



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

**SECOND HALF AND FULL YEAR ENDED DECEMBER 31, 2020 FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT**

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**UNAUDITED RESULTS FOR THE SECOND HALF AND FULL YEAR ENDED DECEMBER 31, 2020**

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, 2020.

**1. CONSOLIDATED INCOME STATEMENT**

# On September 11, 2020, the Company distributed its holdings of ordinary shares in the capital of a subsidiary, Sembcorp Marine Ltd (SCM) to its shareholders (the Distribution). Consequent to the Distribution, the performance of the marine segment in the current financial year, for the period from January 1, 2020 to September 11, 2020 is reported as a discontinued operation with comparative information re-presented accordingly.

<i>(\$ million)</i>	Note	GROUP			GROUP		
		2H2020	2H2019#	+ / (-) %	FY2020	FY2019#	+ / (-) %
<b>Continuing operations:</b>							
<b>Turnover</b>	2a	<b>2,830</b>	<b>3,426</b>	<b>(17)</b>	<b>5,447</b>	<b>6,735</b>	<b>(19)</b>
Cost of sales	2b	(2,397)	(2,948)	(19)	(4,660)	(5,753)	(19)
<b>Gross profit</b>		<b>433</b>	<b>478</b>	<b>(9)</b>	<b>787</b>	<b>982</b>	<b>(20)</b>
General & administrative expenses	2c	(149)	(171)	(13)	(344)	(356)	(3)
Other operating income, net	2d	86	152	(43)	126	189	(33)
Non-operating income	2e	40	24	67	49	26	88
Non-operating expenses	2e	(60)	(133)	(55)	(176)	(135)	30
Finance income <sup>1</sup>	2f	16	20	(20)	35	39	(10)
Finance costs	2f	(258)	(260)	(1)	(499)	(483)	3
Share of results of associates and joint ventures, net of tax	2g	114	86	33	233	186	25
<b>Profit before tax</b>		<b>222</b>	<b>196</b>	<b>13</b>	<b>211</b>	<b>448</b>	<b>(53)</b>
Tax expense	2h	(9)	(74)	(88)	(32)	(115)	(72)
<b>Profit from continuing operations for the period / year</b>		<b>213</b>	<b>122</b>	<b>75</b>	<b>179</b>	<b>333</b>	<b>(46)</b>
<b>Discontinued operation:</b>							
Loss from discontinued operation, net of tax		(163)	(104)	57	(330)	(116)	184
Loss on the Distribution	7d	(970)	–	NM	(970)	–	NM
<b>Loss from discontinued operation for the period / year</b>		<b>(1,133)</b>	<b>(104)</b>	<b>NM</b>	<b>(1,300)</b>	<b>(116)</b>	<b>NM</b>
<b>(Loss) / Profit for the period / year</b>		<b>(920)</b>	<b>18</b>	<b>NM</b>	<b>(1,121)</b>	<b>217</b>	<b>NM</b>
<b>Attributable to:</b>							
<b>Owners of the Company</b>							
Profit for the period / year from continuing operations		198	108	83	157	305	(49)
Loss for the period / year from discontinued operation	7d	(1,064)	(52)	NM	(1,154)	(58)	NM
<b>(Loss) / Profit for the period / year attributable to owners of the Company</b>		<b>(866)</b>	<b>56</b>	<b>NM</b>	<b>(997)</b>	<b>247</b>	<b>NM</b>

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

	Note	GROUP			GROUP		
		2H2020	2H2019 <sup>#</sup>	+ / (-) %	FY2020	FY2019 <sup>#</sup>	+ / (-) %
<b>Attributable to:</b>							
<b>Non-controlling interests (NCI)</b>							
Profit for the period / year from continuing operations		15	14	7	22	28	(21)
Loss for the period / year from discontinued operation		(69)	(52)	33	(146)	(58)	152
<b>Loss for the period / year attributable to NCI</b>		<b>(54)</b>	<b>(38)</b>	<b>42</b>	<b>(124)</b>	<b>(30)</b>	<b>NM</b>
		<b>(920)</b>	<b>18</b>	<b>NM</b>	<b>(1,121)</b>	<b>217</b>	<b>NM</b>
<b>Earnings per ordinary share (cents)</b>							
- basic	2i	(48.52)	2.13	NM	(56.81)	11.81	NM
- diluted		(48.52)	2.11	NM	(56.81)	11.74	NM
<b>Earnings per ordinary share (cents) – Continuing operations</b>							
- basic	2i	11.09	5.04	120	7.84	15.06	(48)
- diluted		10.96	5.01	119	7.78	14.96	(48)

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

<sup>1</sup> After elimination of inter-segment finance income of S\$11 million and S\$38 million in 2H2020 and FY2020, respectively (2H2019 and FY2019: S\$27 million), with corresponding reduction of inter-segment finance expense in the discontinued operation.

NM – Not meaningful

2H2020 and FY2020 net profit from continuing operations attributable to owners of the Company (Net Profit) before exceptional items was S\$151 million and S\$301 million, compared to S\$252 million and S\$456 million in 2H2019 and FY2019 respectively.

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

	Note	GROUP			GROUP		
		2H2020	2H2019 <sup>#</sup>	+ / (-) %	FY2020	FY2019 <sup>#</sup>	+ / (-) %
<b>Attributable to:</b>							
<b>Owners of the Company</b>							
Profit for the period / year from continuing operations		198	108	83	157	305	(49)
Exceptional Items <sup>2</sup>		47	(144)	NM	(144)	(151)	(5)
<b>^Net Profit</b>		<b>151</b>	<b>252</b>	<b>(40)</b>	<b>301</b>	<b>456</b>	<b>(34)</b>

<sup>2</sup> For details on exceptional items, please refer to Note 4e

<sup>^</sup> Before exceptional items

## 2. NOTES TO THE CONSOLIDATED INCOME STATEMENT

### 2a. Turnover and disaggregation of revenue

#### 2H2020

<i>(S\$ million)</i>	<b>Energy</b>	<b>Urban</b>	<b>Others / Corporate</b>	<b>Elimination</b>	<b>Total</b>
<b>Turnover</b>					
External sales	2,724	3	103	–	2,830
Inter-segment sales	3	–	3	(6)	–
<b>Total</b>	<b>2,727</b>	<b>3</b>	<b>106</b>	<b>(6)</b>	<b>2,830</b>
<b>Major product / service lines</b>					
Provision of energy products and related services (including electricity, gas and steam)	2,332	–	*	–	2,332
Provision of water products and related services	89	–	–	–	89
Construction and engineering related activities	110	–	93	–	203
Others	193	1	10	–	204
<b>Total revenue from contracts with customers</b>	<b>2,724</b>	<b>1</b>	<b>103</b>	<b>–</b>	<b>2,828</b>
Rental income	–	2	*	–	2
<b>Total external sales</b>	<b>2,724</b>	<b>3</b>	<b>103</b>	<b>–</b>	<b>2,830</b>
<b>Timing of revenue recognition</b>					
At a point in time	5	–	12	–	17
Over time	2,719	1	91	–	2,811
<b>Total revenue from contracts with customers</b>	<b>2,724</b>	<b>1</b>	<b>103</b>	<b>–</b>	<b>2,828</b>

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

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

#### 2H2019#

<i>(S\$ million)</i>	<b>Energy</b>	<b>Urban</b>	<b>Others / Corporate</b>	<b>Elimination</b>	<b>Total</b>
<b>Turnover</b>					
External sales	2,985	279	162	–	3,426
Inter-segment sales	16	*	8	(24)	–
<b>Total</b>	<b>3,001</b>	<b>279</b>	<b>170</b>	<b>(24)</b>	<b>3,426</b>
<b>Major product / service lines</b>					
Provision of energy products and related services (including electricity, gas and steam)	2,664	–	–	–	2,664
Provision of water products and related services	103	–	–	–	103
Construction and engineering related activities	63	*	148	–	211
Others	155	278	13	–	446
<b>Total revenue from contracts with customers</b>	<b>2,985</b>	<b>278</b>	<b>161</b>	<b>–</b>	<b>3,424</b>
Rental income	–	1	1	–	2
<b>Total external sales</b>	<b>2,985</b>	<b>279</b>	<b>162</b>	<b>–</b>	<b>3,426</b>
<b>Timing of revenue recognition</b>					
At a point in time	4	278	14	–	296
Over time	2,981	–	147	–	3,128
<b>Total revenue from contracts with customers</b>	<b>2,985</b>	<b>278</b>	<b>161</b>	<b>–</b>	<b>3,424</b>

In 2H2020, the Group reported a turnover of S\$2,830 million for continuing operations, a decrease of 17% or S\$596 million compared to 2H2019.

2H2020 turnover of S\$2,724 million for the Energy business was 9% or S\$261 million lower than the corresponding period last year. The lower turnover was mainly due to the fall in oil prices and disruption to demand, caused by national lockdowns implemented by many governments in response to the COVID-19 pandemic. Additionally, there were plant shutdowns in Singapore and India. This was mitigated by power sale contracts with revenues based on availability and the positive outcome of change in law claims in India.

Turnover for Urban decreased by S\$276 million as turnover in 2019 included recognition from the sale of residential units in Riverside Grandeur in Nanjing, China (NJRG), a residential development wholly-owned by Sembcorp.

2H2020 turnover for Other Businesses was lower by S\$59 million mainly due to COVID-19 dormitory lockdowns in Singapore affecting operations of Sembcorp Specialised Construction (SSC) and the absence of contribution from the commercial construction business, post divestment.

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

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

#### FY2020

(S\$ million)	Energy	Urban	Others / Corporate	Elimination	Total
<b>Turnover</b>					
External sales	5,266	9	172	–	5,447
Inter-segment sales	12	–	8	(20)	–
<b>Total</b>	<b>5,278</b>	<b>9</b>	<b>180</b>	<b>(20)</b>	<b>5,447</b>

#### **Major product / service lines**

Provision of energy products and related services (including electricity, gas and steam)	4,512	–	*	–	4,512
Provision of water products and related services	182	–	–	–	182
Construction and engineering related activities	238	–	151	–	389
Others	334	6	21	–	361
<b>Total revenue from contracts with customers</b>	<b>5,266</b>	<b>6</b>	<b>172</b>	<b>–</b>	<b>5,444</b>
Rental income	–	3	–	–	3
<b>Total external sales</b>	<b>5,266</b>	<b>9</b>	<b>172</b>	<b>–</b>	<b>5,447</b>

#### **Timing of revenue recognition**

At a point in time	8	5	24	–	37
Over time	5,258	1	148	–	5,407
<b>Total revenue from contracts with customers</b>	<b>5,266</b>	<b>6</b>	<b>172</b>	<b>–</b>	<b>5,444</b>

#### FY2019#

(S\$ million)	Energy	Urban	Others / Corporate	Elimination	Total
<b>Turnover</b>					
External sales	6,138	280	317	–	6,735
Inter-segment sales	32	*	13	(45)	–
<b>Total</b>	<b>6,170</b>	<b>280</b>	<b>330</b>	<b>(45)</b>	<b>6,735</b>

#### **Major product / service lines**

Provision of energy products and related services (including electricity, gas and steam)	5,436	–	–	–	5,436
Provision of water products and related services	207	–	–	–	207
Construction and engineering related activities	190	–	272	–	462
Others	305	278	44	–	627
<b>Total revenue from contracts with customers</b>	<b>6,138</b>	<b>278</b>	<b>316</b>	<b>–</b>	<b>6,732</b>
Rental income	–	2	1	–	3
<b>Total external sales</b>	<b>6,138</b>	<b>280</b>	<b>317</b>	<b>–</b>	<b>6,735</b>

#### **Timing of revenue recognition**

At a point in time	8	278	45	–	331
Over time	6,130	–	271	–	6,401
<b>Total revenue from contracts with customers</b>	<b>6,138</b>	<b>278</b>	<b>316</b>	<b>–</b>	<b>6,732</b>

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

### 2b. Cost of sales

(S\$ million)	Note	GROUP			GROUP		
		2H2020	2H2019#	+ / (-) %	FY2020	FY2019#	+ / (-) %
Cost of sales		(2,397)	(2,948)	(19)	(4,660)	(5,753)	(19)
<u>Included in cost of sales :-</u>							
Depreciation and amortisation		(217)	(215)	1	(426)	(420)	1
Impairment and write-off of property, plant and equipment	(i)	(68)	(81)	(16)	(70)	(90)	(22)
Impairment on intangible assets	(i)	(6)	(64)	(91)	(6)	(64)	(91)
Write-down inventory to net realisable value	(ii)	–	–	NM	(45)	–	NM
Write-off of inventory	(iii)	–	(1)	NM	(53)	–	NM

The cost of sales included net exceptional charges of S\$55 million and S\$167 million for 2H2020 and FY2020 respectively. Excluding the net exceptional charges, the cost of sales for 2H2020 and FY2020 would have been S\$2,342 million and S\$4,493 million respectively. The overall lower cost of sales for 2H2020 was mainly due to lower fuel costs, because of the reduction in oil, gas and coal prices compared to 2H2019.

- (i) The impairments of property, plant and equipment as well as intangibles were announced on December 7, 2020.
- (ii) In March 2020, the value of the gasoil reserve in Singapore was written-down by S\$45 million, to its net realisable value due to the significant decline in energy prices. The gasoil reserve was used to fulfil certain regulatory requirements.
- (iii) In June 2020, the gasoil stored and managed at Hin Leong Trading (HLT), with net carrying value of S\$53 million, was fully written-off after taking into account the financial positions of HLT reported by the interim judicial manager.

### 2c. General & administrative expenses

(S\$ million)	Note	GROUP			GROUP		
		2H2020	2H2019#	+ / (-) %	FY2020	FY2019#	+ / (-) %
General & administrative expenses		(149)	(171)	(13)	(344)	(356)	(3)
<u>Included in general &amp; administrative expenses :-</u>							
Depreciation and amortisation		(10)	(9)	11	(18)	(17)	6
Allowance for expected credit loss	(i)	(7)	5	NM	(11)	(7)	57
Fixed assets written off		*	*	NM	*	*	NM
Provision for fines and other related provisions	(ii)	–	–	NM	–	(7)	NM

2H2020 general and administrative expenses of S\$149 million were S\$22 million lower than 2H2019. The lower figure was the result of lower personnel expenses and professional and consultancy costs.

- (i) The 2H2020 allowance for expected credit loss was higher than 1H2020 mainly due to a revision of the probability default rate incorporating the impact of the COVID-19 pandemic. The 2H2019 net write-back of expected credit loss allowance was mainly due to better collection from Energy operations in India.
- (ii) Provision for fines and other related provisions were for an alleged discharge of off-specification wastewater by an overseas wastewater treatment company in Nanjing, China, Sembcorp Nanjing Suiwu (NSS). The case concluded in February 2020.

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

### 2d. Other operating income, net

(S\$ million)	Note	GROUP			GROUP		
		2H2020	2H2019#	+ / (-) %	FY2020	FY2019#	+ / (-) %
Other operating income, net		86	152	(43)	126	189	(33)
Included in other operating income, net :-							
Changes in fair value of financial instruments	(i)	13	(6)	NM	(27)	(9)	200
Foreign exchange (loss) / gain, net	(ii)	(10)	(9)	11	15	(8)	NM
Grant income	(iii)	22	2	NM	38	4	NM
Rental income		2	3	(33)	5	6	(17)
Gain on disposal of property, plant & equipment		5	19	(74)	5	18	(72)
Gain on disposal of assets held for sale		–	70	NM	–	70	NM
Gain on disposal of intangible assets		*	2	NM	*	2	NM
Other income	(iv)	54	71	(24)	90	106	(15)

- (i) Changes in fair value of financial instruments were mainly from forward foreign exchange contracts, non-deliverable forward and cross currency swaps used mainly for managing the Group's foreign currency exposures and interest costs. The corresponding net effects from revaluation of assets and liabilities in foreign currencies were recorded under foreign exchange gain / (loss).
- (ii) Net foreign exchange loss in 2H2020 was mainly due to the depreciation of Chilean Peso against United States Dollar (USD) offset by the appreciation of USD against Indian Rupee (INR) from India's receivables.
- (iii) Grant income in 2H2020 included S\$18 million of COVID-19 government relief measures recognised, mainly in Singapore.
- (iv) Other income in 2H2020 included an insurance receipt in India of S\$16 million and recognition of the carrying cost relating to change in law in India of S\$31 million. 2H2019 other income also included receipts from an insurance claim in India (S\$20 million), settlement with O&M contractors in India (S\$13 million), recovery from a related party in India (S\$12 million) and settlement with a vendor in Myanmar (S\$16 million).



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

### 2e. Non-operating income and non-operating expenses

(S\$ million)	Note	GROUP			GROUP		
		2H2020	2H2019#	+ / (-) %	FY2020	FY2019#	+ / (-) %
Non-operating income		40	24	67	49	26	88
Non-operating expenses		(60)	(133)	(55)	(176)	(135)	30
<u>Included in non-operating income :-</u>							
Negative goodwill	(i)	11	1	NM	17	1	NM
Gain on disposal of subsidiaries, joint venture and business, net	(ii)	23	20	15	23	20	15
Gain on disposal of other financial assets		1	2	(50)	3	4	(25)
Dividend income		2	*	NM	2	*	NM
<u>Included in non-operating expenses :-</u>							
Loss on disposal of assets held for sale	(iii)	(30)	–	NM	(30)	–	NM
Impairment of goodwill	(iv)	(27)	(65)	(58)	(27)	(65)	(58)
Impairment of investment in an associate and a joint venture	(v)	(2)	(1)	100	(113)	(1)	NM
Change in fair value of other financial assets		2	*	NM	2	(1)	NM
Impairment on assets reclassified to held for sale	(vi)	–	(64)	NM	(4)	(64)	(94)

- (i) The negative goodwill in 2H2020 related to the adjustment for the acquisition of 100% equity interest of Sembcorp Enviro Services (formally known as Veolia ES Singapore), upon finalisation of the purchase price allocation.
- (ii) The gain of S\$23 million in 2H2020 related to the disposal of water business in Panama.
- (iii) The loss on disposal of assets held for sale of S\$30 million was a result of a foreign currency translation loss recognised upon completion of the divestment of water business in Chile.
- (iv) 2H2020 impairment of goodwill related to the impairment of UKPR assets announced on December 7, 2020.
- (v) Additional impairment of S\$2 million was recognised as the net asset value of the joint venture company, Shenzhen Chiwan Sembawang Engineering Co (CSE), had increased above the expected sale consideration.
- (vi) The 2H2019 impairment booked was due to the difference between the sale value and the net asset value of the water business in Chile.

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

### 2f. Finance income and finance costs

(S\$ million)	Note	GROUP			GROUP		
		2H2020	2H2019#	+ / (-) %	FY2020	FY2019#	+ / (-) %
Finance income		16	20	(20)	35	39	(10)
Finance costs	(i)	(258)	(260)	(1)	(499)	(483)	3
<u>Included in finance costs :-</u>							
Interest paid and payable to banks and others		(230)	(240)	(4)	(454)	(447)	(2)
Amortisation of capitalised transaction costs		(7)	(4)	75	(11)	(7)	57
Fair value changes of interest rate swaps		(15)	(8)	88	(21)	(15)	40
Unwind of discount on restoration costs and financing component from contracts with customers		(2)	(3)	(33)	(4)	(5)	(20)
Interest expense on lease liabilities		(4)	(5)	(20)	(9)	(9)	-

(i) Overall finance costs in 2H2020 decreased mainly due to a decline in interest payable consequent to the repayment of a loan by India.

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

The 2H2020 share of results of associates and joint ventures was S\$114 million, S\$28 million higher than 2H2019. The improvement came mainly from Urban's operations in Chengdu, China and Energy operations in the Middle East and Vietnam. The better performance was partially offset by lower performance from Energy operations in China.

### 2h. Tax expense

(S\$ million)	Note	GROUP			GROUP		
		2H2020	2H2019#	+ / (-) %	FY2020	FY2019#	+ / (-) %
Tax expense		(9)	(74)	(88)	(32)	(115)	(72)
<u>Included in tax expense :-</u>							
Net write-back of tax in respect of prior years	(i)	13	17	(24)	13	18	(28)

Excluding the write-back of prior years' tax upon finalisation and Energy's impairment of investments (both items not tax deductible), and negative goodwill (which is also not taxable), the Group's effective tax rate for FY2020 was approximately 26%. The Group's effective tax rate for FY2019 was 44%.

Deferred tax assets are recognised only to the extent that it is probable that the related tax benefit will be realised.

(i) The 2H2020 tax write-back was mainly the write-back of current taxes from the Company and Energy operations in the UK based on revised tax payable following finalisation with tax authorities.

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

### 2i. Earnings per ordinary share

	Note	GROUP			GROUP		
		2H2020	2H2019#	+ / (-) %	FY2020	FY2019#	+ / (-) %
<b>Earnings per ordinary share (cents)</b>							
(1) Based on the weighted average number of shares (in Singapore cents)		(48.52)	2.13	NM	(56.81)	11.81	NM
- Weighted average number of shares (in million)		1,784.9	1,786.9	*	1,784.8	1,786.5	*
(2) On a fully diluted basis (in Singapore cents)	(i)	(48.52)	2.11	NM	(56.81)	11.74	NM
- Adjusted weighted average number of shares (in million)		1,784.9	1,798.0	(1)	1,784.8	1,797.7	(1)
<b>Earnings per ordinary share (cents) – Continuing operations</b>							
(1) Based on the weighted average number of shares (in Singapore cents)		11.09	5.04	120	7.84	15.06	(48)
- Weighted average number of shares (in million)		1,784.9	1,786.9	*	1,784.8	1,786.5	*
(2) On a fully diluted basis (in Singapore cents)		10.96	5.01	119	7.78	14.96	(48)
- Adjusted weighted average number of shares (in million)		1,806.9	1,798.0	*	1,799.3	1,797.7	*

(i) In computing the fully diluted earnings per ordinary share, the weighted average number of shares was not adjusted for the effects of all dilutive potential ordinary shares as at December 31, 2020 as these potential ordinary shares would be antidilutive. The Company has two categories of potential dilutive ordinary shares, performance (PSP) shares and restricted (RSP) shares (see note 6c).

### 2j. Breakdown of sales

	GROUP		
	FY2020	FY2019#	+ / (-) %
<i>(S\$ million)</i>			
<b>First Half Year</b>			
(i) Sales reported	2,617	3,309	(21)
(ii) Profit after tax before deducting non-controlling interests reported for continuing operations	(34)	211	NM
(iii) Profit after tax before deducting non-controlling interests reported	(201)	199	NM
<b>Second Half Year</b>			
(i) Sales reported	2,830	3,426	(17)
(ii) Profit after tax before deducting non-controlling interests reported for continuing operations	213	122	75
(iii) Profit after tax before deducting non-controlling interests reported	(925)	18	NM

### 3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(S\$ million)	Note	GROUP		GROUP	
		2H2020	2H2019	FY2020	FY2019
<b>(Loss) / Profit for the period / year</b>		<b>(920)</b>	<b>18</b>	<b>(1,121)</b>	<b>217</b>
<b>Items that may be reclassified subsequently to profit or loss:</b>					
Foreign currency translation differences for foreign operations		(24)	(112)	(17)	(94)
Exchange differences on monetary items forming part of net investment in foreign operation		–	(3)	(2)	(3)
Net change in fair value of cash flow hedges	(i)	16	18	(128)	26
Net change in fair value of cash flow hedges reclassified to profit or loss	(ii)	91	(15)	91	(11)
Cost of hedging reserve – changes in fair value		(43)	–	(43)	–
Cost of hedging reserve – reclassified to profit or loss		42	–	42	–
Realisation of reserves upon the Distribution	(iii)	(125)	–	(125)	–
Realisation of reserve upon disposal of joint venture		–	(1)	–	(1)
Realisation of reserve upon disposal of subsidiaries		36	(3)	36	(3)
Share of other comprehensive income of associates and joint ventures	(iv)	15	6	(16)	(12)
		8	(110)	(162)	(98)
<b>Items that may not be reclassified subsequently to profit or loss:</b>					
Net change in fair value of financial assets at fair value through other comprehensive income (FVOCI)		(14)	48	(14)	40
Defined benefit plan actuarial (loss) / gain		(9)	2	(9)	6
Other comprehensive loss for the period / year, net of tax		(15)	(60)	(185)	(52)
<b>Total comprehensive (loss) / income for the period / year</b>		<b>(935)</b>	<b>(42)</b>	<b>(1,306)</b>	<b>165</b>
<b>Attributable to:</b>					
Owners of the Company		(880)	3	(1,180)	201
Non-controlling interests		(55)	(45)	(126)	(36)
<b>Total comprehensive (loss) / income for the period / year</b>		<b>(935)</b>	<b>(42)</b>	<b>(1,306)</b>	<b>165</b>
<b>Total comprehensive (loss) / income attributable to owners of the Company:</b>					
From continuing operations		184	55	(26)	265
From discontinued operation		(1,064)	(52)	(1,154)	(64)
		<b>(880)</b>	<b>3</b>	<b>(1,180)</b>	<b>201</b>

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

- (i) Fair value changes in 2H2020 were mainly on fuel oil swaps, commodity contracts, forward foreign currency contracts, cross currency swaps, interest rate swaps and non-deliverable forward.
- (ii) These relate to cash flow hedges recognised to profit or loss upon realisation.
- (iii) The amount relates to S\$125 million capital reserve, arising from SCM's rights issue, realised together with the impact on deconsolidation on non-controlling interests share of SCM's carrying value upon distribution.
- (iv) These relate mainly to share of associates and joint ventures' changes in fair value on interest rate swaps.

#### 4. SEGMENTAL REPORTING

##### FY2020

##### (i) Operating segments

(S\$ million)

	Energy	Urban	Others / Corporate	Elimination	Total
<b>Turnover</b>					
External sales	5,266	9	172	–	5,447
Inter-segment sales	12	–	8	(20)	–
<b>Total</b>	<b>5,278</b>	<b>9</b>	<b>180</b>	<b>(20)</b>	<b>5,447</b>
<b>Results</b>					
Earnings before interest, taxes, depreciation and amortisation (EBITDA) <sup>®</sup>	1,223	(11)	(28)	–	1,184
Earnings before interest and taxes (EBIT)	527	(14)	(71)	–	442
Share of results of associates and joint ventures, net of tax	122	109	2	–	233
<b>Profit from operations (PFO)</b>	<b>649</b>	<b>95</b>	<b>(69)</b>	<b>–</b>	<b>675</b>
Finance income	33	2	143	(143)	35
Finance costs	(473)	(3)	(128)	105	(499)
	<b>209</b>	<b>94</b>	<b>(54)</b>	<b>(38)</b>	<b>211</b>
Tax expense	(28)	(1)	(3)	–	(32)
Non-controlling interests	(21)	(1)	–	–	(22)
<b>Net profit / (loss) from continuing operations for the year</b>	<b>160</b>	<b>92</b>	<b>(57)</b>	<b>(38)</b>	<b>157</b>
Loss from discontinued operation before elimination of inter-segment finance cost, net of tax and NCI					(222)
Elimination of inter-segment finance cost					38
<b>Loss from discontinued operation, net of tax and NCI</b>					<b>(184)</b>
Loss on the Distribution					(970)
<b>Net loss for the year</b>					<b>(997)</b>

##### Significant non-cash items

Depreciation and amortisation	431	3	10	–	444
Allowance for impairment in value of assets and assets written off, net	76	–	*	–	76
Impairment on assets held for sale	4	–	–	–	4
Impairment of goodwill	27	–	–	–	27
Negative goodwill	(17)	–	–	–	(17)
Write-down inventory to net realisable value	45	–	–	–	45
Write-off of inventory	53	–	–	–	53
Impairment of investment in an associate and a joint venture	81	–	32	–	113

##### Assets

Segment assets	11,702	451	4,567	(4,807)	11,913
Interests in associates and joint ventures	852	736	–	–	1,588
Tax assets	48	10	3	–	61
<b>Total assets</b>	<b>12,602</b>	<b>1,197</b>	<b>4,570</b>	<b>(4,807)</b>	<b>13,562</b>

##### Liabilities

Segment liabilities	8,756	113	5,573	(4,807)	9,635
Tax liabilities	405	30	16	–	451
<b>Total liabilities</b>	<b>9,161</b>	<b>143</b>	<b>5,589</b>	<b>(4,807)</b>	<b>10,086</b>

##### Capital expenditure

	300	2	11	–	313
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##### (ii) Geographical segments

	Revenue		Non-current Assets		Total Assets		Capital Expenditure	
		%		%		%		%
(S\$ million)								
Singapore	2,914	53	2,062	20	2,924	22	110	35
China	191	4	1,393	13	1,885	14	33	10
India	1,573	29	4,988	47	6,099	45	53	17
Rest of Asia	211	4	1,236	12	1,519	11	38	12
Middle East	63	1	234	2	264	2	*	*
UK	460	8	637	6	860	6	74	24
Rest of Europe	1	*	–	–	–	–	–	–
Other Countries	34	1	8	*	11	*	5	2
<b>Total</b>	<b>5,447</b>	<b>100</b>	<b>10,558</b>	<b>100</b>	<b>13,562</b>	<b>100</b>	<b>313</b>	<b>100</b>

EBITDA<sup>®</sup> refers to EBITDA excluding major non-cash items such as the effects of fair value adjustments, re-measurements, impairments and write-off

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

##### FY2019#

##### (i) Operating segments

(S\$ million)

##### Turnover

	Energy	Urban	Others / Corporate	Elimination	Total
External sales	6,138	280	317	–	6,735
Inter-segment sales	32	*	13	(45)	–
<b>Total</b>	<b>6,170</b>	<b>280</b>	<b>330</b>	<b>(45)</b>	<b>6,735</b>

##### Results

Earnings before interest, taxes, depreciation and amortisation (EBITDA) <sup>®</sup>	1,308	104	15	–	1,427
Earnings before interest and taxes (EBIT)	603	102	1	–	706
Share of results of associates and joint ventures, net of tax	114	75	(3)	–	186
<b>Profit from operations (PFO)</b>	<b>717</b>	<b>177</b>	<b>(2)</b>	<b>–</b>	<b>892</b>
Finance income	38	5	157	(161)	39
Finance costs	(489)	(5)	(123)	134	(483)
	<b>266</b>	<b>177</b>	<b>32</b>	<b>(27)</b>	<b>448</b>
Tax expense	(45)	(58)	(12)	–	(115)
Non-controlling interests (NCI)	(26)	(2)	–	–	(28)
<b>Net profit from continuing operations for the year</b>	<b>195</b>	<b>117</b>	<b>20</b>	<b>(27)</b>	<b>305</b>
Loss from discontinued operation before elimination of inter-segment finance cost, net of tax and NCI					(85)
Elimination of inter-segment finance cost					27
<b>Loss from discontinued operation, net of tax and NCI</b>					<b>(58)</b>
<b>Net profit for the year</b>					<b>247</b>

##### Significant non-cash items

Depreciation and amortisation	423	1	13	–	437
Allowance for impairment in value of assets and assets written off, net	154	–	*	–	154
Impairment on assets reclassified to held for sale	64	–	–	–	64
Impairment of goodwill	65	–	–	–	65
Negative goodwill	(1)	–	–	–	(1)

(S\$ million)

##### Assets

	Energy	Urban	Others / Corporate	Elimination	Marine	Total
Segment assets	12,872	498	4,869	(5,185)	8,407	21,461
Interests in associates and joint ventures	920	705	56	–	15	1,696
Tax assets	46	7	2	–	40	95
<b>Total assets</b>	<b>13,838</b>	<b>1,210</b>	<b>4,927</b>	<b>(5,185)</b>	<b>8,462</b>	<b>23,252</b>

##### Liabilities

Segment liabilities	9,655	191	3,946	(5,185)	6,214	14,821
Tax liabilities	451	51	15	–	35	552
<b>Total liabilities</b>	<b>10,106</b>	<b>242</b>	<b>3,961</b>	<b>(5,185)</b>	<b>6,249</b>	<b>15,373</b>

##### Capital expenditure

	701	1	8	–	375	1,085
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##### (ii) Geographical segments

(S\$ million)	Revenue		Non-current Assets		Total Assets		Capital Expenditure	
		%		%		%		%
Singapore	3,785	57	5,838	34	9,429	40	457	42
China	496	7	1,527	9	2,015	9	25	2
India	1,614	24	5,493	32	6,650	28	462	43
Rest of Asia	220	3	1,366	8	1,644	7	5	–
Middle East	68	1	315	2	355	2	*	–
UK	496	7	719	4	969	4	69	7
Norway	–	–	122	1	136	1	*	–
Rest of Europe	–	–	186	1	195	1	*	–
Brazil	–	–	1,541	9	1,716	7	62	6
Other Countries	56	1	50	*	143	1	5	*
<b>Total</b>	<b>6,735</b>	<b>100</b>	<b>17,157</b>	<b>100</b>	<b>23,252</b>	<b>100</b>	<b>1,085</b>	<b>100</b>

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

##### Notes to Segmental Analysis

#### 4a. 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 Energy segment's principal activities are in the provision of energy and water to industrial, commercial and municipal customers. Key activities in the energy sector include power generation, process steam production, as well as natural gas importation. In the water sector, the business offers wastewater treatment as well as the production of reclaimed, desalinated and potable water and water for industrial use. In addition, the business also provides on-site logistics, solid waste management and specialised project management, engineering, and procurement services.
- (ii) The Urban segment owns, develops markets and manages integrated urban projects comprising industrial parks as well as business, commercial and residential space in Asia.
- (iii) The Others / Corporate segment comprises businesses mainly relating to minting, design and construction activities, offshore engineering and others.
- (iv) The Marine segment focuses principally on providing integrated solutions for the offshore and marine industry. Key capabilities include rigs & floaters; repairs & upgrades; offshore platforms and specialised shipbuilding. In 2020, with the Distribution, this segment is presented as a discontinued operation. Details of the discontinued operation are in Note 7d.

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

#### 4b. Geographical segments

The Group's geographical segments of the continuing operations are presented in seven principal geographical areas: Singapore, China, India, Rest of Asia, Middle East, UK and Rest of Europe. 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 full year performance for continuing operations

In September 2020, the Company distributed its holding of ordinary shares in the capital of SCM, after subscribing to SCM's S\$1.5 billion equity rights issue through the conversion of a loan receivable. Following the completion of the demerger, the performance of our existing business is presented as continuing operations while the performance of the marine segment is reported under discontinued operation (note 7d).

	FY2020	FY2019	Growth	
(S\$ million)				%
^Turnover	5,372	6,735	(1,363)	(20)
^EBITDA <sup>@</sup>	1,079	1,324	(245)	(19)
^Net Profit	301	456	(155)	(34)

<sup>@</sup> before exceptional items

The Group's turnover of S\$5,372 million, was S\$1,363 million or 20% lower than turnover of S\$6,735 million in 2019. The decline came mainly from the Energy segment which remained as the key contributor to the Group's turnover.

EBITDA of S\$1,079 million was S\$245 million or 19% lower than last year's S\$1,324 million. The key contributor was Energy at S\$1,111 million (2019: S\$1,219 million). In FY2019, Urban contributed EBITDA of S\$104 million mainly from the sale of residential units in Nanjing Riverside Grandeur. The Urban business comprises mainly associates or joint ventures that are accounted for under the equity method, and EBITDA usually simply represents the corporate costs.

The Group's EBITDA margin for FY2020 was 20.0% compared to FY2019 of 19.6%.

The Group's net profit was S\$301 million compared to S\$456 million for FY2019. Amid a challenging global market environment, underlying performance of the Energy and Urban businesses remained resilient and the Group continued to deliver positive operating cash flow.

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

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

###### Energy

	2H2020	2H2019	Growth		FY2020	FY2019	Growth	
(S\$ million)				%				%
^Turnover	2,649	2,985	(336)	(11)	5,191	6,138	(947)	(15)
^EBITDA <sup>@</sup>	563	630	(67)	(11)	1,111	1,219	(108)	(9)
^Net Profit	141	176	(35)	(20)	297	360	(63)	(18)

###### Turnover

Turnover of S\$2,649 million in 2H2020 was S\$336 million or 11% lower than that of 2H2019. The decrease in 2H2020 was mainly due to lower contribution from Singapore, China and the absence of contribution from divested businesses. The overall lower turnover was mainly due to lower energy prices and reductions in energy demand because of the pandemic. This adverse impact was cushioned by power contracts based on plant availability and the positive outcome of change in law claims in India, which resulted in turnover for India in 2H2020 being S\$12 million higher than the corresponding period.

###### EBITDA

Underlying EBITDA in 2H2020 of S\$563 million was S\$67 million or 11% lower than that of 2H2019. The decrease was mainly due to the decline in turnover volume. The EBITDA margin for 2H2020 was 21.3% compared to 21.1% in 2H2019.

Singapore: 2H2020 EBITDA delivered a 4% improvement compared to 2H2019 due to a shorter power generation plant outage, and the contribution from the new acquisition of Sembcorp Enviro Services (formally known as Veolia ES Singapore) has partially mitigated the absence of any contribution from the multi-utilities' facilities since divestment. In 2H2020, there was also a better contribution from the renewable power.

India: 2H2020 EBITDA of S\$306 million was S\$43 million lower than 2H2019. The 2H2020 EBITDA was affected by the lower availability due to shutdown (Thermal Power Project I, P1); lower energy prices (Thermal Power Project II, P2); and lower wind resources offset by increased installed capacity (Renewable). However, in 2H2020, P1 received a favourable outcome from the Central Electricity Regulatory Commission (CERC) of India on the change in law claims, which contributed S\$110 million to P1's EBITDA. The total claim included S\$98 million pertaining to the recovery of higher operating costs (when compared to bid) for the years since commercial operations commenced. The S\$98 million was reported as an exceptional item.

United Kingdom (UK): 2H2020 contribution was lower than last year's corresponding period, mainly due to lower generation and higher maintenance costs.

###### Net Profit

The 2H2020 net profit of S\$141 million was S\$35 million or 20% lower than 2H2019. The lower net profit was mainly due to lower performance from India, UK and China offset by the Middle East.

India: 2H2020 net profit was S\$25 million. In 2H2020, SEIL P1 received a favourable outcome for a change in law claim of S\$110 million, of which S\$98 million related to prior years and was reported as an exceptional item. This claim has more than offset the lower performance of both thermal and renewable power compared to 2H2019. Performance of P1 was affected by plant shutdowns and P2 was affected by the decline in power prices and demand as a consequence of COVID-19. In 2H2019, P1 had the benefit of income from insurance receipts and a settlement with a vendor. The India renewable power performance was lower due to significantly lower wind resource offset by the increased installed capacity from the operational commencement of some SECI projects.

UK: A loss of S\$4 million was reported in 2H2020, S\$19 million lower than 2H2019, mainly due to the maintenance shutdown of Teesside and lower performance of UKPR.

China: 2H2020 performance was lower than the previous corresponding period due to lower wind resources from Huanghua and losses from Nanjing Suiwu mainly due to a customer who has stopped production at its facilities.

Middle East: Better performance was reported in 2H2020 from the Fujairah and Salalah plants with higher tariffs and lower interest costs.



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

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

###### Urban

(S\$ million)	2H2020	2H2019	Growth		FY2020	FY2019	Growth	
				%				%
^Turnover <sup>1</sup>	3	279	(276)	(99)	9	280	(271)	(97)
^EBITDA <sup>@</sup>	(6)	113	(119)	NM	(11)	104	(115)	NM
^Net Profit	22	99	(77)	(78)	60	117	(57)	(49)

<sup>1</sup> Urban businesses comprise mainly associates or joint ventures accounted for under the equity method. The turnover is derived from providing services to these associates or joint ventures.

###### Turnover

Turnover of S\$3 million was S\$276 million lower than 2H2019. Turnover in 2H2019 included recognition from the sale of residential units in NJRG in China.

###### Net Profit

2H2020 net profit of S\$22 million was S\$77 million lower than the corresponding period last year. The negative variance was due to profits from sales of residential units in NJRG, which was non-recurring.

###### Others / Corporate

(S\$ million)	2H2020	2H2019	Growth		FY2020	FY2019	Growth	
				%				%
^Turnover	103	162	(59)	(36)	172	317	(145)	(46)
^EBITDA <sup>@</sup>	8	15	(7)	(47)	(21)	1	(22)	NM
^Net (Loss) / Profit	(1)	4	(5)	NM	(18)	6	(24)	NM

###### Turnover

Turnover from Other businesses decreased by S\$59 million or 36% to S\$103 million mainly attributable to the construction business, Sembcorp Specialised Construction (SSC). The lower turnover was a result of slower progress due to COVID-19 as well as absence of contribution from the commercial construction business, post divestment in 1H2020.

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

Net loss for 2H2020 was S\$1 million compared to a net profit of S\$4 million in 2H2019. The negative variance was mainly due to lower interest income following the conversion of a loan receivable from SCM to SCM shares before the Distribution.

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

##### 4e. Exceptional items (EI)

###### Reconciliation to Turnover, EBITDA<sup>®</sup> and Net Profit before exceptional items

###### FY2020

(S\$ million)

	Energy	Urban	Others / Corporate	Elimination	Total
Turnover	5,266	9	172	–	5,447
Less: EI – income	(75)	–	–	–	(75)
<b>^Turnover</b>	<b>5,191</b>	<b>9</b>	<b>172</b>	<b>–</b>	<b>5,372</b>
EBITDA <sup>®</sup>	1,223	(11)	(28)	–	1,184
Less: EI – (income) / expense	(112)	–	7	–	(105)
<b>^EBITDA<sup>®</sup></b>	<b>1,111</b>	<b>(11)</b>	<b>(21)</b>	<b>–</b>	<b>1,079</b>
Net Profit / (Loss)	160	92	(57)	(38)	157
Less: EI – expense / (income)	137	(32)	39	–	144
<b>^Net Profit / (Loss)</b>	<b>297</b>	<b>60</b>	<b>(18)</b>	<b>(38)</b>	<b>301</b>

###### FY2019

(S\$ million)

	Energy	Urban	Others / Corporate	Elimination	Total
Turnover	6,138	280	317	–	6,735
Less: EI	–	–	–	–	–
<b>^Turnover</b>	<b>6,138</b>	<b>280</b>	<b>317</b>	<b>–</b>	<b>6,735</b>
EBITDA <sup>®</sup>	1,308	104	15	–	1,427
Less: EI – income	(89)	–	(14)	–	(103)
<b>^EBITDA<sup>®</sup></b>	<b>1,219</b>	<b>104</b>	<b>1</b>	<b>–</b>	<b>1,324</b>
Net Profit	195	117	20	(27)	305
Less: EI – expense / (income)	165	–	(14)	–	151
<b>^Net Profit</b>	<b>360</b>	<b>117</b>	<b>6</b>	<b>(27)</b>	<b>456</b>

FY2020's net EI of negative S\$144 million comprised:-

- S\$38 million write-down of gasoil reserves in Singapore to net realisable value and a subsequent S\$44 million write-off of inventory due to uncertainty of recoverability of the gasoil stored and managed at HLT
- S\$81 million and S\$32 million impairments on investments in Sembcorp Salalah Power and Water Company and CSE of respectively
- S\$14 million net loss from disposal of the water businesses in Chile and Panama
- S\$89 million impairment losses announced in December 2020
- a one-time break funding cost of S\$7 million in connection with the redemption of Bonds.

These negative EI were offset by

- S\$98 million income from India's change in law claim
- S\$17 million negative goodwill from the acquisition of Sembcorp Enviro Services (formally known as Veolia ES Singapore)
- S\$14 million additional recognition of Sirajganj Unit 4's construction margin
- S\$23 million additional income from the finalisation of the Singapore-Sichuan Hi-tech Innovation Park project
- S\$9 million gain from share of equity reduction in Sino-Singapore (Chengdu) Innovation Park Development Co.

The total of S\$89 million in impairment losses included S\$29 million triggered by the potential exit of a major customer in Singapore and S\$60 million due to change in market conditions and non-materialised of future contractual services assumed at the time of business acquisition.

FY2019's exceptional items pertained to impairment losses of S\$245 million, net of S\$104 million of disposal gains, a S\$3 million net charge to profit and loss for disposal of a subsidiary net of negative goodwill and a S\$7 million additional provision for potential fines and claims at NSS.

## 5. BALANCE SHEETS

	GROUP		COMPANY	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
<i>(S\$ million)</i>				
<b>Non-current assets</b>				
Property, plant and equipment	7,204	12,203	383	409
Investment properties	135	128	–	–
Investments in subsidiaries	–	–	2,308	2,646
Associates and joint ventures	1,588	1,696	–	–
Other financial assets	250	266	–	–
Trade and other receivables	995	2,170	3	349
Contract costs	1	2	–	–
Intangible assets	348	630	26	26
Deferred tax assets	37	62	–	–
	<b>10,558</b>	<b>17,157</b>	<b>2,720</b>	<b>3,430</b>
<b>Current assets</b>				
Inventories	196	386	4	4
Trade and other receivables	1,571	2,048	91	83
Contract assets	15	1,501	–	–
Contract costs	1	90	–	–
Assets held for sale	30	75	–	–
Other financial assets	159	228	–	–
Cash and cash equivalents	1,032	1,767	358	1,123
	<b>3,004</b>	<b>6,095</b>	<b>453</b>	<b>1,210</b>
<b>Total assets</b>	<b>13,562</b>	<b>23,252</b>	<b>3,173</b>	<b>4,640</b>
<b>Current liabilities</b>				
Trade and other payables	1,159	2,844	99	244
Lease liabilities	11	34	4	4
Contract liabilities	141	172	3	3
Provisions	26	34	11	11
Liabilities held for sale	–	31	–	–
Other financial liabilities	40	50	–	–
Current tax payable	157	204	55	74
Interest-bearing borrowings	593	2,643	–	–
	<b>2,127</b>	<b>6,012</b>	<b>172</b>	<b>336</b>
<b>Net current assets</b>	<b>877</b>	<b>83</b>	<b>281</b>	<b>874</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	294	348	28	29
Other long-term payables	108	131	1,613	171
Lease liabilities	215	470	112	116
Provisions	38	142	11	10
Other financial liabilities	98	44	–	–
Interest-bearing borrowings	7,135	8,157	–	–
Contract liabilities	71	69	28	30
	<b>7,959</b>	<b>9,361</b>	<b>1,792</b>	<b>356</b>
<b>Total liabilities</b>	<b>10,086</b>	<b>15,373</b>	<b>1,964</b>	<b>692</b>
<b>Net assets</b>	<b>3,476</b>	<b>7,879</b>	<b>1,209</b>	<b>3,948</b>
<b>Equity attributable to owners of the Company:-</b>				
Share capital	566	566	566	566
Other reserves	(380)	(323)	(11)	(4)
Revenue reserve	3,153	5,827	654	2,585
	<b>3,339</b>	<b>6,070</b>	<b>1,209</b>	<b>3,147</b>
Perpetual securities	–	801	–	801
	<b>3,339</b>	<b>6,871</b>	<b>1,209</b>	<b>3,948</b>
<b>Non-controlling interests</b>	<b>137</b>	<b>1,008</b>	<b>–</b>	<b>–</b>
<b>Total equity</b>	<b>3,476</b>	<b>7,879</b>	<b>1,209</b>	<b>3,948</b>

## 5. NOTES TO THE BALANCE SHEETS (Cont'd)

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

	As at December 31, 2020	As at December 31, 2019
<i>(S\$ million)</i>		
<b>Amount repayable:</b>		
(i) <b><u>In one year or less, or on demand</u></b>		
<b>Interest-bearing borrowings</b>		
Secured	488	674
Unsecured	105	1,969
	<u>593</u>	<u>2,643</u>
(ii) <b><u>Between one to five years</u></b>		
<b>Interest-bearing borrowings</b>		
Secured	1,336	1,264
Unsecured	3,701	4,268
	<u>5,037</u>	<u>5,532</u>
(iii) <b><u>After five years</u></b>		
<b>Interest-bearing borrowings</b>		
Secured	1,849	1,951
Unsecured	249	674
	<u>2,098</u>	<u>2,625</u>
Total	<u>7,728</u>	<u>10,800</u>
(iv) <b>The secured loans are collateralised by the following assets' net book value:-</b>		
<i>(S\$ million)</i>	As at December 31, 2020	As at December 31, 2019
Net assets and equity shares of subsidiaries, property, plant and equipment, and other assets	<u>6,782</u>	<u>7,099</u>

### 5b. Net asset value

	Group		Company	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Net asset value per ordinary share based on issued share capital at the end of the financial year (in S\$)	1.87	3.85	0.68	2.21

Net asset value (excluding perpetual securities) for the Group per ordinary share based on issued share capital at December 31, 2020 was S\$1.94 (December 31, 2019: S\$3.40). The reduction in the net asset value was mainly due to the effect of the de-merger of SCM, totaling approximately S\$1.44 per share.

In May and June 2020, the Company redeemed and cancelled S\$600 million and S\$200 million of perpetual securities, respectively. As at December 31, 2020, the Company has no outstanding perpetual securities.

## 5. NOTES TO THE BALANCE SHEETS (Cont'd)

### 5c. Explanatory notes to Balance Sheets

#### (i) Group

As a result of the Distribution, SCM is no longer a subsidiary of the Group and SCM financials are no longer consolidated, which explains the main reduction in balances of the assets, liabilities and non-controlling interests (see note 7d on the effect of the Distribution).

In 2020, the Group presented the right-of-use assets as part of property, plant and equipment as both are capital assets.

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

"Property, plant and equipment" net decrease of S\$4,999 million was attributable mainly to the Distribution and depreciation charged for the year, net of additions from Marine and the new renewable power assets in India and Singapore and translation impact from the depreciation of INR.

"Associates and joint ventures" decreased mainly due to impairment of S\$113 million and reclassification to assets held for sale of S\$30 million net of net increase from share of net profit less dividend received.

#### **Current assets**

"Inventories" decreased mainly due to the write-down to net realizable value and write-off of inventory (see note 2(b)) and the deconsolidation of SCM.

"Trade and other receivables" decreased also included the reduction from Marine's receipts from customers for completed projects before the Distribution.

"Assets held for sale" as at December 31, 2019 was for the disposal of Energy's assets in Chile as announced on February 6, 2020, which was completed in July 2020. As at December 31 2020, the conditions precedent of the announced sale of CSE were substantially met and accordingly, the net carrying value of the entire 32% stake in joint venture company CSE was classified as assets held for sale.

"Other financial assets" decreased mainly due to fair value adjustments on cross currency swaps, forward foreign exchange contracts and fuel oil swaps on contracts to be delivered within 12 months.

"Cash and cash equivalents" decreased mainly due to the Distribution, net of cash. Prior to the Distribution, SCM's cash balances was higher mainly due to net proceeds from borrowings, receipts from customers and rights issues.

#### **Current liabilities**

"Trade and other payables" decreased mainly due to Energy's accrued capital expenditures upon settlement and completion of its renewable projects and lower payables from Energy Singapore.

"Liabilities held for sale" as at December 31, 2019 was for the disposal of Energy's assets in Chile as announced on February 6, 2020 and the sale was completed in July 2020.

"Other financial liabilities" decreased mainly due to fair value adjustments on forward foreign exchange contracts, foreign currency swaps and fuel oil swaps.

"Interest-bearing borrowings" decreased mainly attributable to the demerger of SCM. Prior to the Distribution, Marine drawdown its new and existing facilities to strengthen liquidity during this COVID-19 period, offset by repayments. Subsequent to 1H2020, lenders have given the official waiver for the technical breach of India thermal power Project 2 project finance borrowings and the S\$494 million was no longer classified as current.

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

"Other financial liabilities" increased mainly due to fair value adjustments on forward foreign exchange contracts, foreign currency swaps and fuel oil swaps.

"Interest-bearing borrowings" decreased was mainly due to the Distribution offset by increased mainly due to refinancing of the Energy's funding requirement upon redemption of the Company's perpetual securities.

#### **Perpetual securities**

In May and June 2020, the Company redeemed and cancelled S\$600 million and S\$200 million of perpetual securities, respectively. As at December 31, 2020, the Company has no outstanding perpetual securities.

## 5. NOTES TO THE BALANCE SHEETS (Cont'd)

### 5c. Explanatory notes to Balance Sheets (Cont'd)

#### (ii) Company

In 2020, the Company presented the right-of-use assets as part of property, plant and equipment as both are capital assets.

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

"Investment in subsidiaries" decreased due to the Distribution, offset by an increase due to a capital injection into Sembcorp Utilities Pte Ltd.

"Trade and other receivables" decreased mainly due to repayment of loans by the Singapore Energy businesses.

#### **Current assets**

"Cash and cash equivalents" decreased as the Company redeemed the entire S\$800 million perpetual securities in 2020.

#### **Current liabilities**

"Trade and other payables" decreased mainly because of a loan repayment to a subsidiary and payment of accrued expenses.

"Current tax payable" decreased mainly due to allowance, offset by payment made during the period.

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

"Other long-term payables" increased mainly because of a loan taken from a subsidiary for subscribing to SCM's S\$1.5 billion equity rights issue prior to the Distribution.

#### **Perpetual securities**

In May and June 2020, the Company redeemed and cancelled S\$600 million and S\$200 million of perpetual securities, respectively. As at December 31, 2020, the Company has no outstanding perpetual securities.

## 6. STATEMENTS OF CHANGES IN EQUITY

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

(S\$ million)	Attributable to owners of the Company						Perpetual securities	Total	Non-controlling interests	Total equity
	Share capital	Reserve for own shares	Currency translation reserve	Others	Revenue reserve	Total				
<b>1H2020</b>										
<b>At January 1, 2020</b>	<b>566</b>	<b>(4)</b>	<b>(482)</b>	<b>163</b>	<b>5,827</b>	<b>6,070</b>	<b>801</b>	<b>6,871</b>	<b>1,008</b>	<b>7,879</b>
<b>Total comprehensive income</b>										
Loss for the period	–	–	–	–	(131)	(131)	–	(131)	(70)	(201)
<b>Other comprehensive income</b>										
Foreign currency translation differences for foreign operations	–	–	(7)	–	–	(7)	–	(7)	14	7
Exchange differences on monetary items forming part of net investment in foreign operation	–	–	(2)	–	–	(2)	–	(2)	–	(2)
Net change in fair value of cash flow hedges	–	–	–	(128)	–	(128)	–	(128)	(16)	(144)
Net change in fair value of cash flow hedges reclassified to profit or loss	–	–	–	(1)	–	(1)	–	(1)	1	–
Net change in fair value of financial assets at fair value through other comprehensive income	–	–	–	*	–	*	–	*	–	*
Defined benefit plan actuarial gains and losses	–	–	–	*	*	*	–	*	*	*
Share of other comprehensive income of associates and joint ventures	–	–	–	(31)	–	(31)	–	(31)	–	(31)
Total other comprehensive income	–	–	(9)	(160)	*	(169)	–	(169)	(1)	(170)
<b>Total comprehensive income</b>	<b>–</b>	<b>–</b>	<b>(9)</b>	<b>(160)</b>	<b>(131)</b>	<b>(300)</b>	<b>–</b>	<b>(300)</b>	<b>(71)</b>	<b>(371)</b>
<b>Transactions with owners of the Company, recognised directly in equity</b>										
New share issues by a subsidiary to employee	–	–	–	(1)	–	(1)	–	(1)	2	1
Capital reduction / distribution to non-controlling interests	–	–	–	–	–	–	–	–	*	*
Share-based payments	–	–	–	6	–	6	–	6	*	6
Purchase of treasury shares	–	(7)	–	–	–	(7)	–	(7)	–	(7)
Treasury shares transferred to employees	–	7	–	(7)	–	–	–	–	–	–
Perpetual securities distribution paid	–	–	–	–	–	–	(818)	(818)	–	(818)
Accrued perpetual securities distribution	–	–	–	–	(17)	(17)	17	–	–	–
Transfer of reserve	–	–	–	*	*	*	–	*	–	*
Dividend paid / payable	–	–	–	–	(54)	(54)	–	(54)	(8)	(62)
<b>Total transactions with owners</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(2)</b>	<b>(71)</b>	<b>(73)</b>	<b>(801)</b>	<b>(874)</b>	<b>(6)</b>	<b>(880)</b>
<b>At June 30, 2020</b>	<b>566</b>	<b>(4)</b>	<b>(491)</b>	<b>1</b>	<b>5,625</b>	<b>5,697</b>	<b>–</b>	<b>5,697</b>	<b>931</b>	<b>6,628</b>

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

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

(S\$ million)	Attributable to owners of the Company						Perpetual securities	Total	Non-controlling interests	Total equity
	Share capital	Reserve for own shares	Currency translation reserve	Others	Revenue reserve	Total				
<b>2H2020</b>										
<b>Total comprehensive income</b>										
Loss for the period	–	–	–	–	(866)	(866)	–	(866)	(54)	(920)
<b>Other comprehensive income</b>										
Foreign currency translation differences for foreign operations	–	–	(15)	–	–	(15)	–	(15)	(9)	(24)
Net change in fair value of cash flow hedges	–	–	–	13	–	13	–	13	3	16
Net change in fair value of cash flow hedges reclassified to profit or loss	–	–	–	87	–	87	–	87	4	91
Cost of hedging reserve – changes in fair value	–	–	–	(43)	–	(43)	–	(43)	–	(43)
Cost of hedging reserve – reclassified to profit or loss	–	–	–	42	–	42	–	42	–	42
Net change in fair value of financial assets at fair value through other comprehensive income	–	–	–	(14)	–	(14)	–	(14)	–	(14)
Realisation of reserves upon the Distribution	–	–	–	(125)	–	(125)	–	(125)	–	(125)
Realisation of reserve upon disposal of subsidiaries/reclassified to assets held for sale	–	–	31	4	–	35	–	35	1	36
Defined benefit plan actuarial gains and losses	–	–	–	*	(9)	(9)	–	(9)	*	(9)
Share of other comprehensive income of associates and joint ventures	–	–	–	15	–	15	–	15	–	15
Total other comprehensive income	–	–	16	(21)	(9)	(14)	–	(14)	(1)	(15)
<b>Total comprehensive income</b>	<b>–</b>	<b>–</b>	<b>16</b>	<b>(21)</b>	<b>(875)</b>	<b>(880)</b>	<b>–</b>	<b>(880)</b>	<b>(55)</b>	<b>(935)</b>
<b>Transactions with owners of the Company, recognised directly in equity</b>										
New share issues by a subsidiary to employee	–	–	–	1	–	1	–	1	(2)	(1)
Contribution by non-controlling interests	–	–	–	125	–	125	–	125	474	599
Capital reduction / distribution to non-controlling interests	–	–	–	–	–	–	–	–	*	*
Disposal of non-controlling interest in subsidiaries	–	–	–	–	–	–	–	–	(1,208)	(1,208)
Share-based payments	–	–	–	2	–	2	–	2	*	2
Purchase of treasury shares	–	(9)	–	–	–	(9)	–	(9)	–	(9)
Treasury shares transferred to employees	–	2	–	(2)	–	–	–	–	–	–
Transfer of reserve	–	–	–	–	*	*	–	*	–	*
Dividend paid / payable	–	–	–	–	–	–	–	–	(3)	(3)
Dividend distribution in specie	–	–	–	–	(1,597)	(1,597)	–	(1,597)	–	(1,597)
<b>Total transactions with owners</b>	<b>–</b>	<b>(7)</b>	<b>–</b>	<b>126</b>	<b>(1,597)</b>	<b>(1,478)</b>	<b>–</b>	<b>(1,478)</b>	<b>(739)</b>	<b>(2,217)</b>
<b>At December 31, 2020</b>	<b>566</b>	<b>(11)</b>	<b>(475)</b>	<b>106</b>	<b>3,153</b>	<b>3,339</b>	<b>–</b>	<b>3,339</b>	<b>137</b>	<b>3,476</b>



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

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

(S\$ million)	Attributable to owners of the Company							Non-controlling interests	Total equity	
	Share capital	Reserve for own shares	Currency translation reserve	Others	Revenue reserve	Total	Perpetual securities			Total
<b>1H2019</b>										
<b>At December 31, 2018 as previously reported</b>	<b>566</b>	<b>(9)</b>	<b>(390)</b>	<b>151</b>	<b>5,669</b>	<b>5,987</b>	<b>801</b>	<b>6,788</b>	<b>1,150</b>	<b>7,938</b>
Adoption of SFRS(I) 16	–	–	–	–	(27)	(27)	–	(27)	*	(27)
<b>Restated balance at January 1, 2019</b>	<b>566</b>	<b>(9)</b>	<b>(390)</b>	<b>151</b>	<b>5,642</b>	<b>5,960</b>	<b>801</b>	<b>6,761</b>	<b>1,150</b>	<b>7,911</b>
<b>Total comprehensive income</b>										
Profit for the period	–	–	–	–	191	191	–	191	8	199
<b>Other comprehensive income</b>										
Foreign currency translation differences for foreign operations	–	–	15	–	–	15	–	15	3	18
Net change in fair value of cash flow hedges	–	–	–	8	–	8	–	8	–	8
Net change in fair value of cash flow hedges reclassified to profit or loss	–	–	–	6	–	6	–	6	(2)	4
Net change in fair value of financial assets at fair value through other comprehensive income	–	–	–	(8)	–	(8)	–	(8)	–	(8)
Defined benefit plan actuarial gains and losses	–	–	–	–	4	4	–	4	–	4
Share of other comprehensive income of associates and joint ventures	–	–	–	(18)	–	(18)	–	(18)	–	(18)
Total other comprehensive income	–	–	15	(12)	4	7	–	7	1	8
<b>Total comprehensive income</b>	<b>–</b>	<b>–</b>	<b>15</b>	<b>(12)</b>	<b>195</b>	<b>198</b>	<b>–</b>	<b>198</b>	<b>9</b>	<b>207</b>
<b>Transactions with owners of the Company, recognised directly in equity</b>										
Capital reduction / distribution to non-controlling interests	–	–	–	–	–	–	–	–	(1)	(1)
Share-based payments	–	–	–	3	–	3	–	3	*	3
Purchase of treasury shares	–	(1)	–	–	–	(1)	–	(1)	–	(1)
Purchase of treasury shares by a subsidiary	–	–	–	–	–	–	–	–	*	*
Treasury shares transferred to employees	–	9	–	(9)	–	–	–	–	–	–
Perpetual securities distribution paid	–	–	–	–	–	–	(18)	(18)	–	(18)
Accrued perpetual securities distribution	–	–	–	–	(18)	(18)	18	–	–	–
Dividend paid / payable	–	–	–	–	(36)	(36)	–	(36)	(10)	(46)
<b>Total transactions with owners</b>	<b>–</b>	<b>8</b>	<b>–</b>	<b>(6)</b>	<b>(54)</b>	<b>(52)</b>	<b>–</b>	<b>(52)</b>	<b>(11)</b>	<b>(63)</b>
<b>At June 30, 2019</b>	<b>566</b>	<b>(1)</b>	<b>(375)</b>	<b>133</b>	<b>5,783</b>	<b>6,106</b>	<b>801</b>	<b>6,907</b>	<b>1,148</b>	<b>8,055</b>

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

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

(S\$ million)	Attributable to owners of the Company						Perpetual securities	Total	Non-controlling interests	Total equity
	Share capital	Reserve for own shares	Currency translation reserve	Others	Revenue reserve	Total				
<b>2H2019</b>										
<b>Total comprehensive income</b>										
Profit for the period	–	–	–	–	56	56	–	56	(38)	18
<b>Other comprehensive income</b>										
Foreign currency translation differences for foreign operations	–	–	(103)	–	–	(103)	–	(103)	(9)	(112)
Exchange differences on monetary items forming part of net investment in foreign operation	–	–	(3)	–	–	(3)	–	(3)	–	(3)
Net change in fair value of cash flow hedges	–	–	–	12	–	12	–	12	6	18
Net change in fair value of cash flow hedges reclassified to profit or loss	–	–	–	(14)	–	(14)	–	(14)	(1)	(15)
Net change in fair value of financial assets at fair value through other comprehensive income	–	–	–	48	–	48	–	48	–	48
Realisation of reserve upon disposal of subsidiary	–	–	–	7	(7)	–	–	–	(3)	(3)
Realisation of reserve upon disposal of joint venture	–	–	(1)	–	*	(1)	–	(1)	–	(1)
Defined benefit plan actuarial gains and losses	–	–	–	–	2	2	–	2	–	2
Share of other comprehensive income of associates and joint ventures	–	–	–	6	–	6	–	6	–	6
Total other comprehensive income	–	–	(107)	59	(5)	(53)	–	(53)	(7)	(60)
<b>Total comprehensive income</b>	–	–	<b>(107)</b>	<b>59</b>	<b>51</b>	<b>3</b>	–	<b>3</b>	<b>(45)</b>	<b>(42)</b>
<b>Transactions with owners of the Company, recognised directly in equity</b>										
Contributions from non-controlling interests	–	–	–	(3)	–	(3)	–	(3)	22	19
Capital reduction / distribution to non-controlling interests	–	–	–	–	–	–	–	–	(3)	(3)
Share-based payments	–	–	–	6	–	6	–	6	1	7
Acquisition of non-controlling interests	–	–	–	14	–	14	–	14	(105)	(91)
Purchase of treasury shares	–	(3)	–	–	–	(3)	–	(3)	–	(3)
Perpetual securities distribution paid	–	–	–	–	–	–	(18)	(18)	–	(18)
Accrued perpetual securities distribution	–	–	–	–	(18)	(18)	18	–	–	–
Transfer of reserve	–	–	–	(46)	46	–	–	–	–	–
Dividend paid / payable	–	–	–	–	(35)	(35)	–	(35)	(10)	(45)
<b>Total transactions with owners</b>	–	<b>(3)</b>	–	<b>(29)</b>	<b>(7)</b>	<b>(39)</b>	–	<b>(39)</b>	<b>(95)</b>	<b>(134)</b>
<b>At December 31, 2019</b>	<b>566</b>	<b>(4)</b>	<b>(482)</b>	<b>163</b>	<b>5,827</b>	<b>6,070</b>	<b>801</b>	<b>6,871</b>	<b>1,008</b>	<b>7,879</b>

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

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

(S\$ million)	Attributable to owners of the Company				Perpetual securities	Total
	Share capital	Reserve for own shares	Others	Revenue reserve		
<b>1H2020</b>						
<b>At January 1, 2020</b>	<b>566</b>	<b>(4)</b>	<b>–</b>	<b>2,585</b>	<b>801</b>	<b>3,948</b>
<b>Total comprehensive income</b>						
Profit for the period	–	–	–	83	–	83
<b>Total comprehensive income</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>83</b>	<b>–</b>	<b>83</b>
<b>Transactions with owners of the Company, recognised directly in equity</b>						
Share-based payments	–	–	5	–	–	5
Purchase of treasury shares	–	(7)	–	–	–	(7)
Treasury shares transferred to employees	–	7	(7)	–	–	–
Perpetual securities distribution paid	–	–	–	–	(818)	(818)
Accrued perpetual securities distribution	–	–	–	(17)	17	–
Dividend paid / payable	–	–	–	(54)	–	(54)
<b>Total transactions with owners</b>	<b>–</b>	<b>–</b>	<b>(2)</b>	<b>(71)</b>	<b>(801)</b>	<b>(874)</b>
<b>At June 30, 2020</b>	<b>566</b>	<b>(4)</b>	<b>(2)</b>	<b>2,597</b>	<b>–</b>	<b>3,157</b>
<b>2H2020</b>						
<b>Total comprehensive income</b>						
Loss for the period	–	–	–	(346)	–	(346)
<b>Total comprehensive income</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(346)</b>	<b>–</b>	<b>(346)</b>
<b>Transactions with owners of the Company, recognised directly in equity</b>						
Share-based payments	–	–	4	–	–	4
Purchase of treasury shares	–	(9)	–	–	–	(9)
Treasury shares transferred to employees	–	2	(2)	–	–	–
Dividend distribution in specie	–	–	–	(1,597)	–	(1,597)
<b>Total transactions with owners</b>	<b>–</b>	<b>(7)</b>	<b>2</b>	<b>(1,597)</b>	<b>–</b>	<b>(1,602)</b>
<b>At December 31, 2020</b>	<b>566</b>	<b>(11)</b>	<b>*</b>	<b>654</b>	<b>–</b>	<b>1,209</b>

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

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

(S\$ million)

**1H2019**

**At December 31, 2018 as previously reported**

Adoption of SFRS(I) 16

**Restated balance at January 1, 2019**

**Total comprehensive income**

Profit for the period

**Total comprehensive income**

**Transactions with owners of the Company, recognised directly in equity**

Share-based payments

Purchase of treasury shares

Treasury shares transferred to employees

Perpetual securities distribution paid

Accrued perpetual securities distribution

Dividend paid / payable

**Total transactions with owners**

**At June 30, 2019**

	Attributable to owners of the Company				Perpetual securities	Total
	Share capital	Reserve for own shares	Others	Revenue reserve		
<b>At December 31, 2018 as previously reported</b>	<b>566</b>	<b>(9)</b>	<b>2</b>	<b>2,339</b>	<b>801</b>	<b>3,699</b>
Adoption of SFRS(I) 16	–	–	–	(20)	–	(20)
<b>Restated balance at January 1, 2019</b>	<b>566</b>	<b>(9)</b>	<b>2</b>	<b>2,319</b>	<b>801</b>	<b>3,679</b>
<b>Total comprehensive income</b>						
Profit for the period	–	–	–	127	–	127
<b>Total comprehensive income</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>127</b>	<b>–</b>	<b>127</b>
<b>Transactions with owners of the Company, recognised directly in equity</b>						
Share-based payments	–	–	2	–	–	2
Purchase of treasury shares	–	(1)	–	–	–	(1)
Treasury shares transferred to employees	–	9	(9)	–	–	–
Perpetual securities distribution paid	–	–	–	–	(18)	(18)
Accrued perpetual securities distribution	–	–	–	(18)	18	–
Dividend paid / payable	–	–	–	(36)	–	(36)
<b>Total transactions with owners</b>	<b>–</b>	<b>8</b>	<b>(7)</b>	<b>(54)</b>	<b>–</b>	<b>(53)</b>
<b>At June 30, 2019</b>	<b>566</b>	<b>(1)</b>	<b>(5)</b>	<b>2,392</b>	<b>801</b>	<b>3,753</b>

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

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

(S\$ million)	Attributable to owners of the Company				Perpetual securities	Total
	Share capital	Reserve for own shares	Others	Revenue reserve		
<b>2H2019</b>						
<b>Total comprehensive income</b>						
Profit for the period	–	–	–	246	–	246
<b>Other comprehensive income</b>						
Net change in fair value of cash flow hedges	–	–	*	–	–	*
<b>Total comprehensive income</b>	<b>–</b>	<b>–</b>	<b>*</b>	<b>246</b>	<b>–</b>	<b>246</b>
<b>Transactions with owners of the Company, recognised directly in equity</b>						
Issue of treasury shares	–	–	*	–	–	*
Purchase of treasury shares	–	–	(3)	–	–	(3)
Share-based payments	–	–	5	–	–	5
Perpetual securities distribution paid	–	–	–	–	(18)	(18)
Accrued perpetual securities distribution	–	–	–	(18)	18	–
Dividend paid / payable	–	–	–	(35)	–	(35)
<b>Total transactions with owners</b>	<b>–</b>	<b>–</b>	<b>2</b>	<b>(53)</b>	<b>–</b>	<b>(51)</b>
<b>At December 31, 2019</b>	<b>566</b>	<b>(1)</b>	<b>(3)</b>	<b>2,585</b>	<b>801</b>	<b>3,948</b>

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

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

#### Issued share capital and treasury shares

	<b>Number of shares</b>	
	<b>Issued share capital</b>	<b>Treasury shares</b>
At January 1, 2020	1,787,547,732	1,966,276
Treasury shares purchased	–	2,868,000
Treasury shares transferred pursuant to restricted share plan	–	(2,861,474)
At June 30, 2020	<u>1,787,547,732</u>	<u>1,972,802</u>
Treasury shares purchased	–	5,284,100
Treasury shares transferred pursuant to restricted share plan	–	(1,018,129)
At December 31, 2020	<u>1,787,547,732</u>	<u>6,238,773</u>

#### Issued and paid up capital

As at December 31, 2020, the Company's issued and paid up capital excluding treasury shares comprised 1,781,308,959 (December 31, 2019: 1,785,581,456) ordinary shares.

#### Treasury shares

During 2H2020, the Company acquired 5,284,100 (2H2019: 1,730,100) ordinary shares in the Company by way of on-market purchases. 1,018,129 (2H2019: 33,715) treasury shares were re-issued pursuant to Restricted Share Plan (RSP).

As at December 31, 2020, 6,238,773 (December 31, 2019: 1,966,276) treasury shares were held that may be re-issued upon the vesting of performance shares and restricted shares under the Performance Share Plan (PSP) and RSP respectively.

#### Performance shares

	<b>Number of shares</b>
At January 1, 2020	5,319,353
Performance shares lapsed due to under-achievement of targets	<u>(849,553)</u>
At June 30, 2020	4,469,800
Conditional performance shares adjusted pursuant to the Distribution	3,825,317
Performance shares lapsed	<u>(612,333)</u>
At December 31, 2020	<u>7,682,784</u>

During 2H2020, adjustments were made to the outstanding SCI Share Awards granted under the SCI PSP in connection with the Distribution, which was completed on September 11, 2020. As a result of the adjustments, an additional 3,825,317 shares were proposed to be released, assuming the full achievement of the requisite pre-determined performance conditions and targets over the performance period.

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, 2020, was 7,682,784 (December 31, 2019: 5,319,353). Based on the achievement factor, the actual release of the Awards could range from zero to a maximum of 11,524,176 (December 31, 2019: 7,979,029) performance shares.

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

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

#### Restricted shares

	2017 & before	2019 onward	Total
At January 1, 2020	1,698,289	2,312,611	4,010,900
Restricted shares awarded	–	5,410,474	5,410,474
Restricted shares released	(1,114,393)	(2,006,157)	(3,120,550)
Restricted shares lapsed	(38,853)	(149,846)	(188,699)
At June 30, 2020	545,043	5,567,082	6,112,125
Conditional restricted shares adjusted pursuant to the Distribution	429,620	4,583,652	5,013,272
Restricted shares awarded	–	508,475	508,475
Restricted shares released	(92,280)	(936,745)	(1,029,025)
Restricted shares lapsed	(21,683)	(70,416)	(92,099)
At December 31, 2020	860,700	9,133,192	10,512,748

#### **Award granted in 2019**

As detailed in the 2018 Annual Report, with effect from 2019, shares will be granted to eligible employees under the SCI RSP 2010 based on financial performance and corporate objectives achieved in the preceding year.

For managerial participants, a quarter of the Awards granted will vest immediately depending on the fulfilment of the criteria. The remaining three-quarters of the Awards will vest over the following three years in equal tranches, subject to individual performance and fulfilment of service conditions at vesting.

During 2H2020, 508,475 (2H2019: 48,100) restricted shares were awarded under the RSP, 1,029,025 (2H2019: 77,315) restricted shares were released and 92,099 (2H2019: 76,669) restricted shares lapsed. Of the restricted shares released, 1,018,129 (2H2019: 77,315) restricted shares released were settled by way of issuance of treasury shares and 10,896 (2H2019: Nil) restricted shares were cash-settled. There were also adjustments made to the outstanding SCI Share Awards granted under the SCI RSP in connection with the Distribution. As a result of the adjustments, an additional 5,013,272 shares will be conditionally released under the outstanding SCI Share Awards granted under the SCI RSP over the remaining time period in respect of such outstanding SCI Share Awards.

The total number of restricted shares outstanding, for Awards achieved but not released, as at end December 31, 2020 was 10,512,748 (December 31, 2019: 4,010,900).

With the change in the remuneration structure, with effect from 2019 Award, the RSP balances represent 100% of targets achieved, but not released subject to individual performance and fulfillment of service conditions at vesting. The actual release of the conditional awards is a maximum of 10,512,748 (December 31, 2019: 4,010,900) restricted shares.

## 7. CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	GROUP		GROUP	
		2H2020	2H2019	FY2020	FY2019
<i>(S\$ million)</i>					
<b>Cash flows from Operating Activities</b>					
Profit / (Loss) for the period / year					
Continuing operations		213	122	179	333
Discontinued operation		(1,133)	(104)	(1,300)	(116)
Adjustments for:					
Dividend income		(2)	*	(2)	*
Finance income		(24)	(65)	(73)	(132)
Finance costs		276	297	569	586
Depreciation and amortisation		262	343	579	682
Amortisation of deferred income and capital grants		(3)	–	(4)	–
Share of results of associates and joint ventures, net of tax		(114)	(85)	(233)	(184)
Loss on disposal of property, plant and equipment, intangible assets and other financial assets		(6)	(20)	(9)	(21)
Loss / (Gain) on disposal of assets held for sale		31	(70)	30	(70)
Gain on disposal and liquidation of investments in subsidiaries, joint venture and business		(20)	(16)	(20)	(16)
Changes in fair value of financial instruments and other financial assets		(39)	6	25	8
Inventories written-down, written off and allowance for stock obsolescence (net)		35	*	134	*
Impairment of investment in an associate and a joint venture		2	–	113	–
Equity settled share-based compensation expenses		2	6	8	10
Impairment of goodwill		27	65	27	65
Impairment of intangible assets		6	64	6	64
Allowance made for impairment loss in value of assets and assets written off, net		68	87	70	96
Negative goodwill		(11)	(6)	(17)	(6)
Allowance for expected credit loss		7	(5)	12	7
Impairment on assets reclassified to held for sale		–	64	4	64
Provision for fines		–	7	–	7
Provision for site restoration		4	–	4	–
Loss on the Distribution		970	–	970	–
Tax expense		(21)	44	(25)	78
Operating profit before working capital changes		530	734	1,047	1,455
Changes in working capital:					
Inventories		(19)	160	(50)	124
Receivables		(88)	89	(51)	239
Payables		(130)	(402)	(302)	(206)
Contract costs		13	30	(5)	188
Contract assets		7	(196)	(163)	(479)
Contract liabilities		19	(282)	118	(245)
		332	133	594	1,076
Tax paid		(47)	(38)	(103)	(99)
Net cash from operating activities		285	95	491	977



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

	Note	GROUP		GROUP	
		2H2020	2H2019	FY2020	FY2019
<i>(S\$ million)</i>					
<b>Cash flows from Investing Activities</b>					
Dividend received		145	135	198	229
Interest received		21	41	68	104
Proceeds from disposal of assets held for sale		46	197	47	197
Proceeds from sale of other financial assets and business		9	270	150	503
Proceeds from sale of property, plant and equipment		14	26	14	27
Proceeds from sale of intangible assets		–	7	*	7
Proceeds from sale of investment properties		*	–	*	–
Proceeds from disposal of interests in subsidiaries, net of cash disposed	7c	54	(10)	54	(10)
Loan repayments from related parties		–	1	1	10
Non-trade balances with related corporations, net of repayment		6	–	5	(2)
Acquisition of subsidiaries, business and intangible assets, net of cash acquired	7b	–	–	(9)	–
Additional investments in joint ventures and associates		(1)	(2)	(2)	(11)
Acquisition of other financial assets		(27)	(309)	(165)	(567)
Purchase of property, plant and equipment and investment properties		(177)	(358)	(318)	(925)
Purchase of software, carbon allowance and service concession agreement		–	(6)	–	(9)
Purchase of intangible assets		(8)	–	(15)	–
Cash balances transferred to held for sale, net of advance received		–	(4)	–	(4)
Net cash outflow on the Distribution		(1,309)	–	(1,309)	–
Net cash used in investing activities		(1,227)	(12)	(1,281)	(451)
<b>Cash Flows from Financing Activities</b>					
Proceeds from share issued to non-controlling interests of subsidiaries		597	19	599	19
Proceeds from share issuance		–	–	(1)	–
Purchase of treasury shares		(8)	(3)	(15)	(4)
Proceeds from borrowings		1,947	2,628	5,241	4,007
Repayment of borrowings		(2,456)	(2,574)	(4,351)	(3,886)
Payment on lease liabilities		(13)	(18)	(28)	(35)
Payment for non-controlling interest		–	(91)	–	(91)
Capital reduction paid to non-controlling interests		–	(2)	*	(4)
Dividends paid to owners of the Company		–	(35)	(54)	(71)
Dividends paid to non-controlling interests of subsidiaries		*	(10)	(8)	(20)
(Payment) / receipt in restricted cash held as collateral		(11)	(23)	5	(27)
Redemption of perpetual securities and distribution paid		–	(18)	(818)	(36)
Interest paid		(248)	(280)	(515)	(544)
Net cash (used in) / from financing activities		(192)	(407)	55	(692)
Net decrease in cash and cash equivalents		(1,134)	(324)	(735)	(166)
<b>Cash and cash equivalents at beginning of the period / year</b>		<b>2,139</b>	<b>2,080</b>	<b>1,740</b>	<b>1,923</b>
Effect of exchange rate changes on balances held in foreign currency		4	(16)	4	(17)
<b>Cash and cash equivalents at end of the period / year</b>	7a	<b>1,009</b>	<b>1,740</b>	<b>1,009</b>	<b>1,740</b>

### Significant non-cash transactions

- (i) In September 2020, the Company converted the S\$1.5 billion loan receivable from SCM group and subscribed for the equity rights issue of SCM. Post this subscription, together with the Company's existing shares, the Company distributed all the ordinary shares in the capital of SCM to its ordinary shareholders.
- (ii) During the year, the Group received the strategic spares of S\$16 million being a settlement with a vendor recognised in 2019 under other receivables.

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

### 7a. Cash and cash equivalents

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

	GROUP	
	As at December 31, 2020	As at December 31, 2019
<i>(S\$ million)</i>		
Fixed deposits with banks	301	380
Cash and bank balances	731	1,387
Cash and cash equivalents in the balance sheets	1,032	1,767
Restricted bank balances held as collateral by banks	(23)	(27)
Cash and cash equivalents in the consolidated statement of cash flows	1,009	1,740

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

On June 30, 2020, the Group acquired a 100% equity stake in Sembcorp Enviro Services Pte. Ltd. (formerly known as Veolia ES Singapore Pte. Ltd.) and the public cleaning business of Veolia ES Singapore Industrial (VESSI).

<i>(S\$ million)</i>	FY2020
<b>Effect on cash flows of the Group</b>	
Cash paid	18
Less: Cash and cash equivalents in subsidiaries acquired	(9)
Cash outflow on acquisition	9
<b>Identifiable assets acquired and liabilities assumed</b>	
Property, plant and equipment	26
Intangible assets	10
Deferred tax assets	*
Trade and other receivables	6
Cash and cash equivalents	9
Total assets	51
Trade and other payables	5
Other financial liabilities	7
Deferred tax liabilities	4
Total liabilities	16
Net identifiable assets	35
Less: Negative goodwill	(17)
Consideration transferred for the business	18
Cash paid	18

The above are inclusive of fair value adjustments. Negative goodwill of \$6 million was recognised in 1H2020, and an additional S\$11 million was recognised in 2H2020 upon finalisation of the purchase price allocation.

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

### 7c. Cash flow on sale of subsidiaries, net of cash disposed

For the year 2020, the Group divested 100% of its interests in the water business in Panama.

In 2H2019, the Group completed the divestment of the commercial design and construction business (100% stake in Sembcorp Design and Construction Pte Ltd) and a water business in China (80% stake in Sembcorp Lianyungang Water Co).

<i>(S\$ million)</i>	<b>2H2020 &amp; FY2020</b>	<b>2H2019 &amp; FY2019</b>
<b>Effect on cash flows of the Group</b>		
Property, plant and equipment	*	34
Intangible assets	6	1
Inventories	*	–
Trade and other receivables	33	53
Deferred tax assets	*	–
Cash and cash equivalents	4	73
Total assets	<u>43</u>	<u>161</u>
Trade and other payables	3	66
Other liabilities	2	28
Borrowings	–	9
Lease liabilities	–	1
Current tax payable	*	7
Deferred tax liabilities	1	1
Liabilities held for sale	-	–
Total liabilities	<u>6</u>	<u>112</u>
Net assets derecognised	37	49
Less: Non-controlling interests	–	(2)
Realisation of currency translation & other reserve upon disposal	1	*
	<u>38</u>	<u>47</u>
Gain on disposal	20	16
Consideration (net of withholding tax) received	58	63
Less: Cash and cash equivalents disposed of	<u>(4)</u>	<u>(73)</u>
Net cash inflow / (outflow)	<u>54</u>	<u>(10)</u>

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

### 7d. Discontinued operation

In September 2020, SCM completed a 5-for-1 Rights Issue at a Rights Issue Price of S\$0.20 per share. The Company subscribed to S\$1.5 billion of the Rights Shares by setting off the S\$1.5 billion outstanding loan extended to SCM.

On September 11, 2020, the Company demerged SCM via a distribution of the Company's shares in SCM to its ordinary shareholders and SCM ceased to be a subsidiary. The results of SCM are reported in the current year as a discontinued operation. Financial information relating to the discontinued operation for the period from January 1, 2020 to the date of the Distribution is set out below.

#### Financial performance and cash flow information

The financial performance and cash flow information presented are for the period from January 1, 2020 to September 11, 2020 (Sep 2020) and the year ended December 31, 2019.

(S\$ million)	Group Sep 2020	FY2019
Turnover	1,026	2,883
Expenses	(1,381)	(3,022)
Share of results of associates and joint ventures, net of tax	*	(2)
<b>Loss from operation</b>	<b>(355)</b>	<b>(141)</b>
Finance income	38	93
Finance cost	(70)	(104)
<b>Loss from operating activities</b>	<b>(387)</b>	<b>(152)</b>
Tax credit	57	36
Non-controlling interests (NCI)	146	58
<b>Loss from operating activities, net of tax and NCI</b>	<b>(184)</b>	<b>(58)</b>
Loss on the Distribution	(970)	–
<b>Net loss from discontinued operation, net of tax</b>	<b>(1,154)</b>	<b>(58)</b>
Basic earnings (loss) per share – cents	(55.20)	(2.78)
Diluted earnings (loss) per share – cents <sup>1</sup>	(55.20)	(2.78)

<sup>1</sup> In computing the FY2020 fully diluted earnings per ordinary shares, the weighted average number of shares was not adjusted for the effects of all dilutive potential ordinary shares as at December 31, 2020 as these potential ordinary shares would be antidilutive.

The cash flows attributable to the discontinued operation for the period from January 1, 2020 to September 11, 2020 (Sep 2020) and the year ended December 31, 2019 are as follow:

(S\$ million)	Group Sep 2020	FY2019
Net cash used in operating activities	(357)	(257)
Net cash used in investing activities	(63)	(243)
Net cash from financing activities	1,341	56
Net increase/(decrease) in cash and cash equivalents	921	(444)

#### Discontinued operation (results up to September 11, 2020, completion date of the Distribution):

##### Loss from discontinued operation

The Group's share of the FY2020 discontinued operation loss\*\* was S\$184 million. This was mainly due to higher costs recognised for rigs & floaters and specialised shipbuilding projects, and lower margin recognition from offshore platforms. The above negative variance was offset by lower allocated operating costs mainly due to government grant income received for the COVID-19 pandemic.

##### Loss from Distribution

The Group's carrying value and the Company's cost of investment for all of its SCM shares at the date of the Distribution were S\$2,561 million and S\$2,248 million, respectively. The Distribution, measured at fair value, using the closing price of SCM Shares of S\$0.182 prior to the Distribution, amounted to S\$1,597 million. Distribution at fair value less transaction costs of S\$6 million resulted in S\$970 million loss on Distribution for the Group.

\*\* After elimination of inter-segment finance expense of S\$38 million (2019: S\$27 million)

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

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

#### Carrying value of the distribution in specie

The financial effects arising from the demerger of the discontinued operation at the date of the Distribution are as follows:

<i>(S\$ million)</i>	<b>September 11, 2020</b>
Property, plant and equipment	4,467
Intangible assets	235
Deferred tax assets	95
Other receivables	3,239
Inventory	106
Cash and cash equivalents	1,309
Total assets	<u>9,451</u>
Trade and other payables	1,164
Other liabilities	266
Borrowing	3,794
Lease liabilities	297
Current tax payable	8
Deferred tax liabilities	28
Total liabilities	<u>5,557</u>
Net assets distributed	3,894
Less: Non-controlling interest	(1,208)
Less: Realisation of capital reserves upon distribution	<u>(125)</u>
	2,561
Distribution in specie (less transaction costs of S\$6 million)	(1,591)
Loss on the Distribution	(970)
	<u>–</u>
Consideration received	–
Less: cash of subsidiary distributed	<u>(1,309)</u>
Net cash outflow on the Distribution	<u>(1,309)</u>

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

### (i) Second half-year

Net cash from operating activities before changes in working capital stood at S\$530 million while net cash from operating activities was S\$285 million. This net cash from operating activities was after netting cash of S\$100 million used in operating activities for SCM for the period in 2H2020 before the Distribution. The decline in operating activities before changes in working capital was mainly due to lower operating performance. The net cash used for working capital of S\$198 million included the S\$110 million receivable recognised from the change in law claim by India's P1 in 2H2020. Post the Distribution in September 2020, the changes in working capital no longer includes that of the Marine business.

Net cash used in investing activities was S\$1,227 million, mainly due to the loss of control of the cash in the Marine business upon Distribution. Net cash used for purchase of property, plant and equipment was offset by interest and dividend received.

Net cash used in financing activities was S\$192 million, mainly for interest paid. The proceeds of S\$597 million from shares issued to non-controlling interests (NCI) of subsidiaries are mainly from SCM's rights issued contributed by NCI, which has increased the amount of cash balances of SCM at date of Distribution. In 2H2020, the Group had repaid approximately net S\$509 million of borrowings.

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

### **7e. Explanatory notes to Consolidated Statement of Cash Flows (Cont'd)**

#### **(ii) Full year**

Net cash from operating activities before changes in working capital stood at S\$1,047 million while net cash from operating activities was S\$491 million. The decline in operating activities before changes in working capital was mainly a consequence of lower operating performance. The net cash from operating activities of S\$491 million, which included S\$110 million receivable from the change in law claims in 2H2020, was after netting cash used in operating activities of S\$357 million from Marine.

Net cash used in investing activities was S\$1,281 million mainly due to loss of control of SCM's cash of \$1,309 million upon Distribution in 2H2020. The total proceeds from divestments, interest and dividend received more than covered the purchase of property, plant and equipment.

Net cash from financing activities was S\$55 million. The net cash from financing activities was mainly from the proceeds from SCM's rights issues net of interest paid. The Company redeemed and refinanced its S\$800 million perpetual securities in 1H2020.

#### **(iii) Significant non-cash transactions**

There was no material non-cash transaction other than those disclosed in the cash flow statement.

## **8. ACCOUNTING POLICIES**

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

The financial statements for the year ended December 31, 2020 are prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)) and International Financial Reporting Standards (IFRS). All references to SFRS(I) and IFRS are referred to as SFRS(I) in these financial statements unless otherwise specified.

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 most recent audited financial statements for the year ended, and as at, December 31, 2019.

Certain comparative amounts have been re-presented, as a result of an operation discontinued during the current financial year.

### **8b. Changes in accounting policies**

The Group has applied the following amendments to SFRS(I)s which became effective on January 1, 2020. The Group has also early adopted the Amendments to SFRS(I) 16 on COVID-19-Related Rent Concessions. The Group applied the practical expedient not to assess a rent concession occurring as a direct consequence of the COVID-19 pandemic as a lease modification.

- Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 Definition of Material
- Amendments to SFRS(I) 3 Definition of a business
- Amendments to References to Conceptual Framework in SFRS(I) Standards
- Amendments to SFRS(I) 16 COVID-19 Related Rent Concessions

### **8c. Accounting estimates and judgements**

The COVID-19 pandemic and the decline in energy prices have impacted and will continue to impact the Group's earnings, cash flow and financial position. The financial statements have been prepared based on assumptions and conditions prevalent as at December 31, 2020. Given the ongoing significant uncertainty, these assumptions could change in the future.

## **9. RELATED PARTIES**

### **9a. Related party transactions**

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

On July 8, 2019, the Group issued S\$1.5 billion of five-year 3.55% per annum bonds to DBS Bank, a related party, as sole lead manager and initial purchaser through a private placement. The investors of the bonds include Temasek, the Company's immediate and ultimate holding company and an interested person. S\$2.3 million of management and agent fees were paid to DBS Bank in relation to the issuance of the above bonds. In November 2020, the bonds were fully redeemed and as a result of the early redemption, an amount of S\$6.5 million in break funding cost was paid to bond investors who are also related parties.

During the year, S\$6.9 million of management and agent fees were paid to a related corporation for the rights issue and the Distribution.

## 9. RELATED PARTIES (Cont'd)

### 9b. Compensation of Key Management Personnel

#### Changes to Key Management Personnel

Wong Kim Yin was appointed as Group President and CEO with effect from July 1, 2020, with Neil McGregor retiring on June 30, 2020.

There were no other changes to the key management personnel in 2H2020.

There were no changes to the compensation scheme in 2H2020.

## 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. Contracts for differences (CFDs) are accounted for based on the difference between the contracted price entered into with the counterparty and the reference price. The CFDs are measured at cost since the fair value cannot be measured reliably as there have been insufficient trades made in the electricity future market. Upon settlement, the gains and losses for CFDs are taken to profit or loss.

#### **Non-derivative non-current financial assets and liabilities**

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.

#### **Other financial assets and liabilities**

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.

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:			Total
	Level 1	Level 2	Level 3	
<b>As at December 31, 2020</b>				
Financial assets at FVOCI	–	–	71	71
Financial assets at fair value through profit or loss (FVTPL)	90	–	26 <sup>#</sup>	116
Derivative financial assets	–	98	–	98
	90	98	97	285
Derivative financial liabilities	–	(138)	–	(138)
	90	(40)	97	147
 (S\$ million) Group				
<b>As at December 31, 2019</b>				
Financial assets at FVOCI	–	–	87	87
Financial assets at FVTPL	81	–	25 <sup>#</sup>	106
Derivative financial assets	–	172	–	172
	81	172	112	365
Derivative financial liabilities	–	(94)	–	(94)
	81	78	112	271

<sup>#</sup> The level 3 financial assets at FVTPL as at December 31, 2020 and December 31, 2019 included S\$8 million and S\$13 million fair value of Sembcorp Jingmen Water Co. Ltd (SJW) respectively. On May 20, 2020, the District Construction Bureau of Jingmen reissued another administrative decision to take over the plant from May 29, 2020 to May 28, 2021 and the Group continues to recognise SJW as 'other financial assets'.

In December 31, 2020 and December 31, 2019, there have been no transfers between the different levels of the fair value hierarchy.

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

(S\$ million) Group	Financial assets at FVOCI	Financial assets at FVTPL
<b>As at January 1, 2020</b>	87	25
Addition	–	–
Translation adjustments	–	*
Net change in fair value	*	*
<b>As at June 30, 2020</b>	87	25
Addition	–	4
Translation adjustments	1	–
Repayment of shareholder's loan <sup>#</sup>	–	(5)
Net change in fair value	(14)	–
Distribution of a subsidiary	(3)	2
<b>As at December 31, 2020</b>	71	26
 (S\$ million) Group		
<b>As at January 1, 2019</b>	37	15
Addition	–	1
Net change in fair value	(1)	(2)
<b>As at June 30, 2019</b>	36	14
Reclassification <sup>#</sup>	–	13
Net change in fair value	51	(2)
<b>As at December 31, 2019</b>	87	25



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

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

<i>(S\$ million)</i>	<b>Financial assets at amortised costs</b>	<b>Other financial liabilities</b>	<b>Total carrying amount</b>	<b>Fair value</b>
<b>Group</b>				
<b>As at December 31, 2020</b>				
Service concession receivables	974	–	974	1,334
Interest-bearing borrowings:				
– Non-current borrowings	–	7,135	7,135	7,175

<i>(S\$ million)</i>	<b>Financial assets at amortised costs</b>	<b>Other financial liabilities</b>	<b>Total carrying amount</b>	<b>Fair value</b>
<b>Group</b>				
<b>As at December 31, 2019</b>				
Service concession receivables	1,055	–	1,055	1,253
Interest-bearing borrowings:				
– Non-current borrowings	–	8,157	8,157	8,226

<i>(S\$ million)</i>	<b>Financial assets at amortised costs</b>	<b>Other financial liabilities</b>	<b>Total carrying amount</b>	<b>Fair value</b>
<b>Company</b>				
<b>As at December 31, 2020</b>				
Amounts due from related parties	–	–	–	–
Amounts due to related parties	–	1,595	1,595	1,603

<i>(S\$ million)</i>	<b>Financial assets at amortised costs</b>	<b>Other financial liabilities</b>	<b>Total carrying amount</b>	<b>Fair value</b>
<b>Company</b>				
<b>As at December 31, 2019</b>				
Amounts due from related parties	345	–	345	346
Amounts due to related parties	–	145	145	149

## 11. AUDIT

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

## 12. AUDITORS' REPORT

Not applicable.

## 13. VARIANCE FROM PROSPECT STATEMENT

On December 7, 2020, the Group announced that there will be impairment (net of tax) of S\$89 million in 2H2020 and together with the loss on Distribution announced on September 11, 2020, the Group expects to incur losses for the full year. However, the Group expects to maintain positive operating cash flow in 2020 underpinned by the underlying profitable performance of its Energy and Urban businesses.

## 14. 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**

Significant challenges remain for economies around the world. Uncertainties continue to persist with regard to the strength of recovery from the COVID-19 pandemic.

Underlying performance of the Group will also be impacted by changes in customer profile in the United Kingdom and Singapore, as well as the loss of income from divested assets in Panama and Chile.

The Group will continue to transform its portfolio to focus on sustainable solutions that support the global energy transition and sustainable development. In 2021, approximately 200MW of renewable energy capacity is expected to come onstream.

## 15. SUBSEQUENT EVENTS

On February 5, 2021, the Group announced the completion of the divestment of its entire 32% stake in joint venture company, Shenzhen Chiwan Sembawang Engineering Co.

On February 16, 2021, the Group announced that through its subsidiary, Sembcorp Myingyan Power Company Limited, it operates a 225-megawatt gas-fired power plant in Mandalay, Myanmar. As of December 31, 2020, the net assets value of this investment was USD57 million and USD230 million of the project's loan remains outstanding and is backed by a corporate guarantee issued by a wholly owned subsidiary of Sembcorp.

## 16. DIVIDEND

### (a) Current Financial Year reported On

Name of Dividend	Proposed 2020 Final Ordinary Exempt-1-Tier	2020 Total
Dividend Type	Cash	Cash
Dividend Amount (cents per shares)	4.0	4.0

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

Name of Dividend	2019 Interim Ordinary Exempt-1-Tier	Proposed 2019 Final Ordinary Exempt-1-Tier	2019 Total
Dividend Type	Cash	Cash	Cash
Dividend Amount (cents per shares)	2.0	3.0	5.0

### (c) Current Financial Year reported On

The proposed final tax-exempt 1-Tier dividend of 4.0 cents per ordinary share, if approved at the AGM to be held on April 22, 2021, will be paid on May 6, 2021.

### (d) Notice of Record Date and Dividend Payment Date

Notice is hereby given that the Register of Members and Share Transfer Books of the Company will be closed on April 29, 2021 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 April 28, 2021 (the "Record 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 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)	FY2020	FY2019
<b>Name of Dividend</b>		
Interim ordinary dividend	–	36
Final ordinary dividend *	71	54
Total	<u>71</u>	<u>90</u>

\*FY2020 dividend is estimated based on the share capital, excluding treasury shares, of 1,781,308,959 ordinary share at the end of the financial year.

#### **Distribution**

On September 11, 2020, the Company effected a distribution in specie of all the ordinary shares in the issued share capital of SCM. The Group's carrying value of these SCM shares at date of the Distribution was S\$2,561 million.

Based on the closing price of the SCM Shares on September 10, 2020 (the last trading day of SCM Shares prior to the Distribution), of S\$0.182, the cash equivalent amount of the dividend is S\$1,597 million. This amount is equivalent to approximately S\$0.893801028 per SCI Share, based on 1,786,431,697 SCI Shares in issue (excluding 1,116,035 treasury shares) as at September 11, 2020.

As the Distribution is measured at fair value, a distribution of \$1,597 million and a loss on distribution of S\$970 million were recognised.

## 17. 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 FY2020, the 5% Group's consolidated NTA, as at December 31, 2019 was S\$311 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 May 2020, the Company obtained approval for such shareholders' mandate.

	Nature of relationship	Aggregate value of all interested person transactions under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	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)
		FY2020	FY2020
<i>(S\$ million)</i>			
<b>Sale of Goods and Services</b>			
Temasek Holdings (Private) Limited	Associate of Temasek Holdings (Private) Limited, the controlling shareholder of the Company	0.4	—
Mapletree Investments Pte Ltd and its Associates		1.6	—
PSA International Pte Ltd and its Associates		9.1	—
Singapore Power Limited and its Associates		2.3	—
Singapore Technologies Telemedia Pte Ltd and its Associates		77.5	—
SingEx Holdings Pte Ltd and its Associates		2.2	—
Surbana Jurong Private Limited and its Associates		0.4	—
		93.5	—
Capitaland Ltd and its Associates	Associate of Temasek Holdings (Private) Limited, the controlling shareholder of the Company	5.9	—
Olam International Ltd and its Associates		6.8	—
SATS Ltd and its Associates		18.0	—
Singapore Airlines Limited and its Associates		18.3	—
Singapore Technologies Engineering Ltd and its Associates		13.7	—
Sembcorp Marine Ltd and its Associates <sup>#</sup>		7.0	—
		163.2	—

<sup>#</sup> Post the Distribution on September 11, 2020, SCM and its associates become interested person of the Group.

## 17. INTERESTED PERSON TRANSACTIONS (Cont'd)

(S\$ million)	Nature of relationship	Aggregate value of all interested person transactions under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	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)
<b>Purchase of Goods and Services</b>			
Lan Ting Holdings Pte. Ltd. and its Associates	Associate of Temasek Holdings (Private) Limited, the controlling shareholder of the Company	76.6	–
Singapore Power Limited and its Associates	Associate of Temasek Holdings (Private) Limited, the controlling shareholder of the Company	5.1	–
Surbana-Jurong Private limited and its Associates		5.8	–
		87.5	–
Singapore Technologies Engineering Ltd and its Associates	Associate of Temasek Holdings (Private) Limited, the controlling shareholder of the Company	45.6	–
Singapore Telecommunications Ltd and its Associates		0.5	–
Starhub Ltd and its Associates		1.3	–
		134.9	–
<b>Payment for early release of key personnel</b>			
Singapore Power Limited and its Associates	Associate of Temasek Holdings (Private) Limited, the controlling shareholder of the Company	–	3.2
		–	3.2
		298.1	3.2

## 18. 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.

## 19. REPORT OF PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO A DIRECTOR, CHIEF EXECUTIVE OFFICER OR SUBSTANTIAL SHAREHOLDING

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 23, 2021**