



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

**FIRST QUARTER ENDED MARCH 31, 2017 FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT**

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**SEMBCORP INDUSTRIES LTD****UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED MARCH 31, 2017**

The Board of Directors of Sembcorp Industries Ltd wishes to announce the following unaudited results of the Group for the first quarter ended March 31, 2017.

**1. CONSOLIDATED INCOME STATEMENT**

		<b>GROUP</b>		
	<b>Note</b>	<b>1Q17</b>	<b>1Q16</b>	<b>+ / (-)</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b>Turnover</b>	2a	<b>2,139,557</b>	<b>1,895,225</b>	<b>12.9</b>
Cost of sales	2a	(1,899,066)	(1,626,577)	16.8
<b>Gross profit</b>	2a	<b>240,491</b>	<b>268,648</b>	<b>(10.5)</b>
General & administrative expenses	2b	(87,841)	(89,782)	(2.2)
Other income	2c	69,713	30,738	126.8
Other expense (net)	2d	(4,781)	(7,724)	(38.1)
Finance income	2e	4,170	9,756	(57.3)
Finance costs	2e	(129,056)	(86,307)	49.5
Share of results of associates and joint ventures, net of tax	2f	57,555	35,616	NM
<b>Profit before tax</b>		<b>150,251</b>	<b>160,945</b>	<b>(6.6)</b>
Tax expense	2g	(14,903)	(29,900)	(50.2)
<b>Profit for the period</b>		<b>135,348</b>	<b>131,045</b>	<b>3.3</b>
<b>Attributable to:</b>				
Owners of the Company		<b>119,107</b>	<b>107,034</b>	<b>11.3</b>
Non-controlling interests		16,241	24,011	(32.4)
		<b>135,348</b>	<b>131,045</b>	<b>3.3</b>
<b>Earnings per ordinary share (cents)</b>	2h			
- basic		6.13	5.45	12.5
- diluted		6.09	5.42	12.4

## 2. NOTES TO THE CONSOLIDATED INCOME STATEMENT

### 2a. Turnover, Cost of Sales

	GROUP		
	1Q17 \$'000	1Q16 \$'000	+ / (-) %
Turnover	2,139,557	1,895,225	12.9
Cost of sales	(1,899,066)	(1,626,577)	16.8
Gross profit	240,491	268,648	(10.5)
Included in Cost of sales:-			
Depreciation and amortisation (i)	(128,145)	(100,810)	27.1

Group turnover – refer to Page 17, note 11.

Group gross profit decreased by 11% in 1Q17 compared to 1Q16 mainly because of lower contribution from Marine's rig building projects and costs incurred for a floater project which is pending finalisation with the customer. The decrease from Marine was partially mitigated by higher contribution from Utilities' India operations in 1Q17.

- (i) Depreciation and amortisation in 1Q17 was higher mainly due to depreciation of Marine's new yard and amortisation of intangible property rights of Gravifloat AS and LMG Marin AS and higher depreciation from Utilities India's second thermal power plant, Sembcorp Gayatri Power Limited (SGPL), which achieved commercial operation in phases in November 2016 and February 2017.

### 2b. General & administrative expenses

	GROUP		
	1Q17 \$'000	1Q16 \$'000	+ / (-) %
General & administrative expenses	(87,841)	(89,782)	(2.2)
Included in general & administrative expenses:-			
Depreciation and amortisation	(5,643)	(5,974)	(5.5)
Write-back of / (Allowance for) doubtful debts and bad debts, net (i)	6,243	(1,200)	NM

General & administrative expenses in 1Q17 were lower than 1Q16 due to the net write-back of doubtful debts, partially reduced by higher personnel and related costs.

- (i) Net write-back of doubtful debts in 1Q17 relates to Utilities' China operations.

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

### 2c. Other income

	GROUP		
	1Q17 \$'000	1Q16 \$'000	+ / (-) %
Other income	69,713	30,738	126.8
Included in other income: -			
Dividend income	32	-	NM
Fair value gain on re-measurement of pre-existing equity interest in joint venture and available-for-sale financial asset (AFS), which became subsidiaries, see Note 5(b)	-	10,702	NM
Gain on disposal of assets held for sale (i)	46,816	-	NM
Gain on disposal of joint venture	-	186	NM
Gain on disposal of other financial assets	1,785	1,157	54.3

(i) Gain on disposal of assets held for sale in 1Q17 arose from Marine's divestment of its 30% equity interest in Cosco Shipyard Group Co., Ltd (CSG).

### 2d. Other expense (net)

	GROUP		
	1Q17 \$'000	1Q16 \$'000	+ / (-) %
Other expense (net)	(4,781)	(7,724)	(38.1)
Included in other expense (net): -			
Changes in fair value of financial instruments	(1,411)	17,413	NM
Changes in fair value of available-for-sale assets	-	(5,771)	(100.0)
Foreign exchange loss (i)	(2,137)	(19,227)	(88.9)

(i) Foreign exchange loss in 1Q17 arose mainly from revaluation of Utilities' and Marine's financial assets and liabilities denominated in United States dollar.

### 2e. Finance income and finance costs

	GROUP		
	1Q17 \$'000	1Q16 \$'000	+ / (-) %
Finance income (i)	4,170	9,756	(57.3)
Finance costs (ii)	(129,056)	(86,307)	49.5

(i) Lower finance income in 1Q17 was mainly due to Utilities and Marine's lower bank balances.  
(ii) Higher finance costs in 1Q17 was mainly due to Marine's higher borrowings and finance costs relating to Utilities' India's second thermal power plant which were no longer capitalized.

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

The Group recorded higher share of profit from associates and joint ventures in 1Q17 compared to 1Q16 mainly due to the recognition of land sales in Nanjing from Urban Development business.

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

### 2g. Tax expense

		GROUP		
		1Q17 \$'000	1Q16 \$'000	+ / (-) %
Tax expense	(i)	(14,903)	(29,900)	(50.2)
<i>Included in tax expense:</i> -				
Tax expense				
- Net write-back / (under-provision) of tax in respect of prior years		119	(23)	NM

- (i) The effective tax rate in 1Q17 was lower than 1Q16 principally because the disposal gain from CSG was not subject to Singapore tax.

Without the effect of this disposal gain, the effective tax rate was higher because there was no Group Tax Relief for losses from Utilities' second thermal plant.

### 2h. Earnings per ordinary share

Earnings per ordinary share of the Group based on net profit attributable to the owners of the Company, less distribution to holders of perpetual securities:	Group		
	1Q17	1Q16	+ / (-) %
(i) Based on the weighted average number of shares (in cents)	6.13	5.45	12.5
- Weighted average number of shares (in million)	1,785.6	1,785.8	(0.0)
(ii) On a fully diluted basis (in cents)	6.09	5.42	12.4
- Adjusted weighted average number of shares (in million)	1,798.2	1,796.3	0.1

### 3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	GROUP	
	1Q17	1Q16
Note	\$'000	\$'000
<b>Profit for the period</b>	<b>135,348</b>	<b>131,045</b>
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Foreign currency translation differences for foreign operations	(i) (70,915)	(118,517)
Exchange differences on monetary items forming part of net investment in foreign operation	(3,746)	1,653
Net change in fair value of cash flow hedges	(ii) 4,142	17,718
Net change in fair value of cash flow hedges reclassified to profit or loss	(8,330)	24,520
Net change in fair value of available-for-sale financial assets	(iii) 41,321	(19,112)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	(355)	-
Share of other comprehensive income of associates and joint ventures	(iv) 10,837	(20,627)
	<u>(27,046)</u>	<u>(114,365)</u>
Other comprehensive income for the period, net of tax	<u>(27,046)</u>	<u>(114,365)</u>
<b>Total comprehensive income for the period</b>	<b><u>108,302</u></b>	<b><u>16,680</u></b>
<b>Attributable to:</b>		
Owners of the Company	86,095	9,943
Non-controlling interests	<u>22,207</u>	<u>6,737</u>
<b>Total comprehensive income for the period</b>	<b><u>108,302</u></b>	<b><u>16,680</u></b>

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

- (i) The movement in foreign currency translation reserves in 1Q17 was primarily due to depreciation of United States dollar and Renminbi against Singapore dollar.
- (ii) The fair value changes of cash flow hedges in 1Q17 was primarily due to changes in fair value on fuel oil swaps, foreign currency forward contract and interest rate swaps.
- (iii) This was mainly due to changes in mark-to-market of the Group's quoted prices of available-for-sale financial assets.
- (iv) This was mainly due to share of associates' and joint venture's hedging gain in UK and Middle East.

#### 4. BALANCE SHEETS

	GROUP		COMPANY	
	As at	As at	As at	As at
	31/03/2017	31/12/2016	31/03/2017	31/12/2016
	\$'000	\$'000	\$'000	\$'000
<b>Non-current assets</b>				
Property, plant and equipment	11,517,463	11,225,917	490,570	498,385
Investment properties	60,874	61,264	-	-
Investments in subsidiaries	-	-	2,445,504	2,444,010
Interests in associates and joint ventures	1,770,463	1,745,749	-	-
Other financial assets	247,546	200,905	-	-
Trade and other receivables	769,313	734,123	205,769	205,843
Tax recoverable	8,909	9,529	-	-
Intangible assets	629,465	636,997	23,559	23,103
Deferred tax assets	46,304	51,520	-	-
	<u>15,050,337</u>	<u>14,666,004</u>	<u>3,165,402</u>	<u>3,171,341</u>
<b>Current assets</b>				
Inventories and work-in-progress	3,453,040	3,466,280	9,174	10,615
Trade and other receivables	2,143,874	1,958,030	181,528	171,028
Tax recoverable	17,787	15,703	-	-
Assets held for sale	-	182,215	-	-
Other financial assets	131,723	119,456	214	-
Cash and cash equivalents	1,852,718	1,882,547	395,024	389,905
	<u>7,599,142</u>	<u>7,624,231</u>	<u>585,940</u>	<u>571,548</u>
<b>Total assets</b>	<u>22,649,479</u>	<u>22,290,235</u>	<u>3,751,342</u>	<u>3,742,889</u>
<b>Current liabilities</b>				
Trade and other payables	3,348,897	3,398,015	122,520	138,057
Excess of progress billings over work-in-progress	189,069	223,073	-	-
Provisions	44,501	42,419	17,469	14,874
Other financial liabilities	20,033	36,976	-	326
Current tax payable	200,483	189,471	54,595	47,938
Interest-bearing borrowings	2,256,694	2,125,587	-	-
	<u>6,059,677</u>	<u>6,015,541</u>	<u>194,584</u>	<u>201,195</u>
<b>Net current assets</b>	<u>1,539,465</u>	<u>1,608,690</u>	<u>391,356</u>	<u>370,353</u>
<b>Non-current liabilities</b>				
Deferred tax liabilities	393,707	402,431	60,580	60,501
Provisions	93,327	92,547	10,661	10,661
Other financial liabilities	277,156	256,654	-	-
Retirement benefit obligations	6,016	6,565	-	-
Interest-bearing borrowings	7,323,387	7,095,717	-	-
Other long-term payables	262,381	258,066	282,415	281,910
	<u>8,355,974</u>	<u>8,111,980</u>	<u>353,656</u>	<u>353,072</u>
<b>Total liabilities</b>	<u>14,415,651</u>	<u>14,127,521</u>	<u>548,240</u>	<u>554,267</u>
<b>Net assets</b>	<u>8,233,828</u>	<u>8,162,714</u>	<u>3,203,102</u>	<u>3,188,622</u>
<b>Equity attributable to owners of the Company:-</b>				
Share capital	565,572	565,572	565,572	565,572
Other reserves	(118,658)	(52,147)	(6,267)	(6,721)
Revenue reserve	5,509,373	5,384,897	1,836,146	1,826,675
	<u>5,956,287</u>	<u>5,898,322</u>	<u>2,395,451</u>	<u>2,385,526</u>
Perpetual securities	807,651	803,096	807,651	803,096
	<u>6,763,938</u>	<u>6,701,418</u>	<u>3,203,102</u>	<u>3,188,622</u>
<b>Non-controlling interests</b>	<u>1,469,890</u>	<u>1,461,296</u>	<u>-</u>	<u>-</u>
<b>Total equity</b>	<u>8,233,828</u>	<u>8,162,714</u>	<u>3,203,102</u>	<u>3,188,622</u>

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

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

	As at 31/03/2017 \$'000	As at 31/12/2016 \$'000
<b>Amount repayable:</b>		
<b>(i) <u>In one year or less, or on demand</u></b>		
<b>Interest-bearing borrowings</b>		
Secured	590,581	548,509
Unsecured	1,666,113	1,577,078
	<u>2,256,694</u>	<u>2,125,587</u>
<b>(ii) <u>Between one to five years</u></b>		
<b>Interest-bearing borrowings</b>		
Secured	1,173,963	948,288
Unsecured	3,395,055	3,094,717
	<u>4,569,018</u>	<u>4,043,005</u>
<b>(iii) <u>After five years</u></b>		
<b>Interest-bearing borrowings</b>		
Secured	1,873,932	2,272,275
Unsecured	880,437	780,437
	<u>2,754,369</u>	<u>3,052,712</u>
Total	<u>9,580,081</u>	<u>9,221,304</u>
<b>(iv) The secured loans are collateralised by the following assets' net book value:-</b>		
	As at 31/03/2017 \$'000	As at 31/12/2016 \$'000
Net assets and equity shares of subsidiaries, property, plant and equipment, and other assets	<u>6,704,233</u>	<u>6,863,426</u>

4b. **Net asset value**

	Group		Company	
	31/03/2017	31/12/2016	31/03/2017	31/12/2016
Net asset value per ordinary share based on issued share capital at the end of the financial period (in \$)	3.78	3.75	1.79	1.79

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

Significant variances for balance sheets items are explained as follows:

(i) **Group**

**Non-current assets**

"Other financial assets" increased mainly due to fair value adjustments of quoted equity shares.

"Deferred tax assets" decreased mainly due to Marine's utilisation of tax credit.

**Net current assets**

"Trade and other receivables" increased mainly due to receivables arising from disposal of CSG.

"Assets held for sale" decreased mainly due to Marine's divestment of its 30% equity interest in CSG, which was completed in January 2017.



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

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

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

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

“Excess of progress billings over work-in-progress” decreased mainly due to Marine’s timing of billing rig building projects.

“Other financial liabilities” decreased mainly due to fair value adjustments on foreign currency forward contracts.

###### **Equity**

The deficit in “Other reserves” increased primarily due to foreign currency translation loss mainly arising from depreciation of United States dollar and Renminbi against Singapore dollar.

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

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

“Trade and other payable” decreased mainly due to lower accrued operating expenditure.

“Provisions” increased mainly due to allowance made for claims.

## 5. CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP	
	1Q17	1Q16
Note	\$'000	\$'000
<b>Cash flows from Operating Activities</b>		
Profit for the period	135,348	131,045
Adjustments for :		
Dividend	(32)	-
Finance income	(4,170)	(9,756)
Finance costs	129,056	86,307
Depreciation and amortisation	133,788	106,784
Share of results of associates and joint ventures, net of tax	(57,555)	(35,616)
Gain on disposal of property, plant and equipment and other financial assets	(1,789)	(1,207)
Gain on disposal of assets held for sale / joint venture	(46,816)	(186)
Fair value gain on re-measurement of pre-existing equity investments in joint venture and available-for-sale financial asset, which became subsidiaries	-	(10,702)
Changes in fair value of financial instruments	1,411	(17,413)
Equity settled share-based compensation expenses	5,330	5,213
Allowance made for impairment loss in value of assets and assets written off (net)	757	5,973
Allowance for doubtful debts and bad debts	(6,690)	1,200
Bad debts written off	447	-
Tax expense	14,903	29,900
Operating profit before working capital changes	303,988	291,542
Changes in working capital:		
Inventories and work-in-progress	(24,916)	212,571
Receivables	(85,127)	(181,306)
Payables	(66,648)	(244,640)
	127,297	78,167
Tax paid	(8,970)	(10,272)
Net cash flow from operating activities	118,327	67,895
<b>Cash flows from Investing Activities</b>		
Dividend received	11,651	6,299
Interest received	6,028	9,536
Proceeds from disposal of interests in joint venture and associate	-	450
Proceeds from prior year disposal of joint venture	30,805	-
Proceeds from sale of other financial assets	15,964	2,517
Proceeds from sale of property, plant and equipment	8,096	2,913
Loan repayment from related parties	4,086	10,617
Non-trade balances with related corporations, net of repayment	(9,109)	(13,462)
Acquisition of subsidiaries, net of cash acquired	-	(41,376)
Acquisition of / additional investments in joint ventures and associates	(6,670)	(2,537)
Acquisition of other financial assets	(30,984)	(365)
Purchase of property, plant and equipment and investment properties	(351,852)	(189,960)
Purchase of intangible assets	(1,221)	(2,965)
Net cash used in investing activities	(323,206)	(218,333)
<b>Cash flows from Financing Activities</b>		
Proceeds from share issued to non-controlling interests of subsidiaries	(18)	210
Proceeds from share options exercised with issue of treasury shares	-	39
Purchase of treasury shares	(4,057)	(941)
Purchase of treasury shares by subsidiary	(1,889)	(1,521)
Proceeds from borrowings	614,039	964,839
Repayment of borrowings	(348,572)	(356,204)
Payment on finance leases	(129)	(74)
Unclaimed dividends / (Dividend paid on previously unclaimed dividends)	6	(3)
Dividends paid to non-controlling interests of subsidiaries	(5,880)	(7,456)
Restricted cash held as collateral	3,122	-
Perpetual securities distribution paid	(5,041)	(5,041)
Interest paid	(108,443)	(84,467)
Net cash from financing activities	143,138	509,381
Net (decrease) / increase in cash and cash equivalents	(61,741)	358,943
<b>Cash and cash equivalents at beginning of the period</b>	1,854,713	1,604,465
Effect of exchange rate changes on balances held in foreign currency	(24,165)	(38,205)
<b>Cash and cash equivalents at end of the period</b>	1,768,807	1,925,203

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

5a. **Cash and cash equivalents**

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

	<b>Group</b>	
	<b>31/03/2017</b>	<b>31/12/2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Fixed deposits with banks	411,452	487,377
Cash and bank balances	1,441,266	1,395,170
Cash and cash equivalents in the balance sheets	1,852,718	1,882,547
Bank overdrafts	(75,984)	(16,785)
Restricted bank balances held as collateral by banks	(7,927)	(11,049)
Cash and cash equivalents in the consolidated statement of cash flows	<u>1,768,807</u>	<u>1,854,713</u>

5b. **Cash flow on acquisition of subsidiaries, net of cash acquired**

	<b>1Q16<sup>1</sup></b>
	<b>\$'000</b>
<b>Effect on cash flows of the Group</b>	
Cash paid	119,833
Less: Cash and cash equivalents in subsidiaries acquired	<u>(78,457)</u>
Cash outflow on acquisition	<u>41,376</u>
<b>Identifiable assets acquired and liabilities assumed</b>	
Property, plant and equipment	1,739,644
Trade and other receivables	98,414
Intangible assets	119,442
Inventories	95
Cash and cash balances	<u>78,457</u>
Total assets	<u>2,036,052</u>
Trade and other payables	139,839
Current tax payable	7,146
Borrowings	<u>1,446,631</u>
Total liabilities	<u>1,593,616</u>
Net identifiable assets	442,436
Less: Non-controlling interests	(165,593)
Add: Goodwill	24,676
Less: Amount previously accounted for as available-for-sale financial asset and joint venture	(163,324)
Less: Foreign currency translation reserve realised when the joint venture became a subsidiary	(2,410)
Less: Gain on step up acquisition of available-for-sale financial asset and joint venture	(10,702)
Consideration transferred for the business	<u>125,083</u>
Amount reflected as other payables	<u>(5,250)</u>
Cash paid	<u>119,833</u>

<sup>1</sup> Step-up of Gravifloat AS, previously an available-for-sale financial asset and Sembcorp Gayatri Power Limited (SGPL), previously a joint venture

Note: The above are inclusive of fair value adjustments, determined on a provisional basis.

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

5c. **Explanatory Notes to Consolidated Statement of Cash Flows**

(i) **First Quarter**

Cash flows from operating activities before changes in working capital were \$304.0 million in 1Q17. Changes in working capital for 1Q17 was mainly due to Utilities' India working capital for operations and Marine's working capital for ongoing projects.

Net cash outflow from investing activities for 1Q17 was \$323.2 million, mainly from purchase Utilities' and Marine's property, plant and equipment.

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

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

## 6. STATEMENTS OF CHANGES IN EQUITY

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

	Attributable to owners of the Company									
	Other reserves					Total	Perpetual securities	Total	Non-controlling interests	Total equity
	Currency			Others	Revenue reserve					
	Share capital	Reserve for own shares	translation reserve							
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>1Q17</b>										
<b>At January 1, 2017</b>	565,572	(5,490)	(113,534)	66,877	5,384,897	5,898,322	803,096	6,701,418	1,461,296	8,162,714
<b>Total comprehensive income</b>										
Profit for the period	-	-	-	-	119,107	119,107	-	119,107	16,241	135,348
<b>Other comprehensive income</b>										
Foreign currency translation differences for foreign operations	-	-	(62,018)	-	-	(62,018)	-	(62,018)	(8,897)	(70,915)
Exchange differences on monetary items forming part of net investment in foreign operation	-	-	(3,746)	-	-	(3,746)	-	(3,746)	-	(3,746)
Net change in fair value of cash flow hedges	-	-	-	(7,367)	-	(7,367)	-	(7,367)	11,509	4,142
Net change in fair value of cash flow hedges reclassified to profit or loss	-	-	-	(8,598)	-	(8,598)	-	(8,598)	268	(8,330)
Net change in fair value of available-for-sale financial assets	-	-	-	38,129	-	38,129	-	38,129	3,192	41,321
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	-	-	(250)	-	(250)	-	(250)	(105)	(355)
Defined benefit plan actuarial gains and losses	-	-	-	-	1	1	-	1	(1)	-
Share of other comprehensive income of associates and joint ventures	-	-	-	10,837	-	10,837	-	10,837	-	10,837
<b>Total other comprehensive income</b>	-	-	(65,764)	32,751	1	(33,012)	-	(33,012)	5,966	(27,046)
<b>Total comprehensive income</b>	-	-	(65,764)	32,751	119,108	86,095	-	86,095	22,207	108,302
<b>Transactions with owners of the Company, recognised directly in equity</b>										
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	(18)	(18)
Share-based payments	-	-	-	4,928	-	4,928	-	4,928	402	5,330
Purchase of treasury shares	-	(4,057)	-	-	-	(4,057)	-	(4,057)	-	(4,057)
Treasury shares transferred to employees	-	8,797	-	(8,797)	-	-	-	-	-	-
Treasury shares of a subsidiary	-	-	-	(1,152)	-	(1,152)	-	(1,152)	(737)	(1,889)
Acquisition of non-controlling interests	-	-	-	(637)	-	(637)	-	(637)	611	(26)
Put liability to acquire non-controlling interests	-	-	-	(5,129)	-	(5,129)	-	(5,129)	-	(5,129)
Transfer of reserve	-	-	-	(14,958)	14,958	-	-	-	-	-
Realisation of reserve upon disposal of assets held for sale	-	-	(12,493)	-	-	(12,493)	-	(12,493)	(7,991)	(20,484)
Perpetual securities distribution paid	-	-	-	-	-	-	(5,041)	(5,041)	-	(5,041)
Accrued perpetual securities distribution	-	-	-	-	(9,596)	(9,596)	9,596	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	(5,880)	(5,880)
Unclaimed dividends	-	-	-	-	6	6	-	6	-	6
<b>Total transactions with owners</b>	-	4,740	(12,493)	(25,745)	5,368	(28,130)	4,555	(23,575)	(13,613)	(37,188)
<b>At March 31, 2017</b>	565,572	(750)	(191,791)	73,883	5,509,373	5,956,287	807,651	6,763,938	1,469,890	8,233,828
<b>1Q16</b>										
<b>At January 1, 2016</b>	565,572	(8,645)	(84,321)	(49,972)	5,207,742	5,630,376	802,688	6,433,064	1,610,430	8,043,494
<b>Total comprehensive income</b>										
Profit for the period	-	-	-	-	107,034	107,034	-	107,034	24,011	131,045
<b>Other comprehensive income</b>										
Foreign currency translation differences for foreign operations	-	-	(97,428)	-	-	(97,428)	-	(97,428)	(21,089)	(118,517)
Exchange differences on monetary items forming part of net investment in foreign operation	-	-	1,653	-	-	1,653	-	1,653	-	1,653
Net change in fair value of cash flow hedges	-	-	-	6,602	-	6,602	-	6,602	11,116	17,718
Net change in fair value of cash flow hedges reclassified to profit or loss	-	-	-	24,079	-	24,079	-	24,079	441	24,520
Net change in fair value of available-for-sale financial assets	-	-	-	(11,370)	-	(11,370)	-	(11,370)	(7,742)	(19,112)
Share of other comprehensive income of associates and joint ventures	-	-	-	(20,627)	-	(20,627)	-	(20,627)	-	(20,627)
<b>Total other comprehensive income</b>	-	-	(95,775)	(1,316)	-	(97,091)	-	(97,091)	(17,274)	(114,365)
<b>Total comprehensive income</b>	-	-	(95,775)	(1,316)	107,034	9,943	-	9,943	6,737	16,680
<b>Transactions with owners of the Company, recognised directly in equity</b>										
Redemption of preference shares for non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	(7,380)	(7,380)
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	210	210
Share-based payments	-	-	-	4,679	-	4,679	-	4,679	534	5,213
Purchase of treasury shares	-	(941)	-	-	-	(941)	-	(941)	-	(941)
Treasury shares transferred to employees	-	9,107	-	(9,068)	-	39	-	39	-	39
Treasury shares of a subsidiary	-	-	-	(928)	-	(928)	-	(928)	(593)	(1,521)
Non-controlling interests of subsidiary acquired	-	-	-	-	-	-	-	-	165,593	165,593
Acquisition of non-controlling interests	-	-	-	(603)	-	(603)	-	(603)	590	(13)
Put liability to acquire non-controlling interests	-	-	-	(749)	-	(749)	-	(749)	-	(749)
Realisation of reserve upon disposal of subsidiary	-	-	-	(25)	-	(25)	-	(25)	(6,311)	(6,336)
Realisation of reserve upon disposal of investments	-	-	2,410	-	-	2,410	-	2,410	-	2,410
Perpetual securities distribution paid	-	-	-	-	-	-	(5,041)	(5,041)	-	(5,041)
Accrued perpetual securities distribution	-	-	-	-	(9,699)	(9,699)	9,699	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	(7,456)	(7,456)
Unclaimed dividends	-	-	-	-	(3)	(3)	-	(3)	-	(3)
<b>Total transactions with owners</b>	-	8,166	2,410	(6,694)	(9,702)	(5,820)	4,658	(1,162)	145,187	144,025
<b>At March 31, 2016</b>	565,572	(479)	(177,686)	(57,982)	5,305,074	5,634,499	807,346	6,441,845	1,762,354	8,204,199

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

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

	Attributable to owners of the Company						
	Share capital	Other reserves		Revenue reserve	Total	Perpetual securities	Total
		Reserve for own shares	Others				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>1Q17</b>							
<b>At January 1, 2017</b>	565,572	(5,490)	(1,231)	1,826,675	2,385,526	803,096	3,188,622
<b>Total comprehensive income</b>							
Profit for the period	-	-	-	19,067	19,067	-	19,067
<b>Other comprehensive income</b>							
Net change in fair value of cash flow hedges	-	-	385	-	385	-	385
Total other comprehensive income	-	-	385	-	385	-	385
<b>Total comprehensive income</b>	-	-	385	19,067	19,452	-	19,452
<b>Transactions with owners of the Company, recognised directly in equity</b>							
Share-based payments	-	-	4,126	-	4,126	-	4,126
Purchase of treasury shares	-	(4,057)	-	-	(4,057)	-	(4,057)
Treasury shares transferred to employees	-	8,797	(8,797)	-	-	-	-
Perpetual securities distribution paid	-	-	-	-	-	(5,041)	(5,041)
Accrued perpetual securities distribution	-	-	-	(9,596)	(9,596)	9,596	-
<b>Total transactions with owners</b>	-	4,740	(4,671)	(9,596)	(9,527)	4,555	(4,972)
<b>At March 31, 2017</b>	565,572	(750)	(5,517)	1,836,146	2,395,451	807,651	3,203,102
<b>1Q16</b>							
<b>At January 1, 2016</b>	565,572	(8,645)	(5,015)	1,756,013	2,307,925	802,688	3,110,613
<b>Total comprehensive income</b>							
Profit for the period	-	-	-	25,785	25,785	-	25,785
<b>Other comprehensive income</b>							
Net change in fair value of cash flow hedges	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	25,785	25,785	-	25,785
<b>Transactions with owners of the Company, recognised directly in equity</b>							
Share-based payments	-	-	3,521	-	3,521	-	3,521
Purchase of treasury shares	-	(941)	-	-	(941)	-	(941)
Treasury shares transferred to employees	-	9,107	(9,068)	-	39	-	39
Perpetual securities distribution paid	-	-	-	-	-	(5,041)	(5,041)
Accrued perpetual securities distribution	-	-	-	(9,699)	(9,699)	9,699	-
Unclaimed dividends	-	-	-	(3)	(3)	-	(3)
<b>Total transactions with owners</b>	-	8,166	(5,547)	(9,702)	(7,083)	4,658	(2,425)
<b>At March 31, 2016</b>	565,572	(479)	(10,562)	1,772,096	2,326,627	807,346	3,133,973

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

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

#### Issued and paid up capital

As at March 31, 2017, the Company's issued and paid up capital excluding treasury shares comprises 1,787,290,555 (December 31, 2016: 1,785,557,694) ordinary shares.

#### Share Options

During 1Q17, nil (1Q16: 15,500) share options under the Company's Share Option Plan ("SOP") were exercised and settled by way of issuance of treasury shares.

All options have expired in June 2016.

#### Performance Shares

During 1Q17, nil (1Q16: nil) performance shares were released under the Company's Performance Share Plan ("PSP") by way of issuance of treasury shares and 600,000 (1Q16: 625,000) performance shares were lapsed. Of the performance shares lapsed in 1Q17, 600,000 (1Q16: 625,000) were for the under-achievement of the performance targets.

The total number of performance shares in awards granted conditionally and representing 100% of targets to be achieved, but not released as at March 31, 2017, was 1,818,250 (March 31, 2016: 1,456,250). Based on the multiplying factor, the actual release of the awards could range from zero to a maximum of 2,727,375 (March 31, 2016: 2,184,375) performance shares.

#### Restricted Shares

During 1Q17, 3,049,374 (1Q16: 2,611,937) restricted shares were released under the Restricted Share Plan ("RSP") and 62,575 (1Q16: 226,296) restricted shares were lapsed. Of the restricted shares released, 3,012,861 (1Q16: 2,579,365) were settled by way of issuance of treasury shares and 36,513 (1Q16: 32,572) restricted shares were cash-settled.

In 1Q17, 589,655 (1Q16: 534,850) restricted shares were awarded for the over-achievement of the performance targets.

The total number of restricted shares outstanding, including awards achieved but not released, as at end March 31, 2017 was 6,573,434 (March 31, 2016: 5,525,747). Of this, the total number of restricted shares in awards granted conditionally and representing 100% of targets to be achieved, but not released was 3,710,232 (March 31, 2016: 3,043,575). Based on the multiplying factor, the actual release of the conditional awards could range from zero to a maximum of 5,565,348 (March 31, 2016: 4,565,363) restricted shares.

#### Treasury shares

During 1Q17, the Company acquired 1,280,000 (1Q16: 360,000) ordinary shares in the Company by way of on-market purchases. 3,012,861 (1Q16: 2,594,865) treasury shares were re-issued pursuant to the RSP.

As at March 31, 2017, 257,177 (December 31, 2016: 1,990,038) treasury shares were held that may be re-issued upon the vesting of performance shares and restricted shares under the PSP and RSP respectively.

**7. AUDIT**

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

**8. AUDITORS' REPORT**

Not applicable.

**9. ACCOUNTING POLICIES**

Except as disclosed in paragraph 10 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at December 31, 2016.

**10. CHANGES IN ACCOUNTING POLICIES**

The following amended FRSs have become effective from January 1, 2017.

Amendments to FRSs

- FRS 7

Statement of Cash Flows – Disclosure initiative

- FRS 12

Income Tax – Recognition of deferred tax assets for unrealised losses

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



## 11. REVIEW OF GROUP PERFORMANCE

### Group Overview

The Group reported a net profit of \$119.1 million in 1Q17 compared to 1Q16's net profit of \$107.0 million, while turnover increased 13% to \$2.1 billion from \$1.9 billion the previous year.

### Turnover

	<u>1Q17</u>	<u>1Q16</u>	<u>Change</u>	<u>+ / (-)</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Utilities	1,315,574	895,001	420,573	47
Marine	760,051	918,408	(158,357)	(17)
Urban Development	1,947	1,309	638	49
Others/Corporate	61,985	80,507	(18,522)	(23)
	<u>2,139,557</u>	<u>1,895,225</u>	<u>244,332</u>	<u>13</u>

The Utilities' turnover in 1Q17 was higher mainly due to Singapore operations' higher HSFO prices, higher turnover with its India second thermal power plant achieved commercial operation and recognition of construction revenue for its Myanmar project.

Marine's turnover for 1Q17 decreased mainly due to lower revenue recognition for rig building projects resulting from customers' delivery deferment requests and lower repair businesses. For the offshore platforms projects, turnover was higher in 1Q17.

Decrease in turnover in 1Q17 for Others/Corporate was mainly due to lower turnover from a subsidiary in specialised construction business.

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

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

	<u>1Q17</u>	<u>1Q16</u>	<u>Change</u>	<u>+ / (-)</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Utilities	55,303	75,226	(19,923)	(27)
Marine	24,117	33,512	(9,395)	(28)
Urban Development	37,189	1,223	35,966	NM
Others/Corporate	2,498	(2,927)	5,425	185
	<b><u>119,107</u></b>	<b><u>107,034</u></b>	<b><u>12,073</u></b>	<b><u>11</u></b>

In 1Q17, the Utilities business contributed \$55.3 million in net profit to the Group compared to \$75.2 million in 1Q16. In India, its second thermal power plant, SGPL, achieved commercial operations in February 2017 and was adversely affected by weak spot and short-term power tariffs due to a lack of long-term power purchase agreements being available in the market. Despite this, its first thermal power plant, Thermal Powertech Corporation India Limited (TPCIL), which has 86% of its capacity contracted under long-term contracts, achieved a good operating performance during the quarter.

Marine's net profit for 1Q17 decreased mainly due to lower contribution from rig building projects, costs incurred for a floater project which is pending finalisation with the customer and higher finance costs, offset by the gain on disposal of Cosco Shipyard Group Co., Ltd.

Urban Development reported a higher net profit in 1Q17 compared to 1Q16 mainly due to its China associate reported higher land sales.

Net loss for Others/Corporate in 1Q16 included the mark-to-market impairment for Gallant Venture of \$5.8 million.

## 12. VARIANCE FROM PROSPECT STATEMENT

There is no material change from the previous prospect statement.

## 13. PROSPECTS

### **Utilities**

The performance of Utilities' China operations in 2017 is expected to be lower than 2016 due to the expiry of the Yangcheng cooperative joint venture agreement in 2016.

In India, Sembcorp has two thermal power plants and renewable energy assets totalling over 3,800MW. The second thermal power plant, SGPL, commenced commercial operations in February 2017 but has yet to secure long-term power purchase agreements. As the spot and short-term power tariffs remain weak, its performance is expected to be adversely affected.

In Singapore, the centralised utilities, gas and solid waste management businesses are expected to remain steady. However, the power business continues to face intense competition.

Operating performance in the other regions is expected to be stable.

The Utilities business remains focused on operational excellence and the consolidation of its market position.

### **Marine**

Global exploration and production spending is expected to increase in 2017, compared to the last two years. Enquiries for non-drilling solutions continue to be encouraging. Sembcorp Marine is cautiously optimistic of new orders for production facilities in the next few years.

Customer interest in Sembcorp Marine's broad-based LNG solutions and capabilities remains strong, as global demand for gas is on the rise. Sembcorp Marine is making steady progress in the development and commercialisation of its Gravifloat technology for near-shore gas infrastructure solutions. However, it will take time for such efforts to translate into orders.

Sembcorp Marine's strategy and focus remain anchored on strengthening and optimising its talent pool; pursuing operational excellence in executing its projects; investing in new capabilities, products and technological innovation to help grow its orderbook; and prudently managing its financial resources to preserve financial flexibility and ensure overall sustainability of its business.

### **Urban Development**

The Urban Development business is expected to deliver a better performance in 2017, underpinned by land sales in its urban developments in Vietnam, China and Indonesia.

### **Group**

The market environment is expected to remain challenging in 2017. With strong capabilities and resilient businesses, Sembcorp continues to position itself well for the future.

*This release contains forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, exchange rate movement, availability and cost of fuel and materials, cost of capital and capital availability, competition from other companies, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy, directives and changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of the management on future events and impact on the Group.*

## 14. DIVIDEND

No interim dividend for the period ended March 31, 2017 is recommended.

## 15. SEGMENTAL REPORTING

### 1Q17

<u>(i) Operating segments</u>	Utilities	Marine	Urban Development	Others/ Corporate	Elimi- nation	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b><u>Turnover</u></b>						
External sales	1,315,574	760,051	1,947	61,985	-	2,139,557
Inter-segment sales	7,030	-	1,043	16,892	(24,965)	-
<b>Total</b>	<b>1,322,604</b>	<b>760,051</b>	<b>2,990</b>	<b>78,877</b>	<b>(24,965)</b>	<b>2,139,557</b>
<b><u>Results</u></b>						
Segment results	160,305	60,244	(3,184)	217	-	217,582
Finance income	3,342	1,020	40	14,420	(14,652)	4,170
Finance costs	(107,782)	(23,910)	(984)	(11,032)	14,652	(129,056)
	<b>55,865</b>	<b>37,354</b>	<b>(4,128)</b>	<b>3,605</b>	<b>-</b>	<b>92,696</b>
Share of results of associates and joint ventures, net of tax	14,820	(709)	42,342	1,102	-	57,555
	<b>70,685</b>	<b>36,645</b>	<b>38,214</b>	<b>4,707</b>	<b>-</b>	<b>150,251</b>
Tax expense	(15,813)	2,794	(318)	(1,566)	-	(14,903)
Non-controlling interests	431	(15,322)	(707)	(643)	-	(16,241)
<b>Net profit for the period</b>	<b>55,303</b>	<b>24,117</b>	<b>37,189</b>	<b>2,498</b>	<b>-</b>	<b>119,107</b>
<b><u>Assets</u></b>						
Segment assets	11,496,094	9,303,289	360,789	2,047,493	(2,401,649)	20,806,016
Investment in associates and joint ventures	895,687	72,837	704,228	97,711	-	1,770,463
Tax assets	55,307	16,063	1,003	627	-	73,000
<b>Total assets</b>	<b>12,447,088</b>	<b>9,392,189</b>	<b>1,066,020</b>	<b>2,145,831</b>	<b>(2,401,649)</b>	<b>22,649,479</b>
<b><u>Liabilities</u></b>						
Segment liabilities	7,590,522	6,611,835	234,996	1,785,757	(2,401,649)	13,821,461
Tax liabilities	455,695	122,466	1,858	14,171	-	594,190
<b>Total liabilities</b>	<b>8,046,217</b>	<b>6,734,301</b>	<b>236,854</b>	<b>1,799,928</b>	<b>(2,401,649)</b>	<b>14,415,651</b>
<b>Capital expenditure</b>	<b>281,934</b>	<b>50,181</b>	<b>43</b>	<b>2,892</b>	<b>-</b>	<b>335,050</b>
<b><u>Significant non-cash items</u></b>						
Depreciation and amortisation	83,232	47,133	839	2,584	-	133,788
Allowance for impairment in value of assets and assets written off (net)	750	7	-	-	-	757
(Write-back of) / Allowance for doubtful debts and bad debts	(6,194)	(78)	-	29	-	(6,243)
Gain on disposal of assets held for sale	-	(46,816)	-	-	-	(46,816)

### (ii) Geographical segments

	<u>Revenue</u>		<u>Non-current Assets</u>		<u>Total Assets</u>		<u>Capital Expenditure</u>	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Singapore	900,967	42	4,495,717	30	10,041,189	44	39,469	12
China	30,763	1	1,449,980	9	1,887,102	8	11,332	3
India	365,051	17	5,420,545	36	6,566,987	29	253,120	76
Rest of Asia	90,398	4	1,101,026	7	1,316,059	6	1,317	-
Middle East & Africa	50,027	2	436,993	3	490,796	2	839	-
UK	364,355	17	128,796	1	246,489	1	1,341	-
Rest of Europe	272,265	13	387,153	3	418,657	2	23	-
Brazil	18,694	1	1,452,364	10	1,503,923	7	22,768	7
U.S.A.	31,199	2	5,199	-	7,124	-	-	-
Other Countries	15,838	1	172,564	1	171,153	1	4,841	2
<b>Total</b>	<b>2,139,557</b>	<b>100</b>	<b>15,050,337</b>	<b>100</b>	<b>22,649,479</b>	<b>100</b>	<b>335,050</b>	<b>100</b>

## 15. SEGMENTAL REPORTING (Cont'd)

### 1Q16

<u>(i) Operating segments</u>	Utilities	Marine	Urban Development	Others/ Corporate	Elimi- nation	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b><u>Turnover</u></b>						
External sales	895,001	918,408	1,309	80,507	-	1,895,225
Inter-segment sales	5,231	24	1,045	857	(7,157)	-
<b>Total</b>	<b>900,232</b>	<b>918,432</b>	<b>2,354</b>	<b>81,364</b>	<b>(7,157)</b>	<b>1,895,225</b>
<b><u>Results</u></b>						
Segment results	128,716	81,129	(2,894)	(5,071)	-	201,880
Finance income	7,819	2,309	45	13,647	(14,064)	9,756
Finance costs	(69,631)	(17,863)	(676)	(12,201)	14,064	(86,307)
	<b>66,904</b>	<b>65,575</b>	<b>(3,525)</b>	<b>(3,625)</b>	<b>-</b>	<b>125,329</b>
Share of results of associates and joint ventures, net of tax	25,937	2,612	5,172	1,895	-	35,616
	<b>92,841</b>	<b>68,187</b>	<b>1,647</b>	<b>(1,730)</b>	<b>-</b>	<b>160,945</b>
Tax expense	(15,362)	(12,633)	(207)	(1,698)	-	(29,900)
Non-controlling interests	(2,253)	(22,042)	(217)	501	-	(24,011)
<b>Net profit / (loss) for the period</b>	<b>75,226</b>	<b>33,512</b>	<b>1,223</b>	<b>(2,927)</b>	<b>-</b>	<b>107,034</b>
<b><u>Assets</u></b>						
Segment assets	10,116,214	9,241,616	395,876	1,639,956	(1,800,302)	19,593,360
Investment in associates and joint ventures	835,343	322,693	630,974	99,976	-	1,888,986
Tax assets	55,106	24,946	695	284	-	81,031
<b>Total assets</b>	<b>11,006,663</b>	<b>9,589,255</b>	<b>1,027,545</b>	<b>1,740,216</b>	<b>(1,800,302)</b>	<b>21,563,377</b>
<b><u>Liabilities</u></b>						
Segment liabilities	6,275,587	6,707,057	228,291	1,410,300	(1,800,302)	12,820,933
Tax liabilities	413,702	105,560	2,525	16,458	-	538,245
<b>Total liabilities</b>	<b>6,689,289</b>	<b>6,812,617</b>	<b>230,816</b>	<b>1,426,758</b>	<b>(1,800,302)</b>	<b>13,359,178</b>
<b>Capital expenditure</b>	<b>88,320</b>	<b>101,307</b>	<b>381</b>	<b>1,838</b>	<b>-</b>	<b>191,846</b>
<b><u>Significant non-cash items</u></b>						
Depreciation and amortisation	68,833	34,818	593	2,540	-	106,784
Allowance for impairment in value of assets and assets written off (net)	180	-	22	5,771	-	5,973
Allowance made / (Written back) for doubtful debts and bad debts	1,277	64	-	(141)	-	1,200
Gain on disposal of joint venture	-	(186)	-	-	-	(186)

### (ii) Geographical segments

	<u>Revenue</u>		<u>Non-current Assets</u>		<u>Total Assets</u>		<u>Capital Expenditure</u>	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Singapore	671,509	35	4,481,668	33	10,716,254	50	43,801	23
China	39,325	2	1,520,516	11	1,919,586	9	12,263	6
India	213,477	11	4,791,943	35	5,648,267	26	55,377	29
Rest of Asia	76,643	4	756,918	5	929,411	4	5,431	3
Middle East & Africa	26,805	1	381,341	3	417,800	2	1,323	1
UK	146,557	8	166,870	1	278,443	1	4,374	2
Rest of Europe	483,064	26	351,322	3	378,601	2	-	-
Brazil	11,617	1	1,066,663	8	1,098,584	5	60,994	32
U.S.A.	212,507	11	5,152	-	7,059	-	-	-
Other Countries	13,721	1	148,565	1	169,372	1	8,283	4
<b>Total</b>	<b>1,895,225</b>	<b>100</b>	<b>13,670,958</b>	<b>100</b>	<b>21,563,377</b>	<b>100</b>	<b>191,846</b>	<b>100</b>

## 15. SEGMENTAL REPORTING (Cont'd)

### Notes to Segmental Analysis

#### 15a. Operating Segments

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

- (i) The Utilities segment's principal activities are in the provision of energy 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 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.
- (iii) The Urban Development segment owns, develops, markets and manages integrated urban developments comprising industrial parks as well as business, commercial and residential space in Asia.
- (iv) The Others / Corporate segment comprises businesses mainly relating to minting, design and construction activities, offshore engineering and others.

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

#### 15b. Geographical Segments

The Group's geographical segments are presented in ten principal geographical areas: Singapore, China, India, Rest of Asia, Middle East & Africa, UK, Rest of Europe, Brazil, U.S.A and Other Countries. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets and total assets are based on the geographical location of the assets.

#### 15c. Review of segment performance

Please refer to Paragraph 11 for analysis by operating segments.

## 16. INTERESTED PERSON TRANSACTIONS

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

**1Q17**

**\$'000**

### **Sale of Goods and Services**

Temasek Holdings (Private) Limited and its Associates	
- PSA International Pte Ltd and its Associates	1,450
- Singapore Power Limited and its Associates	908
- Temasek Capital (Private) Limited and its Associates	469
	<hr/>
	2,827
Starhub Ltd and its Associates	8,124
SATS Ltd and its Associates	4,322
	<hr/>
	15,273
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### **Purchase of Goods and Services**

Temasek Holdings (Private) Limited and its Associates	
- Singapore Power Limited and its Associates	1,316
- Temasek Capital (Private) Limited and its Associates <sup>1</sup>	139,794
	<hr/>
	141,110
	<hr/>

### **Management and Support Services**

Temasek Holdings (Private) Limited and its Associates	
- Temasek Capital (Private) Limited and its Associates	1,909
	<hr/>
	158,292
	<hr/>

#### Note:

1. This relates mainly to the purchase of gas by Sembcorp Cogen Pte Ltd from Sembcorp Gas Pte Ltd for the generation of electricity. Sembcorp Gas Pte Ltd is 30% owned by Seletar Investments Pte Ltd, a wholly-owned subsidiary of Temasek Holdings (Private) Limited.

**17. 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.

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

We, Ang Kong Hua, and Neil McGregor, being two directors of Sembcorp Industries Ltd (the "Company"), do hereby confirm on behalf of the directors of the Company, that to the best of their knowledge, nothing has come to their attention which would render the first quarter ended March 31, 2017 unaudited financial results to be false or misleading.

The Board has noted that the board of directors of the Company's listed subsidiary, Sembcorp Marine Ltd, has also announced and confirmed the results for first quarter ended March 31, 2017.

On behalf of the board of directors

**Ang Kong Hua**  
Chairman

**Neil McGregor**  
Director

**BY ORDER OF THE BOARD**

**Kwong Sook May (Ms)**  
Company Secretary  
May 3, 2017