



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

**THIRD QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2014 FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT**

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## SEBPCORP INDUSTRIES LTD

### UNAUDITED RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2014

The Board of Directors of Sembcorp Industries Ltd wishes to announce the following unaudited results of the Group for the third quarter and nine months ended September 30, 2014.

Following the initial public offering (“IPO”) of Sembcorp Salalah Power and Water Company SAOC (“Salalah”) in September 2013, Sembcorp’s shareholding in Salalah was reduced from 60% to 40%. Consequently, Salalah was accounted for under the equity method as an associate, resulting in the deconsolidation of its financials from Sembcorp’s turnover, gross profit and finance costs.

In July 14, 2014, Sembcorp’s interest in Thermal Powertech Corporation India Ltd (“TPCIL”) was increased from 49% to 65% and became a subsidiary of Sembcorp. Consequently, TPCIL’s financials were consolidated into the Group’s financial statements.

#### 1. GROUP INCOME STATEMENT

	Note	GROUP			GROUP		
		3Q14 \$'000	3Q13 \$'000	+ / (-) %	9M14 \$'000	9M13 \$'000	+ / (-) %
<b>Turnover</b>	2a	<b>3,069,468</b>	<b>2,973,994</b>	<b>3.2</b>	<b>8,230,271</b>	<b>7,823,483</b>	<b>5.2</b>
Cost of sales	2a	(2,724,933)	(2,682,384)	1.6	(7,239,105)	(6,879,902)	5.2
<b>Gross profit</b>	2a	<b>344,535</b>	<b>291,610</b>	<b>18.1</b>	<b>991,166</b>	<b>943,581</b>	<b>5.0</b>
General & administrative expenses	2b	(90,104)	(80,687)	11.7	(260,419)	(237,593)	9.6
Other income	2c	51,577	131,675	(60.8)	85,644	193,335	(55.7)
Other expense (net)	2d	(8,893)	11,138	NM	(17,872)	2,702	NM
Finance income	2e	4,675	3,988	17.2	13,840	9,191	50.6
Finance costs	2e	(12,244)	(33,332)	(63.3)	(46,972)	(100,156)	(53.1)
Share of results of associates and joint ventures, net of tax	2f	25,312	28,688	(11.8)	122,819	91,542	34.2
<b>Profit before tax</b>		<b>314,858</b>	<b>353,080</b>	<b>(10.8)</b>	<b>888,206</b>	<b>902,602</b>	<b>(1.6)</b>
Tax expense	2g	(52,434)	(30,467)	72.1	(136,607)	(120,708)	13.2
<b>Profit for the period</b>		<b>262,424</b>	<b>322,613</b>	<b>(18.7)</b>	<b>751,599</b>	<b>781,894</b>	<b>(3.9)</b>
<b>Attributable to:</b>							
Owners of the Company		<b>196,583</b>	<b>254,410</b>	<b>(22.7)</b>	<b>560,478</b>	<b>596,655</b>	<b>(6.1)</b>
Non-controlling interests		65,841	68,203	(3.5)	191,121	185,239	3.2
		<b>262,424</b>	<b>322,613</b>	<b>(18.7)</b>	<b>751,599</b>	<b>781,894</b>	<b>(3.9)</b>
<b>Earnings per ordinary share (cents)</b>							
	2h						
- basic		10.86	14.15	(23.3)	30.98	33.31	(7.0)
- diluted		10.78	14.04	(23.2)	30.76	33.06	(7.0)
<b>Economic value added</b>							
	2i	<b>115,193</b>	<b>108,864</b>	<b>5.8</b>	<b>350,097</b>	<b>383,882</b>	<b>(8.8)</b>

## 2. NOTES TO THE CONSOLIDATED INCOME STATEMENT

### 2a. Turnover, Cost of Sales

	GROUP			GROUP		
	3Q14 \$'000	3Q13 \$'000	+ / (-) %	9M14 \$'000	9M13 \$'000	+ / (-) %
Turnover	3,069,468	2,973,994	3.2	8,230,271	7,823,483	5.2
Cost of sales	(2,724,933)	(2,682,384)	1.6	(7,239,105)	(6,879,902)	5.2
Gross profit	344,535	291,610	18.1	991,166	943,581	5.0
Included in Cost of sales:-						
Depreciation and amortisation (i)	(73,708)	(75,947)	(2.9)	(217,498)	(218,633)	(0.5)
Allowance made for impairment losses						
- property, plant and equipment	-	(60,693)	(100.0)	-	(60,749)	(100.0)

Group turnover – refer to Page 17, note 11.

Group gross profit increased by 18% in 3Q14 against 3Q13 mainly due to higher contribution from Utilities and Marine. Utilities' gross profit was lower in 3Q13 mainly due to impairment of property, plant and equipment in UK operations. Marine's gross profit was higher in 3Q14 mainly due to contribution from higher turnover for rig building and offshore and conversion projects.

- (i) Depreciation and amortisation in 3Q14 was lower mainly due to deconsolidation of Salah, offset by increased from Marine and Utilities Singapore operations.

### 2b. General & administrative expenses

	GROUP			GROUP		
	3Q14 \$'000	3Q13 \$'000	+ / (-) %	9M14 \$'000	9M13 \$'000	+ / (-) %
General & administrative expenses	(90,104)	(80,687)	11.7	(260,419)	(237,593)	9.6
Included in general & administrative expenses:-						
Depreciation and amortisation	(4,589)	(4,569)	0.4	(13,195)	(12,994)	1.5
Write-back of doubtful debts and bad debts	1,820	3,706	(50.9)	2,016	1,835	9.9
Allowance made for impairment losses						
- interests in joint ventures (i)	(3,349)	-	NM	(3,349)	-	NM

General & administrative expenses for 3Q14 were higher mainly due to Marine's higher personnel related costs from the Brazil shipyard and higher professional fees.

- (i) Impairment charges were made for Utilities' joint ventures.

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

### 2c. Other income

		GROUP			GROUP		
		3Q14 \$'000	3Q13 \$'000	+ / (-) %	9M14 \$'000	9M13 \$'000	+ / (-) %
Other income	(i)	51,577	131,675	(60.8)	85,644	193,335	(55.7)
Included in other income: -							
Dividend income		-	-	-	1,194	2,228	(46.4)
Gain on disposal of investments		-	36,990	(100.0)	-	39,243	(100.0)
Fair value gain on re-measurement of remaining equity interest in associate		-	79,882	(100.0)	-	79,882	(100.0)
Fair value gain on re-measurement of pre-existing equity interest in joint venture, which became a subsidiary	(ii)	3,792	-	NM	3,792	-	NM
Gain on sale of property, plant and equipment and investment property	(iii)	4,596	774	493.8	5,108	14,106	(63.8)
Gain on acquisition	(iv)	13,505	-	NM	13,505	-	NM

- (i) The other income in 3Q13 included Utilities' gain on its 20% equity interest sold through Salalah's IPO and fair value gain on re-measurements of its remaining 40% equity interest in Salalah following Salalah's IPO.
- (ii) Fair value gain in 3Q14 was primarily due to Utilities' fair value gain on re-measurement of its step-up acquisition from 49% to 65% in TPCIL.
- (iii) Gain on sale of property, plant and equipment and investment property mainly arose from Utilities' gain on land sales in UK operations.
- (iv) Gain on acquisition arose when Utilities acquired additional interest in a joint venture where the net assets value at the date when the acquisition took effect is higher than the consideration paid.

### 2d. Other expense (net)

		GROUP			GROUP		
		3Q14 \$'000	3Q13 \$'000	+ / (-) %	9M14 \$'000	9M13 \$'000	+ / (-) %
Other expense (net)		(8,893)	11,138	NM	(17,872)	2,702	NM
Included in other expense (net): -							
Changes in fair value of financial instruments	(i)	7,233	2,009	260.0	9,645	(1,448)	NM
Changes in fair value of available-for-sale assets		263	(65)	NM	147	(24,590)	NM
Foreign exchange (loss) / gain	(ii)	(12,260)	9,853	NM	(23,354)	28,677	NM

- (i) Changes in fair value of financial instruments in 3Q14 was mainly due to Marine's mark-to-market adjustments of foreign currency forward contracts.
- (ii) Foreign exchange loss in 3Q14 arose mainly from Marine's revaluation of assets and liabilities denominated in Euro and United States dollar to Singapore dollar against the foreign exchange rate as at the previous quarter.

### 2e. Finance income and finance costs

		GROUP			GROUP		
		3Q14 \$'000	3Q13 \$'000	+ / (-) %	9M14 \$'000	9M13 \$'000	+ / (-) %
Finance income		4,675	3,988	17.2	13,840	9,191	50.6
Finance costs	(i)	(12,244)	(33,332)	(63.3)	(46,972)	(100,156)	(53.1)

- (i) Lower finance costs in 3Q14 was mainly due to de-consolidation of Salalah.

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

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

The Group recorded lower share of results from associates and joint ventures in 3Q14 compared to 3Q13 mainly due to lower contribution from Utilities' associates and joint ventures in China. The lower contribution is partially mitigated by higher share of results due to operations from Salalah is accounted for as an associate in 3Q14.

### 2g. Tax expense

Included in tax expense are the following:	GROUP			GROUP		
	3Q14 \$'000	3Q13 \$'000	+ / (-) %	9M14 \$'000	9M13 \$'000	+ / (-) %
Tax expense						
- Net (under-provision) / write-back of tax in respect of prior years	(628)	(426)	47.4	1,278	9,185	(86.1)
Deferred tax						
- Write-back of provision for deferred tax due to reduction in UK corporate tax rate	-	13,646	(100.0)	-	13,646	(100.0)

### 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			Group		
	3Q14	3Q13	+ / (-) %	9M14	9M13	+ / (-) %
(i) Based on the weighted average number of shares (in cents)	10.86	14.15	(23.3)	30.98	33.31	(7.0)
- Weighted average number of shares (in million)	1,787.0	1,785.9	0.1	1,786.3	1,786.2	0.0
(ii) On a fully diluted basis (in cents)	10.78	14.04	(23.2)	30.76	33.06	(7.0)
- Adjusted weighted average number of shares (in million)	1,801.4	1,800.3	0.1	1,799.4	1,799.5	(0.0)

### 2i. Economic Value Added

Higher Economic Value Added ("EVA") was generated in 3Q14 due to higher net operating profit after tax ("NOPAT") partially offset by higher average capital employed for building up of our capacities through capital expenditure and new investments.

### 3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	GROUP		GROUP	
		3Q14 \$'000	3Q13 \$'000	9M14 \$'000	9M13 \$'000
<b>Profit for the period</b>		<b>262,424</b>	<b>322,613</b>	<b>751,599</b>	<b>781,894</b>
<b>Items that may be reclassified subsequently to profit or loss:</b>					
Foreign currency translation differences for foreign operations	(i)	21,835	11,056	5,992	41,119
Exchange differences on monetary items forming part of net investment in foreign operation		(3,755)	(1,423)	(5,785)	(762)
Net change in fair value of cash flow hedges	(ii)	(25,028)	46,049	(15,803)	44,974
Net change in fair value of cash flow hedges transferred to profit or loss		1,838	(257)	(533)	5,744
Net change in fair value of available-for-sale financial assets	(iii)	(52,978)	(9,452)	(18,801)	(22,587)
Share of other comprehensive income of associates and joint ventures		2,705	(785)	(518)	(4,914)
<b>Items that may not be reclassified subsequently to profit or loss:</b>					
Defined benefit plan actuarial gains and losses		(2,533)	836	(903)	(7,727)
Other comprehensive income for the period, net of tax		(57,916)	46,024	(36,351)	55,847
<b>Total comprehensive income for the period</b>		<b>204,508</b>	<b>368,637</b>	<b>715,248</b>	<b>837,741</b>
<b>Attributable to:</b>					
Owners of the Company		143,065	281,684	527,303	628,671
Non-controlling interests		61,443	86,953	187,945	209,070
<b>Total comprehensive income for the period</b>		<b>204,508</b>	<b>368,637</b>	<b>715,248</b>	<b>837,741</b>

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

- (i) The movement in foreign currency translation reserves in 3Q14 arose primarily due to appreciation of United States dollar and Renminbi against Singapore dollar relative to the rate as at end of previous quarter.
- (ii) The fair value loss of cash flow hedges in 3Q14 was primarily due to changes in fair value on foreign currency forward contracts and fuel oil swaps.
- (iii) Mainly due to changes in mark-to-market value of quoted prices of available-for-sale assets of Urban Development and Marine.

#### 4. BALANCE SHEETS

	GROUP		COMPANY	
	As at 30/9/2014 \$'000	As at 31/12/2013 \$'000	As at 30/9/2014 \$'000	As at 31/12/2013 \$'000
<b>Non-current assets</b>				
Property, plant and equipment	7,439,911	5,126,650	613,772	637,590
Investment properties	19,328	20,954	-	-
Investments in subsidiaries	-	-	1,704,757	1,706,116
Interests in associates and joint ventures	1,959,220	1,852,249	-	-
Other financial assets	318,977	344,181	-	-
Long-term receivables and prepayments	362,783	360,970	7,055	7,223
Intangible assets	384,802	308,223	21,680	21,068
Deferred tax assets	52,870	51,170	-	-
	<u>10,537,891</u>	<u>8,064,397</u>	<u>2,347,264</u>	<u>2,371,997</u>
<b>Current assets</b>				
Inventories and work-in-progress	2,444,122	2,240,655	10,764	10,023
Trade and other receivables	1,269,283	1,140,173	148,601	104,885
Tax recoverable	10,338	6,698	-	-
Assets held for sale	24,437	36,517	-	-
Other financial assets	17,990	9,581	-	-
Cash and cash equivalents	2,202,717	2,255,865	180,677	450,220
	<u>5,968,887</u>	<u>5,689,489</u>	<u>340,042</u>	<u>565,128</u>
<b>Total assets</b>	<u>16,506,778</u>	<u>13,753,886</u>	<u>2,687,306</u>	<u>2,937,125</u>
<b>Current liabilities</b>				
Trade and other payables	2,612,770	2,691,962	235,091	188,396
Excess of progress billings over work-in-progress	1,208,042	1,448,501	-	-
Provisions	83,358	92,347	20,181	20,931
Other financial liabilities	40,233	18,695	-	-
Current tax payable	252,385	236,254	52,354	37,970
Interest-bearing borrowings	928,979	413,993	7	61
	<u>5,125,767</u>	<u>4,901,752</u>	<u>307,633</u>	<u>247,358</u>
<b>Net current assets</b>	<u>843,120</u>	<u>787,737</u>	<u>32,409</u>	<u>317,770</u>
<b>Non-current liabilities</b>				
Deferred tax liabilities	405,226	371,596	44,128	44,212
Provisions	103,092	101,693	593	593
Other financial liabilities	46,098	56,786	-	-
Retirement benefit obligations	32,564	30,910	-	-
Interest-bearing borrowings	3,583,991	1,485,011	6	12
Other long-term liabilities	275,671	276,144	273,720	462,915
	<u>4,446,642</u>	<u>2,322,140</u>	<u>318,447</u>	<u>507,732</u>
<b>Total liabilities</b>	<u>9,572,409</u>	<u>7,223,892</u>	<u>626,080</u>	<u>755,090</u>
<b>Net assets</b>	<u>6,934,369</u>	<u>6,529,994</u>	<u>2,061,226</u>	<u>2,182,035</u>
<b>Equity attributable to owners of the Company:-</b>				
Share capital	565,572	565,572	565,572	565,572
Other reserves	(91,178)	(101,230)	(13,496)	(18,839)
Revenue reserve	4,722,546	4,563,136	1,309,136	1,432,332
	<u>5,196,940</u>	<u>5,027,478</u>	<u>1,861,212</u>	<u>1,979,065</u>
Perpetual securities	200,014	202,970	200,014	202,970
	<u>5,396,954</u>	<u>5,230,448</u>	<u>2,061,226</u>	<u>2,182,035</u>
<b>Non-controlling interests</b>	1,537,415	1,299,546	-	-
<b>Total equity</b>	<u>6,934,369</u>	<u>6,529,994</u>	<u>2,061,226</u>	<u>2,182,035</u>

**Footnote:**

The Group Balance Sheet as at September 30, 2014, included the consolidation of TPCIL, which became a subsidiary in July 2014.

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

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

	As at 30/9/2014 \$'000	As at 31/12/2013 \$'000
<b>Amount repayable:</b>		
<b>(i) <u>In one year or less, or on demand</u></b>		
<b>Interest-bearing borrowings</b>		
Secured	530,506	20,561
Unsecured	<u>398,473</u>	<u>393,432</u>
	<u>928,979</u>	<u>413,993</u>
<b>(ii) <u>Between one to five years</u></b>		
<b>Interest-bearing borrowings</b>		
Secured	312,361	35,711
Unsecured	<u>1,309,394</u>	<u>653,420</u>
	<u>1,621,755</u>	<u>689,131</u>
<b>(iii) <u>After five years</u></b>		
<b>Interest-bearing borrowings</b>		
Secured	729,783	181,232
Unsecured	<u>1,232,453</u>	<u>614,648</u>
	<u>1,962,236</u>	<u>795,880</u>
Total	<u>4,512,970</u>	<u>1,899,004</u>
<b>(iv) The secured loans are collateralised by the following assets' net book value:-</b>		
	As at 30/9/2014 \$'000	As at 31/12/2013 \$'000
Net assets of a subsidiary and property, plant and equipment *	<u>1,841,907</u>	<u>319,732</u>

\* Inclusive of fair value measured on provisional basis

##### 4b. Net asset value

	Group		Company	
	30/9/2014	31/12/2013	30/9/2014	31/12/2013
Net asset value per ordinary share based on issued share capital at the end of the financial period (in \$)	3.02	2.93	1.15	1.22

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

Significant variances for balance sheets items are explained as follows:

###### (i) Group

###### Non-current assets

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

"Intangible assets increased mainly due to acquisition of TPCIL and Marine's acquisition of the full range of Sembmarine SSP Inc. intellectual property and proprietary products of next-generation SSP floaters.

###### Net current assets

"Assets held for sale" decreased due to divestment of Sembcorp Enviro (India) and SembRamky Environmental Management. The sale was completed in January 2014.



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

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

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

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

“Other financial assets” increased mainly due to Marine’s fair value adjustment on foreign currency forward contracts.

“Excess of progress billings over work-in-progress” decreased mainly due to payment terms of rig building projects.

“Other financial liabilities” increased mainly due to fair value adjustment on fuel oil swaps and foreign currency forward contracts.

“Interest-bearing borrowings” increased mainly due to consolidation of TPCIL and increase in Marine’s borrowings for capital expenditures for the new yard in Brazil.

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

“Other financial liabilities” decreased mainly due to Marine’s fair value adjustment on foreign currency forward contracts.

“Interest-bearing borrowings” increased mainly due to consolidation of TPCIL and increase in Marine’s borrowings.

###### **Equity**

The deficit in “Other reserves” is reduced by foreign currency translation gain and realisation of reserves when TPCIL became a subsidiary. However, this is partially offset by fair value loss on fuel oil swaps and the mark-to-market loss for available-for-sale financial assets in 9M14.

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

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

“Trade and other receivables” increased mainly due to increase in turnover.

“Cash and cash equivalents” decreased mainly due to payment of dividends to shareholders and repayment of an amount owing to the Group’s wholly owned subsidiary.

“Trade and other payables” increased mainly due to increased borrowings owing to the Group’s wholly owned subsidiary.

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

“Other long-term liabilities” decreased mainly due to repayment of an amount to the Group’s wholly owned subsidiary.

## 5. CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP		GROUP	
	3Q14	3Q13	9M14	9M13
Note	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from Operating Activities</b>				
Profit for the period	262,424	322,613	751,599	781,894
Adjustments for :				
Dividend	-	-	(1,194)	(2,228)
Finance income	(4,675)	(3,988)	(13,840)	(9,191)
Finance costs	12,244	33,332	46,972	100,156
Depreciation and amortisation	78,297	80,516	230,693	231,627
Share of results of associates and joint ventures	(25,312)	(28,688)	(122,819)	(91,542)
Gain on disposal of property, plant and equipment	(345)	(774)	(857)	(14,106)
Gain on disposal of investment properties	(4,251)	-	(4,251)	-
Gain on disposal of investment in an associate	-	(36,990)	-	(39,243)
Fair value gain on re-measurement of remaining equity interest in an associate	-	(79,882)	-	(79,882)
Fair value gain on re-measurement of pre-existing equity interest in joint venture, which became a subsidiary	(3,792)	-	(3,792)	-
Changes in fair value of financial instruments	(7,496)	(1,945)	(9,792)	26,037
Equity settled share-based compensation expenses	9,005	6,006	22,718	20,099
Allowance made for impairment in value of assets and assets written off (net)	3,783	61,066	4,676	62,366
Gain on acquisition	(13,505)	-	(13,505)	-
Tax expense	52,434	30,467	136,607	120,708
Operating profit before working capital changes	358,811	381,733	1,023,215	1,106,695
Changes in working capital:				
Inventories and work-in-progress	(878,565)	94,849	(443,790)	176,974
Receivables	(13,533)	(110,953)	(28,193)	(100,910)
Payables	114,500	36,106	(189,758)	177,890
	(418,787)	401,735	361,474	1,360,649
Tax paid	(43,402)	(42,619)	(107,640)	(109,536)
Net cash (outflow) / inflow from operating activities	(462,189)	359,116	253,834	1,251,113
<b>Cash flows from Investing Activities</b>				
Dividend received	29,320	22,243	58,668	33,147
Interest received	4,441	3,848	13,428	9,231
Proceeds from sale of investments	-	-	-	6,976
Proceeds from capital reduction in a joint venture	4,135	-	4,135	-
Proceeds from sale of investment held for sale	-	-	7,250	-
Proceeds from sale of property, plant and equipment	2,922	1,916	4,460	18,794
Proceeds from sale of investment properties	5,191	-	5,191	-
Proceeds from sale of intangible assets	6	1	6	1
Proceeds from disposal of interests in a subsidiary, net of cash disposed of	-	8,582	-	8,582
Acquisition of subsidiary, net of cash acquired	61,741	-	61,741	-
Acquisition of non-controlling interests	-	-	-	(7,611)
Acquisition of / additional investments in associates and joint ventures	-	(46,950)	(225,853)	(182,582)
Acquisition of other financial assets	(794)	(3,580)	(7,057)	(5,379)
Purchase of property, plant and equipment	(486,566)	(381,807)	(962,931)	(859,005)
Payment for intangible assets	(26,890)	(2,031)	(28,257)	(3,840)
Net cash outflow from investing activities	(406,494)	(397,778)	(1,069,219)	(981,686)
<b>Cash flows from Financing Activities</b>				
Proceeds from share issued to non-controlling interest of a subsidiary	-	-	757	-
Proceeds from share options exercised with issue of treasury shares	-	112	1,186	1,561
Proceeds from share options exercised with issue of treasury shares of a subsidiary	267	104	668	842
Purchase of treasury shares	-	(3,855)	(8,508)	(24,475)
Purchase of treasury shares by subsidiary	-	-	(11,579)	(14,794)
Proceeds from issue of perpetual securities, net of transaction costs	-	198,751	-	198,751
Proceeds from borrowings	1,192,921	56,029	1,755,998	306,188
Repayment of borrowings	(174,399)	(24,395)	(378,445)	(50,497)
Payment on finance leases	(302)	-	(1,536)	(783)
(Decrease) / Increase in other long term liabilities	(2,756)	15,467	1,080	9,343
Dividends paid to owners of the Company	(89,351)	-	(393,125)	(268,035)
Dividends paid to non-controlling interests of subsidiaries	(49,961)	(50,560)	(139,022)	(140,727)
Perpetual securities distribution paid	(4,959)	-	(10,000)	-
Interest paid	(14,693)	(31,423)	(45,491)	(94,017)
Net cash inflow / (outflow) from financing activities	856,767	160,230	771,983	(76,643)
Net (decrease) / increase in cash and cash equivalents	(11,916)	121,568	(43,402)	192,784
<b>Cash and cash equivalents at beginning of the period</b>	2,215,720	2,147,359	2,255,865	2,059,800
Effect of exchange rate changes on balances held in foreign currency	(3,052)	(257)	(11,711)	16,086
<b>Cash and cash equivalents at end of the period</b>	<b>2,200,752</b>	<b>2,268,670</b>	<b>2,200,752</b>	<b>2,268,670</b>

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>30/9/2014</b>	<b>31/12/2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Fixed deposits with banks	565,772	253,127
Cash and bank balances	1,636,945	2,002,738
Cash and cash equivalents in the balance sheets	2,202,717	2,255,865
Bank overdrafts	(1,965)	-
Cash and cash equivalents in the consolidated statement of cash flows	<u>2,200,752</u>	<u>2,255,865</u>

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

	<b>Group</b>
	<b>3Q14 / 9M14</b>
	<b>\$'000</b>
<b>a. Effect on cash flows of the Group</b>	
Cash paid	-
Add: Cash and cash equivalents in subsidiary acquired	61,741
Cash inflow on acquisition	<u>61,741</u>
<b>b. Identifiable assets acquired and liabilities assumed</b>	
Property, plant and equipment *	1,616,283
Intangible assets *	244
Trade and other receivables	106,439
Tax Recoverable	1,674
Cash and cash equivalents	61,741
Total assets	<u>1,786,381</u>
Trade and other payables	177,461
Deferred tax liabilities *	17,514
Retirement benefit obligation	32
Borrowings	1,221,621
Total liabilities	<u>1,416,628</u>
Net identifiable assets	369,753
Less: Non-controlling interests	(193,680)
Add: Intangible assets *	62,098
Less: Amount previously accounted for as joint venture	(197,201)
Less: Foreign currency translation reserve realised when joint venture became a subsidiary	(37,178)
Less: Fair value gain on step up acquisition of a joint venture	<u>(3,792)</u>
Consideration transferred for the business	<u>-</u>

\* Inclusive of fair value measured on provisional basis

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

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

(i) **Third Quarter**

The cash outflow from changes in working capital was mainly due to Marine's working capital for ongoing projects.

Net cash outflow from investing activities for 3Q14 was \$406.5 million of which \$486.6 million was spent on purchase of property, plant and equipment, mainly for Marine's Brazil new yard. The above cash outflow was partially reduced by a net cash inflow from acquisition of TPCIL, net of cash acquired of \$61.7 million.

(ii) **Nine Months**

The cash outflow from changes in working capital was mainly due to Marine's working capital for ongoing projects.

Net cash outflow from investing activities for 9M14 was \$1,069.2 million of which \$225.9 million was spent on Utilities' equity investments in India and Vietnam and Urban Development's equity investment in Indonesia; and \$962.9 million was spent on purchase of property, plant and equipment, mainly for Marine's Brazil new yard. The above cash outflow was partially reduced by a net cash inflow from acquisition of TPCIL, net of cash acquired of \$61.7 million.

(iii) **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									
	Share capital	Other reserves			Revenue reserve	Total	Perpetual securities	Total	Non-controlling interests	Total equity
		Reserve for own shares	Currency translation reserve	Others						
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>1H14</b>										
<b>At January 1, 2014</b>	565,572	(13,877)	(333,798)	246,445	4,563,136	5,027,478	202,970	5,230,448	1,299,546	6,529,994
<b>Total comprehensive income</b>										
Profit for the period	-	-	-	-	363,895	363,895	-	363,895	125,280	489,175
<b>Other comprehensive income</b>										
Foreign currency translation differences for foreign operations	-	-	(10,431)	-	-	(10,431)	-	(10,431)	(5,412)	(15,843)
Exchange differences on monetary items forming part of net investment in foreign operation	-	-	(2,030)	-	-	(2,030)	-	(2,030)	-	(2,030)
Net change in fair value of cash flow hedges	-	-	-	4,581	-	4,581	-	4,581	4,644	9,225
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	(2,246)	-	(2,246)	-	(2,246)	(125)	(2,371)
Net change in fair value of available-for-sale financial assets	-	-	-	32,062	-	32,062	-	32,062	2,115	34,177
Defined benefit plan actuarial gains and losses	-	-	-	-	1,630	1,630	-	1,630	-	1,630
Share of other comprehensive of associates and joint ventures	-	-	-	(3,223)	-	(3,223)	-	(3,223)	-	(3,223)
Total other comprehensive income, net of tax	-	-	(12,461)	31,174	1,630	20,343	-	20,343	1,222	21,565
<b>Total comprehensive income</b>	-	-	(12,461)	31,174	365,525	384,238	-	384,238	126,502	510,740
<b>Transactions with owners of the Company, recognised directly in equity</b>										
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	757	757
Share-based payments	-	-	-	12,166	-	12,166	-	12,166	1,547	13,713
Purchase of treasury shares	-	(8,508)	-	-	-	(8,508)	-	(8,508)	-	(8,508)
Treasury shares transferred to employees	-	19,603	-	(18,417)	-	1,186	-	1,186	-	1,186
Treasury shares of a subsidiary	-	-	-	(6,777)	-	(6,777)	-	(6,777)	(4,401)	(11,178)
Realisation of reserve upon sale of investment held for sale	-	-	-	-	-	-	-	-	(4,830)	(4,830)
Perpetual securities distribution paid	-	-	-	-	-	-	(5,041)	(5,041)	-	(5,041)
Accrued perpetual securities distribution	-	-	-	-	(4,491)	(4,491)	4,491	-	-	-
Dividend paid	-	-	-	-	(303,774)	(303,774)	-	(303,774)	(89,061)	(392,835)
Unclaimed dividends	-	-	-	-	4	4	-	4	-	4
<b>Total transactions with owners</b>	-	11,095	-	(13,028)	(308,261)	(310,194)	(550)	(310,744)	(95,988)	(406,732)
<b>At June 30, 2014</b>	565,572	(2,782)	(346,259)	264,591	4,620,400	5,101,522	202,420	5,303,942	1,330,060	6,634,002
<b>3Q14</b>										
<b>Total comprehensive income</b>										
Profit for the period	-	-	-	-	196,583	196,583	-	196,583	65,841	262,424
<b>Other comprehensive income</b>										
Foreign currency translation differences for foreign operations	-	-	14,287	-	-	14,287	-	14,287	7,548	21,835
Exchange differences on monetary items forming part of net investment in foreign operation	-	-	(3,755)	-	-	(3,755)	-	(3,755)	-	(3,755)
Net change in fair value of cash flow hedges	-	-	-	(19,250)	-	(19,250)	-	(19,250)	(5,778)	(25,028)
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	1,909	-	1,909	-	1,909	(71)	1,838
Net change in fair value of available-for-sale financial assets	-	-	-	(46,881)	-	(46,881)	-	(46,881)	(6,097)	(52,978)
Defined benefit plan actuarial gains and losses	-	-	-	-	(2,533)	(2,533)	-	(2,533)	-	(2,533)
Share of other comprehensive of associates and joint ventures	-	-	-	2,705	-	2,705	-	2,705	-	2,705
Total other comprehensive income, net of tax	-	-	10,532	(61,517)	(2,533)	(53,518)	-	(53,518)	(4,398)	(57,916)
<b>Total comprehensive income</b>	-	-	10,532	(61,517)	194,050	143,065	-	143,065	61,443	204,508
<b>Transactions with owners of the Company, recognised directly in equity</b>										
Share-based payments	-	-	-	6,917	-	6,917	-	6,917	2,088	9,005
Treasury shares transferred to employees	-	38	-	(38)	-	-	-	-	-	-
Treasury shares of a subsidiary	-	-	-	162	-	162	-	162	105	267
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	-	-	193,680	193,680
Realisation of reserve when a joint venture became a subsidiary	-	-	37,178	-	-	37,178	-	37,178	-	37,178
Perpetual securities distribution paid	-	-	-	-	-	-	(4,959)	(4,959)	-	(4,959)
Accrued perpetual securities distribution	-	-	-	-	(2,553)	(2,553)	2,553	-	-	-
Dividend paid	-	-	-	-	(89,351)	(89,351)	-	(89,351)	(49,961)	(139,312)
<b>Total transactions with owners</b>	-	38	37,178	7,041	(91,904)	(47,647)	(2,406)	(50,053)	145,912	95,859
<b>At September 30, 2014</b>	565,572	(2,744)	(298,549)	210,115	4,722,546	5,196,940	200,014	5,396,954	1,537,415	6,934,369

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

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

	Attributable to owners of the Company										
	Other reserves					Revenue Reserve	Perpetual Securities	Non-controlling interests		Total Equity	
	Share Capital	Reserve for own shares	Currency Translation Reserve		Others			Total	Total		Total
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			
<b>1H13</b>											
<b>At January 1, 2013</b>	565,572	(8,163)	(331,720)	237,561	4,040,081	4,503,331	-	4,503,331	1,141,096	5,644,427	
<b>Total comprehensive income</b>											
Profit for the period	-	-	-	-	342,245	342,245	-	342,245	117,036	459,281	
<b>Other comprehensive income</b>											
Foreign currency translation differences for foreign operations	-	-	15,922	-	-	15,922	-	15,922	14,141	30,063	
Exchange differences on monetary items forming part of net investment in foreign operation	-	-	661	-	-	661	-	661	-	661	
Net change in fair value of cash flow hedges	-	-	-	789	-	789	-	789	(1,864)	(1,075)	
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	3,497	-	3,497	-	3,497	2,504	6,001	
Net change in fair value of available-for-sale financial assets	-	-	-	(3,435)	-	(3,435)	-	(3,435)	(9,700)	(13,135)	
Defined benefit plan actuarial gains and losses	-	-	-	-	(8,563)	(8,563)	-	(8,563)	-	(8,563)	
Share of other comprehensive of associates and joint ventures	-	-	-	(4,129)	-	(4,129)	-	(4,129)	-	(4,129)	
Total other comprehensive income, net of tax	-	-	16,583	(3,278)	(8,563)	4,742	-	4,742	5,081	9,823	
<b>Total comprehensive income</b>	-	-	16,583	(3,278)	333,682	346,987	-	346,987	122,117	469,104	
<b>Transactions with owners of the Company, recognised directly in equity</b>											
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	8,040	8,040	
Share-based payments	-	-	-	11,666	-	11,666	-	11,666	2,427	14,093	
Purchase of treasury shares	-	(20,620)	-	-	-	(20,620)	-	(20,620)	-	(20,620)	
Treasury shares transferred to employees	-	22,659	-	(21,210)	-	1,449	-	1,449	-	1,449	
Treasury shares of a subsidiary	-	-	-	(8,519)	-	(8,519)	-	(8,519)	(5,537)	(14,056)	
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	(7,611)	(7,611)	
Realisation of reserve upon reclassification of associate to available-for-sale	-	-	-	(21,713)	-	(21,713)	-	(21,713)	-	(21,713)	
Dividend paid	-	-	-	-	(268,035)	(268,035)	-	(268,035)	(90,167)	(358,202)	
<b>Total transactions with owners</b>	-	2,039	-	(39,776)	(268,035)	(305,772)	-	(305,772)	(92,848)	(398,620)	
<b>At June 30, 2013</b>	565,572	(6,124)	(315,137)	194,507	4,105,728	4,544,546	-	4,544,546	1,170,365	5,714,911	
<b>3Q13</b>											
<b>Total comprehensive income</b>											
Profit for the period	-	-	-	-	254,410	254,410	-	254,410	68,203	322,613	
<b>Other comprehensive income</b>											
Foreign currency translation differences for foreign operations	-	-	3,239	-	-	3,239	-	3,239	7,817	11,056	
Exchange differences on monetary items forming part of net investment in foreign operation	-	-	(1,423)	-	-	(1,423)	-	(1,423)	-	(1,423)	
Net change in fair value of cash flow hedges	-	-	-	33,751	-	33,751	-	33,751	12,298	46,049	
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	(342)	-	(342)	-	(342)	85	(257)	
Net change in fair value of available-for-sale financial assets	-	-	-	(8,002)	-	(8,002)	-	(8,002)	(1,450)	(9,452)	
Defined benefit plan actuarial gains and losses	-	-	-	-	836	836	-	836	-	836	
Share of other comprehensive of associates and joint ventures	-	-	-	(785)	-	(785)	-	(785)	-	(785)	
Total other comprehensive income, net of tax	-	-	1,816	24,622	836	27,274	-	27,274	18,750	46,024	
<b>Total comprehensive income</b>	-	-	1,816	24,622	255,246	281,684	-	281,684	86,953	368,637	
<b>Transactions with owners of the Company, recognised directly in equity</b>											
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	124,426	124,426	
Issue of perpetual securities	-	-	-	-	-	-	198,751	198,751	-	198,751	
Share-based payments	-	-	-	4,636	-	4,636	-	4,636	1,370	6,006	
Purchase of treasury shares	-	(3,855)	-	-	-	(3,855)	-	(3,855)	-	(3,855)	
Treasury shares transferred to employees	-	433	-	(321)	-	112	-	112	-	112	
Treasury shares of a subsidiary	-	-	-	62	-	62	-	62	42	104	
Non-controlling interests of subsidiary acquired	-	-	-	-	-	-	-	-	2,136	2,136	
Realisation of reserve upon reclassification of subsidiary to associate	-	-	(2,579)	45,097	-	42,518	-	42,518	(108,483)	(65,965)	
Accrued perpetual securities distribution	-	-	-	-	(1,686)	(1,686)	1,686	-	-	-	
Dividend paid	-	-	-	-	-	-	-	-	(50,560)	(50,560)	
<b>Total transactions with owners</b>	-	(3,422)	(2,579)	49,474	(1,686)	41,787	200,437	242,224	(31,069)	211,155	
<b>At September 30, 2013</b>	565,572	(9,546)	(315,900)	268,603	4,359,288	4,868,017	200,437	5,068,454	1,226,249	6,294,703	



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

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

#### Issued and paid up capital

As at September 30, 2014, the Company's issued and paid up capital excluding treasury shares comprises 1,787,012,491 (December 31, 2013: 1,784,781,629) ordinary shares.

#### Share Options

During 3Q14, nil (3Q13: 47,000) share options under the Company's Share Option Plan ("SOP") were exercised and settled by way of issuance of treasury shares.

As at September 30, 2014, there were 707,674 (September 30, 2013: 1,254,174) unissued ordinary shares under options granted to eligible employees and directors under the Company's SOP.

#### Performance Shares

During 3Q14, nil (3Q13: nil) performance shares were awarded under the Company's Performance Share Plan ("PSP"), nil (3Q13: nil) performance shares were released and nil (3Q13: 15,278) performance shares lapsed.

The total number of performance shares in awards granted conditionally and representing 100% of targets to be achieved, but not released as at September 30, 2014, was 2,004,862 (September 30, 2013: 2,169,723). Based on the multiplying factor, the actual release of the awards could range from zero to a maximum of 3,007,293 (September 30, 2013: 3,254,585) performance shares.

#### Restricted Shares

During 3Q14, nil (3Q13: nil) restricted shares were awarded under the Restricted Share Plan ("RSP"), 7,266 (3Q13: 41,265) restricted shares were released and 84,614 (3Q13: 45,544) restricted shares lapsed.

The total number of restricted shares outstanding, including awards achieved but not released, as at end September 30, 2014 was 7,329,181 (September 30, 2013: 6,966,700). Of this, the total number of restricted shares in awards granted conditionally and representing 100% of targets to be achieved, but not released was 4,378,100 (September 30, 2013: 4,498,700). Based on the multiplying factor, the actual release of the conditional awards could range from zero to a maximum of 6,567,150 (September 30, 2013: 6,748,050) restricted shares.

#### Treasury shares

During 3Q14, the Company acquired nil (3Q13: 785,000) ordinary shares in the Company by way of on-market purchases. 7,266 (3Q13: 88,265) treasury shares were re-issued pursuant to the RSP.

As at September 30, 2014, 535,241 (September 30, 2013: 1,943,603) treasury shares were held that may be re-issued upon the exercise of options under the SOP and upon the vesting of performance shares and restricted shares under the PSP and RSP respectively.



**7. AUDIT**

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

**8. AUDITORS' REPORT**

Not applicable.

**9. ACCOUNTING POLICIES**

Except as disclosed in paragraph 10 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at December 31, 2013.

**10. CHANGES IN ACCOUNTING POLICIES**

The following new/amended FRSs have become effective from January 1, 2014.

FRS 27 (2011)	Separate Financial Statements
FRS 28 (2011)	Investments in Associates and Joint Ventures
FRS 110	Consolidated Financial Statements
FRS 111	Joint Arrangements
FRS 112	Disclosure of Interests in Other Entities
Amendments to FRS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRS 39	Novation of Derivatives and Continuation of Hedge Accounting
Amendments to FRS 110, FRS 111 and FRS 112	Transition Guidance
Amendments to FRS 110, FRS 112 and FRS 27	Investment Entities
INT FRS 121	Levies

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 \$560.5 million in 9M14 compared to 9M13's net profit of \$596.7 million, while turnover increased 5% to \$8.2 billion from \$7.8 billion the previous year. In 3Q14, the Group's net profit was \$196.6 million compared to \$254.4 million in 3Q13, while turnover was increased 3% to \$3.1 billion.

### Turnover

	<u>3Q14</u>	<u>3Q13</u>	<u>Growth</u>		<u>9M14</u>	<u>9M13</u>	<u>Growth</u>	
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Utilities	1,305,733	1,275,984	29,749	2	3,676,821	3,855,391	(178,570)	(5)
Marine	1,711,138	1,657,457	53,681	3	4,385,756	3,830,595	555,161	15
Urban Development	1,410	2,774	(1,364)	(49)	4,805	6,149	(1,344)	(22)
Others/Corporate	51,187	37,779	13,408	36	162,889	131,348	31,541	24
	<b><u>3,069,468</u></b>	<b><u>2,973,994</u></b>	<b><u>95,474</u></b>	<b><u>3</u></b>	<b><u>8,230,271</u></b>	<b><u>7,823,483</u></b>	<b><u>406,788</u></b>	<b><u>5</u></b>

The Utilities' turnover in 3Q14 was higher mainly attributable to Singapore operations' higher gas offtake and steam demand, partially offset by de-consolidation of Salalah and lower High Sulphur Fuel Oil ("HSFO") prices. The lower turnover in 9M14 was lower mainly attributable to de-consolidation of Salalah and Singapore operations' lower electricity sales, lower gas offtake and lower HSFO prices recorded during the period.

Marine's turnover for 3Q14 and 9M14 increased mainly due to the higher revenue recognition for rig building and offshore and conversion projects.

Turnover of Others/Corporate was mainly contributed by a subsidiary dealing in specialised construction activities. Increase in turnover in 3Q14 was mainly due to timing difference in recognition of projects and increase in turnover in 9M14 was mainly due to recognition of projects with higher contract values compared to 9M13.

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

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

	<b>3Q14</b>	<b>3Q13</b>	<b>Growth</b>		<b>9M14</b>	<b>9M13</b>	<b>Growth</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
Utilities	114,153	172,371	(58,218)	(34)	298,550	373,706	(75,156)	(20)
Marine	80,040	78,611	1,429	2	234,105	226,334	7,771	3
Urban Development	4,930	2,305	2,625	114	29,261	12,615	16,646	132
Others/Corporate	(2,540)	1,123	(3,663)	NM	(1,438)	(16,000)	14,562	NM
	<b>196,583</b>	<b>254,410</b>	<b>(57,827)</b>	<b>(23)</b>	<b>560,478</b>	<b>596,655</b>	<b>(36,177)</b>	<b>(6)</b>

The Utilities business' net profit for 3Q14 and 9M14 decreased mainly due to 3Q13 and 9M13 included the gains from the IPO of Salalah, which were offset by an impairment made for operations on Teesside in the UK. Excluding these significant items, the business achieved a 10% net profit growth in 3Q14 from \$103.8 million in 3Q13 and net profit was slightly lower in 9M14 compared to 9M13 of \$305.1 million.

Marine's net profit for 3Q14 and 9M14 increased mainly due to higher operating profit.

Urban Development's business showed an increase of 132% to \$29.3 million in 9M14, due to contributions from its Nanjing Eco Hi-tech Island project in China. 9M13 also included allowance for doubtful debts made by its associated company in China.

Net profit for Others/Corporate was lower in 9M13 mainly due to recognition of fair value loss of \$25.1 million for its then associated company upon shareholding dilution from 23.92% to 11.96%.

## 12. VARIANCE FROM PROSPECT STATEMENT

There is no material change from the previous prospect statement.

## 13. PROSPECTS

### **Utilities**

Competition in the Singapore power market continues to be intense and is expected to affect the performance of the Utilities business. However, contribution from its overseas business is expected to grow. In 2014, the Utilities underlying core business is expected to deliver a steady performance compared to 2013.

Strategically positioned in key emerging markets, the business continues to focus on its significant growth in capacity.

### **Marine**

The Marine business has a net orderbook of S\$12.6 billion with completion and deliveries stretching into 2019. This includes a total of S\$4.2 billion in contracts secured since the start of 2014.

Despite the current low oil price environment, the Marine business believes long-term fundamentals driving the offshore exploration and production (E&P) market remain stable. However, reduction in capex spending could impact new orders and keen competition continues to exert pressure on margins.

The Marine business remains well positioned - having built a broad product offering, a strong execution track record and state-of-the-art facilities at its Sembmarine Integrated Yard @ Tuas. The four new dry docks continue to see high utilisation. Meanwhile, its wholly-owned shipyard in Brazil commenced initial operations in the second half of 2014, with construction completion scheduled for 2015.

### **Urban Development**

The Urban Development business is expected to deliver a comparable performance in 2014, underpinned by land sales in its urban developments in China and Vietnam.

### **Group**

With a strategic presence in key emerging markets, significant growth in capacity and a strong Marine orderbook, Sembcorp is well-positioned to deliver sustainable long-term growth.

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

## 14. DIVIDEND

No interim dividend for the period ended September 30, 2014 is recommended.

## 15. SEGMENTAL REPORTING

### 9M14

#### (i) Operating segments

	Utilities \$'000	Marine \$'000	Urban Development \$'000	Others/ Corporate \$'000	Elimi- nation \$'000	Total \$'000
<b>Turnover</b>						
External sales	3,676,821	4,385,756	4,805	162,889	-	8,230,271
Inter-segment sales	30,602	1,907	3,133	8,982	(44,624)	-
<b>Total</b>	<b>3,707,423</b>	<b>4,387,663</b>	<b>7,938</b>	<b>171,871</b>	<b>(44,624)</b>	<b>8,230,271</b>
<b>Results</b>						
Segment results	332,190	475,666	(3,303)	(6,034)	-	798,519
Finance income	9,243	7,574	65	34,647	(37,689)	13,840
Finance costs	(37,408)	(11,475)	(1,165)	(34,613)	37,689	(46,972)
	<b>304,025</b>	<b>471,765</b>	<b>(4,403)</b>	<b>(6,000)</b>	<b>-</b>	<b>765,387</b>
Share of results of associates and joint ventures	61,963	17,251	35,312	8,293	-	122,819
	<b>365,988</b>	<b>489,016</b>	<b>30,909</b>	<b>2,293</b>	<b>-</b>	<b>888,206</b>
Tax expense	(50,953)	(81,366)	(557)	(3,731)	-	(136,607)
Non-controlling interests	(16,485)	(173,545)	(1,091)	-	-	(191,121)
<b>Net profit for the period</b>	<b>298,550</b>	<b>234,105</b>	<b>29,261</b>	<b>(1,438)</b>	<b>-</b>	<b>560,478</b>
<b>Assets</b>						
Segment assets	7,018,530	7,392,589	280,936	1,669,392	(1,877,097)	14,484,350
Investment in associates and joint ventures	867,157	477,378	531,658	83,027	-	1,959,220
Tax assets	53,392	9,478	207	131	-	63,208
<b>Total assets</b>	<b>7,939,079</b>	<b>7,879,445</b>	<b>812,801</b>	<b>1,752,550</b>	<b>(1,877,097)</b>	<b>16,506,778</b>
<b>Liabilities</b>						
Segment liabilities	4,353,864	4,689,660	167,912	1,580,459	(1,877,097)	8,914,798
Tax liabilities	394,475	246,834	2,250	14,052	-	657,611
<b>Total liabilities</b>	<b>4,748,339</b>	<b>4,936,494</b>	<b>170,162</b>	<b>1,594,511</b>	<b>(1,877,097)</b>	<b>9,572,409</b>
<b>Capital expenditure</b>	<b>347,336</b>	<b>614,047</b>	<b>2,217</b>	<b>654</b>	<b>-</b>	<b>964,254</b>
<b>Significant non-cash items</b>						
Depreciation and amortisation	138,993	84,150	1,129	6,421	-	230,693
Allowance made for impairment in value of assets and assets written off (net)	4,529	76	71	-	-	4,676

#### (ii) Geographical segments

	Revenue		Non-current Assets		Total Assets		Capital Expenditure	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Singapore	3,853,938	47	4,265,743	41	9,401,003	57	328,566	34
Rest of ASEAN, Australia & India	590,058	7	2,731,023	26	3,004,486	18	139,897	14
China	109,804	1	1,353,380	13	1,585,520	10	29,324	3
Middle East & Africa	84,636	1	333,694	3	450,928	3	3,655	-
UK	395,146	5	667,946	6	806,700	5	18,307	2
Rest of Europe	1,651,192	20	227,263	2	243,483	1	-	-
Brazil	-	-	822,356	8	851,568	5	439,294	46
U.S.A.	997,981	12	4,514	-	6,867	-	25	-
Other Countries	547,516	7	131,972	1	156,223	1	5,186	1
<b>Total</b>	<b>8,230,271</b>	<b>100</b>	<b>10,537,891</b>	<b>100</b>	<b>16,506,778</b>	<b>100</b>	<b>964,254</b>	<b>100</b>

## 15. SEGMENTAL REPORTING (Cont'd)

### 9M13

#### (i) Operating segments

	Utilities	Marine	Urban Development	Others/ Corporate	Elimi- nation	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Turnover</b>						
External sales	3,855,391	3,830,595	6,149	131,348	-	7,823,483
Inter-segment sales	33,626	2,539	3,012	25,184	(64,361)	-
<b>Total</b>	<b>3,889,017</b>	<b>3,833,134</b>	<b>9,161</b>	<b>156,532</b>	<b>(64,361)</b>	<b>7,823,483</b>
<b>Results</b>						
Segment results	459,951	461,005	(5,085)	(13,846)	-	902,025
Finance income	7,617	5,150	134	37,819	(41,529)	9,191
Finance costs	(91,392)	(5,843)	(1,026)	(43,424)	41,529	(100,156)
	<b>376,176</b>	<b>460,312</b>	<b>(5,977)</b>	<b>(19,451)</b>	<b>-</b>	<b>811,060</b>
Share of results of associates and joint ventures	59,797	12,619	10,877	8,249	-	91,542
	<b>435,973</b>	<b>472,931</b>	<b>4,900</b>	<b>(11,202)</b>	<b>-</b>	<b>902,602</b>
Tax expense	(42,707)	(81,077)	7,872	(4,796)	-	(120,708)
Non-controlling interests	(19,560)	(165,520)	(157)	(2)	-	(185,239)
<b>Net profit for the period</b>	<b>373,706</b>	<b>226,334</b>	<b>12,615</b>	<b>(16,000)</b>	<b>-</b>	<b>596,655</b>
<b>Assets</b>						
Segment assets	5,019,621	6,615,932	306,446	1,515,641	(1,788,891)	11,668,749
Investment in associates and joint ventures	750,130	464,833	442,190	80,059	-	1,737,212
Tax assets	40,218	3,326	1,560	126	-	45,230
<b>Total assets</b>	<b>5,809,969</b>	<b>7,084,091</b>	<b>750,196</b>	<b>1,595,826</b>	<b>(1,788,891)</b>	<b>13,451,191</b>
<b>Liabilities</b>						
Segment liabilities	2,686,233	4,153,624	160,403	1,310,696	(1,788,891)	6,522,065
Tax liabilities	359,521	260,092	(37)	14,847	-	634,423
<b>Total liabilities</b>	<b>3,045,754</b>	<b>4,413,716</b>	<b>160,366</b>	<b>1,325,543</b>	<b>(1,788,891)</b>	<b>7,156,488</b>
<b>Capital expenditure</b>	<b>239,218</b>	<b>566,371</b>	<b>15</b>	<b>3,630</b>	<b>-</b>	<b>809,234</b>
<b>Significant non-cash items</b>						
Depreciation and amortisation	149,575	75,861	1,065	5,126	-	231,627
Allowance made for impairment in value of assets and assets written off (net)	62,267	99	-	-	-	62,366

#### (ii) Geographical segments

	Revenue		Non-current Assets		Total Assets		Capital Expenditure	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Singapore	3,594,310	46	4,030,295	52	9,166,447	68	504,210	62
Rest of ASEAN, Australia & India	846,806	11	740,304	9	860,187	6	12,831	2
China	106,172	1	1,284,832	17	1,407,101	11	12,455	2
Middle East & Africa	277,236	4	306,994	4	464,595	4	3,469	-
UK	391,212	5	705,205	9	770,285	6	15,808	2
Rest of Europe	1,093,871	14	247,739	3	281,810	2	-	-
Brazil	8,760	-	284,638	4	316,839	2	255,195	31
U.S.A.	1,113,087	14	4,578	-	6,078	-	-	-
Other Countries	392,029	5	154,488	2	177,849	1	5,266	1
<b>Total</b>	<b>7,823,483</b>	<b>100</b>	<b>7,759,073</b>	<b>100</b>	<b>13,451,191</b>	<b>100</b>	<b>809,234</b>	<b>100</b>

## 15. SEGMENTAL REPORTING (Cont'd)

### Notes to Segmental Analysis

#### 15a. Operating Segments

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

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

	3Q14	9M14
	\$'000	\$'000
<b><u>Sale of Goods and Services</u></b>		
Temasek Holdings (Private) Limited and its Associates		
- Mapletree Investments Pte Ltd and its Associates	185	185
- PSA International Pte Ltd and its Associates	1,374	4,120
- Singapore Power Limited and its Associates	570	1,664
- Singapore Technologies Telemedia Pte Ltd and its Associates	120	361
- Temasek Capital (Private) Limited and its Associates	806	2,638
	<hr/>	<hr/>
	3,055	8,968
Starhub Ltd and its Associates	2,692	7,262
SATS Ltd and its Associates	144	144
Singapore Airlines Limited and its Associates	1,467	4,618
Singapore Technologies Engineering Ltd and its Associates	420	420
STATS ChipPAC Ltd and its Associates	41	257
	<hr/>	<hr/>
	7,819	21,669
	<hr/>	<hr/>
<b><u>Purchase of Goods and Services</u></b>		
Temasek Holdings (Private) Limited and its Associates		
- Singapore Power Limited and its Associates	1,186	3,320
- Temasek Capital (Private) Limited and its Associates <sup>1</sup>	272,886	748,491
	<hr/>	<hr/>
	274,072	751,811
Singapore Technologies Engineering Ltd and its Associates	-	315
	<hr/>	<hr/>
	274,072	752,126
	<hr/>	<hr/>
<b><u>Management and Support Services</u></b>		
- Temasek Capital (Private) Limited and its Associates	-	1,595
	<hr/>	<hr/>
<b>Total interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000).</b>	<b>281,891</b>	<b>775,390</b>
	<hr/>	<hr/>

Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)

<b><u>Purchase of Goods and Services</u></b>		
Temasek Holdings (Private) Limited and its Associates		
- MediaCorp Pte Ltd and its Associates	202	202
	<hr/>	<hr/>
<b>Total interested person transactions (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920).</b>	<b>202</b>	<b>202</b>
	<hr/>	<hr/>



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

We, Ang Kong Hua, and Tang Kin Fei, 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 third quarter and nine months ended September 30, 2014 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 third quarter and nine months ended September 30, 2014.

On behalf of the board of directors

**Ang Kong Hua**  
Chairman

**Tang Kin Fei**  
Director

**BY ORDER OF THE BOARD**

**Kwong Sook May (Ms)**  
Company Secretary  
November 6, 2014