(567)
Purchase of property, plant and equipment and investment properties		(461)	(438)	(826)	(608)
Purchase of intangible assets		(9)	(4)	(10)	(7)
Net cash used in investing activities		(127)	(567)	(878)	(1,385)
Cash Flows from Financing Activities					
Proceeds from shares issued to NCI of subsidiaries		11	5	30	21
Purchase of treasury shares		(35)	(27)	(61)	(27)
Proceeds from borrowings		2,074	1,608	4,034	3,854
Repayment of borrowings		(2,479)	(1,730)	(4,450)	(3,544)
Payment on lease liabilities		(11)	(12)	(21)	(23)
Dividends paid to owners of the Company		(88)	(71)	(231)	(125)
Dividends paid to NCI of subsidiaries		(1)	(7)	(5)	(12)
(Payment) / Receipt in restricted cash held as collateral		(2)	1	(27)	39
Payment on contingent consideration		–	–	(12)	–
Interest paid		(178)	(215)	(356)	(386)
Net cash used in financing activities		(709)	(448)	(1,099)	(203)
Net (decrease) / increase in cash and cash equivalents		(97)	76	(496)	64
Cash and cash equivalents at beginning of the period / year		849	1,259	1,246	1,297
Effect of exchange rate changes on balances held in foreign currency		(20)	(53)	(18)	(79)
Cash and cash equivalents at end of the period / year (including held for sale)		732	1,282	732	1,282
Cash and cash equivalents classified as held for sale		–	(36)	–	(36)
Cash and cash equivalents at end of the period / year	7a	732	1,246	732	1,246

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 December 31, 2023	As at December 31, 2022
Fixed deposits with banks	242	398
Cash and bank balances	525	856
Cash and cash equivalents in the balance sheets	767	1,254
Restricted bank balances held as collateral by banks	(35)	(8)
Cash and cash equivalents in the consolidated statement of cash flows	732	1,246

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

7b. Cash flow on acquisition of subsidiary and business, net of cash acquired

On January 11, 2023, the Group completed the acquisition of a 100% interest in Vector Green Energy Private Limited (Vector Green), which consists of a portfolio of solar and wind assets. On December 6, 2023 and December 28, 2023, the Group completed the acquisition of a 100% interest in Qinzhou Yuanneng Wind Power Co., Ltd (Qinzhou Yuanneng) and Binyang County Santai Energy Technology Co., Ltd (Binyang Santai) (collectively China subsidiaries) respectively. These acquisitions will support the Group in achieving its 2028 target of attaining 25GW gross installed capacity in renewable energy, aligning with its transition from brown to green.

Vector Green contributed a turnover of S\$89 million and a profit of S\$18 million to the Group's results. As the completion date was in January 2023, management estimated that the change in contribution to turnover and profit for the year would not have been material if the acquisition was completed on January 1, 2023.

The China subsidiaries contributed a turnover of S\$5 million and a profit of S\$3 million to the Group's results. As the projects only achieved commercial operation in 4Q2023, management estimated that the contribution to turnover and profit for the year would not have been material should the acquisition be completed on January 1, 2023.

On June 1, 2022, the Group completed the acquisition of a 98% interest in Sembcorp Huiyang New Energy (Shenzhen) Co., Ltd (HYNE). HYNE contributed turnover of S\$86 million and profit of S\$18 million to the Group's results for the period from June 1, 2022 to December 31, 2022. If the completion of the acquisition was to occur on January 1, 2022, management estimated that the consolidated turnover and profit for the full year ended December 31, 2022, would have increased from S\$7,825 million to S\$7,904 million and from S\$871 million to S\$900 million, respectively.

<i>(S\$ million)</i>	Vector Green (Note (i)) FY2023	China Subsidiaries (Note (i)) FY2023	Total FY2023	HYNE (Note (ii)) FY2022
Purchase consideration				
Cash paid	450	112	562	445
Contingent and deferred consideration	–	35	35	235
Consideration transferred for the businesses	<u>450</u>	<u>147</u>	<u>597</u>	<u>680</u>
Effect on cash flows of the Group				
Cash paid	450	112	562	445
Less: Cash and cash equivalents in subsidiaries acquired	(49)	(11)	(60)	(95)
Cash outflow on acquisition	<u>401</u>	<u>101</u>	<u>502</u>	<u>350</u>
Identifiable assets acquired and liabilities assumed⁷				
Property, plant and equipment	470	319	789	932
Intangible assets	164	90	254	415
Deferred tax assets	2	–	2	*
Trade and other receivables	72	33	105	434
Other investments and derivative assets	57	–	57	
Cash and cash equivalents	49	11	60	95
Total assets	<u>814</u>	<u>453</u>	<u>1,267</u>	<u>1,876</u>
Trade and other payables	36	13	49	168
Borrowings	354	262	616	881
Lease liabilities	7	4	11	11
Current tax payable	–	–	–	3
Deferred tax liabilities	65	27	92	104
Total liabilities	<u>462</u>	<u>306</u>	<u>768</u>	<u>1,167</u>
Identifiable net assets	352	147	499	709
Less: NCI measured on proportionate basis	–	–	–	(62)
Identifiable net assets acquired	<u>352</u>	<u>147</u>	<u>499</u>	<u>647</u>
Add: Goodwill acquired	98	*	98	33
Consideration transferred for the business	<u>450</u>	<u>147</u>	<u>597</u>	<u>680</u>

⁷ The China subsidiaries' identifiable assets acquired and liabilities assumed are inclusive of fair value adjustments, determined on provisional basis as of December 31, 2023

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

7b. Cash flow on acquisition of subsidiary and business, net of cash acquired (Cont'd)

(i) 2023: Acquisition of Vector Green and China subsidiaries

- The goodwill recognised is not expected to be deductible for tax purposes.
- The deferred consideration is payable on the fulfilment of the completion procedures and is expected to be paid within 2024. This amount was presented within trade and other payables in the balance sheet as at December 31, 2023.
- 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 FY2023.

(ii) 2022: 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 December 31, 2023, and December 31, 2022.

As of December 31, 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 FY2022.

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

7c. Discontinued operation

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

Loss on disposal

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

<i>(S\$ million)</i>	FY2023
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	<u>2,035</u>
Add: Stamp duties and tax	3
Less: DPN receivable	<u>(2,038)</u>
Net cash inflow	<u>–</u>

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.

The financial performance and cash flows attributable to the discontinued operation for FY2022 were as follows:

<i>(S\$ million)</i>	FY2022
<u>Financial performance</u>	
Turnover	1,570
EBITDA	379
Depreciation and amortisation	(89)
Other non-cash expenses	(1)
Finance income	17
Finance cost	<u>(134)</u>
Profit before tax	<u>172</u>
Tax expense	<u>(28)</u>
Profit from discontinued operation, net of tax	<u>144</u>
Basic earnings per share – cents	8.08
Diluted earnings per share – cents	7.91
<u>Cash flow</u>	
Net cash from operating activities	256
Net cash from investing activities	42
Net cash used in financing activities	<u>(299)</u>
Net decrease in cash and cash equivalents	<u>(1)</u>

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

7d. Explanatory notes to Consolidated Statement of Cash Flows

(i) Six months ended December 31

Net cash from operating activities before changes in working capital stood at S\$787 million while net cash from operating activities was S\$739 million. Comparatives included cashflow from the disposal group (SEIL) which was disposed in January 2023.

Net cash used in investing activities was S\$127 million, mainly for the acquisition of the China subsidiaries, purchase of property, plant and equipment, partially offset by receipts from DPN, dividend and interest.

Net cash used in financing activities was S\$709 million, mainly for loan and interest repayments, and dividends paid.

(ii) Full year ended December 31

Net cash from operating activities before changes in working capital stood at S\$1,687 million while net cash from operating activities was S\$1,481 million compared to FY2022 of S\$1,692 million and S\$1,652 million, respectively. The FY2022 amounts included cashflow from SEIL. Post disposal of SEIL, the consideration was received in the form of a deferred payment note receipts, which was now recognised as cash from investing activities.

Net cash used in investing activities was S\$878 million mainly for the purchase of fixed assets for the renewable business, acquisition of subsidiaries and additional investments in joint ventures and associates, partially offset by the DPN receipts.

Net cash used in financing activities was S\$1,099 million, mainly for repayment of interest and dividends paid.

(iii) Significant non-cash transactions

During the year, proceeds from the capital reduction of a joint venture in China was settled against an amount due to joint venture of S\$44 million.

8. ACCOUNTING POLICIES

8a. Basis of preparation

The Group's financial statements are prepared on a going concern basis, notwithstanding that as at December 31, 2023, the Group was in a net current liabilities position of S\$770 million. The net current liabilities position was transitional, as approximately 85% of the total S\$1,281 million borrowing due within the next 12 months is in various stages of being refinanced and 15% is under project finance amortised repayments. The Group has S\$1.9 billion of committed unutilised credit facilities available for drawdown with maturity beyond 2024.

The financial statements for the second half and full year ended December 31, 2023, have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)) 1-34 Interim Financial Reporting. The financial statements do not include all of the information required for a complete set of financial statements. However, selected explanatory notes have been included to explain events and transactions that are significant to the 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.

8b. Changes in accounting policies

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

- SFRS(I) 17 Insurance Contracts

Amendments to:

- 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

The Group has also early adopted Amendments to SFRS(I) 1-1 Presentation of Financial Statements (Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants) with effect from January 1, 2023.

The adoption of these amendments to standards 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 expenses. 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 three 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.

Disposals

The assessment on whether the Group has lost control of a subsidiary takes into consideration the terms of the sales, including the transaction structure. Judgements are applied in determining if there is a loss of control or influence of the subsidiary.

The Group will continue to reassess whether it has control over the entity when relevant facts and circumstances change to such an extent that there is a change in one or more of the three elements of control or the overall relationship between the Group and the entity per SFRS(I) 10.

Loss of control in SEIL

Post divestment of the Group's 100% equity stake in SEIL, the Group has indirect exposure to SEIL's operational and financial risks as a lender by virtue of the DPN issued to the Purchaser, extension of the corporate guarantees on an arm's length basis to certain SEIL's existing lenders and the provision of non-exclusive technical service to SEIL. Judgements were applied in determining that the loss of control in SEIL based on the terms of the sale. The factors being considered include:

- (i) The Group does not have any voting rights, board representatives or decision-making authority in SEIL's operational and financial matters.
- (ii) Affirmative, negative and information covenants common in commercial project finance arrangements, were included as the terms of the DPN to ensure full recoverability of the DPN amount. Such rights are typical of project finance agreements and are not exclusive to the Group. They do not confer any power to direct SEIL's activities for any variable returns, similar to those of SEIL's then existing project finance loans.
- (iii) The corporate guarantee extended to SEIL's lenders was required as part of the consents from lenders for the change in shareholder of SEIL, under the terms of SEIL's then existing project finance arrangements. The Group charges a corporate guarantees fee at an arm's length basis to compensate for the risks assumed and is not a mechanism to extract returns from SEIL.
- (iv) The Group has also entered into Technical Service Agreement (TSA) to facilitate a smooth transition of the change in ownership in SEIL for the Purchaser. The Purchaser may request for advice from time to time so that it can run SEIL's operations reliably and efficiently, safeguarding the interest of SEIL's stakeholders, namely the power distribution customers, end users, employees, lenders, and the Indian Power system. The TSA can be terminated by either party with 30 days' notice in writing in accordance with the terms of the agreement.

The fees charged for TSA are at market rate on an arm's length basis, based on the scope as decided and requested by the Purchaser and SEIL, and not in accordance with the performance achieved by SEIL. The TSA is also not a mechanism to extract returns from SEIL, and the TSA fees are not linked to SEIL's returns and are not material relative to the earnings of SEIL.

- (v) The Group derives interest income as its return under the DPN. The interest rate is at 1.8% per annum plus benchmark rate equal to 10-year Indian government bond minus GHG emission intensity reduction incentive. As a lender under the DPN, the Group has no power nor significant influence over SEIL to affect the amounts of its return from SEIL. Like any other non-recourse project finance lender, the Group's recoverability of the DPN principal is subject to the downside risk of SEIL's ability to generate cashflow to repay the DPN principal.

8. ACCOUNTING POLICIES (Cont'd)

8c. Accounting estimates and judgements (Cont'd)

DPN

In determining the fair value of DPN, it is assumed that the Group will receive interest payments in accordance with a pre-agreed interest rate and principal repayment according to SEIL's cash distribution waterfall as agreed in the DPN agreement. 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\$10 million. Conversely, a ten basis points decrease would have increased the fair value by S\$10 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

As of December 31, 2023, the key management personnel are Wong Kim Yin, Eugene Cheng, Robert Chong, Koh Chiap Khiong, Vipul Tuli and Alex Tan. There were no changes to their compensation scheme in 2H2023.

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.

Derivatives

The Group uses derivatives for hedging and enhancement of performance purposes. These derivatives are mainly foreign exchange contracts, foreign exchange swaps, interest rate swaps, cross currency swaps, fuel oil swaps and electricity futures market contracts. 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 contracts is accounted for based on the difference between the contractual strike price with the counterparty and the current market price.
4. Contract 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 the 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.

10. FAIR VALUE MEASUREMENTS (Cont'd)

Financial assets and liabilities carried at fair value

(S\$ million)	GROUP			
	Fair value measurement using:			
	Level 1	Level 2	Level 3	Total
As at December 31, 2023				
Financial assets at FVOCI	–	–	46	46
DPN receivable	–	–	1,816	1,816
Other financial assets at FVTPL	63	–	31	94
Derivative financial assets	–	96	–	96
	<u>63</u>	<u>96</u>	<u>1,893</u>	<u>2,052</u>
Financial liabilities at FVTPL	–	(1)	(133)	(134)
Derivative financial liabilities	–	(83)	–	(83)
	<u>–</u>	<u>(84)</u>	<u>(133)</u>	<u>(217)</u>
	<u>63</u>	<u>12</u>	<u>1,760</u>	<u>1,835</u>
As at December 31, 2022				
Financial assets at FVOCI	–	–	53	53
Financial assets at FVTPL	37	–	32	69
Derivative financial assets	–	132	–	132
	<u>37</u>	<u>132</u>	<u>85</u>	<u>254</u>
Financial liabilities at FVTPL	–	(3)	(151)	(154)
Derivative financial 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>

During the years ended December 31, 2023, and December 31, 2022, there have been no transfers between the different levels of the fair value hierarchy.

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 Year 2022 (Note 7b(ii)).

10. FAIR VALUE MEASUREMENTS (Cont'd)

Financial assets and liabilities carried at fair value (Cont'd)

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

	GROUP			
	Financial assets at FVOCI	DPN receivable	Other financial assets at FVTPL	Financial liabilities at FVTPL
<i>(S\$ million)</i>				
As at January 1, 2023	53	–	32	(151)
Addition	–	2,038	3	–
Translation adjustment	–	–	–	5
Net change in fair value	5	122	(1)	–
(Receipt) / Payment	–	(42)	–	12
As at June 30, 2023	58	2,118	34	(134)
Addition	–	–	2	–
Translation adjustment	–	–	–	1
Net change in fair value	(12)	11	(5)	–
Receipt	–	(313)	–	–
As at December 31, 2023	46	1,816	31	(133)
As at January 1, 2022	53	–	28	–
Addition	–	–	4	(141)
Net change in fair value	1	–	(2)	–
Disposal	–	–	(2)	–
As at June 30, 2022	54	–	28	(141)
Addition	–	–	6	–
Translation adjustment	–	–	–	9
Net change in fair value	(1)	–	(2)	(19)
As at December 31, 2022	53	–	32	(151)

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.

The fair value of financial assets and financial liabilities measured at amortised cost for the Group and Company approximate their carrying amounts, except for service concession receivables and non-current borrowings of the Group.

10. FAIR VALUE MEASUREMENTS (Cont'd)

<i>(S\$ million)</i>	Financial assets at amortised costs	Other financial liabilities	Total carrying amount	Fair value
GROUP				
As at December 31, 2023				
Service concession receivables	843	–	843	1,756
– Non-current loans and borrowings	–	(5,973)	(5,973)	(5,887)
As at December 31, 2022				
Service concession receivables	897	–	897	1,644
– Non-current loans and borrowings	–	(5,974)	(5,974)	(5,776)
COMPANY				
As at December 31, 2022				
Amounts due to related parties	–	(1,358)	(1,358)	(1,356)

11. CONTINGENT LIABILITIES

Group

As at December 31, 2023, the Group's subsidiaries are involved in certain tax disputes, where the amount of potential exposure is estimated to be S\$3 million (December 31, 2022: S\$52 million, predominately from the disposal group).

12. COMMITMENTS

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

<i>(S\$ million)</i>	Note	GROUP	
		As at December 31, 2023	As at December 31, 2022
Commitments in respect of contracts placed for property, plant and equipment	(i)	1,120	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		3	40
Commitments in respect of purchase of investment properties		*	30
		1,168	449

- (i) The amount as at December 31, 2023 included S\$587 million for the construction 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 invest S\$45 million by December 2023 to develop projects and initiatives to support environmental protection in China. As at December 31, 2023, the Group has invested more than S\$45 million, which includes the upgrading of wastewater treatment plants in Jiangsu, China towards the civil settlement amount. The invested amount is pending audit and confirmation by the Nanjing Procuratorate and court, which is estimated to be completed in 2024.

13. OTHER DISCLOSURE

Performance guarantee

Group

As at December 31, 2023, the Group has provided performance guarantee to external parties amounting to S\$2 million (December 31, 2022: S\$264 million, mainly for the disposal group). The Group does not consider it probable that a claim will be made against the Group under these guarantees, as such there were no liabilities recognised.

Company

The Company has provided performance guarantees of S\$80 million (December 31, 2022: S\$159 million) to a subsidiary, Sembcorp Cogen Pte Ltd (SembCogen) for two long-term agreements entered in Year 2010 for the purchase of a total of 20 BBtud (December 31, 2022: 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).

These agreements have a start date on May 7, 2013 and September 1, 2015 respectively, and 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. As the contract which expired in May 2023 was not renewed, the Company's obligations under this contract have been discharged.

The Company believes that the subsidiary has sufficient resources to fulfil its contractual obligations and does not consider it probable that a claim will be made against the Company under these guarantees, as such there were no liabilities recognised.

14. AUDIT

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

15. AUDITORS' REPORT

Not applicable.

16. VARIANCE FROM PROSPECT STATEMENT

There is no material change from the previous prospect statement.

17. 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 performed well in 2023, underpinned by the strong contribution of the Gas and Related Services segment, on the back of better performance in the Singapore power market and earnings growth in the Renewables segment.

Earnings of the Gas and Related Services segment are expected to remain robust, underpinned by our significantly contracted position. Gas and Related Services contribution will be offset by a planned major maintenance in Singapore to ensure continued efficiency and high reliability of our asset. Income contribution from the Phu My 3 power plant in Vietnam will also cease in end-February.

The Renewables segment is expected to perform well as more greenfield projects are commissioned and brownfield acquisitions are completed progressively, in the course of the year.

Outlook of the Integrated Urban Solutions segment is expected to remain stable.

Macroeconomic uncertainty remains and potential policy changes could affect the global economies while risks such as further escalations in geopolitical tensions could impact business performance.

The Group is well-positioned to navigate the path of energy transition and grow its renewables portfolio. It will continue to focus on the execution of its 2024 – 2028 strategy to transform its portfolio from brown to green.

18. SUBSEQUENT EVENTS

On February 13, 2024, the Group announced the completion of the acquisition of a 100% interest of the share capital in two special purpose vehicles (SPVs) of Leap Green Energy Private Limited. The SPVs own 228MW of operational wind assets in Madhya Pradesh, Maharashtra and Rajasthan, India. The equity consideration was INR4.4 billion (approximately S\$71 million).

19. DIVIDEND

(a) Current Financial Year Reported On

Name of Dividend	2023	Proposed 2023	2023 Total
	Interim Ordinary Exempt-1-Tier	Final Ordinary Exempt-1-Tier	
Dividend Type	Cash	Cash	Cash
Dividend Amount (cents per shares)	5.0	8.0	13.0

(b) Corresponding Year of the Immediately Preceding Financial Year

Name of Dividend	2022	Proposed 2022	Proposed 2022 Special	2022 Total
	Interim Ordinary Exempt-1-Tier	Final Ordinary Exempt-1-Tier		
Dividend Type	Cash	Cash	Cash	Cash
Dividend Amount (cents per shares)	4.0	4.0	4.0	12.0

(c) Date Payable

The proposed final tax-exempt 1-Tier dividend of 8.0 cents per ordinary share, if approved at the Annual General Meeting to be held on April 23, 2024, will be paid on May 9, 2024.

(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 May 2, 2024, to determine members' entitlements to the proposed dividend. Duly completed transfers of shares received by the Company's Share Registrar up to 5.00 p.m. on April 30, 2024 (the "Record Date") will be registered to determine members' entitlements to the proposed 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 proposed dividend.

(e) Total Annual Dividend and Capital Distribution (in Dollar Value)

(S\$ million)	FY2023	FY2022
Name of Dividend		
Interim ordinary dividend	89	71
Final ordinary dividend [@]	142	71
Special dividend [@]	–	71
Total	<u>231</u>	<u>213</u>

[@] FY2023 dividend is estimated based on the share capital, excluding treasury shares, of 1,779,257,749 ordinary shares at the end of the financial year

20. 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 into 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) FY2023	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) FY2023	
Sale of goods and services				
Singapore Telecommunications Ltd and its Associates	Associate of Temasek Holdings (Private) Limited, the controlling shareholder of the Company ↓	1,803.9	–	
Singapore Technologies Telemedia Pte Ltd and its Associates		1,241.8	–	
Mapletree Investments Pte Ltd and its Associates		2.1	–	
PSA International Pte Ltd and its Associates		5.3	–	
Olam International Ltd and its Associates		4.2	–	
SATS Ltd and its Associates		0.2	–	
Seatrium Ltd and its Associates		1.7	–	
CapitaLand Investment Limited and its Associates		6.3	–	
Singapore Power Limited and its Associates		2.5	–	
Singapore Technologies Engineering Ltd and its Associates		0.6	–	
Total sale of goods and services		3,068.6	–	
Purchase of goods and services				
Singapore Power Limited and its Associates	Associate of Temasek Holdings (Private) Limited, the controlling shareholder of the Company ↓	17.4	–	
SMRT Corporation Ltd and its Associates		0.1	–	
Singapore Telecommunications Ltd and its Associates		0.9	–	
Singapore Technologies Engineering Ltd and its Associates		7.0	–	
Surbana-Jurong Private Limited and its Associates		4.6	–	
Starhub Ltd and its Associates		1.0	–	
Pavilion Energy Pte Ltd and its Associates		355.3	–	
Temasek Holdings (Private) Limited and its Associates		0.2	–	
Total purchase of goods and services			386.5	–

20. INTERESTED PERSON TRANSACTIONS (Cont'd)

<i>(S\$ million)</i>	Nature of relationship	Aggregate value of all interested person transactions under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) FY2023	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) FY2023
Treasury transactions			
<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	–
Total		3,554.6	–

21. 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.

22. REPORT OF PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO A DIRECTOR, CHIEF EXECUTIVE OFFICER OR SUBSTANTIAL SHAREHOLDER

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that, to the best of its knowledge, belief and information, none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director, the chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Tan Yen Hui (Ms)
Company Secretary
February 20, 2024