



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

**FOURTH QUARTER AND FULL YEAR ENDED DECEMBER 31, 2012 FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT**

**TABLE OF CONTENTS**

<u>Item No</u>	<u>Description</u>	<u>Page</u>
	<b>FINANCIAL STATEMENTS &amp; DIVIDEND ANNOUNCEMENT</b>	<b>1 – 25</b>
1	CONSOLIDATED INCOME STATEMENT	1
2	NOTES TO THE CONSOLIDATED INCOME STATEMENT	2 – 4
3	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	5
4	BALANCE SHEETS	6 – 8
5	CONSOLIDATED STATEMENT OF CASH FLOWS	9 – 10
6	STATEMENTS OF CHANGES IN EQUITY	11 – 14
7	AUDIT	14
8	AUDITORS' REPORT	14
9	ACCOUNTING POLICIES	15
10	CHANGES IN ACCOUNTING POLICIES	15
11	REVIEW OF GROUP PERFORMANCE	16 – 17
12	VARIANCE FROM PROSPECT STATEMENT	18
13	PROSPECTS	18
14	DIVIDEND	19
15	SEGMENTAL REPORTING	20 – 22
16	QUARTERLY ANALYSIS	23
17	INTERESTED PERSON TRANSACTIONS	24
18	REPORT OF PERSONS OCCUPYING MANEGERIAL POSITIONS WHO ARE RELATED TO A DIRECTOR, CHIEF EXECUTIVE OFFICER OR SUBSTANTIAL SHAREHOLDER	25

## SEMBCORP INDUSTRIES LTD

### UNAUDITED RESULTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED DECEMBER 31, 2012

The Board of Directors of Sembcorp Industries Ltd wishes to announce the following unaudited results of the Group for the fourth quarter and full year ended December 31, 2012.

#### 1. GROUP INCOME STATEMENT

	Note	GROUP			GROUP		
		4Q12 \$'000	4Q11 \$'000	+ / (-) %	FY12 \$'000	FY11 \$'000	+ / (-) %
<b>Turnover</b>	2a	<b>2,815,575</b>	<b>2,245,885</b>	<b>25.4</b>	<b>10,189,058</b>	<b>9,047,066</b>	<b>12.6</b>
Cost of sales	2a	(2,469,030)	(1,896,793)	30.2	(8,808,796)	(7,692,621)	14.5
<b>Gross profit</b>	2a	<b>346,545</b>	<b>349,092</b>	<b>(0.7)</b>	<b>1,380,262</b>	<b>1,354,445</b>	<b>1.9</b>
General & administrative expenses	2b	(87,440)	(66,831)	30.8	(320,380)	(288,641)	11.0
Other income	2c	15,047	14,241	5.7	58,849	47,492	23.9
Other expense (net)	2d	17,826	7,935	124.7	(15,781)	(12,190)	29.5
Finance income	2e	2,448	12,486	(80.4)	28,552	64,568	(55.8)
Finance costs	2e	(48,182)	(16,691)	188.7	(139,997)	(65,668)	113.2
Share of results of associates and joint ventures, net of tax	2f	41,972	41,545	1.0	163,251	170,573	(4.3)
<b>Profit before tax</b>		<b>288,216</b>	<b>341,777</b>	<b>(15.7)</b>	<b>1,154,756</b>	<b>1,270,579</b>	<b>(9.1)</b>
Tax expense	2g	6,159	19,900	(69.1)	(121,698)	(124,769)	(2.5)
<b>Profit for the period / year</b>		<b>294,375</b>	<b>361,677</b>	<b>(18.6)</b>	<b>1,033,058</b>	<b>1,145,810</b>	<b>(9.8)</b>
<b>Attributable to:</b>							
Owners of the Company		204,676	251,885	(18.7)	753,283	809,282	(6.9)
Non-controlling interests	2h	89,699	109,792	(18.3)	279,775	336,528	(16.9)
		<b>294,375</b>	<b>361,677</b>	<b>(18.6)</b>	<b>1,033,058</b>	<b>1,145,810</b>	<b>(9.8)</b>
<b>Earnings per ordinary share (cents)</b>							
	2i						
- basic		11.46	14.12	(18.9)	42.17	45.32	(7.0)
- diluted		11.36	14.03	(19.0)	41.84	44.98	(7.0)
<b>Economic value added</b>	2j	<b>216,540</b>	<b>271,609</b>	<b>(20.3)</b>	<b>620,652</b>	<b>728,207</b>	<b>(14.8)</b>

## 2. NOTES TO THE CONSOLIDATED INCOME STATEMENT

### 2a. Turnover, Cost of Sales

	GROUP			GROUP		
	4Q12 \$'000	4Q11 \$'000	+ / (-) %	FY12 \$'000	FY11 \$'000	+ / (-) %
Turnover	2,815,575	2,245,885	25.4	10,189,058	9,047,066	12.6
Cost of sales	(2,469,030)	(1,896,793)	30.2	(8,808,796)	(7,692,621)	14.5
Gross profit	346,545	349,092	(0.7)	1,380,262	1,354,445	1.9
Included in Cost of sales:-						
Depreciation and amortisation (i)	(74,725)	(59,405)	25.8	(261,055)	(219,165)	19.1
Allowance made for impairment losses						
- property, plant and equipment	(14,909)	(14,935)	(0.2)	(14,944)	(14,935)	0.1
Allowance made for impairment losses						
- inventory obsolescence	(346)	(149)	132.2	(3,667)	(8,136)	(54.9)
Property, plant and equipment written off	(1,745)	(498)	250.4	(2,187)	(949)	130.5

Group turnover – refer to Page 16, note 11.

Group gross profit decreased by 1% in 4Q12 due to lower contribution from Marine. The Utilities business delivered a strong performance during the quarter mainly due to higher contribution from Singapore operations largely attributable to additional gas sales and from a subsidiary in the Middle East upon commencement of operations.

Lower gross profit from Marine was primarily due to the lower margin from new design rigs in 4Q12.

(i) Higher depreciation and amortisation in 4Q12 was primarily due to depreciation charges incurred upon commencement of operations in the Middle East.

### 2b. General & administrative expenses

	GROUP			GROUP		
	4Q12 \$'000	4Q11 \$'000	+ / (-) %	FY12 \$'000	FY11 \$'000	+ / (-) %
General & administrative expenses	(87,440)	(66,831)	30.8	(320,380)	(288,641)	11.0
Included in general & administrative expenses:-						
Depreciation and amortisation	(5,514)	(3,679)	49.9	(20,565)	(15,651)	31.4
Write-back of / (Allowance for) doubtful debts and bad debts	2,342	(433)	NM	676	(1,748)	NM
Allowance made for impairment losses						
- interests in investments	(150)	(1,102)	(86.4)	(150)	(1,102)	(86.4)

General & administrative expenses for 4Q12 were higher mainly due to Utilities write-back of provision no longer required in 4Q11 and Marine's new project development costs and higher personnel related costs in 4Q12.

### 2c. Other income

	GROUP			GROUP		
	4Q12 \$'000	4Q11 \$'000	+ / (-) %	FY12 \$'000	FY11 \$'000	+ / (-) %
Other income	15,047	14,241	5.7	58,849	47,492	23.9
Included in other income:-						
Dividend income	-	93	(100.0)	3,623	4,650	(22.1)
Miscellaneous income	15,047	14,148	6.4	55,226	42,842	28.9

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

### 2d. Other expense (net)

	GROUP			GROUP		
	4Q12 \$'000	4Q11 \$'000	+ / (-) %	FY12 \$'000	FY11 \$'000	+ / (-) %
Other expense (net)	17,826	7,935	124.7	(15,781)	(12,190)	29.5
Included in other expense (net): -						
Changes in fair value of financial instruments	640	(1,662)	NM	1,149	(7,280)	NM
Foreign exchange gain / (loss) (i)	11,367	8,680	31.0	(23,018)	(6,569)	250.4
Gain on sale of property, plant and equipment and investment property (ii)	7,598	958	693.1	8,187	1,802	354.3

- (i) Foreign exchange gain in 4Q12 arose mainly from Marine's revaluation of assets denominated in United States dollar to Singapore dollar.
- (ii) Gain on sale of property, plant and equipment and investment property mainly relates to Urban Development's gain from disposal of an investment property in 4Q12.

### 2e. Finance income and finance costs

	GROUP			GROUP		
	4Q12 \$'000	4Q11 \$'000	+ / (-) %	FY12 \$'000	FY11 \$'000	+ / (-) %
Finance income (i)	2,448	12,486	(80.4)	28,552	64,568	(55.8)
Finance costs (ii)	(48,182)	(16,691)	188.7	(139,997)	(65,668)	113.2

- (i) Lower finance income in 4Q12 was attributable to lower interest income received for deferred payment granted to Marine's customers.
- (ii) Finance costs increased in 4Q12 due to interest expense recognised in profit or loss upon commencement of operations in the Middle East.

### 2f. Share of results of Associates and Joint Ventures, net of tax

The Group's share of results from associates and joint ventures in 4Q12 were comparable to 4Q11.

### 2g. Tax expense

Included in tax expense are the following:	GROUP			GROUP		
	4Q12 \$'000	4Q11 \$'000	+ / (-) %	FY12 \$'000	FY11 \$'000	+ / (-) %
Tax expense						
- Net write-back of tax in respect of prior years (i)	48,497	66,275	(26.8)	54,792	68,863	(20.4)
Deferred tax						
- Write-back of provision for deferred tax	1,989	5,736	(65.3)	8,580	10,617	(19.2)

- (i) Net write-back of tax in 4Q12 was primarily related to Marine's over provision for prior year gain on disposal of equity investments.

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

### 2h. Non-controlling interests

On May 15, 2010, our subsidiary, Sembcorp Marine Ltd (“SCM”) commenced proceedings in the High Court of Singapore against PPL Holdings Pte Ltd and its wholly owned subsidiary, E-Interface Holdings Limited for various reliefs, including the transfer of the remaining 15 per cent of the shares in PPL Shipyard Pte Ltd (“PPLS”) to SCM.

On May 30, 2012, the High Court released its judgement together with the Grounds of Decision. The decision was not favourable to SCM. On June 29, 2012, SCM filed an appeal to the Court of Appeal which was heard on November 8, 2012 and judgement was reserved. Pending the outcome of the appeal, the Group will continue to consolidate its 85 per cent interest in PPLS and separately account for the 15 per cent as “non-controlling interest”.

### 2i. Earnings per ordinary share

Earnings per ordinary share of the Group based on net profit attributable to the owners of the Company:	Group			Group		
	4Q12	4Q11	+ / (-) %	FY12	FY11	+ / (-) %
(i) Based on the weighted average number of shares (in cents)	11.46	14.12	(18.9)	42.17	45.32	(7.0)
- Weighted average number of shares (in million)	1,786.2	1,783.6	0.1	1,786.3	1,785.7	0.0
(ii) On a fully diluted basis (in cents)	11.36	14.03	(19.0)	41.84	44.98	(7.0)
- Adjusted weighted average number of shares (in million)	1,801.3	1,798.0	0.2	1,800.4	1,799.4	0.1

### 2j. Economic Value Added

Lower Economic Value Added (“EVA”) was generated in 4Q12 due to lower net operating profit after tax (“NOPAT”) and higher capital charge arising from higher average capital employed for Greenfield projects.

### 2k. Breakdown of sales

	GROUP		
	FY12 \$'000	FY11 \$'000	+ / (-) %
<b><u>First Half Year</u></b>			
(i) Sales reported	5,099,218	4,168,974	22.3
(ii) Profit after tax before deducting non-controlling interests	499,347	463,935	7.6
<b><u>Second Half Year</u></b>			
(iii) Sales reported	5,089,840	4,878,092	4.3
(iv) Profit after tax before deducting non-controlling interests	533,711	681,875	(21.7)

### 3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	GROUP		GROUP	
		4Q12 \$'000	4Q11 \$'000	FY12 \$'000	FY11 \$'000
<b>Profit for the period / year</b>		<b>294,375</b>	<b>361,677</b>	<b>1,033,058</b>	<b>1,145,810</b>
Foreign currency translation differences for foreign operations	(i)	(10,580)	75,828	(131,501)	13,192
Exchange differences on monetary items forming part of net investment in foreign operation		5,247	2,578	(506)	(223)
Net change in fair value of cash flow hedges	(ii)	(5,589)	(24,518)	35,831	(114,261)
Net change in fair value of cash flow hedges transferred to profit or loss	(iii)	5,572	(5,517)	(7,146)	(27,451)
Net change in fair value of available-for-sale financial assets	(iv)	8,956	(11,843)	22,120	(132,220)
Share of other comprehensive income of associates and joint ventures		(2,418)	(6,182)	662	(5,869)
Other comprehensive income for the period / year, net of tax		1,188	30,346	(80,540)	(266,832)
<b>Total comprehensive income for the period / year</b>		<b>295,563</b>	<b>392,023</b>	<b>952,518</b>	<b>878,978</b>
<b>Attributable to:</b>					
Owners of the Company		209,970	279,808	680,724	644,457
Non-controlling interests		85,593	112,215	271,794	234,521
<b>Total comprehensive income for the period / year</b>		<b>295,563</b>	<b>392,023</b>	<b>952,518</b>	<b>878,978</b>

#### 3a. Notes to Consolidated Statement of Comprehensive Income

- (i) The movement in reserves in 4Q12 arose mainly from the consolidation of entities whose functional currencies are United States dollar and pound sterling.
- (ii) The fair value loss in 4Q12 was primarily due to fair value adjustments on foreign currency forward contracts and fuel oil swaps.
- (iii) Mainly due to maturity of fuel oil swaps.
- (iv) Mainly due to mark-to-market adjustments of available-for-sale assets held by Urban Development in 4Q12.

#### 4. BALANCE SHEETS

	GROUP		COMPANY	
	As at 31/12/2012 \$'000	As at 31/12/2011 \$'000	As at 31/12/2012 \$'000	As at 31/12/2011 \$'000
<b>Non-current assets</b>				
Property, plant and equipment	5,158,266	4,249,575	582,352	450,265
Investment properties	21,684	23,007	-	-
Investments in subsidiaries	-	-	1,708,551	1,561,239
Interests in associates and joint ventures	1,505,609	1,344,700	-	-
Other financial assets	221,099	145,280	-	-
Long-term receivables and prepayments	405,219	380,464	7,420	7,730
Intangible assets	321,276	331,883	20,008	19,515
Deferred tax assets	56,955	60,655	-	-
	<u>7,690,108</u>	<u>6,535,564</u>	<u>2,318,331</u>	<u>2,038,749</u>
<b>Current assets</b>				
Inventories and work-in-progress	1,886,546	1,078,269	9,789	9,101
Trade and other receivables	1,175,501	1,090,259	130,658	100,864
Tax recoverable	6,954	12,073	-	-
Assets held for sale	24,437	24,437	-	-
Other financial assets	41,509	16,545	-	-
Cash and cash equivalents	2,059,800	2,995,478	524,601	629,074
	<u>5,194,747</u>	<u>5,217,061</u>	<u>665,048</u>	<u>739,039</u>
<b>Current liabilities</b>				
Trade and other payables	2,832,524	2,746,273	572,195	179,883
Excess of progress billings over work-in-progress	886,042	355,300	-	-
Provisions	83,078	117,522	14,093	20,766
Other financial liabilities	16,261	22,509	177	-
Current tax payable	233,100	269,822	40,893	17,178
Interest-bearing borrowings	115,061	186,073	100	94
	<u>4,166,066</u>	<u>3,697,499</u>	<u>627,458</u>	<u>217,921</u>
<b>Net current assets</b>	<u>1,028,681</u>	<u>1,519,562</u>	<u>37,590</u>	<u>521,118</u>
	<u>8,718,789</u>	<u>8,055,126</u>	<u>2,355,921</u>	<u>2,559,867</u>
<b>Non-current liabilities</b>				
Deferred tax liabilities	410,796	387,651	40,061	40,349
Provisions	50,696	37,087	593	593
Other financial liabilities	161,445	187,325	-	-
Retirement benefit obligations	11,454	17,740	-	-
Interest-bearing borrowings	2,204,785	1,856,365	54	156
Other long-term liabilities	235,186	328,298	319,931	653,962
	<u>3,074,362</u>	<u>2,814,466</u>	<u>360,639</u>	<u>695,060</u>
	<u>5,644,427</u>	<u>5,240,660</u>	<u>1,995,282</u>	<u>1,864,807</u>
<b>Equity attributable to owners of the Company:-</b>				
Share capital	565,572	565,572	565,572	565,572
Other reserves	(102,322)	(46,322)	(6,048)	(9,884)
Revenue reserve	4,040,081	3,595,266	1,435,758	1,309,119
	<u>4,503,331</u>	<u>4,114,516</u>	<u>1,995,282</u>	<u>1,864,807</u>
<b>Non-controlling interests</b>	<u>1,141,096</u>	<u>1,126,144</u>	<u>-</u>	<u>-</u>
Total equity	<u>5,644,427</u>	<u>5,240,660</u>	<u>1,995,282</u>	<u>1,864,807</u>

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

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

	As at 31/12/2012 \$'000	As at 31/12/2011 \$'000
<b>Amount repayable:</b>		
(i) <u>In one year or less, or on demand</u>		
<b>Interest-bearing borrowings</b>		
Secured	44,747	40,822
Unsecured	70,314	145,251
	<u>115,061</u>	<u>186,073</u>
(ii) <u>After one year</u>		
<b>Interest-bearing borrowings</b>		
Secured	1,018,212	987,868
Unsecured	1,186,573	868,497
	<u>2,204,785</u>	<u>1,856,365</u>
Total	<u>2,319,846</u>	<u>2,042,438</u>
(iii) <b>The secured loans are collateralised by the following assets' net book value:-</b>		
	As at 31/12/2012 \$'000	As at 31/12/2011 \$'000
Net assets of a subsidiary, property, plant and equipment and investment properties	<u>1,238,446</u>	<u>1,415,632</u>

##### 4b. Net asset value

	Group		Company	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Net asset value per ordinary share based on issued share capital at the end of the financial period (in \$)	2.52	2.31	1.12	1.05

##### 4c. Explanatory Notes to Balance Sheets

Significant variances for balance sheets items are explained as follows:

###### (i) Group

###### Non-current assets

"Property, plant and equipment" increased mainly due to increase in capital work-in-progress mainly for Utilities and Marine's projects.

"Interests in associates and joint ventures" increased mainly due to Utilities' acquisition of power assets in China and Urban Development's new investment in Chengdu and higher share of profits contributed by the associates and joint ventures during the year.

"Other financial assets" increased mainly due to Utilities' acquisition of equity shares in a co-operative joint venture for power plant in China and fair value adjustments of quoted equity shares in Cosco Corporation (S) Ltd held by Marine.

###### Net current assets

"Inventories and work-in-progress" increased primarily due to payment terms of rig building projects.

"Trade and other receivables" increased in line with turnover.



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

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

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

###### **Net current assets** (cont'd)

"Tax recoverable" decreased mainly due to receipt of tax refunds.

"Other financial assets" increased and "Other financial liabilities" decreased mainly due to fair value adjustment on foreign currency forward contracts.

"Cash and cash equivalents" decreased mainly due to payment of dividends to shareholders and Marine's increase in working capital for the ongoing projects.

"Excess of progress billings over work-in-progress" increased significantly mainly due to receipts from customers for rig building projects.

"Provisions" decreased mainly due to Marine's write-back of warranty provision.

"Interest-bearing borrowings" decreased due to repayment of bank borrowings.

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

"Provisions" increased mainly due to Marine's provision for restoration costs for the Integrated New Yard facility in Tuas View Extension.

"Other financial liabilities" decreased mainly due to fair value adjustment on foreign currency forward contracts.

"Interest-bearing borrowings" increased due to increased bank borrowings mainly to fund Marine's capital expenditures and the construction of our Singapore cogeneration plant and from the drawdown of project financing debts.

"Other long-term liabilities" decreased mainly due to reclassification of an amount owing to a minority shareholder of a subsidiary from long-term to short-term.

###### **Equity**

The deficit in "Other reserves" increased mainly due to foreign currency translation loss.

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

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

"Property, plant and equipment" increased mainly due to increase in capital work-in-progress for projects.

"Investment in subsidiaries" increased mainly due to additional investment in unquoted equity shares of a subsidiary.

###### **Net current assets**

"Trade and other receivables" increased in line with turnover.

"Cash and cash equivalents" decreased mainly due to additional investment in unquoted equity shares of a subsidiary.

"Trade and other payables" increased and "Other long-term liabilities" decreased mainly due to a reclassification of an amount from long-term to short-term owing to the Group's wholly owned treasury subsidiary, Sembcorp Financial Services Pte Ltd ("SFS").

"Provisions" decreased mainly due to write-back of provision for claims.

"Current tax payable" increased mainly due to higher profit.

## 5. CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP		GROUP	
	4Q12 \$'000	4Q11 \$'000	FY12 \$'000	FY11 \$'000
<b>Cash flows from Operating Activities</b>				
Profit for the period / year	294,375	361,677	1,033,058	1,145,810
Adjustments for :				
Dividend and interest income	(2,448)	(12,579)	(32,175)	(69,218)
Finance costs	48,182	16,691	139,997	65,668
Depreciation and amortisation	80,239	63,084	281,620	234,816
Share of results of associates and joint ventures	(41,972)	(41,545)	(163,251)	(170,573)
Loss / (Gain) on disposal of property, plant and equipment	260	(136)	(329)	(980)
Gain on disposal of intangible assets	(82)	-	(82)	-
Gain on disposal of investment properties	(7,858)	(822)	(7,858)	(822)
Gain on disposal of investments	(38)	(100)	(180)	(455)
Changes in fair value of financial instruments	(640)	1,662	(1,149)	7,280
Equity settled share-based compensation expenses	13,826	8,746	29,746	26,559
Allowance made for impairment in value of assets and assets written off (net)	16,924	17,277	17,767	17,922
Tax expense	(6,159)	(19,900)	121,698	124,769
Operating profit before working capital changes	394,609	394,055	1,418,862	1,380,776
Changes in working capital:				
Inventories and work-in-progress	(158,230)	(206,156)	(275,633)	(471,233)
Receivables	263,508	48,376	(143,869)	(364,748)
Payables	(74,632)	222,250	(250,768)	453,216
	425,255	458,525	748,592	998,011
Tax (paid) / refunded	(14,427)	156,661	(128,158)	(84,605)
Net cash inflow from operating activities	410,828	615,186	620,434	913,406
<b>Cash flows from Investing Activities</b>				
Dividends and interest received	44,646	55,584	93,117	140,392
Proceeds from liquidation of subsidiaries, net of cash disposed	480	(1,442)	480	(2,428)
Proceeds from sale of investments	254	-	713	1,685
Proceeds from sale of property, plant and equipment	46	1,889	937	3,621
Proceeds from sale of investment properties	7,858	850	7,858	850
Proceeds from sale of intangible assets	80	-	510	-
Proceeds from sale of asset held for sale	-	(1)	-	759
Acquisition of non-controlling interests	(20,750)	-	(23,156)	-
Acquisition of / additional investments in associates and joint ventures	(1,458)	(23,048)	(133,006)	(197,566)
Acquisition of other financial assets	(209)	-	(47,430)	-
Purchase of property, plant and equipment	(327,601)	(343,613)	(1,119,777)	(990,022)
Payment for intangible assets	(3,958)	(9,405)	(10,098)	(38,578)
Net cash outflow from investing activities	(300,612)	(319,186)	(1,229,852)	(1,081,287)
<b>Cash flows from Financing Activities</b>				
Proceeds from share issue to non-controlling interests of subsidiaries	(5,109)	-	1,479	14,537
Proceeds from share options exercised with issue of treasury shares	245	194	1,483	3,481
Proceeds from share options exercised with issue of treasury shares of a subsidiary	336	496	1,926	496
Purchase of treasury shares	(6,024)	(336)	(10,184)	(37,771)
Purchase of treasury shares by subsidiary	(970)	(2,194)	(5,329)	(43,053)
Proceeds from borrowings	257,166	63,871	842,929	476,715
Repayment of borrowings	(162,627)	(17,981)	(522,926)	(50,556)
Payment on finance leases	(1,219)	(1,626)	(2,577)	(2,785)
Increase in other long term liabilities	29,020	(357)	33,389	(31)
Dividends paid to owners of the Company	-	-	(303,857)	(304,029)
Dividends paid to non-controlling interests of subsidiaries	(6,368)	(4,710)	(241,669)	(318,754)
Unclaimed dividends	13	-	216	-
Interest paid	(21,525)	(19,990)	(104,511)	(61,706)
Net cash inflow / (outflow) from financing activities	82,938	17,367	(309,631)	(323,456)
Net increase / (decrease) in cash and cash equivalents	193,154	313,367	(919,049)	(491,337)
<b>Cash and cash equivalents at beginning of the period / year</b>	<b>1,871,079</b>	<b>2,676,472</b>	<b>2,995,478</b>	<b>3,487,876</b>
Effect of exchange rate changes on balances held in foreign currency	(4,433)	5,639	(16,629)	(1,061)
<b>Cash and cash equivalents at end of the period / year</b>	<b>2,059,800</b>	<b>2,995,478</b>	<b>2,059,800</b>	<b>2,995,478</b>

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

### 5a. Explanatory Notes to Consolidated Statement of Cash Flows

#### (i) Fourth Quarter

Cash flows from operating activities before changes in working capital decreased from \$394.1 million in 4Q11 to \$394.6 million in 4Q12. Net cash inflow from operating activities for 4Q12 was \$410.8 million compared to \$615.2 million in 4Q11 mainly due to tax refund from Inland Revenue Authority of Singapore ("IRAS") in 4Q11.

Net cash outflow from investing activities for 4Q12 was \$300.6 million. \$331.6 million was spent on purchase of property, plant and equipment and payment for intangible assets and \$22.4 million on acquisition of non-controlling interests and additional investment in a JV. The above cash outflows were partially offset by dividends, interests and proceeds from sale of assets received of \$53.4 million.

Net cash inflow from financing activities for 4Q12 of \$82.9 million was mainly related to net proceeds from borrowings.

#### (ii) Full Year

Cash flows from operating activities before changes in working capital increased from \$1,380.8 million in FY11 to \$1,418.9 million in FY12. Net cash inflow from operating activities for FY12 was \$620.4 million compared to \$913.4 million in FY11 mainly due to increase in working capital and tax refund from IRAS in FY11.

Net cash outflow from investing activities for FY12 was \$1,229.9 million. \$1,129.9 million was spent on purchase of property, plant and equipment and payment for intangible assets and \$203.6 million on acquisition of non-controlling interests, new and additional investments in a subsidiary, associates and JVs as well as investment in a long term fund. The above cash outflows were partially offset by dividends, interests and proceeds from sale of assets received of \$103.6 million.

Net cash outflow from financing activities for FY12 of \$309.6 million was mainly related to dividends paid partially offset by net proceeds from borrowings.

## 6. STATEMENTS OF CHANGES IN EQUITY

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

	Attributable to owners of the Company								
	Share Capital	Other reserves			Revenue Reserve	Total	Non-controlling interests	Total Equity	
		Reserve for own shares	Currency Translation Reserve						Others
			\$'000	\$'000					
<b>9M12</b>									
At January 1, 2012	565,572	(18,455)	(229,340)	201,473	3,595,266	4,114,516	1,126,144	5,240,660	
<b>Total comprehensive income</b>									
Profit for the period	-	-	-	-	548,607	548,607	190,076	738,683	
<b>Other comprehensive income</b>									
Foreign currency translation differences for foreign operations	-	-	(96,236)	-	123	(96,113)	(24,808)	(120,921)	
Exchange differences on monetary items forming part of net investment in foreign operation	-	-	(5,753)	-	-	(5,753)	-	(5,753)	
Net change in fair value of cash flow hedges	-	-	-	24,543	-	24,543	16,877	41,420	
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	(11,549)	-	(11,549)	(1,169)	(12,718)	
Net change in fair value of available-for-sale financial assets	-	-	-	7,781	-	7,781	5,383	13,164	
Share of other comprehensive income of associates and joint ventures	-	-	(1)	3,237	2	3,238	(158)	3,080	
Total other comprehensive income, net of tax	-	-	(101,990)	24,012	125	(77,853)	(3,875)	(81,728)	
<b>Total comprehensive income</b>	-	-	(101,990)	24,012	548,732	470,754	186,201	656,955	
<b>Transactions with owners of the Company, recognised directly in equity</b>									
Contribution by non-controlling interests	-	-	-	-	-	-	6,588	6,588	
Share-based payments	-	-	-	11,060	-	11,060	4,860	15,920	
Purchase of treasury shares	-	(4,160)	-	-	-	(4,160)	-	(4,160)	
Treasury shares transferred to employees	-	19,968	-	(18,730)	-	1,238	-	1,238	
Treasury shares of a subsidiary	-	-	-	(1,693)	-	(1,693)	(1,076)	(2,769)	
Acquisition of non-controlling interests	-	-	-	-	-	-	(2,406)	(2,406)	
Dividend paid	-	-	-	-	(303,857)	(303,857)	(235,301)	(539,158)	
Unclaimed dividends	-	-	-	-	203	203	-	203	
<b>Total transactions with owners</b>	-	15,808	-	(9,363)	(303,654)	(297,209)	(227,335)	(524,544)	
<b>At September 30, 2012</b>	<b>565,572</b>	<b>(2,647)</b>	<b>(331,330)</b>	<b>216,122</b>	<b>3,840,344</b>	<b>4,288,061</b>	<b>1,085,010</b>	<b>5,373,071</b>	
<b>4Q12</b>									
<b>Total comprehensive income</b>									
Profit for the period	-	-	-	-	204,676	204,676	89,699	294,375	
<b>Other comprehensive income</b>									
Foreign currency translation differences for foreign operations	-	-	(10,858)	-	(123)	(10,981)	401	(10,580)	
Exchange differences on monetary items forming part of net investment in foreign operation	-	-	5,247	-	-	5,247	-	5,247	
Net change in fair value of cash flow hedges	-	-	-	(4,636)	-	(4,636)	(953)	(5,589)	
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	8,376	-	8,376	(2,804)	5,572	
Net change in fair value of available-for-sale financial assets	-	-	-	9,864	-	9,864	(908)	8,956	
Share of other comprehensive income of associates and joint ventures	-	-	-	(2,574)	(2)	(2,576)	158	(2,418)	
Total other comprehensive income, net of tax	-	-	(5,611)	11,030	(125)	5,294	(4,106)	1,188	
<b>Total comprehensive income</b>	-	-	(5,611)	11,030	204,551	209,970	85,593	295,563	
<b>Transactions with owners of the Company, recognised directly in equity</b>									
Contribution by non-controlling interests	-	-	-	-	-	-	(5,109)	(5,109)	
Share-based payments	-	-	-	11,782	-	11,782	2,044	13,826	
Purchase of treasury shares	-	(6,024)	-	-	-	(6,024)	-	(6,024)	
Treasury shares transferred to employees	-	508	-	(263)	-	245	-	245	
Treasury shares of a subsidiary	-	-	-	(369)	-	(369)	(265)	(634)	
Acquisition of non-controlling interests	-	-	-	(690)	-	(690)	(20,060)	(20,750)	
Realisation of reserve upon disposal of investments and changes in group structure	-	-	5,221	(51)	(4,827)	343	251	594	
Dividend paid	-	-	-	-	-	-	(6,368)	(6,368)	
Unclaimed dividends	-	-	-	-	13	13	-	13	
<b>Total transactions with owners</b>	-	(5,516)	5,221	10,409	(4,814)	5,300	(29,507)	(24,207)	
<b>At December 31, 2012</b>	<b>565,572</b>	<b>(8,163)</b>	<b>(331,720)</b>	<b>237,561</b>	<b>4,040,081</b>	<b>4,503,331</b>	<b>1,141,096</b>	<b>5,644,427</b>	

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

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

	Attributable to owners of the Company								
	Share Capital	Other reserves			Revenue Reserve	Total	Non-controlling interests	Total Equity	
		Reserve for own shares	Currency						Others
			Translation Reserve	Others					
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
<b>9M11</b>									
<b>At January 1, 2011</b>	571,099	(5,668)	(230,754)	393,010	3,087,523	3,815,210	1,205,050	5,020,260	
<b>Total comprehensive income</b>									
Profit for the period	-	-	-	-	557,397	557,397	226,736	784,133	
<b>Other comprehensive income</b>									
Foreign currency translation differences for foreign operations	-	-	(49,893)	-	2	(49,891)	(12,745)	(62,636)	
Exchange differences on monetary items forming part of net investment in foreign operation	-	-	(2,801)	-	-	(2,801)	-	(2,801)	
Net change in fair value of cash flow hedges	-	-	-	(45,553)	-	(45,553)	(44,190)	(89,743)	
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	(21,459)	-	(21,459)	(475)	(21,934)	
Net change in fair value of available-for-sale financial assets	-	-	-	(73,357)	-	(73,357)	(47,020)	(120,377)	
Share of other comprehensive income of associates and joint ventures	-	-	-	313	-	313	-	313	
Total other comprehensive income, net of tax	-	-	(52,694)	(140,056)	2	(192,748)	(104,430)	(297,178)	
<b>Total comprehensive income</b>	-	-	(52,694)	(140,056)	557,399	364,649	122,306	486,955	
<b>Transactions with owners of the Company, recognised directly in equity</b>									
Cancellation of shares	(5,191)	5,191	-	-	-	-	-	-	
Contribution by non-controlling interests	-	-	-	-	-	-	14,537	14,537	
Share-based payments	-	-	-	13,444	-	13,444	4,369	17,813	
Purchase of treasury shares	-	(37,435)	-	-	-	(37,435)	-	(37,435)	
Treasury shares transferred to employees	-	19,028	-	(15,741)	-	3,287	-	3,287	
Treasury shares of a subsidiary	-	-	-	(24,913)	-	(24,913)	(15,946)	(40,859)	
Realisation of reserve upon disposal of investments and changes in group structure	-	-	(5,399)	2,923	2,879	403	495	898	
Dividend paid	-	-	-	-	(304,029)	(304,029)	(314,044)	(618,073)	
<b>Total transactions with owners</b>	(5,191)	(13,216)	(5,399)	(24,287)	(301,150)	(349,243)	(310,589)	(659,832)	
<b>At September 30, 2011</b>	565,908	(18,884)	(288,847)	228,667	3,343,772	3,830,616	1,016,767	4,847,383	
<b>4Q11</b>									
<b>Total comprehensive income</b>									
Profit for the period	-	-	-	-	251,885	251,885	109,792	361,677	
<b>Other comprehensive income</b>									
Foreign currency translation differences for foreign operations	-	-	57,429	-	(2)	57,427	18,401	75,828	
Exchange differences on monetary items forming part of net investment in foreign operation	-	-	2,578	-	-	2,578	-	2,578	
Net change in fair value of cash flow hedges	-	-	-	(13,283)	-	(13,283)	(11,235)	(24,518)	
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	(5,653)	-	(5,653)	136	(5,517)	
Net change in fair value of available-for-sale financial assets	-	-	-	(6,974)	-	(6,974)	(4,869)	(11,843)	
Share of other comprehensive income of associates and joint ventures	-	-	-	(6,172)	-	(6,172)	(10)	(6,182)	
Total other comprehensive income, net of tax	-	-	60,007	(32,082)	(2)	27,923	2,423	30,346	
<b>Total comprehensive income</b>	-	-	60,007	(32,082)	251,883	279,808	112,215	392,023	
<b>Transactions with owners of the Company, recognised directly in equity</b>									
Cancellation of shares	(336)	336	-	-	-	-	-	-	
Share-based payments	-	-	-	6,120	-	6,120	2,626	8,746	
Purchase of treasury shares	-	(336)	-	-	-	(336)	-	(336)	
Treasury shares transferred to employees	-	429	-	(235)	-	194	-	194	
Treasury shares of a subsidiary	-	-	-	(943)	-	(943)	(755)	(1,698)	
Realisation of reserve upon disposal of investments and changes in group structure	-	-	(500)	(54)	(389)	(943)	1	(942)	
Dividend paid	-	-	-	-	-	-	(4,710)	(4,710)	
<b>Total transactions with owners</b>	(336)	429	(500)	4,888	(389)	4,092	(2,838)	1,254	
<b>At December 31, 2011</b>	565,572	(18,455)	(229,340)	201,473	3,595,266	4,114,516	1,126,144	5,240,660	

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

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

	Other reserves				Total
	Share Capital	Reserve for own shares	Others	Revenue Reserve	
	\$'000	\$'000	\$'000	\$'000	
<b>9M12</b>					
<b>At January 1, 2012</b>	565,572	(18,455)	8,571	1,309,119	1,864,807
<b>Total comprehensive income</b>					
Profit for the period	-	-	-	368,132	368,132
<b>Other comprehensive income</b>					
Net change in fair value of cash flow hedges	-	-	(705)	-	(705)
Total other comprehensive income, net of tax	-	-	(705)	-	(705)
<b>Total comprehensive income</b>	-	-	(705)	368,132	367,427
<b>Transactions with owners of the Company, recognised directly in equity</b>					
Share-based payments	-	-	9,439	-	9,439
Purchase of treasury shares	-	(4,160)	-	-	(4,160)
Treasury shares transferred to employees	-	19,968	(18,730)	-	1,238
Dividends paid	-	-	-	(303,857)	(303,857)
Unclaimed dividends	-	-	-	192	192
<b>Total transactions with owners</b>	-	15,808	(9,291)	(303,665)	(297,148)
<b>At September 30, 2012</b>	565,572	(2,647)	(1,425)	1,373,586	1,935,086
<b>4Q12</b>					
<b>Total comprehensive income</b>					
Profit for the period	-	-	-	62,172	62,172
<b>Other comprehensive income</b>					
Net change in fair value of cash flow hedges	-	-	558	-	558
Total other comprehensive income, net of tax	-	-	558	-	558
<b>Total comprehensive income</b>	-	-	558	62,172	62,730
<b>Transactions with owners of the Company, recognised directly in equity</b>					
Share-based payments	-	-	3,245	-	3,245
Purchase of treasury shares	-	(6,024)	-	-	(6,024)
Treasury shares transferred to employees	-	508	(263)	-	245
<b>Total transactions with owners</b>	-	(5,516)	2,982	-	(2,534)
<b>At December 31, 2012</b>	565,572	(8,163)	2,115	1,435,758	1,995,282

	Other reserves				Total
	Share Capital	Reserve for own shares	Others	Revenue Reserve	
	\$'000	\$'000	\$'000	\$'000	
<b>9M11</b>					
<b>At January 1, 2011</b>	571,099	(5,668)	15,537	1,089,251	1,670,219
<b>Total comprehensive income</b>					
Profit for the period	-	-	-	497,581	497,581
<b>Transactions with owners of the Company, recognised directly in equity</b>					
Cancellation of shares	(5,191)	5,191	-	-	-
Share-based payments	-	-	6,686	-	6,686
Purchase of treasury shares	-	(37,435)	-	-	(37,435)
Treasury shares transferred to employees	-	19,028	(15,741)	-	3,287
Dividends paid	-	-	-	(304,029)	(304,029)
<b>Total transactions with owners</b>	(5,191)	(13,216)	(9,055)	(304,029)	(331,491)
<b>At September 30, 2011</b>	565,908	(18,884)	6,482	1,282,803	1,836,309
<b>4Q11</b>					
<b>Total comprehensive income</b>					
Profit for the period	-	-	-	26,316	26,316
<b>Transactions with owners of the Company, recognised directly in equity</b>					
Cancellation of shares	(336)	336	-	-	-
Share-based payments	-	-	2,324	-	2,324
Purchase of treasury shares	-	(336)	-	-	(336)
Treasury shares transferred to employees	-	429	(235)	-	194
<b>Total transactions with owners</b>	(336)	429	2,089	-	2,182
<b>At December 31, 2011</b>	565,572	(18,455)	8,571	1,309,119	1,864,807

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

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

#### **Issued and paid up capital**

As at December 31, 2012, the Company's issued and paid up capital excluding treasury shares comprises 1,785,941,453 (December 31, 2011: 1,783,617,959) ordinary shares.

#### **Share Options**

During 4Q12, 103,000 (4Q11: 91,250) share options under the Company's Share Option Plan ("SOP") were exercised and settled by way of issuance of treasury shares.

As at December 31, 2012, there were 2,023,824 (December 31, 2011: 2,885,939) unissued ordinary shares under options granted to eligible employees and directors under the Company's SOP.

#### **Performance Shares**

During 4Q12, no (4Q11: nil) performance shares were awarded under the Company's Performance Share Plan ("PSP"), no (4Q11: nil) performance shares were released and no (4Q11: nil) performance shares lapsed.

The total number of performance shares in awards granted conditionally and representing 100% of targets to be achieved, but not released as at December 31, 2012, was 2,548,333 (December 31, 2011: 2,633,333). Based on the multiplying factor, the actual release of the awards could range from zero to a maximum of 3,822,500 (December 31, 2011: 3,950,000) performance shares.

#### **Restricted Shares**

During 4Q12, no (4Q11: nil) restricted shares were awarded under the Restricted Share Plan ("RSP"). 14,726 (4Q11: 35,490) restricted shares were released and 5,289 (4Q11: 21,878) restricted shares lapsed. Of the restricted shares released, 14,726 (4Q11: 35,490) restricted shares were cash-settled.

The total number of restricted shares outstanding, including awards achieved but not released, as at end December 31, 2012 was 6,708,437 (December 31, 2011: 6,170,329). Of this, the total number of restricted shares in awards granted conditionally and representing 100% of targets to be achieved, but not released was 4,565,100 (December 31, 2011: 4,244,200). Based on the multiplying factor, the actual release of the conditional awards could range from zero to a maximum of 6,847,650 (December 31, 2011: 6,366,300) restricted shares.

#### **Treasury shares**

During 4Q12, the Company acquired 1,171,000 (4Q11: 100,000) ordinary shares in the Company by way of on-market purchases. No (4Q11: 100,000) treasury shares were cancelled and 103,000 (4Q11: 91,250) treasury shares were re-issued pursuant to the SOP.

As at December 31, 2012, 1,606,279 (December 31, 2011: 3,929,773) treasury shares were held that may be re-issued upon the exercise of options under the SOP and upon the vesting of performance shares and restricted shares under the PSP and RSP respectively.

## **7. AUDIT**

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

## **8. AUDITORS' REPORT**

Not applicable.

**9. ACCOUNTING POLICIES**

Except as disclosed in paragraph 10 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at December 31, 2011.

**10. CHANGES IN ACCOUNTING POLICIES**

The following new/amended FRSs have become effective from January 1, 2012.

Amendments to FRS 12 – Deferred Tax: Recovery of Underlying Assets  
Amendments to FRS 101 – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters  
Amendments to FRS 107 Disclosures – Transfer of Financial Assets

The adoption of the above FRSs (including consequential amendments) does not have any significant impact on the financial statements.



## 11. REVIEW OF GROUP PERFORMANCE

### Group Overview

The Group recorded a net profit of \$753.3 million in FY12 compared to net profit of \$809.3 million in FY11. Turnover increased 13% to \$10.2 billion in FY12 from \$9.0 billion in FY11. In 4Q12, the Group net profit was \$204.7 million compared to \$251.9 million in 4Q11, while turnover was \$2.8 billion compared to \$2.2 billion in 4Q11.

### Turnover

	<u>4Q12</u>	<u>4Q11</u>	<u>Growth</u>		<u>FY12</u>	<u>FY11</u>	<u>Growth</u>	
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Utilities	1,392,367	1,211,501	180,866	15	5,615,449	4,893,451	721,998	15
Marine	1,378,034	996,548	381,486	38	4,428,011	3,956,312	471,699	12
Urban Development	3,593	1,824	1,769	97	11,605	8,862	2,743	31
Others/Corporate	41,581	36,012	5,569	16	133,993	188,441	(54,448)	(29)
	<u>2,815,575</u>	<u>2,245,885</u>	<u>569,690</u>	<u>25</u>	<u>10,189,058</u>	<u>9,047,066</u>	<u>1,141,992</u>	<u>13</u>

The increase in Utilities' turnover in 4Q12 and FY12 was mainly attributable to our Singapore operations due to additional gas sales and higher turnover contribution by a subsidiary in the Middle East upon commencement of operations during the year. The increase in FY12's turnover was also due to higher High Sulphur Fuel Oil ("HSFO") prices recorded during the year.

Marine's turnover for 4Q12 and FY12 increased mainly due to the higher revenue recognition for rig building and offshore platform projects.

Turnover of Others/Corporate was mainly contributed by a subsidiary dealing in specialised construction activities. Increase in turnover in 4Q12 and decrease in turnover in FY12 was mainly due to timing difference in recognition of projects.

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

### Net profit attributable to owners of the Company ("Net Profit")

	<u>4Q12</u>	<u>4Q11</u>	<u>Growth</u>		<u>FY12</u>	<u>FY11</u>	<u>Growth</u>	
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Utilities	81,169	88,176	(7,007)	(8)	374,641	304,364	70,277	23
Marine	101,327	138,297	(36,970)	(27)	326,711	456,228	(129,517)	(28)
Urban Development	21,835	20,843	992	5	41,115	38,747	2,368	6
Others/Corporate	345	4,569	(4,224)	(92)	10,816	9,943	873	9
	<b><u>204,676</u></b>	<b><u>251,885</u></b>	<b><u>(47,209)</u></b>	<b><u>(19)</u></b>	<b><u>753,283</u></b>	<b><u>809,282</u></b>	<b><u>(55,999)</u></b>	<b><u>(7)</u></b>

The Utilities business continued to deliver strong growth in FY12 with net profit improving 23% to \$374.6 million from \$304.4 million in FY11, mainly due to better performance from Singapore operations attributable to additional gas sales during the year. While Singapore operations remained the business' largest profit contributor, contribution from our overseas operations grew with China, Vietnam, Australia and the Middle East delivering an improved performance over FY11.

Marine's net profit for 4Q12 and FY12 were lower mainly due to the lower margin from new design rigs. There was also resumption of margin recognition on completion and delivery of the Songa Eclipse semi-submersible rig in FY11.

Urban Development's net profit in 4Q12 and FY12 were comparable to the same period in previous year.

Net profit for Others/Corporate decreased in 4Q12 mainly due to higher write-back of prior year's tax provision in 4Q11. Net profit increased in FY12 mainly due to higher net profit from our Singapore Mint from their higher mint sales for Lunar Dragon year and higher contribution from our offshore engineering business.

## 12. VARIANCE FROM PROSPECT STATEMENT

There is no material change from the previous prospect statement.

## 13. PROSPECTS

### **Utilities**

In 2013, the completion of Singapore's liquefied natural gas (LNG) terminal is expected to increase natural gas supply to the country. In addition, over 2,400 megawatts of new generation capacity is expected to come onstream over the next few years, starting from 2013. The increase in gas supply and generation capacity is expected to intensify competition and may impact the performance of our Singapore operations.

2013 will see a full year's contribution from our newly-acquired power assets in China and the completion of our second woodchip boiler in Singapore in June.

The Utilities business, underpinned by long-term contracts and strong operational performance, will remain focused on the execution of its pipeline of projects and pursuit of new growth opportunities to deliver long-term growth.

### **Marine**

Our Marine business has a net orderbook of S\$13.6 billion with completion and deliveries stretching into 2019. This includes S\$11 billion in contract orders secured in 2012 and a S\$900 million contract secured since the start of 2013.

The new yard at Tuas will commence operations in the second half of 2013 and the construction of the Brazilian yard is on track.

The business continues to receive healthy enquiries for the various segments although competition remains keen with effects on margin.

### **Urban Development**

The Urban Development business is expected to deliver a better performance in 2013.

### **Group**

The Group, underpinned by sound business fundamentals and a healthy pipeline of projects and orderbook, continues to be well-positioned to deliver long-term growth.

*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.*

14. **DIVIDEND**

**(a) Current Financial Year Reported On**

<b>Name of Dividend</b>	<b>Proposed 2012 Final Ordinary Exempt-1-Tier</b>	<b>2012 Total</b>
Dividend Type	Cash	Cash
Dividend Amount (cents per shares)	15.0	15.0

**(b) Corresponding Year of the Immediately Preceding Financial Year**

<b>Name of Dividend</b>	<b>2011 Final Ordinary Exempt-1-Tier</b>	<b>2011 Final Bonus Exempt-1-Tier</b>	<b>2011 Total</b>
Dividend Type	Cash	Cash	Cash
Dividend Amount (cents per shares)	15.0	2.0	17.0

**(c) Date payable**

The proposed final tax exempt 1-Tier dividend of 15.0 cents per ordinary share, if approved at the AGM to be held on April 25, 2013, will be paid on May 14, 2013.

**(d) Books closure date**

Notice is hereby given that the Register of Members and Share Transfer Books of the Company will be closed on May 3, 2013 to determine the shareholders' entitlements to the proposed dividend. Duly completed transfers of shares received by the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road, #05-01 Singapore 068902, up to 5.00 p.m. on May 2, 2013 (the "Book Closure Date") will be registered to determine shareholders' entitlements to the proposed dividend. Subject as aforesaid, shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on the Book Closure Date will be entitled to the proposed dividend.

**(e) Total Annual Dividend and Capital Distribution (in dollar value)**

	<b>FY12 \$'000</b>	<b>FY11 \$'000</b>
Final ordinary dividend*	267,891	267,543
Bonus dividend*	-	35,672
<b>Total</b>	<b>267,891</b>	<b>303,215</b>

\*FY12 dividend is estimated based on the share capital of 1,785,941,453 ordinary shares at the end of the financial year.

## 15. SEGMENTAL REPORTING

### FY12

#### (i) Operating segments

	Utilities \$'000	Marine \$'000	Urban Development \$'000	Others/ Corporate \$'000	Elimi- nation \$'000	Total \$'000
<b>Turnover</b>						
External sales	5,615,449	4,428,011	11,605	133,993	-	10,189,058
Inter-segment sales	48,886	2,112	4,018	44,727	(99,743)	-
<b>Total</b>	<b>5,664,335</b>	<b>4,430,123</b>	<b>15,623</b>	<b>178,720</b>	<b>(99,743)</b>	<b>10,189,058</b>
<b>Results</b>						
Segment results	534,666	554,773	6,271	7,240	-	1,102,950
Finance income	5,776	21,439	189	47,981	(46,833)	28,552
Finance costs	(130,841)	(3,262)	(563)	(52,164)	46,833	(139,997)
	<b>409,601</b>	<b>572,950</b>	<b>5,897</b>	<b>3,057</b>	<b>-</b>	<b>991,505</b>
Share of results of associates and joint ventures	71,967	44,001	37,695	9,588	-	163,251
	<b>481,568</b>	<b>616,951</b>	<b>43,592</b>	<b>12,645</b>	<b>-</b>	<b>1,154,756</b>
Tax (expense)/credit	(71,726)	(49,717)	1,408	(1,663)	-	(121,698)
Non-controlling interests	(35,201)	(240,523)	(3,885)	(166)	-	(279,775)
<b>Net profit for the period</b>	<b>374,641</b>	<b>326,711</b>	<b>41,115</b>	<b>10,816</b>	<b>-</b>	<b>753,283</b>
<b>Assets</b>						
Segment assets	6,041,185	5,368,451	192,761	1,632,196	(1,919,256)	11,315,337
Investment in associates and joint ventures	436,553	433,303	563,768	71,985	-	1,505,609
Tax assets	59,752	2,471	1,560	126	-	63,909
<b>Total assets</b>	<b>6,537,490</b>	<b>5,804,225</b>	<b>758,089</b>	<b>1,704,307</b>	<b>(1,919,256)</b>	<b>12,884,855</b>
<b>Liabilities</b>						
Segment liabilities	4,048,842	3,008,683	137,621	1,320,642	(1,919,256)	6,596,532
Tax liabilities	392,449	229,054	8,519	13,874	-	643,896
<b>Total liabilities</b>	<b>4,441,291</b>	<b>3,237,737</b>	<b>146,140</b>	<b>1,334,516</b>	<b>(1,919,256)</b>	<b>7,240,428</b>
<b>Capital expenditure</b>	777,069	535,980	28	2,853	-	<b>1,315,930</b>
<b>Significant non-cash items</b>						
Depreciation and amortisation	180,696	94,415	1,459	5,050	-	<b>281,620</b>
Allowance made for impairment in value of assets and assets written off (net)	17,150	464	153	-	-	<b>17,767</b>

#### (ii) Geographical segments

	Revenue		Non-current Assets		Total Assets		Capital Expenditure	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Singapore	5,212,045	51	3,697,617	48	8,463,743	66	952,892	72
Rest of ASEAN, Australia & India	907,890	9	677,983	9	744,247	6	38,928	3
China	100,454	1	1,142,668	15	1,226,366	9	50,883	4
Middle East & Africa	764,446	8	1,190,209	15	1,383,619	11	185,175	14
UK	551,625	5	777,594	10	825,746	6	38,705	3
Rest of Europe	1,255,674	12	-	-	127	-	-	-
Other Countries	1,396,924	14	204,037	3	241,007	2	49,347	4
<b>Total</b>	<b>10,189,058</b>	<b>100</b>	<b>7,690,108</b>	<b>100</b>	<b>12,884,855</b>	<b>100</b>	<b>1,315,930</b>	<b>100</b>

## 15. SEGMENTAL REPORTING (Cont'd)

### FY11

#### (i) Operating segments

	Utilities	Marine	Urban Development	Others/ Corporate	Elimi- nation	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Turnover</b>						
External sales	4,893,451	3,956,312	8,862	188,441	-	9,047,066
Inter-segment sales	44,033	3,918	3,969	21,650	(73,570)	-
<b>Total</b>	<b>4,937,484</b>	<b>3,960,230</b>	<b>12,831</b>	<b>210,091</b>	<b>(73,570)</b>	<b>9,047,066</b>
<b>Results</b>						
Segment results	355,663	739,121	(246)	6,568	-	1,101,106
Finance income	3,836	59,977	143	40,786	(40,174)	64,568
Finance costs	(59,854)	(2,491)	(47)	(43,450)	40,174	(65,668)
	<b>299,645</b>	<b>796,607</b>	<b>(150)</b>	<b>3,904</b>	<b>-</b>	<b>1,100,006</b>
Share of results of associates and joint ventures	65,133	53,275	46,385	5,780	-	170,573
	<b>364,778</b>	<b>849,882</b>	<b>46,235</b>	<b>9,684</b>	<b>-</b>	<b>1,270,579</b>
Tax (expense) / credit	(43,839)	(80,958)	(90)	118	-	(124,769)
Non-controlling interests	(16,575)	(312,696)	(7,398)	141	-	(336,528)
<b>Net profit for the year</b>	<b>304,364</b>	<b>456,228</b>	<b>38,747</b>	<b>9,943</b>	<b>-</b>	<b>809,282</b>
<b>Assets</b>						
Segment assets	5,331,221	4,671,541	169,787	1,714,706	(1,552,058)	10,335,197
Investment in associates and joint ventures	404,512	395,951	478,860	65,377	-	1,344,700
Tax assets	65,949	2,261	1,560	2,958	-	72,728
<b>Total assets</b>	<b>5,801,682</b>	<b>5,069,753</b>	<b>650,207</b>	<b>1,783,041</b>	<b>(1,552,058)</b>	<b>11,752,625</b>
<b>Liabilities</b>						
Segment liabilities	3,736,114	2,281,758	50,331	1,338,347	(1,552,058)	5,854,492
Tax liabilities	376,638	262,336	9,826	8,673	-	657,473
<b>Total liabilities</b>	<b>4,112,752</b>	<b>2,544,094</b>	<b>60,157</b>	<b>1,347,020</b>	<b>(1,552,058)</b>	<b>6,511,965</b>
<b>Capital expenditure</b>	<b>611,335</b>	<b>471,499</b>	<b>698</b>	<b>8,360</b>	<b>-</b>	<b>1,091,892</b>
<b>Significant non-cash items</b>						
Depreciation and amortisation	141,719	86,706	1,430	4,961	-	234,816
Allowance made for impairment in value of assets and assets written off (net)	17,143	930	(166)	15	-	17,922

	Revenue		Non-current Assets		Total Assets		Capital Expenditure	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Singapore	4,595,732	51	2,743,114	42	7,546,508	64	638,309	59
Rest of ASEAN, Australia & India	518,514	6	756,092	11	800,370	7	16,132	1
China	87,659	1	885,639	13	947,856	8	23,606	2
Middle East & Africa	111,812	1	1,151,478	18	1,259,582	11	351,118	32
UK	964,366	10	818,420	13	988,369	8	39,824	4
Rest of Europe	1,971,252	22	-	-	37	-	-	-
Other Countries	797,731	9	180,821	3	209,903	2	22,903	2
<b>Total</b>	<b>9,047,066</b>	<b>100</b>	<b>6,535,564</b>	<b>100</b>	<b>11,752,625</b>	<b>100</b>	<b>1,091,892</b>	<b>100</b>

## 15. SEGMENTAL REPORTING (Cont'd)

### Notes to Segmental Analysis

#### 15a. Operating Segments

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

- (i) The Utilities segment's principal activities are in the provision of energy, water, on-site logistics and solid waste management to industrial and municipal customers. Key activities in the energy sector include power generation and retail, process steam production and supply, as well as natural gas import, supply and retail. In the water sector, the business offers wastewater treatment as well as the production and supply of reclaimed, desalinated and potable water and water for industrial use.
- (ii) The Marine segment focuses principally on providing integrated solutions in the repair, building and conversion of ships and rigs, and offshore engineering and construction.
- (iii) The Urban Development segment owns, develops, markets and manages integrated urban developments comprising industrial parks as well as business, commercial and residential space in Asia.
- (iv) Others / Corporate segment comprises businesses mainly relating to minting, design and construction activities, offshore engineering and the corporate companies.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

#### 15b. Geographical Segments

The Group operates in seven principal geographical areas: Singapore, China, Rest of ASEAN, Australia & India, Middle East & Africa, UK, Rest of Europe and Other Countries. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets and total assets are based on the geographical location of the assets.

#### 15c. Review of segment performance

Please refer to Paragraph 11 for analysis by operating segments.

16. Quarterly Analysis

	1Q 2012	2Q 2012	3Q 2012	4Q 2012	FY 2012	1Q 2011	2Q 2011	3Q 2011	4Q 2011	FY 2011
	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil
<b>Turnover</b>										
Utilities	1,436	1,422	1,365	1,392	5,615	1,113	1,284	1,285	1,211	4,893
Marine	942	1,217	891	1,378	4,428	828	830	1,302	997	3,957
Urban Development	2	3	3	4	12	2	2	3	2	9
Others / Corporate	52	26	15	41	134	60	50	42	36	188
	<b>2,432</b>	<b>2,668</b>	<b>2,274</b>	<b>2,815</b>	<b>10,189</b>	<b>2,003</b>	<b>2,166</b>	<b>2,632</b>	<b>2,246</b>	<b>9,047</b>
<b>Net Profit attributable to owners of the Company</b>										
Utilities	99	95	100	81	375	61	76	79	88	304
Marine	69	87	70	101	327	92	91	135	138	456
Urban Development	5	7	7	22	41	4	7	7	21	39
Others / Corporate	4	2	4	-	10	3	1	1	5	10
<b>Net Profit</b>	<b>177</b>	<b>191</b>	<b>181</b>	<b>204</b>	<b>753</b>	<b>160</b>	<b>175</b>	<b>222</b>	<b>252</b>	<b>809</b>



## 17. INTERESTED PERSON TRANSACTIONS

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

	<b>4Q12</b>	<b>FY12</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><u>Sale of Goods and Services</u></b>		
Temasek Holdings (Private) Limited and its Associates		
- PSA International Pte Ltd and its Associates	962	3,755
- Singapore Power Limited and its Associates	535	2,119
- Temasek Capital (Private) Limited and its Associates	470	1,490
- Singapore Technologies Telemedia Pte Ltd and its Associates	139	617
	<hr/> 2,106	<hr/> 7,981
Starhub Ltd and its Associates	240	960
SATS Ltd and its Associates	62	236
Singapore Airlines Limited and its Associates	1,670	2,740
Singapore Technologies Engineering Ltd and its Associates	7,858	7,858
	<hr/> 11,936	<hr/> 19,775
<b><u>Purchase of Goods and Services</u></b>		
Temasek Holdings (Private) Limited and its Associates		
- Temasek Capital (Private) Limited and its Associates <sup>1</sup>	322,512	1,269,077
- Singapore Power Limited and its Associates	1,072	4,259
- Certis CISCO Security Pte Ltd	22	149
	<hr/> 323,606	<hr/> 1,273,485
SMRT Corporation Ltd and its Associates	294	1,208
Singapore Technologies Engineering Ltd and its Associates	-	6,057
	<hr/> 323,900	<hr/> 1,280,750
<b><u>Management and Support Services</u></b>		
- Temasek Capital (Private) Limited and its Associates	910	2,370
<b>Sub-total</b>	<hr/> 336,746	<hr/> 1,302,895
<b>Aggregate value of all interested person transactions (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual)</b>		
<b><u>Establishment of Joint Venture</u></b>		
Temasek Holdings (Private) Limited and its Associates		
- Tembusu Capital Pte. Ltd. And its Associates	-	92,837
<b><u>Sale of Property</u></b>		
Singapore Technologies Engineering Ltd and its Associates	8,233	8,233
<b>Total interested person transactions</b>	<hr/> <b>344,979</b> <hr/>	<hr/> <b>1,403,965</b> <hr/>

Note:

1. This relates mainly to the purchase of gas by Sembcorp Cogen Pte Ltd from Sembcorp Gas Pte Ltd for the generation of electricity.

18. **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 or the chief executive officer or substantial shareholder of the Company.

**BY ORDER OF THE BOARD**

**Kwong Sook May (Ms)**  
**Company Secretary**  
**February 26, 2013**