



SEMBCORP INDUSTRIES LTD
Registration Number: 199802418D

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT
FOR THE HALF-YEAR ENDED JUNE 30, 2021**

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UNAUDITED RESULTS FOR THE HALF-YEAR ENDED JUNE 30, 2021

The Board of Directors of Sembcorp Industries Ltd wishes to announce the following unaudited results of the Group for the half-year ended June 30, 2021.

1. CONSOLIDATED INCOME STATEMENT

	Note	GROUP		+ / (-) %
		1H2021	1H2020 [#]	
<i>(S\$ million)</i>				
Continuing operations:				
Turnover	2a	3,290	2,617	26
Cost of sales		(2,760)	(2,263)	22
Gross profit		530	354	50
General & administrative expenses		(176)	(196)	(10)
Other operating income, net		50	56	(11)
Non-operating income		18	9	100
Non-operating expenses		(214)	(116)	84
Finance income ¹	2c	14	19	(26)
Finance costs	2c	(215)	(256)	(16)
Share of results of associates and joint ventures, net of tax	2d	104	118	(12)
Profit / (Loss) before tax		111	(12)	NM
Tax expense	2e	(57)	(23)	148
Profit / (Loss) for the period from continuing operations	2b	54	(35)	NM
Discontinued operation:				
Loss for the period from discontinued operation, net of tax		–	(166)	NM
Profit / (Loss) for the period		54	(201)	NM
Attributable to:				
Owners of the Company				
Profit / (Loss) for the period from continuing operations		46	(42)	NM
Loss for the period from discontinued operation	7c	–	(89)	NM
Profit / (Loss) for the period attributable to owners of the Company		46	(131)	NM
Non-controlling interests (NCI)				
Profit for the period from continuing operations		8	7	14
Loss for the period from discontinued operation		–	(77)	NM
Profit / (Loss) for the period attributable to NCI		8	(70)	NM
		54	(201)	NM

1. CONSOLIDATED INCOME STATEMENT (Cont'd)

	Note	GROUP		+ / (-) %
		1H2021	1H2020 [#]	
Earnings per ordinary share (cents)				
- basic	2f	2.58	(8.29)	NM
- diluted	2f	2.55	(8.29)	NM
Earnings per ordinary share (cents) – Continuing operations				
- basic	2f	2.58	(3.31)	NM
- diluted	2f	2.55	(3.31)	NM

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

[#] 1H2020 financials are re-presented to be consistent with the last audited financial statements where the performance of the marine segment was reported as a discontinued operation, please refer to Note 7c. The post-tax results of marine was presented as a single line in profit or loss.

¹ 1H2020 amount was after elimination of inter-segment finance income of S\$27 million, with corresponding reduction of inter-segment finance expense in the discontinued operation.

NM Not meaningful

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

	GROUP		+ / (-) %
	1H2021	1H2020 [#]	
<i>(S\$ million)</i>			
Attributable to:			
Owners of the Company			
Profit / (Loss) for the period from continuing operations	46	(42)	NM
Less: Exceptional items, net of tax – expense	(206)	(191)	8
Net Profit before exceptional items	252	149	69

Exceptional Items, net of tax (EI)

	Note	GROUP	
		1H2021	1H2020 [#]
<i>(S\$ million)</i>			
Exceptional income			
Gain on disposal of other financial assets	2b(vii)	6	–
Gain on disposal assets reclassified to held for sale	2b(viii)	1	–
Negative goodwill	2b(xi)	–	6
		7	6
Exceptional expense			
Write-down of inventory to net realisable value	2b(i)	–	(38)
Write-off of inventory	2b(ii)	–	(44)
Impairment of assets reclassified as held for sale	2b(ix)	(1)	(4)
Impairment of investment in an associate and a joint venture	2b(x)	(212)	(111)
		(213)	(197)
Total exceptional items – expense		(206)	(191)

2. NOTES TO THE CONSOLIDATED INCOME STATEMENT

2a. Turnover and disaggregation of revenue

Post the divestment of its marine business, the Group has laid out a strategic roadmap to transform its portfolio from brown to green. The Group's businesses are grouped under four main segments, namely Renewables, Integrated Urban Solutions, Conventional Energy and Other Businesses and Corporate, please refer Note 4a.

1H2021

<i>(S\$ million)</i>	Renew- ables	Integrated Urban Solutions	Conven- tional Energy	Other Business- es and Corporate	Elimi- nation	Total
Turnover						
External sales	146	218	2,756	170	–	3,290
Inter-segment sales	*	4	14	5	(23)	–
Total	146	222	2,770	175	(23)	3,290
Major product / service lines						
Provision of energy products and related services (including electricity, gas and steam)	146	–	2,555	*	–	2,701
Provision of water products, reclamation of water and industrial wastewater treatment	–	85	63	–	–	148
Solid waste management	–	113	–	–	–	113
Service concession revenue	–	8	91	–	–	99
Construction and engineering related activities	–	–	–	156	–	156
Others	–	10	47	14	–	71
Total revenue from contracts with customers	146	216	2,756	170	–	3,288
Rental income	–	2	–	–	–	2
Total external sales	146	218	2,756	170	–	3,290
Timing of revenue recognition						
At a point in time	8	8	2	14	–	32
Over time	138	208	2,754	156	–	3,256
Total revenue from contracts with customers	146	216	2,756	170	–	3,288

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

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

1H2020#

<i>(S\$ million)</i>	Renew- ables	Integrated Urban Solutions	Conven- tional Energy	Other Business- es and Corporate	Elimi- nation	Total
Turnover						
External sales	137	197	2,213	70	–	2,617
Inter-segment sales	*	3	12	7	(22)	–
Total	137	200	2,225	77	(22)	2,617
Major product / service lines						
Provision of energy products and related services (including electricity, gas and steam)	137	–	1,982	*	–	2,119
Provision of water products, reclamation of water and industrial wastewater treatment	–	92	65	–	–	157
Solid waste management	–	68	–	–	–	68
Service revenue concession	–	28	100	–	–	128
Construction and engineering related activities	–	–	–	58	–	58
Others	*	8	66	12	–	86
Total revenue from contracts with customers	137	196	2,213	70	–	2,616
Rental income	–	1	–	*	–	1
Total external sales	137	197	2,213	70	–	2,617
Timing of revenue recognition						
At a point in time	4	8	*	12	–	24
Over time	133	188	2,213	58	–	2,592
Total revenue from contracts with customers	137	196	2,213	70	–	2,616

In 1H2021, the Group reported a turnover of S\$3,290 million, a 26% or S\$673 million increase compared to 1H2020's turnover of S\$2,617 million.

Renewables' 1H2021 turnover of S\$146 million was S\$9 million higher than the corresponding period last year. The higher turnover was mainly due to higher contribution from the solar and energy storage businesses.

Integrated Urban Solutions' 1H2021 turnover of S\$218 million was S\$21 million higher compared to 1H2020 turnover of S\$197 million. The increase was mainly contributed by the solid waste management business, offset by the absence of turnover from water businesses divested in year 2020.

Conventional Energy's 1H2021 turnover of S\$2,756 million was S\$543 million higher than 1H2020 turnover of S\$2,213 million, mainly due to gas and related businesses.

Other Businesses and Corporate's 1H2021 turnover was S\$100 million higher than 1H2020. The lower turnover in 1H2020 was mainly due to COVID-19 dormitory lockdowns in Singapore affecting operations of Sembcorp Specialised Construction Pte Ltd (SSC).

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

2b. Profit / (Loss) for the period

Profit / (Loss) for the period includes:

(S\$ million)	Note	GROUP		
		1H2021	1H2020 [#]	+ / (-) %
Expenses				
Depreciation and amortisation		(223)	(217)	3
Allowance for expected credit loss		(7)	(5)	40
Impairment and write-off of property, plant and equipment		(3)	(2)	50
Write-down inventory to net realisable value	(i)	*	(45)	NM
Write-off of inventory	(ii)	*	(53)	NM
Impairment and write-off of intangible assets		*	*	NM
Other operating (expenses) / income, net				
Changes in fair value of financial instruments	(iii)	13	(25)	NM
Grant income	(iv)	11	17	(35)
Foreign exchange gain, net	(v)	3	25	(88)
Rental income		2	3	(33)
Gain / (Loss) on disposal of property, plant and equipment		*	*	NM
Gain / (Loss) on disposal of intangible assets		–	*	NM
Other income	(vi)	21	36	(42)
Non-operating income and expenses				
Gain on disposal of other financial assets	(vii)	7	2	250
Gain on disposal of assets reclassified to held for sale	(viii)	3	–	NM
Change in fair value of other financial assets		7	*	NM
Impairment of assets reclassified to held for sale	(ix)	(1)	(4)	(75)
Impairment of investment in an associate and a joint venture	(x)	(212)	(111)	91
Negative goodwill	(xi)	–	6	NM
Dividend income		–	*	NM

- (i) 1H2020 amount was related to the gasoil reserve in Singapore which was written-down to its net realisable value due to the significant decline in energy prices in 1Q2020. The gasoil reserve was used to fulfil certain regulatory requirements.
- (ii) The amount in 1H2020 pertained to the net carrying value of the gasoil stored and managed at Hin Leong Trading (HLT) which was fully written-off due to the financial positions of HLT.
- (iii) Changes in fair value of financial instruments were mainly from foreign exchange forward 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, net. 1H2021 fair value gain also included gain from economic hedges for managing the Group's gas costs.
- (iv) Grant income in 1H2021 included S\$7 million (1H2020: S\$15 million) of government relief measures recognised for COVID-19, mainly contributed by rebates from the Job Support Scheme.
- (v) Net foreign exchange gain in 1H2020 was mainly due to partial realisation of the net investment hedge in British Pound post impairment, offset by appreciation of United States Dollar (USD) against Indian Rupee (INR).
- (vi) Other income included India's settlement with customers on late payment of S\$15 million (1H2020: S\$24 million).

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

2b. Profit / (Loss) for the period (Cont'd)

- (vii) The gain of S\$7 million in 1H2021 related to the disposal of the Group's interests in Sembcorp Jingmen Water Co Ltd (SJW), which had been reclassified as financial assets, and gain on disposal of mutual funds.
- (viii) Gain on disposal of assets reclassified to held for sale related to divestment of Shenzhen Chiwan Sembawang Engineering Co (CSE) with realisation of foreign currency gain.
- (ix) Impairment recognised in 1H2021 and 1H2020 related to CSE and the Chilean water business respectively. The net asset value of these held for sale investments had increased higher than the sale proceeds, which approximated the fair value of the investments.
- (x) In 1H2021, the Group recognised an impairment of S\$212 million in its joint venture ChongQing SongZao Sembcorp Electric Power Co Ltd (Chongqing Songzao). For details, please refer to Note 5e. The impairment of S\$111 million in overseas associate and joint venture recognised in 1H2020 arose from the assessment of the recoverable amount of these investments triggered by the global market outlook and low energy prices.
- (xi) The negative goodwill recognised in 1H2020 was for the acquisition of 100% equity interest in Sembcorp Enviro Services Pte Ltd (SES) (formally known as Veolia ES Singapore Pte Ltd (VESS)), determined on a provisional basis.

2c. Finance income and finance costs

(S\$ million)	Note	GROUP		
		1H2021	1H2020#	+ / (-) %
Finance income ¹		14	19	(26)
Finance costs	(i)	(215)	(256)	(16)
<u>Included in finance costs :-</u>				
Interest paid and payable to banks and others		(190)	(236)	(19)
Fair value changes of interest rate swaps		(11)	(9)	22
Amortisation of capitalised transaction costs		(7)	(5)	40
Interest expense on lease liabilities		(4)	(4)	–
Unwind of discount on restoration costs and financing component from contracts with customers		(3)	(2)	50

- (i) Overall finance costs in 1H2021 was lower mainly due to lower interest paid and payable consequent to the repayment of loans and the refinancing of S\$1.5 billion bond at lower interest rate through existing revolving credit facilities.

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

1H2021 share of results of associates and joint ventures was S\$104 million, S\$14 million lower than 1H2020. The lower profit in 1H2021 was attributable to Integrated Urban Solutions' lower net contributions from land sales and significantly higher coal and related transportation costs incurred by Conventional Energy, partially offset by better performance from gas and related businesses.

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

2e. Tax expense

	Note	GROUP		
		1H2021	1H2020#	+ / (-) %
<i>(S\$ million)</i>				
Current tax expense				
Current year		34	32	6
(Over) / Under provision in prior years	(i)	(10)	*	NM
Foreign withholding tax		5	8	(38)
Deferred tax expense				
Movements in temporary differences		9	(18)	NM
Under / (Over) provision in prior years	(i)	4	(*)	NM
Effect of changes in tax rate	(ii)	15	1	NM
Tax expense		57	23	148

Excluding the write-back of prior years' tax upon finalisation, effect of changes in tax rate, Sembcorp Utilities Pte Ltd's impairment on investment and losses from Sembcorp Cogen Pte Ltd, the Group's effective tax rate for 1H2021 was approximately 24% (1H2020: 23%).

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

- (i) 1H2021 over-provision of current tax expense and under-provision of deferred tax expense in prior years mainly related to utilisation of tax benefits not previously recognised.
- (ii) 1H2021 amount related to additional deferred tax provision following the increase in the United Kingdom (UK) corporation tax rate from 19% currently to 25% with effect from 2023.

2f. Earnings per ordinary share

	Note	GROUP		
		1H2021	1H2020#	+ / (-) %
Earnings per ordinary share (cents)				
(1) Based on the weighted average number of shares (in Singapore cents)		2.58	(8.29)	NM
- Weighted average number of shares (in million)		1,784.5	1,784.6	*
(2) On a fully diluted basis (in Singapore cents)	(i)	2.55	(8.29)	NM
- Adjusted weighted average number of shares (in million)		1,800.6	1,784.6	1
Earnings per ordinary share (cents) – Continuing operations				
(1) Based on the weighted average number of shares (in Singapore cents)		2.58	(3.31)	NM
- Weighted average number of shares (in million)		1,784.5	1,784.6	*
(2) On a fully diluted basis (in Singapore cents)	(i)	2.55	(3.31)	NM
- Adjusted weighted average number of shares (in million)		1,800.6	1,784.6	1

- (i) In computing the fully diluted earnings per ordinary share for 1H2020, the weighted average number of shares was not adjusted for the effects of all dilutive potential ordinary shares as at June 30, 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).

3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(S\$ million)	Note	GROUP	
		1H2021	1H2020
Profit / (Loss) for the period		54	(201)
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		16	7
Exchange differences on monetary items forming part of net investment in foreign operation		3	(2)
Net change in fair value of cash flow hedges	(i)	141	(144)
Net change in fair value of cash flow hedges reclassified to profit or loss		(63)	(8)
Cost of hedging reserve:			
– changes in fair value	(ii)	(28)	(21)
– reclassified to profit or loss	(ii)	26	15
Realisation of reserve upon disposal of joint venture		(3)	–
Defined benefit plan actuarial gains and losses		*	–
Share of other comprehensive income of associates and joint ventures	(iii)	23	(31)
Income tax relating to these items		(11)	14
		104	(170)
Items that may not be reclassified subsequently to profit or loss:			
Defined benefit plan actuarial gains and losses		*	*
Change in fair value of financial assets at fair value through other comprehensive income (FVOCI)		(7)	*
Income tax relating to these items		*	*
Other comprehensive income / (loss) for the period, net of tax		97	(170)
Total comprehensive income / (loss) for the period		151	(371)
Attributable to:			
Owners of the Company		142	(300)
Non-controlling interests		9	(71)
Total comprehensive income / (loss) for the period		151	(371)
Total comprehensive income / (loss) attributable to owners of the Company:			
From continuing operations		142	(210)
From discontinued operation		–	(90)
		142	(300)

3a. Notes to Consolidated Statement of Comprehensive Income

- (i) Fair value changes were mainly due to the mark-to-market changes from foreign exchange forward contracts, foreign currency swaps, fuel oil swaps and interest rate swaps.
- (ii) The Group designates only the change in fair value of the spot element of forward exchange contracts for funding purposes as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element (forward points) for these forward exchange contracts is separately accounted for as cost of hedging and recognised in hedging reserve within equity.
- (iii) These mainly related to share of associates and joint ventures' changes in fair value on interest rate swaps.

4. SEGMENTAL REPORTING

(i) Operating segments

1H2021

<i>(S\$ million)</i>	Renew- ables	Integrated Urban Solutions	Conven- tional Energy	Other Business- es and Corporate	Elimi- nation	Total
Turnover						
External sales	146	218	2,756	170	–	3,290
Inter-segment sales	*	4	14	5	(23)	–
Total	146	222	2,770	175	(23)	3,290
Results						
Earnings before interest, taxes, depreciation and amortisation ² (EBITDA)	104	70	480	(14)	–	640
Share of results of associates and joint ventures, net of tax	21	37	45	1	–	104
Adjusted EBITDA	125	107	525	(13)	–	744
Depreciation and amortisation	(40)	(26)	(153)	(4)	–	(223)
Other non-cash (expenses) / income:						
– Impairment of investment in a joint venture	–	–	(212)	–	–	(212)
– Others	*	(1)	(1)	5	–	3
Finance income	6	8	3	63	(66)	14
Finance costs	(59)	(9)	(154)	(59)	66	(215)
Profit / (loss) before tax	32	79	8	(8)	–	111
Tax expense	(8)	(8)	(29)	(12)	–	(57)
Non-controlling interests	*	(2)	(6)	–	–	(8)
Net profit / (loss) for the period	24	69	(27)	(20)	–	46
Capital expenditure	131	14	29	2	–	176

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

4. SEGMENTAL REPORTING (Cont'd)

(i) Operating segments (Cont'd)

1H2020#

<i>(S\$ million)</i>	Renew- ables	Integrated Urban Solutions	Conven- tional Energy	Other Business- es and Corporate	Elimi- nation	Total
Turnover						
External sales	137	197	2,213	70	–	2,617
Inter-segment sales	*	3	12	7	(22)	–
Total	137	200	2,225	77	(22)	2,617
Results						
Earnings before interest, taxes, depreciation and amortisation ² (EBITDA)	110	59	413	(49)	–	533
Share of results of associates and joint ventures, net of tax	23	41	54	*	–	118
Adjusted EBITDA	133	100	467	(49)	–	651
Depreciation and amortisation	(38)	(20)	(153)	(6)	–	(217)
Other non-cash income / (expenses):						
– 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)	(30)	–	(111)
– Others	*	2	(2)	–	–	*
Finance income	5	7	14	109	(116)	19
Finance costs	(65)	(12)	(178)	(90)	89	(256)
Profit before tax	35	77	(31)	(66)	(27)	(12)
Tax (expense) / credit	(3)	(9)	1	(12)	–	(23)
Non-controlling interests	1	(2)	(6)	–	–	(7)
Net profit / (loss) from continuing operations for the period	33	66	(36)	(78)	(27)	(42)
Loss from discontinued operation before elimination of inter- segment finance cost, net of tax and NCI						(116)
Elimination of inter-segment finance cost ¹						27
Loss from discontinued operation, net of tax and NCI						(89)
Net loss for the period						(131)
Capital expenditure	62	12	26	9	–	109

4. SEGMENTAL REPORTING (Cont'd)

(i) Operating segments (Cont'd)

As at June 30, 2021

<i>(S\$ million)</i>	Renew- ables	Integrated Urban Solutions	Conven- tional Energy	Other Business- es and Corporate	Elimi- nation	Total
Assets						
Segment assets	2,807	1,426	8,280	2,338	(2,598)	12,253
Interests in associates and joint ventures	255	790	425	–	–	1,470
Tax assets	6	22	15	18	–	61
Total assets	3,068	2,238	8,720	2,356	(2,598)	13,784
Liabilities						
Segment liabilities	1,762	668	5,837	4,074	(2,598)	9,743
Tax liabilities	82	49	258	104	–	493
Total liabilities	1,844	717	6,095	4,178	(2,598)	10,236

As at December 31, 2020

<i>(S\$ million)</i>	Renew- ables	Integrated Urban Solutions	Conven- tional Energy	Other Business- es and Corporate	Elimi- nation	Total
Assets						
Segment assets	2,695	1,442	8,115	2,337	(2,676)	11,913
Interests in associates and joint ventures	227	743	618	–	–	1,588
Tax assets	7	20	15	19	–	61
Total assets	2,929	2,205	8,748	2,356	(2,676)	13,562
Liabilities						
Segment liabilities	1,665	703	5,912	4,031	(2,676)	9,635
Tax liabilities	71	50	226	104	–	451
Total liabilities	1,736	753	6,138	4,135	(2,676)	10,086

4. SEGMENTAL REPORTING (Cont'd)

(ii) Geographical segments

(S\$ million)	Turnover				Capital Expenditure			
	1H2021		1H2020		1H2021		1H2020	
		%		%		%		%
Singapore	1,913	59	1,375	52	124	70	35	32
India	833	25	759	29	13	8	7	6
UK	337	10	227	9	30	17	47	43
China	92	3	95	4	4	2	4	4
Rest of Asia	98	3	103	4	5	3	*	*
Middle East	16	*	30	1	–	–	11	10
Other Countries	1	*	28	1	–	–	5	5
Total	3,290	100	2,617	100	176	100	109	100

(S\$ million)	Non-current Assets				Total Assets			
	As at June 30, 2021		As at December 31, 2021		As at June 30, 2021		As at December 31, 2021	
		%		%		%		%
Singapore	1,941	19	2,062	20	2,992	22	2,924	22
India	4,877	47	4,988	47	6,035	44	6,099	45
China	1,385	13	1,393	13	1,898	14	1,885	14
Rest of Asia	1,243	12	1,236	12	1,509	11	1,519	11
UK	656	6	637	6	1,019	7	860	6
Middle East	262	3	234	2	285	2	264	2
Other Countries	15	*	8	*	46	*	11	*
Total	10,379	100	10,558	100	13,784	100	13,562	100

4. SEGMENTAL REPORTING (Cont'd)

Notes to Segmental Analysis

4a. Operating segments

The Group has identified its business segments based on the internal reports that are reviewed and used by the executive management team in determining the allocation of resources and in assessing performance of the operating segments.

To deliver the Group's vision to be a leading provider of sustainable solutions, supporting sustainable development and creating value for our stakeholders and communities, the Group has laid out a strategic roadmap to transform its portfolio from brown to green. The Group's businesses are grouped under four main segments as follows:

- (i) The Renewables segment's principal activities are the provision of electricity from solar and wind, provision of energy storage as well as trading of renewable energy certificates. This segment also includes the development and provision of installation, operation and maintenance of solar, wind and energy storage assets.
- (ii) The Integrated Urban Solutions segment supports sustainable development through its suite of urban, water as well as waste and waste-to-resource solutions. The segment's businesses comprise the development of large-scale integrated urban developments and integrated townships such as industrial parks, business, commercial and residential spaces, production and reclamation of water and industrial wastewater treatment as well as solid waste management and waste-to-resource solutions.
- (iii) The Conventional Energy segment's principal activities include the sale of energy molecules (including natural gas, steam and electricity from a diversity of fossil fuels such as natural gas and coal). This segment also includes sale of water products from its integrated assets.
- (iv) The Other Businesses and Corporate segment comprises businesses mainly relating to specialised construction, minting, the Group's captive insurance and financial services, as well as corporate costs.

4b. Geographical segments

The Group's geographical segments are presented in six principal geographical areas: Singapore, India, UK, China, Rest of Asia and Middle East. In presenting information based on geographical segments, segment revenue is based on the geographical location of customers. Segment assets and total assets are based on the geographical location of the assets.

4c. Review of Group's performance

	1H2021	1H2020 [#]	Growth	
(S\$ million)				%
Turnover	3,290	2,617	673	26
Adjusted EBITDA	744	651	93	14
Net profit before EI	252	149	103	69
EI – Expense (please refer to Note 4d for details)	(206)	(191)	(15)	8
Net profit / (loss)	46	(42)	88	NM

The Group's turnover of S\$3,290 million was S\$673 million or 26% higher than 1H2020 turnover of S\$2,617 million. The increase came mainly from the Conventional Energy which remained as the key contributor (84%) to the Group's turnover.

Adjusted EBITDA of S\$744 million was S\$93 million or 14% higher than last year's S\$651 million. The Sustainable Solutions** and Conventional Energy contributed to 31% and 71% to the Group's 1H2021 adjusted EBITDA, respectively (1H2020: Sustainable Solutions 36% and Conventional Energy 72%).

The Group's net profit before exceptional items was S\$252 million compared to S\$149 million for 1H2020. The Sustainable Solutions and Conventional Energy contributed to 35% and 73% to the Group's 1H2021 net profit, respectively (1H2020: Sustainable Solutions 65% and Conventional Energy 85%).

** Sustainable Solutions refers to Renewables and Integrated Urban Solutions

4. SEGMENTAL REPORTING (Cont'd)

4d. Review of segment performance

Renewables

	1H2021	1H2020#	Growth	
(S\$ million)				%
Turnover	146	137	9	7
Adjusted EBITDA	125	133	(8)	(6)
Net profit	24	33	(9)	(27)

Turnover

Turnover of S\$146 million in 1H2021 was S\$9 million or 7% higher than that of 1H2020 due to increased solar capacity in Singapore and higher revenue from energy storage in UK, with commencement of plant availability fees. This was offset by lower contribution from India due to lower wind resource, despite higher installed capacity.

Adjusted EBITDA

The adjusted EBITDA in 1H2021 of S\$125 million was S\$8 million or 6% lower than 1H2020. The net decrease was mainly attributable to the wind business in India, consequent to the lower wind resource coupled with higher operating costs with new capacity added. The decrease was also attributable to the start-up cost incurred in Vietnam's solar business. This decrease was mitigated by the energy storage business' higher margins.

Net profit

The decrease of S\$9 million in 1H2021 net profit was in line with the lower adjusted EBITDA. In addition, net profit was impacted by higher deferred tax expense due to UK's increase in corporation tax rate.

Integrated Urban Solutions

	1H2021	1H2020#	Growth	
(S\$ million)				%
Turnover	218	197	21	11
Adjusted EBITDA	107	100	7	7
Net profit before EI	63	64	(1)	(2)
EI - Income	6	2	4	200
Net profit	69	66	3	5

Turnover

Turnover of S\$218 million was S\$21 million higher than 1H2020. The increase in turnover was mainly due to new contracts and business acquired by the waste management business in Singapore, offset by the absence of turnover from the water businesses divested in 2H2020.

Adjusted EBITDA

The acquisitions and divestments in 2020 resulted in a net increase of 1H2021's adjusted EBITDA. However, this higher adjusted EBITDA was offset by lower profits from the Urban business, with lower contribution from land sales in China, partially mitigated by higher land sales and handover of residential units in Vietnam.

Net profit before EI

Net profit before exceptional income in 1H2021 was broadly in line with 1H2020 for reasons mentioned in adjusted EBITDA.

EI - Income

1H2021's exceptional income pertained to net gain from disposal of SJW. 1H2020's exceptional items related to the negative goodwill on the acquisition of SES and an impairment on investment in the water business in Chile.

4. SEGMENTAL REPORTING (Cont'd)

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

Conventional Energy

	1H2021	1H2020#	Growth	%
(S\$ million)				
Turnover	2,756	2,213	543	25
Adjusted EBITDA	525	467	58	12
Net profit before EI	185	127	58	46
EI - Expense	(212)	(163)	(49)	30
Net profit	(27)	(36)	9	(25)

Turnover

Turnover of S\$2,756 million in 1H2021 was S\$543 million or 25% higher than that of 1H2020. The increase was mainly attributable to higher contribution from both gas and related as well as coal businesses. Singapore gas and related businesses' improved results arose from better plant load factor and spark spread as well as increased high sulphur fuel oil (HSFO) prices, while UK flexible generation business' better performance came from higher availability and generation income. These better performances more than mitigated the impact from the change in customers profile in Singapore and UK in 1H2021. Coal business in India, Thermal Power Project I (P1) and Thermal Power Project II (P2), also saw higher turnover with increase in demand. In addition, P1's turnover included change in law claims and the positive annual capacity adjustment.

Adjusted EBITDA

Adjusted EBITDA of S\$525 million in 1H2021 was S\$58 million or 12% higher than 1H2020. The increase was mainly due to the higher turnover (higher plant availability and plant load factors) and better spread for the gas and related as well as coal businesses achieved in 1H2021. In addition, the better performance included a net derivative gain from the economic hedges for Singapore's gas cost. This better performance was however dampened by the share of losses from Chongqing Songzao as a result of significantly higher coal costs incurred, mainly due to the suspension of coal mine operations in Chongqing.

Net profit before EI

The increase in net profit before exceptional expense was in line with the net increase in adjusted EBITDA. The higher deferred tax expense due to UK's increase in tax rate was mitigated by lower finance costs resulting from loan repayments made by India.

EI - Expense

1H2021's exceptional expense related to an impairment on investment in Chongqing Songzao (Note 5e). 1H2020's exceptional expense was in relation to the write-down and write-off of inventory as well as an impairment on investment in Sembcorp Salalah Power and Water Company (Note 2b).

4. SEGMENTAL REPORTING (Cont'd)

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

Other Businesses and Corporate

(S\$ million)	1H2021	1H2020#	Growth	%
Turnover	170	70	100	143
Adjusted EBITDA	(13)	(49)	36	(73)
Net loss before EI	(20)	(48)	28	(58)
Elimination of inter-segment finance cost ¹	–	(27)	27	NM
	(20)	(75)	55	(73)
EI – Income / (Expense)	*	(30)	30	NM
Net loss	(20)	(105)	85	(81)

Turnover

Increase in turnover by S\$100 million or 143% to S\$170 million was mainly attributable to the better progress made in construction business, SSC, with the gradual easing of COVID-19 restrictions in 1H2021, as compared to the tight circuit breaker measures that were implemented in Singapore in 1H2020.

Adjusted EBITDA

Adjusted EBITDA in 1H2021 improved by S\$36 million or 74% as compared to 1H2020 mainly due to the higher turnover and lower expenses at Corporate as a result of tightened cost control and less discretionary spending.

Net loss before EI after elimination

Net loss before exceptional items and after elimination for 1H2021 was S\$20 million compared to S\$75 million in 1H2020. The positive variance was contributed by better adjusted EBITDA performance and lower finance cost in 1H2021 following the refinancing of the S\$1.5 billion bond at lower interest rate through existing revolving credit facilities.

EI – Income / (Expense)

1H2021's exceptional income related to a net gain from disposal of CSE. 1H2020's exceptional expense pertained to an impairment on investment in CSE.

5. BALANCE SHEETS

	GROUP		COMPANY	
	As at June 30, 2021	As at December 31, 2020	As at June 30, 2021	As at December 31, 2020
<i>(S\$ million)</i>				
Non-current assets				
Property, plant and equipment	7,200	7,204	373	383
Investment properties	136	135	–	–
Investments in subsidiaries	–	–	2,309	2,308
Associates and joint ventures	1,470	1,588	–	–
Other financial assets	246	250	–	–
Trade and other receivables	968	995	3	3
Contract costs	1	1	–	–
Intangible assets	321	348	25	26
Deferred tax assets	37	37	–	–
	10,379	10,558	2,710	2,720
Current assets				
Inventories	267	196	6	4
Trade and other receivables	1,720	1,571	115	91
Contract assets	16	15	–	–
Contract costs	1	1	–	–
Assets held for sale	–	30	–	–
Other financial assets	242	159	–	–
Cash and cash equivalents	1,159	1,032	205	358
	3,405	3,004	326	453
Total assets	13,784	13,562	3,036	3,173
Current liabilities				
Trade and other payables	1,291	1,159	1,398	99
Lease liabilities	10	11	4	4
Contract liabilities	94	141	2	3
Provisions	24	26	10	11
Other financial liabilities	78	40	–	–
Current tax payable	158	157	48	55
Interest-bearing borrowings	899	593	–	–
	2,554	2,127	1,462	172
Net current assets / (liabilities)	851	877	(1,136)	281
Non-current liabilities				
Deferred tax liabilities	335	294	28	28
Other long-term payables	113	108	163	1,613
Lease liabilities	217	215	111	112
Provisions	40	38	11	11
Other financial liabilities	89	98	–	–
Interest-bearing borrowings	6,816	7,135	–	–
Contract liabilities	72	71	27	28
	7,682	7,959	340	1,792
Total liabilities	10,236	10,086	1,802	1,964
Net assets	3,548	3,476	1,234	1,209

5. BALANCE SHEETS (Cont'd)

	GROUP		COMPANY	
	As at June 30, 2021	As at December 31, 2020	As at June 30, 2021	As at December 31, 2020
<i>(S\$ million)</i>				
Equity attributable to owners of the Company:				
Share capital	566	566	566	566
Other reserves	(281)	(380)	(9)	(11)
Revenue reserve	3,127	3,153	677	654
	3,412	3,339	1,234	1,209
Non-controlling interests	136	137	–	–
Total equity	3,548	3,476	1,234	1,209

5a. Group's borrowings and debt securities

	As at June 30, 2021	As at December 31, 2020
<i>(S\$ million)</i>		
Amount repayable:		
(i) <u>In one year or less, or on demand</u>		
Interest-bearing borrowings		
Secured	601	488
Unsecured	298	105
	899	593
(ii) <u>Between one to five years</u>		
Interest-bearing borrowings		
Secured	1,081	1,336
Unsecured	3,333	3,701
	4,414	5,037
(iii) <u>After five years</u>		
Interest-bearing borrowings		
Secured	1,753	1,849
Unsecured	649	249
	2,402	2,098
Total	7,715	7,728
(iv) The secured loans are collateralised by the following assets' net book value:		
Net assets and equity shares of subsidiaries, property, plant and equipment, and other assets	6,581	6,782

On June 9, 2021, the Group issued S\$400 million 2.45% Green Bonds due 2031 (Green Bonds), comprising Series 001 under the S\$3 billion Multicurrency Debt Issuance Programme established by the Company and its wholly-owned subsidiary, Sembcorp Financial Services Pte Ltd (SFS). As at June 30, 2021, S\$210 million has been utilised.

Short-term interest-bearing borrowings increased while long-term interest-bearing borrowings decreased due to reclassification of Sembcorp Energy India Limited (SEIL)'s loan from non-current to current. The decrease in long-term borrowings was also due to loan repayments, offset by the issuance of the Green Bonds.

5. BALANCE SHEETS (Cont'd)

5b. Net asset value

	GROUP		COMPANY	
	As at June 30, 2021	As at December 31, 2020	As at June 30, 2021	As at December 31, 2020
Net asset value per ordinary share based on issued share capital at the end of the financial period (in S\$)	1.91	1.87	0.69	0.68

5c. Property, plant and equipment

In 1H2021, the Group acquired assets amounting to S\$176 million, which included S\$3 million additions to right-of-use (ROU) assets (1H2020 from continuing operations: S\$104 million, included ROU assets of S\$2 million). The Group also disposed of assets amounting to S\$3 million, of which S\$1 million related to ROU assets (1H2020 from continuing operations: S\$1 million).

5d. Investment properties

The investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. The Group has assessed that there were no impairment indicators as at June 30, 2021.

In 1H2021, there were no acquisitions and disposals of investment properties (1H2020: S\$3 million acquisitions and no disposals).

5e. Associates and joint ventures

Associates and joint ventures decreased mainly due to impairment of S\$212 million, offset by the share of net profit of S\$104 million.

Impairment

Following a periodic review on the recoverability of certain assets, the Group has impaired the entire carrying value of S\$212 million equity interest in Chongqing Songzao in 1H2021.

Chongqing Songzao is a mine-mouth coal-fired power plant in Chongqing with coal procured from the joint venture partner's coal mines. Consequent to a government directive for coal mines and the partner's decision to close all of its Chongqing-based coal mines, Chongqing Songzao has had to procure coal from other provinces.

The asset has been severely impacted by significantly higher coal costs, with the loss of its mine-mouth advantage and escalating market coal prices due to supply-demand imbalance. Since May 2021, coal prices have further escalated with low coal inventory in China as a result of restrictions on coal production combined with continued high demand. This has resulted in share of losses of S\$3 million in 1H2021, despite realising a profit in 1Q2021 (1H2020: profit of S\$10 million; FY2020: profit of S\$19 million).

In determining the recoverable amount, the Group has used a 19-year cash flow projection based on its best estimate of the asset's total service hours and a company specific risk adjusted pre-tax discount rate of 8.3%. The projection was updated with the most recent 10-year market coal price forecast data and some government support in 2021, as it is now evident that on a long-term basis, the availability and form of government support are both uncertain and insufficient. The projection has also taken into account that there is expected competitive pressure from low carbon power sources in the longer term. The impairment loss was recorded in non-operating expenses.

5. BALANCE SHEETS (Cont'd)

5f. Other financial assets and liabilities

<i>(S\$ million)</i>	As at June 30, 2021	As at December 31, 2020
Financial assets at amortised cost	124	124
Financial assets at FVOCI	64	71
Financial assets at fair value through profit or loss (FVTPL)	108	116
Derivative financial assets	192	98
Other financial assets	488	409
Derivative financial liabilities	167	138
Other financial liabilities	167	138

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

5g. Intangible assets

<i>(S\$ million)</i>	Group				Total
	Goodwill	Service concession arrange- ments	Long-term contracts	Others	
Cost					
Balance at January 1, 2021	277	54	236	74	641
Translation adjustments	5	1	6	1	13
Additions	–	*	–	3	3
Disposals	–	(*)	–	(22)	(22)
Balance at June 30, 2021	282	55	242	56	635
Accumulated amortisation and impairment					
Balance at January 1, 2021	118	21	122	32	293
Translation adjustments	4	1	4	–	9
Amortisation charge for the period	–	2	7	3	12
Disposals	–	(*)	–	–	(*)
Balance at June 30, 2021	122	24	133	35	314
Carrying amount					
At January 1, 2021	159	33	114	42	348
At June 30, 2021	160	31	109	21	321

Other intangible assets included carbon allowances which are recorded at cost. The disposals in 1H2021 of S\$22 million related to the settling of the Group's carbon obligations.

5. BALANCE SHEETS (Cont'd)

5g. Intangible assets (Cont'd)

(S\$ million)	Company		
	Goodwill	Others	Total
Cost			
Balance at January 1, 2021 and June 30, 2021	19	26	45
Accumulated amortisation and impairment			
Balance at January 1, 2021	–	19	19
Amortisation charge for the period	–	1	1
Balance at June 30, 2021	–	20	20
Carrying amount			
At January 1, 2021	19	7	26
At June 30, 2021	19	6	25

Goodwill

There have been no changes to the goodwill allocated to CGUs and there were no impairment indicators noted as at June 30, 2021.

5h. Explanatory notes to other Balance Sheets items

(i) Group

Current assets

“Inventories” increased mainly due to India’s coal business maintaining a higher level of inventories.

“Trade and other receivables” increased in line with higher revenue in the gas and related business in Singapore and UK.

“Assets held for sale” as at December 31, 2020 related to the net carrying value of the entire 32% stake in joint venture company CSE which was divested in February 2021.

“Cash and cash equivalents” increased mainly due to receipts from customers, less cost of capital expenditure and working capital, as well as net repayments of borrowings (see Note 7d).

Current liabilities

“Trade and other payables” increased mainly due to higher payables from UK flexible generation business and an increase in accrued capital expenditures for renewable projects in Singapore.

“Contract liabilities” decreased mainly due to revenue recognition during the period, offset by advanced cash received from projects from the specialised construction businesses.

Non-current liabilities

“Deferred tax liabilities” increased mainly due to recognition of additional deferred tax provision by UK following the change in tax rate to 25% with effect from 2023.

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

5h. Explanatory notes to other Balance Sheets items (Cont'd)

(ii) Company

Current assets

“Trade and other receivables” increased mainly due to an increase in trade receivables as well as dividend receivable from a subsidiary.

“Cash and cash equivalents” decreased mainly due to loan repayment of S\$150 million.

Current liabilities

“Trade and other payables” increased mainly because of the reclassification of a loan taken from a subsidiary that is due within the next 12 months, from non-current to current.

“Current tax payable” decreased mainly due to payment made and group tax relief transferred from subsidiaries, offset by allowances made during the period.

Net current liabilities

The Company recorded net current liabilities of S\$1,136 million as at June 30, 2021 resulting from a reclassification of a loan taken from a subsidiary from non-current to current for amounts due within the next 12 months. As at June 30, 2021, the Group has S\$1.1 billion of committed unutilised credit facilities with maturity beyond June 2022 that can be drawn down.

Non-current liabilities

“Other long-term payables” decreased mainly because of the reclassification of a loan taken from a subsidiary that is due within the next 12 months, from non-current to current.

6. STATEMENTS OF CHANGES IN EQUITY

6a. Statements of Changes in Equity of the Group

(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
1H2021								
At January 1, 2021	566	(11)	(475)	106	3,153	3,339	137	3,476
Profit for the period	–	–	–	–	46	46	8	54
Other comprehensive income								
Foreign currency translation differences for foreign operations	–	–	16	–	*	16	*	16
Exchange differences on monetary items forming part of net investment in foreign operation	–	–	3	–	–	3	–	3
Net change in fair value of cash flow hedges	–	–	–	123	*	123	1	124
Net change in fair value of cash flow hedges reclassified to profit or loss	–	–	–	(57)	–	(57)	–	(57)
Cost of hedging reserve – changes in fair value	–	–	–	(28)	–	(28)	–	(28)
Cost of hedging reserve – reclassified to profit or loss	–	–	–	26	–	26	–	26
Net change in fair value of financial assets at fair value through other comprehensive income	–	–	–	(7)	–	(7)	–	(7)
Realisation of reserve upon disposal of joint venture	–	–	(3)	–	–	(3)	–	(3)
Defined benefit plan actuarial gains and losses	–	–	–	–	*	*	–	*
Share of other comprehensive income of associates and joint ventures	–	–	–	24	(1)	23	–	23
Total other comprehensive income	–	–	16	81	(1)	96	1	97
Total comprehensive income	–	–	16	81	45	142	9	151
Transactions with owners of the Company, recognised directly in equity								
New share issues by a subsidiary to employee	–	9	–	(9)	–	–	–	–
Share-based payments	–	–	–	2	–	2	–	2
Dividend paid / payable	–	–	–	–	(71)	(71)	(10)	(81)
Total transactions with owners	–	9	–	(7)	(71)	(69)	(10)	(79)
At June 30, 2021	566	(2)	(459)	180	3,127	3,412	136	3,548

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				
1H2020										
At January 1, 2020	566	(4)	(482)	163	5,827	6,070	801	6,871	1,008	7,879
Loss for the period	–	–	–	–	(131)	(131)	–	(131)	(70)	(201)
Other comprehensive income										
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	–	–	–	(107)	–	(107)	–	(107)	(16)	(123)
Net change in fair value of cash flow hedges reclassified to profit or loss	–	–	–	(16)	–	(16)	–	(16)	1	(15)
Cost of hedging reserve – changes in fair value	–	–	–	(21)	–	(21)	–	(21)	–	(21)
Cost of hedging reserve – reclassified to profit or loss	–	–	–	15	–	15	–	15	–	15
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)
Total comprehensive income	–	–	(9)	(160)	(131)	(300)	–	(300)	(71)	(371)

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					
1H2020 (Cont'd)										
Transactions with owners of the Company, recognised directly in equity										
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)
Total transactions with owners	–	–	–	(2)	(71)	(73)	(801)	(874)	(6)	(880)
At June 30, 2020	566	(4)	(491)	1	5,625	5,697	–	5,697	931	6,628

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						
	Share capital	Reserve for own shares	Others	Revenue reserve	Total equity	Perpetual securities	Total equity
1H2021							
At January 1, 2021	566	(11)	*	654	1,209	–	1,209
Profit for the period	–	–	–	94	94	–	94
Total comprehensive income	–	–	–	94	94	–	94
Transactions with owners of the Company, recognised directly in equity							
New share issues by a subsidiary to employee	–	9	(9)	–	–	–	–
Share-based payments	–	–	2	–	2	–	2
Dividend paid / payable	–	–	–	(71)	(71)	–	(71)
Total transactions with owners	–	9	(7)	(71)	(69)	–	(69)
At June 30, 2021	566	(2)	(7)	677	1,234	–	1,234
1H2020							
At January 1, 2020	566	(4)	–	2,585	3,147	801	3,948
Profit for the period	–	–	–	83	83	–	83
Total comprehensive income	–	–	–	83	83	–	83
Transactions with owners of the Company, recognised directly in equity							
Share-based payments	–	–	5	–	5	–	5
Purchase of treasury shares	–	(7)	–	–	(7)	–	(7)
Treasury shares transferred to employees	–	7	(7)	–	–	–	–
Perpetual securities distribution paid	–	–	–	–	–	(818)	(818)
Accrued perpetual securities distribution	–	–	–	(17)	(17)	17	–
Dividend paid / payable	–	–	–	(54)	(54)	–	(54)
Total transactions with owners	–	–	(2)	(71)	(73)	(801)	(874)
At June 30, 2020	566	(4)	(2)	2,597	3,157	–	3,157

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

	Number of shares	
	Issued share capital	Treasury shares
At January 1, 2021	1,787,547,732	6,238,773
Treasury shares transferred pursuant to restricted share plan	–	(5,322,618)
At June 30, 2021	<u>1,787,547,732</u>	<u>916,155</u>

Issued and paid up capital

As at June 30, 2021, the Company's issued and paid up capital excluding treasury shares comprised 1,786,631,577 (June 30, 2020: 1,785,574,930) ordinary shares.

Treasury shares

During 1H2021, the Company acquired nil (1H2020: 2,868,000) ordinary shares by way of on-market purchases. 5,322,618 (1H2020: 2,861,474) treasury shares were re-issued pursuant to Restricted Share Plan (RSP).

As at June 30, 2021, there were 916,155 (June 30, 2020: 1,972,802) treasury shares 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

	Number of shares
At January 1, 2021	7,682,784
Performance shares awarded	3,434,491
Performance shares lapsed due to under-achievement of targets	(3,604,276)
Performance shares lapsed	(1,243,285)
At June 30, 2021	<u>6,269,714</u>

During 1H2021, 3,434,491 (1H2020: nil) performance shares were awarded under the Company's PSP and 3,604,276 (1H2020: 849,553) performance shares lapsed arising from under-achievement of the performance target.

The total number of performance shares in Awards granted conditionally and representing 100% of targets to be achieved but not released as at June 30, 2021 was 6,269,714 (June 30, 2020: 4,469,800). Based on the achievement factor, the actual release of the Awards could range from zero to a maximum of 9,404,571 (June 30, 2020: 6,704,700) 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

	Number of shares			Total
	2017 & before	2019	2021 onwards	
At January 1, 2021	860,700	9,652,048	–	10,512,748
Restricted shares awarded	–	–	2,792,383	2,792,383
Restricted shares released	(834,340)	(3,702,394)	(1,104,850)	(5,641,584)
Restricted shares lapsed	(20,644)	(935,894)	(14,918)	(971,456)
At June 30, 2021	5,716	5,013,760	1,672,615	6,692,091

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 1H2021, 2,792,383 (1H2020: 5,248,284) restricted shares were awarded under the RSP, 5,641,584 (1H2020: 3,120,653) restricted shares were released and 971,456 (1H2020: 170,325) restricted shares lapsed. Of the restricted shares released, 5,322,618 (1H2020: 2,861,474) were settled by way of issuance of treasury shares and 318,966 (1H2020: 259,179) were cash-settled.

The total number of restricted shares outstanding for Awards achieved but not released as at June 30, 2021 was 6,692,091 (June 30, 2020: 5,968,206).

With the change in the remuneration structure effective from 2019 Awards granted, 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 6,692,091 (June 30, 2020: 5,968,206) restricted shares.

Following the expiry of the 2010 Share plan, the 2020 Share Plans were adopted and approved by shareholders in May 2020, which have substantially the same terms as the 2010 Share Plans. For further details, please refer to the last audited financial statements.

7. CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	GROUP	
		1H2021	1H2020
<i>(S\$ million)</i>			
Cash flows from Operating Activities			
Profit / (Loss) for the period:			
Continuing operations		54	(35)
Discontinued operation		—	(166)
Adjustments for:			
Dividend income		—	*
Finance income		(14)	(49)
Finance costs		215	293
Depreciation and amortisation		223	317
Amortisation of deferred income and capital grants		(2)	(1)
Share of results of associates and joint ventures, net of tax		(104)	(119)
Gain on disposal of property, plant and equipment, intangible assets and other financial assets		(7)	(2)
Gain on early termination of lease		—	(1)
Gain on disposal of assets held for sale		(3)	(1)
Changes in fair value of financial instruments and other financial assets		2	64
Inventories written-down, written off and allowance for stock obsolescence (net)		*	98
Impairment of investment in an associate and a joint venture	2b(x)	212	111
Equity settled share-based compensation expenses		2	6
Allowance made for impairment loss in value of assets and assets written off, net		3	2
Negative goodwill	7b	—	(6)
Allowance for expected credit loss		7	5
Impairment of assets reclassified to held for sale		—	4
Tax expense / (credit)		57	(4)
Operating profit before working capital changes		645	516
Changes in working capital:			
Inventories		(72)	(30)
Receivables		(91)	37
Payables		74	(172)
Contract costs		*	(18)
Contract assets		(1)	(170)
Contract liabilities		(47)	99
		508	262
Tax paid		(28)	(56)
Net cash from operating activities		480	206

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

(S\$ million)	Note	GROUP	
		1H2021	1H2020
Cash flows from Investing Activities			
Dividend received		24	53
Interest received		16	47
Proceeds from disposal of assets held for sale		30	1
Proceeds from sale of other financial assets and business		136	141
Proceeds from sale of property, plant and equipment		1	*
Proceeds from sale of intangible assets		—	*
Loan repayments from related parties		—	1
Non-trade balances with related corporations, net of repayment		5	(1)
Acquisition of subsidiaries, business and intangible assets, net of cash acquired	7b	—	(9)
Additional investments in joint ventures and associates		(4)	(1)
Acquisition of other financial assets		(115)	(138)
Purchase of property, plant and equipment and investment properties		(147)	(141)
Purchase of intangible assets		(3)	(7)
Net cash used in investing activities		(57)	(54)
Cash Flows from Financing Activities			
Proceeds from share issued to non-controlling interests of subsidiaries		—	2
Proceeds from share issuance		—	(1)
Purchase of treasury shares		—	(7)
Proceeds from borrowings		2,113	3,294
Repayment of borrowings		(2,163)	(1,895)
Payment on lease liabilities		(6)	(15)
Capital reduction paid to non-controlling interests		—	*
Dividends paid to owners of the Company		(71)	(54)
Dividends paid to non-controlling interests of subsidiaries		(10)	(8)
Receipt in restricted cash held as collateral		4	16
Redemption of perpetual securities and distribution paid		—	(818)
Interest paid		(168)	(267)
Net cash (used in) / from financing activities		(301)	247
Net increase in cash and cash equivalents		122	399
Cash and cash equivalents at beginning of the period		1,009	1,740
Effect of exchange rate changes on balances held in foreign currency		9	(*)
Cash and cash equivalents at end of the period	7a	1,140	2,139

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:

<i>(S\$ million)</i>	GROUP	
	As at June 30, 2021	As at December 31, 2020
Fixed deposits with banks	439	301
Cash and bank balances	720	731
Cash and cash equivalents in the balance sheets	1,159	1,032
Restricted bank balances held as collateral by banks	(19)	(23)
Cash and cash equivalents in the consolidated statement of cash flows	1,140	1,009

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 SES and the public cleaning business of Veolia ES Singapore Industrial Pte Ltd (VESSI).

<i>(S\$ million)</i>	1H2020
Effect on cash flows of the Group	
Cash paid	19
Less: Cash and cash equivalents in subsidiaries acquired	(10)
Cash outflow on acquisition	9
Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	22
Intangible assets	2
Deferred tax assets	*
Trade and other receivables	5
Cash and cash equivalents	10
Total assets	39
Trade and other payables	6
Other financial liabilities	7
Deferred tax liabilities	1
Total liabilities	14
Net identifiable assets	25
Less: Negative goodwill	(6)
Consideration transferred for the business	19
Cash paid	19

The net identifiable assets are inclusive of fair value adjustments, determined on provisional basis as of June 2020. Upon finalisation of the purchase price allocation in 2H2020, the value of net identifiable assets, adjusted for cash and cash equivalents, was increased by S\$11 million, resulting in increase in negative goodwill of the same amount.

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

7c. Discontinued operation

On September 11, 2020, the Company demerged Sembcorp Marine Ltd (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 for 1H2020 are reported as a discontinued operation as 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 June 30, 2020.

<i>(S\$ million)</i>	Group 1H2020
Turnover	906
Expenses	(1,078)
Share of results of associates and joint ventures, net of tax	1
Loss from operation	(171)
Finance income	30
Finance cost	(52)
Loss from operating activities	(193)
Tax credit	27
Non-controlling interests (NCI)	77
Net loss from discontinued operation, net of tax	(89)
Basic earnings (loss) per share – cents	(5.00)
Diluted earnings (loss) per share – cents ⁴	(5.00)

⁴ In computing the 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 June 30, 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 June 30, 2020 are as follows:

<i>(S\$ million)</i>	Group 1H2020
Net cash used in operating activities	(53)
Net cash used in investing activities	(55)
Net cash from financing activities	828
Net increase in cash and cash equivalents	720

7d. Explanatory notes to Consolidated Statement of Cash Flows

(i) Half-year ended June 30, 2021

Net cash from operating activities before changes in working capital stood at S\$645 million while net cash from operating activities was S\$480 million. Net cash was used in India's coal business to maintain sufficient level of inventories as part of inventory management and fulfilment of outstanding obligations of advance receipts from customers in the specialised construction business.

Net cash used in investing activities was S\$57 million, mainly for the purchase of property, plant and equipment and partially offset by sales proceeds from CSE and SJW (part of the proceeds on sale of other financial assets).

Net cash used in financing activities was S\$301 million, mainly from interest payment, net loan repayments and dividend paid, net of proceeds from issuance of S\$400 million of Green Bonds.

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

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

(ii) Significant non-cash transactions

There were no material non-cash transactions other than those disclosed in the cash flow statement.

8. ACCOUNTING POLICIES

8a. Basis of preparation

The interim financial statements for the six months ended June 30, 2021 are prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)) 1-34 Interim Financial Reporting. They do not include all of the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last audited financial statements as at and for the year ended December 31, 2020.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current half-year as the last audited financial statements, except for the adoption of new and amended standards as set out in Note 8b.

Certain comparative amounts have been re-presented resulting from changes to the operating segments and an operation that has been discontinued in the previous financial year.

8b. Changes in accounting policies

The Group has applied the following amendments to SFRS(I)s which became effective on January 1, 2021:

Amendments to SFRS(I) 16 Covid-19-Related Rent Concessions beyond 30 June 2021

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.

Interest Rate Benchmark Reform Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The Group applied the practical expedient that any change arising from the renegotiation with the lenders and hedging banks for a new alternative reference rate on an 'economically equivalent' basis will be accounted for by updating the effective interest rate.

The Group's exposure to SOR and LIBOR designated in a hedging relationship that is directly affected by the interest rate benchmark reform approximates nominal amount of S\$1,406 million (December 31, 2020: S\$1,377 million).

The Group has started to engage its lenders and hedging banks to transition its affected loans and hedges into its respective alternative reference rates. Given that GBP LIBOR will be discontinued by end of this year, priority has been given to transition its GBP loan and hedges.

8c. Accounting estimates and judgements

The COVID-19 pandemic has 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 June 30, 2021. Given the ongoing significant uncertainty, these assumptions could change in the future.

The determination of the recoverable amounts of goodwill, intangible assets as well as associates and joint ventures involves a high degree of judgement and is subject to significant estimation uncertainties, principally the discount rates, gross margin forecasts and plant load factors. The gross margin forecasts and plant load factors take into account expected customer demand, forecasted tariff rates and fuel costs. These are inherently subject to estimation uncertainties as well as political and regulatory developments.

9. RELATED PARTIES

9a. Related party transactions

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

9b. Compensation of Key Management Personnel

Key Management Personnel

Eugene Cheng was appointed as Group Chief Financial Officer with effect from March 8, 2021. Graham Cockcroft retired on February 28, 2021.

In 1H2021, Andrew Koss and Alex Tan were appointed as key management personnel heading the Group's UK and Middle East, and China region, respectively.

There were no significant changes to the compensation scheme in 1H2021.

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.

10. FAIR VALUE MEASUREMENTS (Cont'd)

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.

Financial assets and liabilities carried at fair value

(S\$ million)	Fair value measurement using:			Total
	Level 1	Level 2	Level 3	
Group				
As at June 30, 2021				
Financial assets at FVOCI	–	–	64	64
Financial assets at FVTPL	83	–	25	108
Derivative financial assets	–	192	–	192
	<u>83</u>	<u>192</u>	<u>89</u>	<u>364</u>
Derivative financial liabilities	–	(167)	–	(167)
	<u>83</u>	<u>25</u>	<u>89</u>	<u>197</u>
As at December 31, 2020				
Financial assets at FVOCI	–	–	71	71
Financial assets at FVTPL	90	–	26 [†]	116
Derivative financial assets	–	98	–	98
	<u>90</u>	<u>98</u>	<u>97</u>	<u>285</u>
Derivative financial liabilities	–	(138)	–	(138)
	<u>90</u>	<u>(40)</u>	<u>97</u>	<u>147</u>

[†] The level 3 financial assets at FVTPL as at December 31, 2020 included S\$8 million fair value, post repayment of shareholder's loan of SJW and in May 2021, the Group divested its interests in SJW.

Financial asset at FVOCI in Level 3 of the fair value hierarchy include unquoted equity shares. The fair value of the unquoted equity shares is determined by reference to the investment's net asset values as stated in the unaudited financial statements.

In 1H2021, 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)	Financial assets at FVOCI	Financial assets at FVTPL
Group		
As at January 1, 2021	71	26
Net change in fair value	(7)	7
Disposal [†]	–	(8)
As at June 30, 2021	<u>64</u>	<u>25</u>
As at January 1, 2020	87	25
Translation adjustments	–	*
Net change in fair value	*	*
As at June 30, 2020	<u>87</u>	<u>25</u>
Addition	–	4
Translation adjustments	1	–
Repayment of shareholder's loan [†]	–	(5)
Net change in fair value	(14)	2
Distribution of a subsidiary	(3)	–
As at December 31, 2020	<u>71</u>	<u>26</u>

10. FAIR VALUE MEASUREMENTS (Cont'd)

Non-derivative financial assets and liabilities

Non-current

Carrying amount of non-derivative non-current financial assets and liabilities on floating interest rate terms are assumed to approximate their fair value because of the short period to repricing. Fair values for the remaining non-derivative non-current financial assets and liabilities are calculated using discounted expected future principal and interest cash flows at the market rate of interest at the reporting date.

Current

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

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

(S\$ million)	Financial assets at amortised costs	Other financial liabilities	Total carrying amount	Fair value
Group				
As at June 30, 2021				
Service concession receivables	952	–	952	1,393
Interest-bearing borrowings:				
– Non-current borrowings	–	6,816	6,816	6,850
As at December 31, 2020				
Service concession receivables	974	–	974	1,334
Interest-bearing borrowings:				
– Non-current borrowings	–	7,135	7,135	7,175
Company				
As at June 30, 2021				
Amounts due to related parties	–	145	145	181
As at December 31, 2020				
Amounts due to related parties	–	1,595	1,595	1,603

11. CONTINGENT LIABILITIES AND COMMITMENTS

There has been no significant changes to the Group's and Company's contingent liabilities and commitments from the last audited annual financial statements.

12. AUDIT

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

13. AUDITORS' REPORT

Not applicable.

14. VARIANCE FROM PROSPECT STATEMENT

On August 2, 2021, the Group announced an impairment of S\$212 million for its 49% equity interest in Chongqing Songzao. Consequently, the Conventional Energy business made a net loss in 1H2021, while the Group remained profitable.

15. 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 COVID-19 pandemic with the potential resurgence of infections globally.

Underlying performance of the Group will also be negatively impacted by changes in customer profile in the United Kingdom and Singapore, as well as loss of income from divested assets in Panama and Chile. There are potential downside risks in the Conventional Energy segment across markets due to higher market volatility as well as higher fuel costs. In addition, there will be planned maintenance shutdowns in Singapore, Myanmar and India in 2H2021.

The Group is continuing to transform its portfolio to focus on sustainable solutions that support the global energy transition and sustainable development. In 1H2021, 78MW of renewable energy capacity was installed. Approximately 87MW of renewable energy capacity is expected to come onstream by end 2021.

16. DIVIDEND

(a) Current Financial Year Reported On

Name of Dividend	2021
	Interim Ordinary Exempt-1-Tier
Dividend Type	Cash
Dividend Amount (cents per shares)	2.0

(b) Corresponding Year of the Immediately Preceding Financial Year

There was no interim dividend declared for 1H2020.

(c) Date Payable

The interim dividend will be paid on August 24, 2021.

(d) Notice of Record Date

Notice is hereby given that the Register of Members and Share Transfer Books of the Company will be closed on August 18, 2021 to determine the shareholders' entitlements to the 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 August 17, 2021 (the "Record Date") will be registered to determine shareholders' entitlements to the 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 dividend.

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 FY2021, 5% of the Group's consolidated NTA, as at December 31, 2020 was S\$149 million.

Chapter 9 however permits the Company to obtain a shareholders' mandate for recurrent transaction of a revenue or trading nature or those necessary for its day-to-day operations. At the Annual General Meeting held on April 2021, the Company obtained approval for such shareholders' mandate.

<i>(S\$ million)</i>	Nature of relationship	Aggregate value of all interested person transactions under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) 1H2021	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) 1H2021
Sale of goods and services			
Mapletree Investments Pte Ltd and its Associates	Associate of Temasek Holdings (Private) Limited, the controlling shareholder of the Company ↓	2.8	–
PSA International Pte Ltd and its Associates		2.6	–
Singapore Power Limited and its Associates		1.2	–
Olam International Ltd and its Associates		1.1	–
SATS Ltd and its Associates		0.2	–
Singapore Telecommunications Ltd and its Associates		173.9	–
Sembcorp Marine Ltd and its Associates		24.3	–
		206.1	–
Purchase of goods and services			
Singapore Power Limited and its Associates	Associate of Temasek Holdings (Private) Limited, the controlling shareholder of the Company	3.4	–
		3.4	–
Obtaining support services			
Temasek International Pte Ltd	Associate of Temasek Holdings (Private) Limited, the controlling shareholder of the Company	0.3	–
		0.3	–

17. INTERESTED PERSON TRANSACTIONS (Cont'd)

<i>(S\$ million)</i>	Nature of relationship	Aggregate value of all interested person transactions under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) 1H2021	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) 1H2021
Receipt of grant for feasibility study			
Temasek Capital Management Pte Ltd	Associate of Temasek Holdings (Private) Limited, the controlling shareholder of the Company	–	1.0
		–	1.0
		209.8	1.0

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. CONFIRMATION PURSUANT TO THE RULE 705(5) OF THE LISTING MANUAL

We, Ang Kong Hua, and Wong Kim Yin, 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 half-year ended June 30, 2021 unaudited financial results to be false or misleading.

On behalf of the board of directors

Ang Kong Hua
Chairman

Wong Kim Yin
Director

BY ORDER OF THE BOARD

Tan Yen Hui (Ms)
Company Secretary
August 6, 2021