



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

**FOURTH QUARTER AND FULL YEAR ENDED DECEMBER 31, 2014 FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT**

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## SEMBCORP INDUSTRIES LTD

### UNAUDITED RESULTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED DECEMBER 31, 2014

The Board of Directors of Sembcorp Industries Ltd wishes to announce the following unaudited results of the Group for the fourth quarter and year ended December 31, 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		
		4Q14 \$'000	4Q13 \$'000	+ / (-) %	FY14 \$'000	FY13 \$'000	+ / (-) %
<b>Turnover</b>	2a	<b>2,664,389</b>	<b>2,974,139</b>	<b>(10.4)</b>	<b>10,894,660</b>	<b>10,797,622</b>	<b>0.9</b>
Cost of sales	2a	<u>(2,240,878)</u>	<u>(2,622,121)</u>	(14.5)	<u>(9,479,983)</u>	<u>(9,502,023)</u>	(0.2)
<b>Gross profit</b>	2a	<b>423,511</b>	<b>352,018</b>	<b>20.3</b>	<b>1,414,677</b>	<b>1,295,599</b>	<b>9.2</b>
General & administrative expenses	2b	(92,067)	(109,785)	(16.1)	(352,486)	(347,378)	1.5
Other income	2c	17,967	19,757	(9.1)	103,611	213,092	(51.4)
Other expense (net)	2d	(9,052)	(3,828)	136.5	(26,924)	(1,126)	NM
Finance income	2e	5,591	7,860	(28.9)	19,431	17,051	14.0
Finance costs	2e	(23,160)	(17,747)	30.5	(70,132)	(117,903)	(40.5)
Share of results of associates and joint ventures, net of tax	2f	<u>35,442</u>	<u>63,482</u>	(44.2)	<u>158,261</u>	<u>155,024</u>	2.1
<b>Profit before tax</b>		<b>358,232</b>	<b>311,757</b>	<b>14.9</b>	<b>1,246,438</b>	<b>1,214,359</b>	<b>2.6</b>
Tax expense	2g	<u>(25,549)</u>	<u>3,554</u>	NM	<u>(162,156)</u>	<u>(117,154)</u>	38.4
<b>Profit for the period / year</b>		<b><u>332,683</u></b>	<b><u>315,311</u></b>	<b>5.5</b>	<b><u>1,084,282</u></b>	<b><u>1,097,205</u></b>	<b>(1.2)</b>
<b>Attributable to:</b>							
Owners of the Company		<b>240,618</b>	<b>223,793</b>	<b>7.5</b>	<b>801,096</b>	<b>820,448</b>	<b>(2.4)</b>
Non-controlling interests		<u>92,065</u>	<u>91,518</u>	0.6	<u>283,186</u>	<u>276,757</u>	2.3
		<b><u>332,683</u></b>	<b><u>315,311</u></b>	<b>5.5</b>	<b><u>1,084,282</u></b>	<b><u>1,097,205</u></b>	<b>(1.2)</b>
<b>Earnings per ordinary share (cents)</b>							
	2h						
- basic		13.33	12.39	7.6	44.31	45.70	(3.0)
- diluted		<u>13.22</u>	<u>12.30</u>	7.5	<u>43.98</u>	<u>45.36</u>	(3.0)
<b>Economic value added</b>							
	2i	<u>174,623</u>	<u>235,590</u>	<b>(25.9)</b>	<u>524,720</u>	<u>619,472</u>	<b>(15.3)</b>

## 2. NOTES TO THE CONSOLIDATED INCOME STATEMENT

### 2a. Turnover, Cost of Sales

	GROUP			GROUP		
	4Q14 \$'000	4Q13 \$'000	+ / (-) %	FY14 \$'000	FY13 \$'000	+ / (-) %
Turnover	2,664,389	2,974,139	(10.4)	10,894,660	10,797,622	0.9
Cost of sales	(2,240,878)	(2,622,121)	(14.5)	(9,479,983)	(9,502,023)	(0.2)
Gross profit	423,511	352,018	20.3	1,414,677	1,295,599	9.2
Included in Cost of sales:-						
Depreciation and amortisation (i)	(79,590)	(67,311)	18.2	(297,088)	(285,944)	3.9
Allowance made for impairment losses						
- property, plant and equipment	-	-	-	-	(60,749)	(100.0)
- inventory obsolescence	(3,093)	(1,819)	70.0	(3,152)	(3,300)	(4.5)

Group turnover – refer to Page 18, note 11.

Group gross profit increased by 20% in 4Q14 against 4Q13 mainly due to higher contribution from Utilities and Marine. Utilities' gross profit was higher in 4Q14 mainly due to lower operating cost from its UK operations. Marine's gross profit was higher in 4Q14 mainly higher contribution from rig building and offshore and conversion projects.

(i) Depreciation and amortisation in 4Q14 was higher mainly due to Utilities and Marine.

### 2b. General & administrative expenses

	GROUP			GROUP		
	4Q14 \$'000	4Q13 \$'000	+ / (-) %	FY14 \$'000	FY13 \$'000	+ / (-) %
General & administrative expenses	(92,067)	(109,785)	(16.1)	(352,486)	(347,378)	1.5
Included in general & administrative expenses:-						
Depreciation and amortisation	(4,551)	(4,355)	4.5	(17,746)	(17,349)	2.3
(Allowance for) / Write-back of doubtful debts and bad debts	(1,250)	(7,157)	(82.5)	766	(5,322)	NM
Impairment loss on re-measurement of investment	-	(4,632)	(100.0)	-	(4,632)	(100.0)
(Allowance for) / Write-back of impairment losses						
- interests in investments	16	(796)	NM	(3,333)	(796)	318.7
- investment properties (i)	3,815	-	NM	3,815	-	NM
Property, plant and equipment and intangible assets written off (ii)	(5,590)	(225)	NM	(5,921)	(641)	823.7

General & administrative expenses for 4Q14 were lower mainly due to Utilities' and Marine's lower personnel related costs.

(i) Write-back impairment losses for investment properties mainly pertained to Urban Development.

(ii) Property, plant and equipment and intangible assets written off was mainly due write-off in UK operations.

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

### 2c. Other income

	GROUP			GROUP		
	4Q14 \$'000	4Q13 \$'000	+ / (-) %	FY14 \$'000	FY13 \$'000	+ / (-) %
Other income	17,967	19,757	(9.1)	103,611	213,092	(51.4)
Included in other income: -						
Dividend income	-	248	(100.0)	1,194	2,476	(51.8)
Gain on disposal of investments	-	-	-	-	39,508	(100.0)
Fair value gain on re-measurement of remaining equity interest in associate	-	-	-	-	79,882	(100.0)
Fair value gain on re-measurement of pre-existing equity interest in joint venture, which became a subsidiary	-	-	-	3,792	-	NM
Gain / (loss) on sale of property, plant and equipment	2,139	(736)	NM	7,247	13,370	(45.8)
Gain on acquisition	-	-	-	13,505	-	NM

### 2d. Other expense (net)

	GROUP			GROUP		
	4Q14 \$'000	4Q13 \$'000	+ / (-) %	FY14 \$'000	FY13 \$'000	+ / (-) %
Other expense (net)	(9,052)	(3,828)	136.5	(26,924)	(1,126)	NM
Included in other expense (net): -						
Changes in fair value of financial instruments (i)	(21,159)	(4,706)	349.6	(11,514)	(6,154)	87.1
Changes in fair value of available-for-sale assets	142	(97)	NM	289	(24,687)	NM
Foreign exchange gain / (loss) (ii)	13,855	2,137	548.3	(9,499)	30,814	NM

- (i) Changes in fair value of financial instruments in 4Q14 was mainly due to Marine's mark-to-market adjustments of foreign currency forward contracts.
- (ii) Foreign exchange gain in 4Q14 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		
	4Q14 \$'000	4Q13 \$'000	+ / (-) %	FY14 \$'000	FY13 \$'000	+ / (-) %
Finance income	5,591	7,860	(28.9)	19,431	17,051	14.0
Finance costs (i)	(23,160)	(17,747)	30.5	(70,132)	(117,903)	(40.5)

- (i) Higher finance costs in 4Q14 was mainly due to Marine's higher bank borrowings.

## 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 4Q14 compared to 4Q13 mainly due to lower contribution from Urban Development's operations in China and lower contribution from Marine's associates.

### 2g. Tax expense

Included in tax expense are the following:	GROUP			GROUP		
	4Q14 \$'000	4Q13 \$'000	+ / (-) %	FY14 \$'000	FY13 \$'000	+ / (-) %
Tax expense						
- Net write-back of tax in respect of prior years (i)	18,514	39,553	(53.2)	19,792	48,738	(59.4)
Deferred tax						
- (Under provision) / Write-back of provision for deferred tax	-	(1,938)	(100.0)	-	11,708	(100.0)

(i) Net write-back of tax in 4Q14 was primarily related to tax incentives recognized by Utilities and Marine upon satisfying the qualifying conditions.

### 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		
	4Q14	4Q13	+ / (-) %	FY14	FY13	+ / (-) %
(i) Based on the weighted average number of shares (in million)	13.33	12.39	7.6	44.31	45.70	(3.0)
- Weighted average number of shares (in million)	1,785.6	1,785.2	0.0	1,786.1	1,786.0	0.0
(ii) On a fully diluted basis (in cents)	13.22	12.30	7.5	43.98	45.36	(3.0)
- Adjusted weighted average number of shares (in million)	1,799.9	1,799.6	0.0	1,799.5	1,799.5	-

### 2i. Economic Value Added

Lower Economic Value Added ("EVA") was reported in 4Q14 due to higher average capital employed for building up of our capacities through capital expenditure and new investments which are either not operating yet or in its early operating stage.

### 2j. Breakdown of sales

	GROUP		
	FY14 \$'000	FY13 \$'000	+ / (-) %
<b><u>First Half Year</u></b>			
(i) Sales reported	5,160,803	4,849,489	6.4
(ii) Profit after tax before deducting non-controlling interests	489,175	459,281	6.5
<b><u>Second Half Year</u></b>			
(iii) Sales reported	5,733,857	5,948,133	(3.6)
(iv) Profit after tax before deducting non-controlling interests	595,107	637,924	(6.7)

### 3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	GROUP		GROUP		
	4Q14	4Q13	FY14	FY13	
Note	\$'000	\$'000	\$'000	\$'000	
<b>Profit for the period</b>	<b>332,683</b>	<b>315,311</b>	<b>1,084,282</b>	<b>1,097,205</b>	
<b>Items that may be reclassified subsequently to profit or loss:</b>					
Foreign currency translation differences for foreign operations	(i)	123,990	(20,001)	129,982	21,118
Exchange differences on monetary items forming part of net investment in foreign operation		3,505	(5,241)	(2,280)	(6,003)
Net change in fair value of cash flow hedges	(ii)	(132,170)	(22,768)	(147,973)	22,206
Net change in fair value of cash flow hedges transferred to profit or loss		19,406	(2,129)	18,873	3,615
Net change in fair value of available-for-sale financial assets	(iii)	(14,771)	(9,337)	(33,572)	(31,924)
Share of other comprehensive income of associates and joint ventures		(8,136)	407	(8,654)	(4,507)
		<u>(8,176)</u>	<u>(59,069)</u>	<u>(43,624)</u>	<u>4,505</u>
<b>Items that may not be reclassified subsequently to profit or loss:</b>					
Defined benefit plan actuarial gains and losses		<u>17,679</u>	<u>(17,412)</u>	<u>16,776</u>	<u>(25,139)</u>
Other comprehensive income for the period, net of tax		<u>9,503</u>	<u>(76,481)</u>	<u>(26,848)</u>	<u>(20,634)</u>
<b>Total comprehensive income for the period / year</b>		<b><u>342,186</u></b>	<b><u>238,830</u></b>	<b><u>1,057,434</u></b>	<b><u>1,076,571</u></b>
<b>Attributable to:</b>					
Owners of the Company		<u>239,360</u>	<u>161,717</u>	<u>766,663</u>	<u>790,388</u>
Non-controlling interests		<u>102,826</u>	<u>77,113</u>	<u>290,771</u>	<u>286,183</u>
<b>Total comprehensive income for the period / year</b>		<b><u>342,186</u></b>	<b><u>238,830</u></b>	<b><u>1,057,434</u></b>	<b><u>1,076,571</u></b>

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

- (i) The movement in foreign currency translation reserves in 4Q14 arose primarily due to appreciation of United States dollar, Renminbi and Indian Rupee against Singapore dollar relative to the rate as at end of previous quarter.
- (ii) The fair value loss of cash flow hedges in 4Q14 was primarily due to changes in fair value on fuel oil swaps due to lower High Sulphur Fuel Oil ("HSFO") prices and changes in fair value on foreign currency forward contracts.
- (iii) Mainly due to changes in mark-to-market value of quoted prices of available-for-sale assets of Marine and Urban Development.

#### 4. BALANCE SHEETS

	GROUP		COMPANY	
	As at 31/12/2014 \$'000	As at 31/12/2013 \$'000	As at 31/12/2014 \$'000	As at 31/12/2013 \$'000
<b>Non-current assets</b>				
Property, plant and equipment	7,725,423	5,126,650	606,245	637,590
Investment properties	23,579	20,954	-	-
Investments in subsidiaries	-	-	1,999,357	1,706,116
Interests in associates and joint ventures	2,074,394	1,852,249	-	-
Other financial assets	314,933	344,181	-	-
Long-term receivables and prepayments	467,340	360,970	14,440	7,223
Intangible assets	390,566	308,223	21,857	21,068
Deferred tax assets	49,706	51,170	-	-
	<u>11,045,941</u>	<u>8,064,397</u>	<u>2,641,899</u>	<u>2,371,997</u>
<b>Current assets</b>				
Inventories and work-in-progress	3,204,912	2,240,655	11,200	10,023
Trade and other receivables	1,200,336	1,140,173	157,075	104,885
Tax recoverable	8,514	6,698	-	-
Assets held for sale	24,437	36,517	-	-
Other financial assets	30,825	9,581	-	-
Cash and cash equivalents	1,661,427	2,255,865	198,395	450,220
	<u>6,130,451</u>	<u>5,689,489</u>	<u>366,670</u>	<u>565,128</u>
<b>Total assets</b>	<u>17,176,392</u>	<u>13,753,886</u>	<u>3,008,569</u>	<u>2,937,125</u>
<b>Current liabilities</b>				
Trade and other payables	2,745,363	2,691,962	286,636	188,396
Excess of progress billings over work-in-progress	1,028,587	1,448,501	5	-
Provisions	73,714	92,347	13,416	20,931
Other financial liabilities	165,930	18,695	1,558	-
Current tax payable	257,826	236,254	41,009	37,970
Interest-bearing borrowings	1,086,003	413,993	8	61
	<u>5,357,423</u>	<u>4,901,752</u>	<u>342,632</u>	<u>247,358</u>
<b>Net current assets</b>	<u>773,028</u>	<u>787,737</u>	<u>24,038</u>	<u>317,770</u>
<b>Non-current liabilities</b>				
Deferred tax liabilities	413,680	371,596	53,298	44,212
Provisions	105,423	101,693	593	593
Other financial liabilities	106,472	56,786	-	-
Retirement benefit obligations	15,658	30,910	-	-
Interest-bearing borrowings	3,648,578	1,485,011	3	12
Other long-term liabilities	296,884	276,144	482,846	462,915
	<u>4,586,695</u>	<u>2,322,140</u>	<u>536,740</u>	<u>507,732</u>
<b>Total liabilities</b>	<u>9,944,118</u>	<u>7,223,892</u>	<u>879,372</u>	<u>755,090</u>
<b>Net assets</b>	<u>7,232,274</u>	<u>6,529,994</u>	<u>2,129,197</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	(130,297)	(101,230)	(22,386)	(18,839)
Revenue reserve	4,978,291	4,563,136	1,383,446	1,432,332
	<u>5,413,566</u>	<u>5,027,478</u>	<u>1,926,632</u>	<u>1,979,065</u>
Perpetual securities	202,565	202,970	202,565	202,970
	<u>5,616,131</u>	<u>5,230,448</u>	<u>2,129,197</u>	<u>2,182,035</u>
<b>Non-controlling interests</b>	1,616,143	1,299,546	-	-
<b>Total equity</b>	<u>7,232,274</u>	<u>6,529,994</u>	<u>2,129,197</u>	<u>2,182,035</u>

**Footnote:**

The Group Balance Sheet as at December 31, 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 31/12/2014 \$'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	545,630	20,561
Unsecured	540,373	393,432
	<u>1,086,003</u>	<u>413,993</u>
<b>(ii) <u>Between one to five years</u></b>		
<b>Interest-bearing borrowings</b>		
Secured	330,041	35,711
Unsecured	1,039,394	653,420
	<u>1,369,435</u>	<u>689,131</u>
<b>(iii) <u>After five years</u></b>		
<b>Interest-bearing borrowings</b>		
Secured	799,841	181,232
Unsecured	1,479,302	614,648
	<u>2,279,143</u>	<u>795,880</u>
Total	<u>4,734,581</u>	<u>1,899,004</u>
<b>(iv) The secured loans are collateralised by the following assets' net book value:-</b>		
	As at 31/12/2014 \$'000	As at 31/12/2013 \$'000
Net assets and equity shares of subsidiaries, and property, plant and equipment	<u>2,323,180</u>	<u>319,732</u>

##### 4b. Net asset value

	Group		Company	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Net asset value per ordinary share based on issued share capital at the end of the financial period (in \$)	3.15	2.93	1.19	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.

"Interests in associates and joint ventures" increased mainly due to Utilities' new investment mainly in India and additional investment in Vietnam as well as share of profits contributed by the associates and joint ventures during the year.

"Long-term receivables and prepayments" increased mainly due to consolidation of TPCIL and a long-term loan due from a joint venture.



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

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

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

###### **Non-current assets (cont'd)**

"Intangible assets increased mainly due to customers' contracts and goodwill arising from acquisitions and Marine's acquisition of intellectual property and proprietary products.

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

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

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

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

"Excess of progress billings over work-in-progress" decreased mainly due to timing of billing for rig building projects.

"Provisions" decreased mainly due to net write-back of provisions made for claims and warranty.

"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.

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

"Deferred tax liabilities" increased mainly due to acquisition of TPCIL and tax effects of capital expenditures incurred.

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

"Retirement benefit obligations" decreased mainly due to write-back of provision for employee benefits from UK operations.

"Interest-bearing borrowings" increased mainly due to consolidation of TPCIL and increase in Marine's borrowings.

###### **Equity**

The deficit in "Other reserves" is increased due to fair value loss on fuel oil swaps and foreign currency forward contracts, and the mark-to-market loss for available-for-sale financial assets in FY14. However, this is partially mitigated by foreign currency translation gain and realisation of reserves when TPCIL became a subsidiary.

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

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

"Investments in subsidiaries" increased mainly due to additional investments in unquoted equity shares of subsidiaries.

"Long-term receivables and prepayments" increased mainly due to increase in long-term debtors.

"Trade and other receivables" increased mainly due to timing of receipts.

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

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

(ii) **Company** (cont'd)

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

“Cash and cash equivalents” decreased mainly due to payment of dividends to shareholders and repayment of amount owing to a wholly owned subsidiary.

“Trade and other payables” increased mainly due to increased borrowings.

“Provisions” decreased mainly due to net write-back of claims upon settlement with customers.

**Non-current liabilities**

“Deferred tax liabilities” increased mainly due to tax effects of capital expenditures incurred.

## 5. CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP		GROUP		
	Note	4Q14 \$'000	4Q13 \$'000	FY14 \$'000	FY13 \$'000
<b>Cash flows from Operating Activities</b>					
Profit for the period / year		332,683	315,311	1,084,282	1,097,205
Adjustments for :					
Dividend		-	(248)	(1,194)	(2,476)
Finance income		(5,591)	(7,860)	(19,431)	(17,051)
Finance costs		23,160	17,747	70,132	117,903
Depreciation and amortisation		84,141	71,666	314,834	303,293
Share of results of associates and joint ventures, net of tax		(35,442)	(63,482)	(158,261)	(155,024)
(Gain) / Loss on disposal of property, plant and equipment		(3,293)	1,094	(4,150)	(13,012)
Loss on disposal of intangible assets		3	-	3	-
Gain on disposal of investment properties		-	(358)	(3,097)	(358)
Gain on disposal of investment in an associate		-	-	-	(39,508)
Fair value gain on re-measurement of remaining equity interest in an associate		-	-	-	(79,882)
Fair value gain on re-measurement of pre-existing equity interest in joint venture, which became a subsidiary		-	-	(3,792)	-
Changes in fair value of financial instruments		21,017	4,803	11,225	30,840
Equity settled share-based compensation expenses		6,980	7,114	29,698	27,213
Allowance made for impairment in value of assets and assets written off (net)		2,348	1,311	7,024	63,677
Impairment loss on remeasurement of investment held for sale		-	4,632	-	4,632
Gain on acquisition		-	-	(13,505)	-
Tax expense		25,549	(3,554)	162,156	117,154
Operating profit before working capital changes		451,555	348,176	1,475,924	1,454,606
Changes in working capital:					
Inventories and work-in-progress		(940,208)	(206,165)	(1,383,998)	(29,191)
Receivables		(4,822)	146,854	(33,015)	45,944
Payables		191,324	(24,488)	2,652	162,857
Tax paid		(302,151)	264,377	61,563	1,634,216
Net cash (outflow) / inflow from operating activities		(313,490)	248,909	(57,416)	1,509,212
<b>Cash flows from Investing Activities</b>					
Dividend received		43,290	44,299	101,958	77,446
Interest received		6,412	8,042	19,840	17,273
Proceeds from sale of investments		-	-	-	6,976
Proceeds from capital reduction in a joint venture		-	-	4,135	-
Proceeds from sale of investment held for sale		-	-	7,250	-
Proceeds from sale of property, plant and equipment		3,523	6,225	7,983	25,019
Proceeds from sale of investment properties		-	493	4,031	493
Proceeds from sale of intangible assets		8	215	14	216
Proceeds from disposal of interests in a subsidiary, net of cash disposed of		1	-	1	8,582
Acquisition of subsidiary, net of cash acquired	5b	-	1,014	61,741	1,014
Acquisition of / additional investments in associates and joint ventures		(77,350)	(101,574)	(303,203)	(284,156)
Acquisition of other financial assets		(284)	(40)	(7,341)	(5,419)
Purchase of property, plant and equipment		(343,488)	(329,756)	(1,306,419)	(1,188,761)
Payment for intangible assets		(3,166)	(5,356)	(31,423)	(9,196)
Net cash outflow from investing activities		(371,054)	(376,438)	(1,441,433)	(1,350,513)
<b>Cash flows from Financing Activities</b>					
Proceeds from share issued to non-controlling interest of a subsidiary		966	1,030	1,723	1,030
Proceeds from share options exercised with issue of treasury shares		37	6	1,223	1,567
Proceeds from share options exercised with issue of treasury shares of a subsidiary		68	(428)	736	414
Purchase of treasury shares		(12,378)	(4,344)	(20,886)	(28,819)
Purchase of treasury shares by subsidiary		-	(5,572)	(11,579)	(20,366)
Proceeds from issue of perpetual securities, net of transaction costs		-	-	-	198,751
Proceeds from borrowings		536,135	438,495	2,292,133	744,683
Repayment of borrowings		(342,455)	(301,690)	(720,900)	(352,187)
Payment on finance leases		(2,595)	(2,678)	(4,131)	(3,308)
Acquisition of non-controlling interests		(26,177)	-	(26,177)	(7,611)
Unclaimed dividends		2	-	2	-
Dividends paid to owners of the Company		1	-	(393,124)	(268,035)
Dividends paid to non-controlling interests of subsidiaries		(6,932)	(3,803)	(145,954)	(144,530)
Perpetual securities distribution paid		-	-	(10,000)	-
Interest paid		(16,935)	(12,327)	(62,426)	(106,344)
Net cash inflow from financing activities		129,737	108,689	900,640	15,245
Net (decrease) / increase in cash and cash equivalents		(554,807)	(18,840)	(598,209)	173,944
<b>Cash and cash equivalents at beginning of the period / year</b>		2,200,752	2,268,670	2,255,865	2,059,800
Effect of exchange rate changes on balances held in foreign currency		13,489	6,035	1,778	22,121
<b>Cash and cash equivalents at end of the period / year</b>		1,659,434	2,255,865	1,659,434	2,255,865

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

5a. **Cash and cash equivalents**

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

	<b>Group</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Fixed deposits with banks	306,151	253,127
Cash and bank balances	1,355,276	2,002,738
Cash and cash equivalents in the balance sheets	1,661,427	2,255,865
Bank overdrafts	(1,993)	-
Cash and cash equivalents in the consolidated statement of cash flows	<u>1,659,434</u>	<u>2,255,865</u>

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

	<b>FY14</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	1,628,635
Intangible assets	39,154
Trade and other receivables	106,226
Tax Recoverable	1,674
Cash and cash equivalents	61,741
Total assets	<u>1,837,430</u>
Trade and other payables	177,457
Deferred tax liabilities	39,338
Retirement benefit obligation	32
Borrowings	1,221,621
Total liabilities	<u>1,438,448</u>
Net identifiable assets	398,982
Less: Non-controlling interests	(186,942)
Add: Goodwill	26,131
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>

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

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

(i) **Fourth Quarter**

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

Net cash outflow from investing activities for 4Q14 was \$371.1 million, mainly for purchase of Marine's property, plant and equipment; and Utilities' equity investment in India. The above cash outflow was partially reduced by dividends received of \$43.3 million.

(ii) **Full Year**

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

Net cash outflow from investing activities for FY14 was \$1,441.4 million, mainly spent on purchase of property, plant and equipment and equity investments. The above cash outflow was partially reduced by dividends received and net cash inflow from acquisition of TPCIL.

(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	Non-controlling		Total equity	
		Reserve for own shares	Currency translation reserve	Others				Total	interests		Total
<b>9M14</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	-	-	-	-	560,478	560,478	-	560,478	191,121	751,599	
<b>Other comprehensive income</b>											
Foreign currency translation differences for foreign operations	-	-	3,856	-	-	3,856	-	3,856	2,136	5,992	
Exchange differences on monetary items forming part of net investment in foreign operation	-	-	(5,785)	-	-	(5,785)	-	(5,785)	-	(5,785)	
Net change in fair value of cash flow hedges	-	-	-	(14,669)	-	(14,669)	-	(14,669)	(1,134)	(15,803)	
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	(337)	-	(337)	-	(337)	(196)	(533)	
Net change in fair value of available-for-sale financial assets	-	-	-	(14,819)	-	(14,819)	-	(14,819)	(3,982)	(18,801)	
Defined benefit plan actuarial gains and losses	-	-	-	-	(903)	(903)	-	(903)	-	(903)	
Share of other comprehensive of associates and joint ventures	-	-	-	(518)	-	(518)	-	(518)	-	(518)	
Total other comprehensive income	-	-	(1,929)	(30,343)	(903)	(33,175)	-	(33,175)	(3,176)	(36,351)	
<b>Total comprehensive income</b>	-	-	(1,929)	(30,343)	559,575	527,303	-	527,303	187,945	715,248	
<b>Transactions with owners of the Company, recognised directly in equity</b>											
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	757	757	
Share-based payments	-	-	-	19,083	-	19,083	-	19,083	3,635	22,718	
Purchase of treasury shares	-	(8,508)	-	-	-	(8,508)	-	(8,508)	-	(8,508)	
Treasury shares transferred to employees	-	19,641	-	(18,455)	-	1,186	-	1,186	-	1,186	
Treasury shares of a subsidiary	-	-	-	(6,615)	-	(6,615)	-	(6,615)	(4,296)	(10,911)	
Non-controlling interests of subsidiary acquired	-	-	-	-	-	-	-	-	193,680	193,680	
Reduction of non-controlling interests upon sale of investment for sale	-	-	37,178	-	-	37,178	-	37,178	-	37,178	
Realisation of reserve upon sale of investment held for sale	-	-	-	-	-	-	-	-	(4,830)	(4,830)	
Perpetual securities distribution paid	-	-	-	-	-	-	(10,000)	(10,000)	-	(10,000)	
Accrued perpetual securities distribution	-	-	-	-	(7,044)	(7,044)	7,044	-	-	-	
Dividend paid	-	-	-	-	(393,125)	(393,125)	-	(393,125)	(139,022)	(532,147)	
Unclaimed dividends	-	-	-	-	4	4	-	4	-	4	
<b>Total transactions with owners</b>	-	11,133	37,178	(5,987)	(400,165)	(357,841)	(2,956)	(360,797)	49,924	(310,873)	
<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	
<b>4Q14</b>											
<b>Total comprehensive income</b>											
Profit for the period	-	-	-	-	240,618	240,618	-	240,618	92,065	332,683	
<b>Other comprehensive income</b>											
Foreign currency translation differences for foreign operations	-	-	94,689	-	-	94,689	-	94,689	29,301	123,990	
Exchange differences on monetary items forming part of net investment in foreign operation	-	-	3,505	-	-	3,505	-	3,505	-	3,505	
Net change in fair value of cash flow hedges	-	-	-	(118,033)	-	(118,033)	-	(118,033)	(14,137)	(132,170)	
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	19,205	-	19,205	-	19,205	201	19,406	
Net change in fair value of available-for-sale financial assets	-	-	-	(10,167)	-	(10,167)	-	(10,167)	(4,604)	(14,771)	
Defined benefit plan actuarial gains and losses	-	-	-	-	17,679	17,679	-	17,679	-	17,679	
Share of other comprehensive of associates and joint ventures	-	-	-	(8,136)	-	(8,136)	-	(8,136)	-	(8,136)	
Total other comprehensive income	-	-	98,194	(117,131)	17,679	(1,258)	-	(1,258)	10,761	9,503	
<b>Total comprehensive income</b>	-	-	98,194	(117,131)	258,297	239,360	-	239,360	102,826	342,186	
<b>Transactions with owners of the Company, recognised directly in equity</b>											
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	966	966	
Share-based payments	-	-	-	5,816	-	5,816	-	5,816	1,164	6,980	
Purchase of treasury shares	-	(12,378)	-	-	-	(12,378)	-	(12,378)	-	(12,378)	
Treasury shares transferred to employees	-	81	-	(44)	-	37	-	37	-	37	
Treasury shares of a subsidiary	-	-	-	1	-	1	-	1	67	68	
Non-controlling interests of subsidiary acquired	-	-	-	-	-	-	-	-	(6,738)	(6,738)	
Acquisition of non-controlling interests	-	-	-	(13,552)	-	(13,552)	-	(13,552)	(12,625)	(26,177)	
Realisation of reserve upon liquidation of subsidiaries	-	-	(106)	-	-	(106)	-	(106)	-	(106)	
Accrued perpetual securities distribution	-	-	-	-	(2,551)	(2,551)	2,551	-	-	-	
Dividend paid	-	-	-	-	1	1	-	1	(6,932)	(6,931)	
Unclaimed dividends	-	-	-	-	(2)	(2)	-	(2)	-	(2)	
<b>Total transactions with owners</b>	-	(12,297)	(106)	(7,779)	(2,552)	(22,734)	2,551	(20,183)	(24,098)	(44,281)	
<b>At December 31, 2014</b>	565,572	(15,041)	(200,461)	85,205	4,978,291	5,413,566	202,565	5,616,131	1,616,143	7,232,274	

## 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										
	Share Capital	Other reserves			Revenue Reserve	Total	Perpetual Securities	Non-controlling		Total Equity	
		Reserve for own shares	Translation Reserve	Others				Total	interests		Total
<b>9M13</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	-	-	-	-	596,655	596,655	-	596,655	185,239	781,894	
<b>Other comprehensive income</b>											
Foreign currency translation differences for foreign operations	-	-	19,161	-	-	19,161	-	19,161	21,958	41,119	
Exchange differences on monetary items forming part of net investment in foreign operation	-	-	(762)	-	-	(762)	-	(762)	-	(762)	
Net change in fair value of cash flow hedges	-	-	-	34,540	-	34,540	-	34,540	10,434	44,974	
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	3,155	-	3,155	-	3,155	2,589	5,744	
Net change in fair value of available-for-sale financial assets	-	-	-	(11,437)	-	(11,437)	-	(11,437)	(11,150)	(22,587)	
Defined benefit plan actuarial gains and losses	-	-	-	-	(7,727)	(7,727)	-	(7,727)	-	(7,727)	
Share of other comprehensive of associates and joint ventures	-	-	-	(4,914)	-	(4,914)	-	(4,914)	-	(4,914)	
Total other comprehensive income	-	-	18,399	21,344	(7,727)	32,016	-	32,016	23,831	55,847	
<b>Total comprehensive income</b>	-	-	18,399	21,344	588,928	628,671	-	628,671	209,070	837,741	
<b>Transactions with owners of the Company, recognised directly in equity</b>											
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	132,466	132,466	
Issue of perpetual securities	-	-	-	-	-	-	198,751	198,751	-	198,751	
Share-based payments	-	-	-	16,302	-	16,302	-	16,302	3,797	20,099	
Purchase of treasury shares	-	(24,475)	-	-	-	(24,475)	-	(24,475)	-	(24,475)	
Treasury shares transferred to employees	-	23,092	-	(21,531)	-	1,561	-	1,561	-	1,561	
Treasury shares of a subsidiary	-	-	-	(8,457)	-	(8,457)	-	(8,457)	(5,495)	(13,952)	
Non-controlling interests of subsidiary acquired	-	-	-	-	-	-	-	-	2,136	2,136	
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)	
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	-	-	-	-	(268,035)	(268,035)	-	(268,035)	(140,727)	(408,762)	
<b>Total transactions with owners</b>	-	(1,383)	(2,579)	9,698	(269,721)	(263,985)	200,437	(63,548)	(123,917)	(187,465)	
<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	
<b>4Q13</b>											
<b>Total comprehensive income</b>											
Profit for the period	-	-	-	-	223,793	223,793	-	223,793	91,518	315,311	
<b>Other comprehensive income</b>											
Foreign currency translation differences for foreign operations	-	-	(15,195)	-	-	(15,195)	-	(15,195)	(4,806)	(20,001)	
Exchange differences on monetary items forming part of net investment in foreign operation	-	-	(5,241)	-	-	(5,241)	-	(5,241)	-	(5,241)	
Net change in fair value of cash flow hedges	-	-	-	(13,580)	-	(13,580)	-	(13,580)	(9,188)	(22,768)	
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	(1,998)	-	(1,998)	-	(1,998)	(131)	(2,129)	
Net change in fair value of available-for-sale financial assets	-	-	-	(9,057)	-	(9,057)	-	(9,057)	(280)	(9,337)	
Defined benefit plan actuarial gains and losses	-	-	-	-	(17,412)	(17,412)	-	(17,412)	-	(17,412)	
Share of other comprehensive of associates and joint ventures	-	-	-	407	-	407	-	407	-	407	
Total other comprehensive income	-	-	(20,436)	(24,228)	(17,412)	(62,076)	-	(62,076)	(14,405)	(76,481)	
<b>Total comprehensive income</b>	-	-	(20,436)	(24,228)	206,381	161,717	-	161,717	77,113	238,830	
<b>Transactions with owners of the Company, recognised directly in equity</b>											
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	1,030	1,030	
Share-based payments	-	-	-	5,711	-	5,711	-	5,711	1,403	7,114	
Purchase of treasury shares	-	(4,344)	-	-	-	(4,344)	-	(4,344)	-	(4,344)	
Treasury shares transferred to employees	-	13	-	(7)	-	6	-	6	-	6	
Treasury shares of a subsidiary	-	-	-	(3,634)	-	(3,634)	-	(3,634)	(2,366)	(6,000)	
Non-controlling interests of subsidiary acquired	-	-	-	-	-	-	-	-	(80)	(80)	
Realisation of reserve upon reclassification of subsidiary to investment held for sale	-	-	2,538	-	-	2,538	-	2,538	-	2,538	
Accrued perpetual securities distribution	-	-	-	-	(2,533)	(2,533)	2,533	-	-	-	
Dividend paid	-	-	-	-	-	-	-	-	(3,803)	(3,803)	
<b>Total transactions with owners</b>	-	(4,331)	2,538	2,070	(2,533)	(2,256)	2,533	277	(3,816)	(3,539)	
<b>At December 31, 2013</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	





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

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

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

As at December 31, 2014, the Company's issued and paid up capital excluding treasury shares comprises 1,784,228,491 (December 31, 2013: 1,784,781,629) ordinary shares.

#### **Share Options**

During 4Q14, 16,000 (4Q13: 2,500) share options under the Company's Share Option Plan ("SOP") were exercised and settled by way of issuance of treasury shares.

As at December 31, 2014, there were 671,299 (December 31, 2013: 1,222,424) unissued ordinary shares under options granted to eligible employees and directors under the Company's SOP.

#### **Performance Shares**

During 4Q14, nil (4Q13: nil) performance shares were awarded under the Company's Performance Share Plan ("PSP"), nil (4Q13: nil) performance shares were released and nil (4Q13: nil) performance shares lapsed.

The total number of performance shares in awards granted conditionally and representing 100% of targets to be achieved, but not released as at December 31, 2014, was 2,004,861 (December 31, 2013: 2,169,723). Based on the multiplying factor, the actual release of the awards could range from zero to a maximum of 3,007,292 (December 31, 2013: 3,254,585) performance shares.

#### **Restricted Shares**

During 4Q14, 6,000 (4Q13: nil) restricted shares were awarded under the Restricted Share Plan ("RSP"), nil (4Q13: nil) restricted shares were released and 2,252 (4Q13: 11,686) restricted shares lapsed.

The total number of restricted shares outstanding, including awards achieved but not released, as at end December 31, 2014 was 7,332,929 (December 31, 2013: 6,955,014). Of this, the total number of restricted shares in awards granted conditionally and representing 100% of targets to be achieved, but not released was 4,383,100 (December 31, 2013: 4,492,000). Based on the multiplying factor, the actual release of the conditional awards could range from zero to a maximum of 6,574,650 (December 31, 2013: 6,738,000) restricted shares.

#### **Treasury shares**

During 4Q14, the Company acquired 2,800,000 (4Q13: 825,000) ordinary shares in the Company by way of on-market purchases. 16,000 (4Q13: 2,500) treasury shares were re-issued pursuant to the SOP.

As at December 31, 2014, 3,319,241 (December 31, 2013: 2,766,103) 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 \$801.1 million in FY14 compared to FY13's net profit of \$820.4 million, while turnover increased 1% to \$10.9 billion from \$10.8 billion the previous year. In 4Q14, the Group's net profit was \$240.6 million compared to \$223.8 million in 4Q13, while turnover decreased 10% to \$2.7 billion.

### Turnover

	<u>4Q14</u>	<u>4Q13</u>	<u>Growth</u>		<u>FY14</u>	<u>FY13</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	1,172,995	1,239,906	(66,911)	(5)	4,849,816	5,095,297	(245,481)	(5)
Marine	1,444,983	1,692,110	(247,127)	(15)	5,830,739	5,522,705	308,034	6
Urban Development	1,734	2,344	(610)	(26)	6,539	8,493	(1,954)	(23)
Others/Corporate	44,677	39,779	4,898	12	207,566	171,127	36,439	21
	<b><u>2,664,389</u></b>	<b><u>2,974,139</u></b>	<b><u>(309,750)</u></b>	<b><u>(10)</u></b>	<b><u>10,894,660</u></b>	<b><u>10,797,622</u></b>	<b><u>97,038</u></b>	<b><u>1</u></b>

The Utilities' turnover in 4Q14 was lower due to lower High Sulphur Fuel Oil ("HSFO") prices. The lower turnover in FY14 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 4Q14 decreased mainly due to lower revenue recognition for rig building projects. Turnover for FY14 increased mainly due to the higher revenue recognition for rig building projects in the first three quarters and offshore and conversion projects.

Turnover of Others/Corporate was mainly contributed by a subsidiary dealing in specialised construction activities. Increase in turnover in 4Q14 and FY14 compared to corresponding periods in 2013 was mainly due to different stages of completion of projects.

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

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

	<u>4Q14</u>	<u>4Q13</u>	<u>Growth</u>		<u>FY14</u>	<u>FY13</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	109,404	76,196	33,208	44	407,954	449,902	(41,948)	(9)
Marine	105,913	110,597	(4,684)	(4)	340,018	336,931	3,087	1
Urban Development	15,081	37,600	(22,519)	(60)	44,342	50,215	(5,873)	(12)
Others/Corporate	10,220	(600)	10,820	NM	8,782	(16,600)	25,382	NM
	<b><u>240,618</u></b>	<b><u>223,793</u></b>	<b><u>16,825</u></b>	<b><u>8</u></b>	<b><u>801,096</u></b>	<b><u>820,448</u></b>	<b><u>(19,352)</u></b>	<b><u>(2)</u></b>

The Utilities business' net profit for 4Q14 increased mainly due to higher contribution from China and UK operations. Net profit for FY14 decreased mainly because FY13 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 7% net profit growth in FY14 from \$381.3 million in FY13.

Marine's net profit for 4Q14 decreased mainly due to write-back of tax in 4Q13 on recognition of tax incentives. Net profit for FY14 increased mainly due to higher operating profit, primarily due to rig building and offshore and conversion projects, despite lower associates and joint ventures contribution. The lower tax expense in FY13 was mainly due to a write-back of tax on recognition of tax incentives.

Urban Development's net profit for 4Q14 decreased mainly due to lower contribution from its Nanjing Eco Hi-tech Island project in China. 4Q13 also included write-back of doubtful debts made by its associated company in China. FY14's lower net profit were mainly due to Gallant Venture's results no longer equity accounted from end April 2013 when the investment was reclassified as available-for-sale financial asset.

Net profit for Others/Corporate increased in 4Q14 mainly due to lower personnel related costs and higher contribution from a subsidiary dealing in specialised construction activities. Net profit for FY13 included 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**

In Singapore, the business environment is expected to be challenging in 2015 with intense competition in the power market as well as low oil prices. Overseas, our 1,320-megawatt power plant in India will commence operations in phases in 2015.

The Utilities business remains focused on operational excellence and efficiency, as well as the execution of its significant pipeline of projects and the pursuit of new growth opportunities to deliver long-term growth.

### **Marine**

With the steep decline in oil prices in the second half of 2014, major oil and gas companies have announced reduced capital expenditure and deferred some of their planned projects. The Marine business continues to face tough competition in upcoming tenders in the offshore exploration and production sectors.

For the ship repair sector, demand for the business' big docks remains strong which would help cushion the impact of weaker demand in the offshore rig building segment.

The business' performance in 2015 will be supported by its orderbook.

### **Urban Development**

The Urban Development business is expected to deliver a steady operating performance in 2015.

### **Group**

Despite the challenges of a low oil price environment and a mixed global economic outlook for 2015, the Group, underpinned by sound business fundamentals and a healthy pipeline of projects, remains committed to delivering long-term value and 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. SUBSEQUENT EVENTS

- (i) On February 13, 2015, a wholly-owned subsidiary has completed acquisition of 60% stake in Green Infra Limited (Green Infra). The total consideration for the stake amounted to INR10,620 million (S\$232.5 million). Green Infra owns 665 megawatts of wind and 35 megawatts of solar assets in operation and under development which are located in southern, western and central regions of India. The acquisition is not expected to have a material impact to the Group in 2015.

15. **DIVIDEND**

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

Name of Dividend	2014 Interim Ordinary Exempt-1-Tier	Proposed 2014 Final Ordinary Exempt-1-Tier	Proposed 2014 Final Bonus Exempt-1-Tier	2014 Total
Dividend Type	Cash	Cash	Cash	Cash
Dividend Amount (cents per shares)	5.0	11.0	-	16.0

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

Name of Dividend	2013 Interim Ordinary Exempt-1-Tier	2013 Final Ordinary Exempt-1-Tier	2013 Final Bonus Exempt-1-Tier	2013 Total
Dividend Type	Cash	Cash	Cash	Cash
Dividend Amount (cents per shares)	-	15.0	2.0	17.0

**(c) Date payable**

The proposed final tax exempt 1-Tier dividend of 11.0 cents per ordinary share, if approved at the AGM to be held on April 21, 2015, will be paid on May 18, 2015.

**(d) Books closure date**

Notice is hereby given that the Register of Members and Share Transfer Books of the Company will be closed on April 28, 2015 to determine the shareholders' entitlements to the proposed dividend. Duly completed transfers of shares received by the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road, #05-01 Singapore 068902, up to 5.00 p.m. on April 27, 2015 (the "Book Closure Date") will be registered to determine shareholders' entitlements to the proposed dividend. Subject as aforesaid, shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on the Book Closure Date will be entitled to the proposed dividend.

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

	FY14 \$'000	FY13 \$'000
Interim ordinary dividend	89,351	-
Final ordinary dividend*	196,265	268,056
Bonus dividend*	-	35,717
Total	285,616	303,773

\*FY14 dividend is estimated based on the share capital of 1,784,228,491 ordinary shares at the end of the financial year.

## 16. SEGMENTAL REPORTING

### FY14

#### (i) Operating segments

	Utilities	Marine	Urban Development	Others/ Corporate	Elimi- nation	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Turnover</b>						
External sales	4,849,816	5,830,739	6,539	207,566	-	10,894,660
Inter-segment sales	41,078	1,856	4,198	10,871	(58,003)	-
<b>Total</b>	<b>4,890,894</b>	<b>5,832,595</b>	<b>10,737</b>	<b>218,437</b>	<b>(58,003)</b>	<b>10,894,660</b>
<b>Results</b>						
Segment results	432,846	707,966	(295)	(1,639)	-	1,138,878
Finance income	13,492	9,711	69	46,612	(50,453)	19,431
Finance costs	(52,634)	(20,960)	(1,746)	(45,245)	50,453	(70,132)
	<b>393,704</b>	<b>696,717</b>	<b>(1,972)</b>	<b>(272)</b>	<b>-</b>	<b>1,088,177</b>
Share of results of associates and joint ventures	89,026	9,859	47,800	11,576	-	158,261
	<b>482,730</b>	<b>706,576</b>	<b>45,828</b>	<b>11,304</b>	<b>-</b>	<b>1,246,438</b>
Tax (expense) / credit	(53,326)	(105,506)	319	(3,643)	-	(162,156)
Non-controlling interests	(21,450)	(261,052)	(1,805)	1,121	-	(283,186)
<b>Net profit for the year</b>	<b>407,954</b>	<b>340,018</b>	<b>44,342</b>	<b>8,782</b>	<b>-</b>	<b>801,096</b>

#### Assets

Segment assets	7,153,442	7,760,835	347,755	1,754,605	(1,972,859)	15,043,778
Investment in associates and joint ventures	933,693	486,251	565,438	89,012	-	2,074,394
Tax assets	49,669	8,247	214	90	-	58,220
<b>Total assets</b>	<b>8,136,804</b>	<b>8,255,333</b>	<b>913,407</b>	<b>1,843,707</b>	<b>(1,972,859)</b>	<b>17,176,392</b>

#### Liabilities

Segment liabilities	4,356,366	4,850,190	169,530	1,869,385	(1,972,859)	9,272,612
Tax liabilities	401,793	254,062	1,375	14,276	-	671,506
<b>Total liabilities</b>	<b>4,758,159</b>	<b>5,104,252</b>	<b>170,905</b>	<b>1,883,661</b>	<b>(1,972,859)</b>	<b>9,944,118</b>

#### Capital expenditure

	503,595	798,499	3,336	2,411	-	<b>1,307,841</b>
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#### Significant non-cash items

Depreciation and amortisation	189,608	115,561	1,441	8,224	-	<b>314,834</b>
Allowance for / (Write-back of) impairment in value of assets and assets written off (net)	10,541	232	(3,749)	-	-	<b>7,024</b>

#### (ii) Geographical segments

	Revenue		Non-current Assets		Total Assets		Capital Expenditure	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Singapore	5,074,017	47	4,197,697	38	9,628,618	56	402,810	31
Rest of ASEAN & Australia	698,344	6	844,871	8	875,032	5	20,303	2
China	162,123	2	1,503,947	14	1,746,961	10	70,617	5
India	22,510	-	2,267,496	20	2,389,553	14	256,060	20
Middle East & Africa	123,201	1	348,903	3	446,370	3	4,733	-
UK	550,908	5	665,287	6	792,988	5	29,165	2
Rest of Europe	2,084,138	19	233,144	2	248,466	1	-	-
Brazil	127,511	1	841,018	8	883,696	5	514,785	39
U.S.A.	1,327,512	12	4,675	-	6,924	-	29	-
Other Countries	724,396	7	138,903	1	157,784	1	9,339	1
<b>Total</b>	<b>10,894,660</b>	<b>100</b>	<b>11,045,941</b>	<b>100</b>	<b>17,176,392</b>	<b>100</b>	<b>1,307,841</b>	<b>100</b>

## 16. SEGMENTAL REPORTING (Cont'd)

### FY13

#### (i) Operating segments

	Utilities	Marine	Urban Development	Others/ Corporate	Elimi- nation	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Turnover</b>						
External sales	5,095,297	5,522,705	8,493	171,127	-	10,797,622
Inter-segment sales	42,316	3,177	4,017	28,834	(78,344)	-
<b>Total</b>	<b>5,137,613</b>	<b>5,525,882</b>	<b>12,510</b>	<b>199,961</b>	<b>(78,344)</b>	<b>10,797,622</b>
<b>Results</b>						
Segment results	532,192	648,816	(4,696)	(16,125)	-	1,160,187
Finance income	12,621	8,200	173	50,850	(54,793)	17,051
Finance costs	(103,713)	(8,072)	(1,372)	(59,539)	54,793	(117,903)
	<b>441,100</b>	<b>648,944</b>	<b>(5,895)</b>	<b>(24,814)</b>	<b>-</b>	<b>1,059,335</b>
Share of results of associates and joint ventures	80,675	11,166	49,833	13,350	-	155,024
	<b>521,775</b>	<b>660,110</b>	<b>43,938</b>	<b>(11,464)</b>	<b>-</b>	<b>1,214,359</b>
Tax (expense) / credit	(47,437)	(72,054)	7,520	(5,183)	-	(117,154)
Non-controlling interests	(24,436)	(251,125)	(1,243)	47	-	(276,757)
<b>Net profit for the year</b>	<b>449,902</b>	<b>336,931</b>	<b>50,215</b>	<b>(16,600)</b>	<b>-</b>	<b>820,448</b>
<b>Assets</b>						
Segment assets	4,914,473	6,798,420	298,631	1,765,401	(1,933,156)	11,843,769
Investment in associates and joint ventures	813,949	461,717	491,591	84,992	-	1,852,249
Tax assets	48,873	7,304	1,560	131	-	57,868
<b>Total assets</b>	<b>5,777,295</b>	<b>7,267,441</b>	<b>791,782</b>	<b>1,850,524</b>	<b>(1,933,156)</b>	<b>13,753,886</b>
<b>Liabilities</b>						
Segment liabilities	2,671,510	4,202,354	167,577	1,507,757	(1,933,156)	6,616,042
Tax liabilities	356,919	236,316	317	14,298	-	607,850
<b>Total liabilities</b>	<b>3,028,429</b>	<b>4,438,670</b>	<b>167,894</b>	<b>1,522,055</b>	<b>(1,933,156)</b>	<b>7,223,892</b>
<b>Capital expenditure</b>	<b>334,846</b>	<b>814,978</b>	<b>214</b>	<b>6,233</b>	<b>-</b>	<b>1,156,271</b>
<b>Significant non-cash items</b>						
Depreciation and amortisation	193,562	101,034	1,474	7,223	-	303,293
Allowance made for impairment in value of assets and assets written off (net)	67,957	268	81	3	-	68,309

#### (ii) Geographical segments

	Revenue		Non-current Assets		Total Assets		Capital Expenditure	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Singapore	4,860,720	45	4,195,254	52	9,402,471	68	706,447	61
Rest of ASEAN & Australia	1,188,744	11	660,930	8	689,358	5	15,711	1
China	150,319	1	1,323,843	16	1,460,577	11	23,223	2
India	43,068	-	93,172	1	144,549	1	311	-
Middle East & Africa	299,696	3	317,692	4	411,913	3	3,999	-
UK	534,982	5	704,383	9	782,333	6	29,913	3
Rest of Europe	1,663,895	16	232,801	3	258,176	2	-	-
Brazil	15,482	-	387,948	5	432,835	3	369,985	32
U.S.A.	1,420,550	13	4,475	-	5,649	-	2	-
Other Countries	620,166	6	143,899	2	166,025	1	6,680	1
<b>Total</b>	<b>10,797,622</b>	<b>100</b>	<b>8,064,397</b>	<b>100</b>	<b>13,753,886</b>	<b>100</b>	<b>1,156,271</b>	<b>100</b>



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

### **Notes to Segmental Analysis**

#### **16a. 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.

#### **16b. Geographical Segments**

The Group operates in ten principal geographical areas: Singapore, Rest of ASEAN & Australia, China, 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.

#### **16c. Review of segment performance**

Please refer to Paragraph 11 for analysis by operating segments.

## 17. INTERESTED PERSON TRANSACTIONS

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

	4Q14	FY14
	\$'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	1,420	1,605
- PSA International Pte Ltd and its Associates	1,576	5,696
- Singapore Power Limited and its Associates	561	2,225
- Singapore Technologies Telemedia Pte Ltd and its Associates	98	459
- Temasek Capital (Private) Limited and its Associates	1,170	3,808
	4,825	13,793
Starhub Ltd and its Associates	2,539	9,801
SATS Ltd and its Associates	43	187
Singapore Airlines Limited and its Associates	1,296	5,914
Singapore Technologies Engineering Ltd and its Associates	125	545
STATS ChipPAC Ltd and its Associates	205	462
	9,033	30,702
<b><u>Purchase of Goods and Services</u></b>		
Temasek Holdings (Private) Limited and its Associates		
- Singapore Power Limited and its Associates	1,200	4,520
- Temasek Capital (Private) Limited and its Associates <sup>1</sup>	228,003	976,494
	229,203	981,014
Singapore Technologies Engineering Ltd and its Associates	136	451
	229,339	981,465
<b><u>Management and Support Services</u></b>		
Temasek Holdings (Private) Limited and its Associates		
- Temasek Capital (Private) Limited and its Associates	-	1,595
	-	1,595
<b>Total interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000).</b>	238,372	1,013,762

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
<b>Total interested person transactions (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920).</b>	-	202

Note:

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

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

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that, to the best of its knowledge, belief and information, none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director or the chief executive officer or substantial shareholder of the Company.

**BY ORDER OF THE BOARD**

**Kwong Sook May (Ms)**  
**Company Secretary**  
**February 17, 2015**