



SEMBCORP INDUSTRIES LTD
Registration Number: 199802418D

FOURTH QUARTER AND FULL YEAR ENDED DECEMBER 31, 2016 FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT

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SEBPCORP INDUSTRIES LTD

UNAUDITED RESULTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED DECEMBER 31, 2016

The Board of Directors of Sembcorp Industries Ltd wishes to announce the following unaudited results of the Group for the fourth quarter and full year ended December 31, 2016.

In March 2016, Sembcorp Marine's (Marine) interest in Gravifloat AS (Gravifloat) was increased from 12% to 56% and Sembcorp Utilities' (Utilities) interest in Sembcorp Gayatri Power Limited (SGPL) was increased from 49% to 65%, and subsequently to 88%. Both Gravifloat and SGPL became subsidiaries of the Group. Consequently, Gravifloat and SGPL's financials were consolidated into the Group's financial statements. In August 2016, Marine acquired a 100% interest in LMG Marin AS (LMG). Consequently, LMG's financials were consolidated into the Group's financial statements.

1. GROUP INCOME STATEMENT

	Note	GROUP			GROUP		
		4Q16 \$'000	4Q15 \$'000	+ / (-) %	FY16 \$'000	FY15 \$'000	+ / (-) %
Turnover	2a	2,025,788	2,419,135	(16.3)	7,907,048	9,544,621	(17.2)
Cost of sales	2a	(1,775,527)	(2,618,773)	(32.2)	(6,801,916)	(8,812,960)	(22.8)
Gross profit	2a	250,261	(199,638)	NM	1,105,132	731,661	51.0
General & administrative expenses	2b	(91,933)	(229,156)	(59.9)	(360,827)	(524,373)	(31.2)
Other income	2c	62,470	406,801	(84.6)	145,060	531,950	(72.7)
Other expense (net)	2d	23,166	(58,256)	NM	(105,457)	(113,959)	(7.5)
Finance income	2e	7,073	12,723	(44.4)	30,418	32,856	(7.4)
Finance costs	2e	(133,762)	(85,273)	56.9	(402,009)	(237,984)	68.9
Share of results of associates and joint ventures, net of tax	2f	47,933	(113,526)	NM	125,121	6,199	NM
Profit / (loss) before tax		165,208	(266,325)	NM	537,438	426,350	26.1
Tax (expense) / credit	2g	(12,241)	120,580	NM	(100,284)	28,052	NM
Profit / (loss) for the period		152,967	(145,745)	NM	437,154	454,402	(3.8)
Attributable to:							
Owners of the Company		147,464	60,778	142.6	394,889	548,855	(28.1)
Non-controlling interests		5,503	(206,523)	NM	42,265	(94,453)	NM
		152,967	(145,745)	NM	437,154	454,402	(3.8)
Earnings per ordinary share (cents)							
	2h						
- basic		7.71	2.86	169.0	19.92	29.17	(31.7)
- diluted		7.64	2.83	170.0	19.75	28.95	(31.8)

2. NOTES TO THE CONSOLIDATED INCOME STATEMENT

2a. Turnover, Cost of Sales

	GROUP			GROUP		
	4Q16 \$'000	4Q15 \$'000	+ / (-) %	FY16 \$'000	FY15 \$'000	+ / (-) %
Turnover	2,025,788	2,419,135	(16.3)	7,907,048	9,544,621	(17.2)
Cost of sales	(1,775,527)	(2,618,773)	(32.2)	(6,801,916)	(8,812,960)	(22.8)
Gross profit	250,261	(199,638)	NM	1,105,132	731,661	51.0
Included in Cost of sales:-						
Depreciation and amortisation	(i) (125,452)	(108,595)	15.5	(433,409)	(383,964)	12.9
Allowance made for impairment losses, net						
- property, plant and equipment	-	(70,450)	NM	-	(70,450)	NM
- inventory obsolescence	(ii) (2,468)	(514)	380.2	(3,080)	(2,492)	23.6
Property, plant and equipment written off	(881)	(682)	29.2	(1,481)	(1,206)	22.8
Work-in-progress written down	-	(85,474)	NM	-	(85,518)	NM
Provision for foreseeable losses on contracts work-in-progress	-	(277,961)	NM	-	(277,961)	NM

Group turnover – refer to Page 20, note 11.

In 4Q16, Group reported a gross profit of \$250.3 million compared to a gross loss of \$199.6 million in 4Q15. Gross profit for 4Q16 increased mainly due to higher contribution from Utilities' India operations and Marine. In 4Q15, Marine reported gross loss, mainly due to write-down of inventories and work-in-progress and provision for foreseeable losses for rig building projects.

- (i) Depreciation and amortisation in 4Q16 was higher mainly due to depreciation of Marine's new yards and amortization of newly acquired intangible property rights of Gravifloat and LMG.
- (ii) Inventory obsolescence arose mainly from Utilities' Singapore operations due to lower utilization of spares as a result of plant optimization.

2b. General & administrative expenses

	GROUP			GROUP		
	4Q16 \$'000	4Q15 \$'000	+ / (-) %	FY16 \$'000	FY15 \$'000	+ / (-) %
General & administrative expenses	(91,933)	(229,156)	(59.9)	(360,827)	(524,373)	(31.2)
Included in general & administrative expenses:-						
Depreciation and amortisation	(5,962)	(7,360)	(19.0)	(20,304)	(20,997)	(3.3)
Allowance for doubtful debts and bad debts, net	(i) (8,476)	(174,640)	(95.1)	(4,671)	(201,470)	(97.7)
(Allowance for) / Write-back of impairment losses						
- interests in associate	(ii) (2,120)	-	NM	(2,120)	-	NM
- fixed assets and intangible assets	(iii) 6,707	(21)	NM	6,707	(21)	NM
Intangible assets written off	(63)	-	NM	(8,306)	-	NM
Property, plant and equipment written off	(1,379)	(71)	NM	(2,008)	(111)	NM

General & administrative expenses for 4Q16 were lower mainly due to lower allowance for doubtful debts. 4Q16 also included refinancing costs for Thermal Powertech Corporation India Limited (TPCIL).

- (i) Allowance for doubtful debts and bad debts in 4Q16 mainly pertained to Utilities' India operations and Marine. 4Q15 included Marine's allowance made for rig building contracts and from Utilities' exiting of chemical feedstock business in Singapore.
- (ii) Allowance made for impairment losses for interests in associate pertained to Marine.
- (iii) Write-back of impairment of Utilities UK's fixed assets consequent to the extension of customers' contracts.

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

2c. Other income

	GROUP			GROUP		
	4Q16 \$'000	4Q15 \$'000	+ / (-) %	FY16 \$'000	FY15 \$'000	+ / (-) %
Other income	62,470	406,801	(84.6)	145,060	531,950	(72.7)
Included in other income: -						
Dividend income	275	279	-	275	1,026	(73.2)
Fair value gain on re-measurement of pre-existing equity interest in joint venture and available-for-sale financial asset (AFS), which became subsidiaries, see Note 5(b)	(i) (2,968)	-	-	7,734	-	NM
Gain on disposal of subsidiary	(ii) -	-	-	-	72,409	(100.0)
Gain on disposal of joint ventures / associate	(iii) 34,572	353,157	-	34,758	353,157	(90.2)
Gain on disposal of other financial assets	849	1,286	(34.0)	2,796	2,453	14.0
Gain on disposal of investment held for sale	-	-	-	3,820	-	NM
(Loss) / Gain on sale of property, plant and equipment and investment property	(11)	3,137	NM	73	3,644	(98.0)
Negative goodwill	2,795	-	NM	2,858	-	NM
Settlement amounts from customers	-	24,150	(100.0)	-	24,150	(100.0)

- (i) 4Q16 amount relates to net final adjustment to the fair value gain on re-measurement of the Group's step-up acquisition for SGPL and Gravifloat.
- (ii) Gain on disposal of subsidiary for FY15 pertained to the gain on sale of Sembcorp Bournemouth Water Investment (SBWI) and Zhumadian China Water Co (ZMD).
- (iii) Gain on disposal of joint ventures in 4Q16 was mainly from Utilities' disposal of its entire 49% in Yancheng China Water Co (Yancheng). Gain on disposal of associate in 4Q15 was from the sale of SembSita Pacific Pte Ltd (SembSita).

2d. Other expense (net)

	GROUP			GROUP		
	4Q16 \$'000	4Q15 \$'000	+ / (-) %	FY16 \$'000	FY15 \$'000	+ / (-) %
Other income / (expense) (net)	23,166	(58,256)	NM	(105,457)	(113,959)	(7.5)
Included in other expense (net): -						
Changes in fair value of financial instruments	(i) (33,224)	(353)	NM	(31,070)	(42,126)	(26.2)
Changes in fair value of available-for-sale assets	(ii) (14,749)	(36,159)	(59.2)	(78,938)	(53,222)	48.3
Foreign exchange gain / (loss)	(iii) 74,133	(20,962)	NM	9,228	(14,728)	NM

- (i) Changes in fair value of financial instruments in 4Q16 was mainly due to mark-to-market adjustments of foreign currency forward contracts.
- (ii) Changes in fair value of available-for-sale assets in 4Q16 included predominantly impairment of the available-for-sale financial assets, Gallant Venture of \$5.8 million and Marine's available-for-sale financial assets.
- (iii) Foreign exchange gain in 4Q16 arose mainly from Marine's revaluation of assets denominated in United States dollar and Pounds sterling to Singapore dollar against the foreign exchange rate as at the previous quarter.

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

2e. Finance income and finance costs

		GROUP			GROUP		
		4Q16 \$'000	4Q15 \$'000	+ / (-) %	FY16 \$'000	FY15 \$'000	+ / (-) %
Finance income	(i)	7,073	12,723	(44.4)	30,418	32,856	(7.4)
Finance costs	(ii)	(133,762)	(85,273)	56.9	(402,009)	(237,984)	68.9

- (i) Lower finance income in 4Q16 was mainly due to Marine.
- (ii) Higher finance costs in 4Q16 was mainly due to Utilities' India thermal power plants which achieved commercial operation in phases and finance costs were no longer capitalized but expensed to profit or loss, and included other charges relating to TPCIL's refinancing. Higher finance costs in 4Q16 was also due to Marine's higher bank borrowings.

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

The Group recorded higher share of profit from associates and joint ventures in 4Q16 compared to 4Q15 mainly due to Marine. In 4Q15, Marine reported a higher share of losses from its associate, Cosco Shipyard Group Co. Ltd (CSG), resulting from the write-downs of certain inventory and provisions for impairment of trade receivables for certain contracts. CSG was reclassified as assets held for sale from October 1, 2016, and the Group only equity accounted for the result of nine months during FY16.

The higher share of profit in 4Q16 was also due to Utilities' higher share of results from its newly acquired Chongqing Songzao Sembcorp Electric Power Co and higher contribution from Urban Development's China operations.

2g. Tax expense

		GROUP			GROUP		
		4Q16 \$'000	4Q15 \$'000	+ / (-) %	FY16 \$'000	FY15 \$'000	+ / (-) %
Tax (expense) / credit	(i)	(12,241)	120,580	NM	(100,284)	28,052	NM
<i>Included in tax expense:-</i>							
Tax expense							
- Net write-back of tax in respect of prior years	(ii)	20,205	22,355	(9.6)	21,940	34,440	(36.3)

- (i) The effective tax rate in 4Q16 was low because of the write-back of tax in respect of prior years. Without the write-back, the effective tax rate in 4Q16 and FY16 were higher mainly because income from overseas were subjected to higher tax rate and no tax benefit recognized for losses from Utilities' India operations. In FY16, the higher effective tax rate was also due to non-tax deductibility for the impairment of Group's available-for-sale financial assets.
- (ii) Net write-back of tax in 4Q16 and 4Q15 was primarily due to Marine's recognition of tax incentives.

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

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		
	4Q16	4Q15	+ / (-) %	FY16	FY15	+ / (-) %
(i) Based on the weighted average number of shares (in cents) - Weighted average number of shares (in million)	7.71 1,786.1	2.86 1,785.5	169.1 0.0	19.92 1,786.6	29.17 1,785.8	(31.7) 0.0
(ii) On a fully diluted basis (in cents) - Adjusted weighted average number of shares (in million)	7.64 1,803.4	2.83 1,800.4	170.0 0.2	19.75 1,802.2	28.95 1,799.4	(31.8) 0.2

2i. Breakdown of sales

	GROUP		
	FY16 \$'000	FY15 \$'000	+ / (-) %
<u>First Half Year</u>			
(i) Sales reported	3,741,728	4,726,025	(20.8)
(ii) Profit after tax before deducting non-controlling interests	225,803	460,821	(51.0)
<u>Second Half Year</u>			
(iii) Sales reported	4,165,320	4,818,596	(13.6)
(iv) Profit / (Loss) after tax before deducting non-controlling interests	211,351	(6,419)	NM

3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	GROUP		GROUP	
		4Q16 \$'000	4Q15 \$'000	FY16 \$'000	FY15 \$'000
Profit for the period		152,967	(145,745)	437,154	454,402
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation differences for foreign operations	(i)	168,380	(15,284)	(41,597)	116,765
Exchange differences on monetary items forming part of net investment in foreign operation		7,182	(366)	9,893	765
Net change in fair value of cash flow hedges	(ii)	7,495	(24,327)	85,901	(77,122)
Net change in fair value of cash flow hedges reclassified to profit or loss		405	37,007	42,091	113,230
Net change in fair value of available-for-sale financial assets		2,847	19,397	(19,328)	(2,940)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	(iii)	9,544	34,514	8,337	51,569
Share of other comprehensive income of associates and joint ventures	(iv)	34,332	30,178	18,376	(23,835)
		<u>230,185</u>	<u>81,119</u>	<u>103,673</u>	<u>178,432</u>
Items that may not be reclassified subsequently to profit or loss:					
Defined benefit plan actuarial (losses) and gains		79	(2,311)	(199)	(6,229)
Other comprehensive income for the period, net of tax		<u>230,264</u>	<u>78,808</u>	<u>103,474</u>	<u>172,203</u>
Total comprehensive income for the period		<u>383,231</u>	<u>(66,937)</u>	<u>540,628</u>	<u>626,605</u>
Attributable to:					
Owners of the Company		347,035	120,420	484,112	684,792
Non-controlling interests		36,196	(187,357)	56,516	(58,187)
Total comprehensive income for the period		<u>383,231</u>	<u>(66,937)</u>	<u>540,628</u>	<u>626,605</u>

3a. Notes to Consolidated Statement of Comprehensive Income

- (i) The movement in foreign currency translation reserves in 4Q16 arose primarily due to appreciation of United States dollar and Indian Rupee against Singapore dollar relative to the rate as at end of previous quarter.
- (ii) The fair value changes of cash flow hedges in 4Q16 was primarily due to changes in fair value on fuel oil swaps, foreign currency forward contract and interest rate swaps.
- (iii) Mainly reclassification to profit or loss on impairment of the Group's available-for-sale financial assets.
- (iv) Mainly due to share of associate's and joint venture's hedging gain in UK and Middle East.

4. BALANCE SHEETS

	GROUP		COMPANY	
	As at 31/12/2016 \$'000	As at 31/12/2015 \$'000	As at 31/12/2016 \$'000	As at 31/12/2015 \$'000
Non-current assets				
Property, plant and equipment	11,225,917	8,685,182	498,385	529,691
Investment properties	61,264	21,081	-	-
Investments in subsidiaries	-	-	2,444,010	2,472,184
Interests in associates and joint ventures	1,745,749	2,349,257	-	-
Other financial assets	200,905	283,558	-	-
Trade and other receivables	734,123	450,548	205,843	143,757
Tax recoverable	9,529	6,938	-	-
Intangible assets	636,997	442,956	23,103	22,224
Deferred tax assets	51,520	68,283	-	-
	<u>14,666,004</u>	<u>12,307,803</u>	<u>3,171,341</u>	<u>3,167,856</u>
Current assets				
Inventories and work-in-progress	3,466,280	4,232,509	10,615	12,341
Trade and other receivables	1,958,030	1,567,557	171,028	137,077
Tax recoverable	15,703	9,726	-	-
Assets held for sale	182,215	41,803	-	5,893
Other financial assets	119,456	149,606	-	-
Cash and cash equivalents	1,882,547	1,606,488	389,905	325,831
	<u>7,624,231</u>	<u>7,607,689</u>	<u>571,548</u>	<u>481,142</u>
Total assets	<u>22,290,235</u>	<u>19,915,492</u>	<u>3,742,889</u>	<u>3,648,998</u>
Current liabilities				
Trade and other payables	3,398,015	3,387,921	138,057	131,073
Excess of progress billings over work-in-progress	223,073	320,151	-	-
Provisions	42,419	58,664	14,874	22,486
Liabilities held for sale	-	5,430	-	-
Other financial liabilities	36,976	181,471	326	-
Current tax payable	189,471	191,785	47,938	46,671
Interest-bearing borrowings	2,125,587	1,800,607	-	3
	<u>6,015,541</u>	<u>5,946,029</u>	<u>201,195</u>	<u>200,233</u>
Net current assets	<u>1,608,690</u>	<u>1,661,660</u>	<u>370,353</u>	<u>280,909</u>
Non-current liabilities				
Deferred tax liabilities	402,431	319,605	60,501	53,987
Provisions	92,547	58,742	10,661	593
Other financial liabilities	256,654	258,880	-	-
Retirement benefit obligations	6,565	8,891	-	-
Interest-bearing borrowings	7,095,717	5,032,342	-	-
Other long-term payables	258,066	247,509	281,910	283,572
	<u>8,111,980</u>	<u>5,925,969</u>	<u>353,072</u>	<u>338,152</u>
Total liabilities	<u>14,127,521</u>	<u>11,871,998</u>	<u>554,267</u>	<u>538,385</u>
Net assets	<u>8,162,714</u>	<u>8,043,494</u>	<u>3,188,622</u>	<u>3,110,613</u>
Equity attributable to owners of the Company:-				
Share capital	565,572	565,572	565,572	565,572
Other reserves	(52,147)	(142,938)	(6,721)	(13,660)
Revenue reserve	5,384,897	5,207,742	1,826,675	1,756,013
	<u>5,898,322</u>	<u>5,630,376</u>	<u>2,385,526</u>	<u>2,307,925</u>
Perpetual securities	803,096	802,688	803,096	802,688
	<u>6,701,418</u>	<u>6,433,064</u>	<u>3,188,622</u>	<u>3,110,613</u>
Non-controlling interests	<u>1,461,296</u>	<u>1,610,430</u>	<u>-</u>	<u>-</u>
Total equity	<u>8,162,714</u>	<u>8,043,494</u>	<u>3,188,622</u>	<u>3,110,613</u>

Footnote:

The Group Balance Sheet as at December 31, 2016, included the consolidation of Gravifloat, SGPL and LMG, which became subsidiaries in March 2016 and August 2016 (Note 5b).

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

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

	As at 31/12/2016 \$'000	As at 31/12/2015 \$'000
Amount repayable:		
(i) <u>In one year or less, or on demand</u>		
Interest-bearing borrowings		
Secured	548,509	794,434
Unsecured	<u>1,577,078</u>	<u>1,006,173</u>
	<u>2,125,587</u>	<u>1,800,607</u>
(ii) <u>Between one to five years</u>		
Interest-bearing borrowings		
Secured	948,288	541,061
Unsecured	<u>3,094,717</u>	<u>2,415,966</u>
	<u>4,043,005</u>	<u>2,957,027</u>
(iii) <u>After five years</u>		
Interest-bearing borrowings		
Secured	2,272,275	921,322
Unsecured	<u>780,437</u>	<u>1,153,993</u>
	<u>3,052,712</u>	<u>2,075,315</u>
Total	<u>9,221,304</u>	<u>6,832,949</u>
(iv) The secured loans are collateralised by the following assets' net book value:-		
	As at 31/12/2016 \$'000	As at 31/12/2015 \$'000
Net assets and equity shares of subsidiaries, property, plant and equipment, and other assets	<u>6,863,426</u>	<u>3,928,992</u>

4b. **Net asset value**

	Group		Company	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Net asset value per ordinary share based on issued share capital at the end of the financial period (in \$)	3.75	3.60	1.79	1.74

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

Significant variances for balance sheets items are explained as follows:

(i) **Group**

Non-current assets

"Property, plant and equipment" increased mainly due to consolidation of Sembcorp Gayatri Power Limited (SGPL) and increased in capital work-in-progress mainly for Utilities' power and water plants and Marine's Tuas and Brazil yards.

"Investment properties" increased primarily due to Urban Development's Riverside Quay in Nanjing.

"Interests in associates and joint ventures" decreased primarily due to SGPL becoming a subsidiary in March 2016 and Marine's reclassification of investment in Cosco Shipyard Group Co., Ltd (CSG) to assets held for sale, when Marine has entered into a sale and purchase agreement to dispose its entire stake in CSG.

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

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

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

Non-current assets (cont'd)

“Other financial assets” decreased mainly due to impairment of Gallant Venture and Marine’s fair value adjustments of quoted equity shares and foreign currency forward contracts.

“Trade and other receivables” increased mainly due to Utilities’ Myanmar project which is under service concession.

“Tax recoverable” increased mainly due to Utilities’ India operations.

“Intangible assets” increased mainly due to Marine’s acquisition of Gravifloat AS and LMG Marin AS during the year.

“Deferred tax assets” decreased mainly due to Marine’s utilisation of tax credit.

Net current assets

“Inventories and work-in-progress” comprised mainly Marine’s work-in-progress, and the recoverability of work-in-progress from the rig building segment is dependent on the customers taking delivery of the rigs in the future. The work-in-progress decreased mainly due to the successful deliveries of jack-up rigs.

“Trade and other receivables” increased mainly due to Utilities’ India operations and dividend receivable from a previous non-derivative financial asset.

“Tax recoverable” increased mainly due to Marine’s receivable from tax authorities during the year.

“Assets held for sale” increased primarily due to Marine’s reclassification of Cosco Shipyard Group (CSG) from investment in associates.

“Other financial assets” decreased mainly due to transfer of rights and interests in an investment in equity shares of a company in China, based on the joint investment agreement.

“Cash and cash equivalents” increased mainly due to Marine’s proceeds from borrowings.

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

“Provisions” decreased mainly due to Utilities’ write-back of claims and Marine’s lower warranty allowance.

“Liabilities held for sale” decreased primarily due to the divestment of Sembcorp Air Products (SembAP) in January 2016.

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

“Interest-bearing borrowings” increased mainly due to Marine’s borrowings for working capital.

Non-current liabilities

“Deferred tax liabilities” increased mainly due to tax effects of fair value adjustments on foreign currency forward contracts and fuel oil swaps and movement in temporary differences.

“Provisions” increased mainly due to Utilities provision for site restoration cost and Marine’s allowance made for warranty.

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

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

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

Non-current liabilities (cont'd)

“Retirement benefit obligations” decreased mainly due to employee benefits paid to employees from UK operations.

“Interest bearing borrowings” increased mainly due to consolidation of SGPL, increased in Marine’s borrowings for working capital and capital expenditures, and refinancing of short-term borrowings to long-term borrowings.

Equity

The deficit in “Other reserves” decreased primarily due to fair value adjustments on foreign currency forward contracts and fuel oil swaps, partially offset by foreign currency translation loss mainly arising from the depreciation of Renminbi against Singapore dollar.

(ii) **Company**

Non-current assets

“Trade and other receivables” increased mainly due to long-term funding extended to a wholly owned subsidiary.

Net current assets

“Trade and other receivables” increased mainly due to unbilled receivables and recoverables from subsidiaries.

“Assets held for sale” decreased primarily due to the divestment of its plant and machinery in January 2016.

“Cash and cash equivalents” increased mainly due to receipt from a subsidiary for a capital reduction.

Non-current liabilities

“Provisions” increased mainly due to provision for restoration costs.

5. CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	GROUP		GROUP	
		4Q16 \$'000	4Q15 \$'000	FY16 \$'000	FY15 \$'000
Cash flows from Operating Activities					
Profit for the period / year		152,967	(145,745)	437,154	454,402
Adjustments for :					
Dividend		(275)	(279)	(275)	(1,026)
Finance income		(7,073)	(12,723)	(30,418)	(32,856)
Finance costs		133,762	85,273	402,009	237,984
Depreciation and amortisation		131,414	115,955	453,713	404,961
Share of results of associates and joint ventures, net of tax		(47,933)	113,526	(125,121)	(6,199)
Gain on disposal of property, plant and equipment and other financial assets		(838)	(1,440)	(2,869)	(3,114)
(Gain) / Loss on disposal of intangible assets		-	-	(1)	9
Gain on disposal of investment properties		-	(2,983)	-	(2,983)
Gain on disposal of investment in joint venture and associate		(34,572)	(353,157)	(34,758)	(353,157)
Gain on disposal of assets held for sale		-	-	(3,820)	-
Gain on disposal of investments in subsidiary		-	-	-	(72,409)
Fair value gain on re-measurement of pre-existing equity investments in joint venture and available-for-sale financial asset, which became subsidiaries		2,968	-	(7,734)	-
Changes in fair value of financial instruments		33,224	2,006	31,070	43,779
Equity settled share-based compensation expenses		532	3,242	18,807	22,894
Allowance made for impairment loss in value of assets and assets written off (net)		11,380	106,084	85,041	123,711
Negative goodwill		(2,796)	-	(2,858)	-
Allowance for doubtful debts		5,540	171,393	1,735	198,223
Bad debts written off		2,936	3,247	2,936	3,247
Work-in-progress written-down		-	85,518	-	85,518
Provision made for foreseeable losses on contracts work-in-progress		-	277,961	-	277,961
Tax expense / (credit)		12,241	(120,580)	100,284	(28,052)
Operating profit before working capital changes		393,477	327,298	1,324,895	1,352,893
Changes in working capital:					
Inventories and work-in-progress		(285,327)	(1,166,685)	662,184	(2,101,118)
Receivables		(29,070)	(296,624)	(618,624)	(455,306)
Payables		(276,769)	623,460	(410,568)	649,458
Tax paid		(197,689)	(512,551)	957,887	(554,073)
Net cash flow (used in) / from operating activities		(221,031)	(541,906)	872,074	(703,833)
Cash flows from Investing Activities					
Dividend received		47,604	20,058	94,239	59,547
Interest received		10,051	11,873	27,912	29,659
Proceeds from sale of assets held for sale, net of cash disposed of		-	-	22,894	-
Proceeds from disposal of interests in joint venture and associate		134	487,929	584	487,929
Proceeds from sale of other financial assets		194,005	159,947	223,117	169,767
Proceeds from sale of property, plant and equipment		310	1,181	11,567	2,639
Proceeds from sale of investment properties		-	9,983	-	9,983
Proceeds from sale of intangible assets		53	46	54	48
Proceeds from disposal of interests in a subsidiaries, net of cash disposed of	5c	-	-	-	204,173
Proceeds from call option premium		4,330	-	4,330	-
Loan repayment from related parties		1,591	17,031	15,784	14,687
Loan to related parties		(4,464)	(26,351)	(4,464)	(26,351)
Non-trade balances with related corporations, net of repayment		4,642	(9,834)	(1,622)	15,512
Acquisition of subsidiaries, net of cash acquired	5b	-	-	(71,520)	(213,636)
Acquisition of / additional investments in joint ventures and		(48,071)	(267,238)	(60,886)	(426,961)
Acquisition of other financial assets		(196,565)	(151,154)	(226,644)	(165,979)
Purchase of property, plant and equipment and investment properties		(127,573)	(288,767)	(821,880)	(1,423,288)
Purchase of intangible assets		(10,172)	(7,575)	(14,095)	(8,872)
Cash balances transferred to assets held for sale		-	(6,249)	-	(6,249)
Net cash used in investing activities		(124,125)	(49,120)	(800,630)	(1,277,392)
Cash flows from Financing Activities					
Proceeds from share issued to non-controlling interests of subsidiaries	96	3,101	-	4,397	4,549
Proceeds from share options exercised with issue of treasury shares	-	208	426	538	-
(Payments) / Proceeds from share options exercised with issue of treasury shares of a subsidiary	(835)	(902)	-	861	-
Purchase of treasury shares	(3,237)	(1,418)	(7,065)	(6,809)	-
Purchase of treasury shares by subsidiary	-	(1,308)	(2,990)	(12,293)	-
(Payments) / Proceeds from issue of perpetual securities, net of transaction costs	-	(224)	-	596,551	-
Proceeds from borrowings	1,643,443	1,001,240	3,689,220	2,773,318	-
Repayment of borrowings	(1,375,656)	(348,534)	(2,581,974)	(779,852)	-
Payment on finance leases	(154)	(202)	(449)	(4,073)	-
Acquisition of non-controlling interests	(61,678)	(164)	(218,460)	(4)	-
Unclaimed dividends	103	498	116	526	-
Dividends paid to owners of the Company	-	-	(178,724)	(285,866)	-
Dividends paid to non-controlling interests of subsidiaries	(2,503)	(5,050)	(46,109)	(129,323)	-
Perpetual securities distribution paid	(14,367)	(14,367)	(38,605)	(24,367)	-
Interest paid	(118,159)	(64,430)	(406,013)	(222,171)	-
Net cash from financing activities		67,053	568,448	213,770	1,911,585
Net (decrease) / increase in cash and cash equivalents		(278,103)	(22,578)	285,214	(69,640)
Cash and cash equivalents at beginning of the period / year		2,092,993	1,633,942	1,604,465	1,659,434
Effect of exchange rate changes on balances held in foreign currency		39,823	(6,899)	(34,966)	14,671
Cash and cash equivalents at end of the period / year		1,854,713	1,604,465	1,854,713	1,604,465

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:

	Group	
	31/12/2016	31/12/2015
	\$'000	\$'000
Fixed deposits with banks	487,377	419,074
Cash and bank balances	1,395,170	1,187,414
Cash and cash equivalents in the balance sheets	1,882,547	1,606,488
Bank overdrafts	(16,785)	(2,023)
Restricted bank balances held as collateral by banks	(11,049)	-
Cash and cash equivalents in the consolidated statement of cash flows	1,854,713	1,604,465

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

	FY16 ¹	FY15 ²
	\$'000	\$'000
Effect on cash flows of the Group		
Cash paid	144,397	232,483
Less: Cash and cash equivalents in subsidiaries acquired *	(72,877)	(18,847)
Cash outflow on acquisition	71,520	213,636
Identifiable assets acquired and liabilities assumed		
Property, plant and equipment	1,736,933	712,005
Other financial assets	-	38,799
Intangible assets	169,405	66,835
Trade and other receivables	106,253	57,855
Deferred tax assets	-	4,344
Inventories	95	-
Tax Recoverable	-	3,548
Cash and cash balances	83,926	18,847
Total assets	2,096,612	902,233
Trade and other payables	185,047	91,641
Provisions	-	3,268
Other financial liabilities	-	109
Current tax payable	7,168	1,012
Deferred tax liabilities	42,219	38,750
Retirement benefit obligations	187	135
Borrowings	1,175,099	437,795
Total liabilities	1,409,720	572,710
Net identifiable assets	686,892	329,523
Less: Non-controlling interests	(147,637)	(140,147)
Add: Goodwill	49,292	43,107
Less: Negative goodwill	(2,858)	-
Less: Amount previously accounted for as available-for-sale financial asset and joint venture	(423,191)	-
Less: Foreign currency translation reserve realised when the joint venture became a subsidiary	(2,390)	-
Less: Gain on step up acquisition of available-for-sale financial asset and joint venture	(7,734)	-
Consideration transferred for the business	152,374	232,483
Amount reflected as other payables	(7,977)	-
Cash paid	144,397	232,483

¹ Step-up of Gravifloat, previously an available-for-sale financial asset and SGPL, previously a joint venture in 1Q2016 and acquisition of LMG and Mulanur Renewable Energy (Mulanur) in 3Q2016

² Acquisition of Sembcorp Green Infra Ltd (SGI)

* Excluded restricted cash of \$11,049,000 (2015: \$nil)

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

5c. **Cash flow on sale of subsidiaries, net of cash disposed of**

	GROUP
	FY15
	\$'000
Property, plant and equipment	401,171
Long-term receivables	10,026
Intangible assets	38,113
Deferred tax assets	19
Inventories and work-in-progress	1,191
Trade & other receivables	32,919
Cash & Cash equivalent	28,841
Trade & other payables	(44,383)
Current tax payable	(472)
Interest bearing borrowings	(209,986)
Deferred tax liabilities	(44,613)
Provisions	3,345
Retirement benefit obligations	(2,837)
Other long-term liabilities	(71,595)
Net assets derecognised	141,739
Non-controlling interests	8,460
Realisation of currency translation reserve upon disposal	10,406
	160,605
Gain on disposal	72,409
Consideration received, satisfied in cash	233,014
Less: Cash and cash equivalents disposed of	(28,841)
Net cash inflow	204,173

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

(i) **Fourth Quarter**

Cash flows from operating activities before changes in working capital were \$393.5 million in 4Q16. Net cash used in operating activities for 4Q16 was mainly due to Marine's working capital for ongoing projects and Utilities' India working capital for operations.

Net cash outflow from investing activities for 4Q16 was \$124.1 million, mainly from purchase of property, plant and equipment primarily for the expansion and operation of Marine's yards, partially offset by dividends and interests received.

(ii) **Full Year**

Cash flows from operating activities before changes in working capital were \$1,324.9 million in FY16. Net cash from operating activities for FY16 was mainly due to Marine's receipts from completed rig building projects; partially offset by Utilities' India working capital for operations.

Net cash outflow from investing activities for FY16 was \$800.6 million, mainly from step-up acquisition of subsidiaries and purchase of property, plant and equipment primarily for the expansion and operation of Marine's yards, partially offset by proceeds from divestment of SembAP and dividends received.

(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										
	Other reserves					Total	Perpetual securities	Non-controlling interests			Total equity
	Share capital	Reserve for own shares	Currency translation reserve	Others	Revenue reserve			Total	interests	Total	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
9M16											
At January 1, 2016	565,572	(8,645)	(84,321)	(49,972)	5,207,742	5,630,376	802,688	6,433,064	1,610,430	8,043,494	
Total comprehensive income											
Profit for the period	-	-	-	-	247,425	247,425	-	247,425	36,762	284,187	
Other comprehensive income											
Foreign currency translation differences for foreign operations	-	-	(173,322)	-	-	(173,322)	-	(173,322)	(36,655)	(209,977)	
Exchange differences on monetary items forming part of net investment in foreign operation	-	-	2,711	-	-	2,711	-	2,711	-	2,711	
Net change in fair value of cash flow hedges	-	-	-	50,398	-	50,398	-	50,398	28,008	78,406	
Net change in fair value of cash flow hedges reclassified to profit or loss	-	-	-	40,841	-	40,841	-	40,841	845	41,686	
Net change in fair value of available-for-sale financial assets	-	-	-	(13,764)	-	(13,764)	-	(13,764)	(8,411)	(22,175)	
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	-	-	(1,015)	-	(1,015)	-	(1,015)	(192)	(1,207)	
Defined benefit plan actuarial gains and losses	-	-	-	-	(241)	(241)	-	(241)	(37)	(278)	
Share of other comprehensive of associates and joint ventures	-	-	-	(15,956)	-	(15,956)	-	(15,956)	-	(15,956)	
Total other comprehensive income	-	-	(170,611)	60,504	(241)	(110,348)	-	(110,348)	(16,442)	(126,790)	
Total comprehensive income	-	-	(170,611)	60,504	247,184	137,077	-	137,077	20,320	157,397	
Transactions with owners of the Company, recognised directly in equity											
Redemption of preference shares for non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	(7,380)	(7,380)	
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	4,301	4,301	
Share-based payments	-	-	-	15,354	-	15,354	-	15,354	2,922	18,276	
Purchase of treasury shares	-	(3,828)	-	-	-	(3,828)	-	(3,828)	-	(3,828)	
Treasury shares transferred to employees	-	10,220	-	(9,794)	-	426	-	426	-	426	
Treasury shares of a subsidiary	-	-	-	(1,317)	-	(1,317)	-	(1,317)	(842)	(2,159)	
Non-controlling interests of subsidiary acquired	-	-	-	-	-	-	-	-	164,058	164,058	
Acquisition of non-controlling interests	-	-	-	20,158	-	20,158	-	20,158	(309,456)	(289,298)	
Put liability to acquire non-controlling interests	-	-	-	744	-	744	-	744	-	744	
Realisation of reserve upon disposal of subsidiary	-	-	-	(25)	-	(25)	-	(25)	(6,311)	(6,336)	
Realisation of reserve when a joint venture became a subsidiary	-	-	2,410	-	-	2,410	-	2,410	-	2,410	
Perpetual securities distribution paid	-	-	-	-	-	-	(24,238)	(24,238)	-	(24,238)	
Accrued perpetual securities distribution	-	-	-	-	(29,205)	(29,205)	29,205	-	-	-	
Dividend paid	-	-	-	-	(178,724)	(178,724)	-	(178,724)	(43,606)	(222,330)	
Unclaimed dividends	-	-	-	-	13	13	-	13	-	13	
Total transactions with owners	-	6,392	2,410	25,120	(207,916)	(173,994)	4,967	(169,027)	(196,314)	(365,341)	
At September 30, 2016	565,572	(2,253)	(252,522)	35,652	5,247,010	5,593,459	807,655	6,401,114	1,434,436	7,835,550	
4Q16											
Total comprehensive income											
Profit for the period	-	-	-	-	147,464	147,464	-	147,464	5,503	152,967	
Other comprehensive income											
Foreign currency translation differences for foreign operations	-	-	134,590	-	-	134,590	-	134,590	33,790	168,380	
Exchange differences on monetary items forming part of net investment in foreign operation	-	-	7,182	-	-	7,182	-	7,182	-	7,182	
Net change in fair value of cash flow hedges	-	-	-	16,115	-	16,115	-	16,115	(8,620)	7,495	
Net change in fair value of cash flow hedges reclassified to profit or loss	-	-	-	(930)	-	(930)	-	(930)	1,335	405	
Net change in fair value of available-for-sale financial assets	-	-	-	2,104	-	2,104	-	2,104	743	2,847	
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	-	-	6,050	-	6,050	-	6,050	3,494	9,544	
Defined benefit plan actuarial gains and losses	-	-	-	-	128	128	-	128	(49)	79	
Share of other comprehensive of associates and joint ventures	-	-	-	34,332	-	34,332	-	34,332	-	34,332	
Total other comprehensive income	-	-	141,772	57,671	128	199,571	-	199,571	30,693	230,264	
Total comprehensive income	-	-	141,772	57,671	147,592	347,035	-	347,035	36,196	383,231	
Transactions with owners of the Company, recognised directly in equity											
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	96	96	
Share-based payments	-	-	-	1,695	-	1,695	-	1,695	(1,164)	531	
Purchase of treasury shares	-	(3,237)	-	-	-	(3,237)	-	(3,237)	-	(3,237)	
Treasury shares of a subsidiary	-	-	-	1	-	1	-	1	1	2	
Non-controlling interests of subsidiary acquired	-	-	-	-	-	-	-	-	(16,421)	(16,421)	
Acquisition of non-controlling interests	-	-	465	(12,989)	-	(12,524)	-	(12,524)	10,590	(1,934)	
Put liability to acquire non-controlling interests	-	-	-	(23,516)	-	(23,516)	-	(23,516)	-	(23,516)	
Call option issued to non-controlling interests of subsidiaries	-	-	-	8,652	-	8,652	-	8,652	-	8,652	
Realisation of reserve when a joint venture became a subsidiary	-	-	(20)	-	-	(20)	-	(20)	-	(20)	
Realisation of reserve upon disposal of subsidiary	-	-	-	12	-	12	-	12	65	77	
Realisation of reserve upon disposal of a joint venture	-	-	(3,229)	(301)	-	(3,530)	-	(3,530)	-	(3,530)	
Perpetual securities distribution paid	-	-	-	-	-	-	(14,367)	(14,367)	-	(14,367)	
Accrued perpetual securities distribution	-	-	-	-	(9,808)	(9,808)	9,808	-	-	-	
Dividend paid	-	-	-	-	-	-	-	-	(2,503)	(2,503)	
Unclaimed dividends	-	-	-	-	103	103	-	103	-	103	
Total transactions with owners	-	(3,237)	(2,784)	(26,446)	(9,705)	(42,172)	(4,559)	(46,731)	(9,336)	(56,067)	
At December 31, 2016	565,572	(5,490)	(113,534)	66,877	5,384,897	5,898,322	803,096	6,701,418	1,461,296	8,162,714	

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						Perpetual securities	Non-controlling		Total equity
	Share capital	Currency		Others	Revenue reserve	Total		Total	interests	
		own shares	translation reserve							
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
9M15										
At January 1, 2015	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
Total comprehensive income										
Profit for the period	-	-	-	-	488,077	488,077	-	488,077	112,070	600,147
Other comprehensive income										
Foreign currency translation differences for foreign operations	-	-	101,724	-	-	101,724	-	101,724	30,325	132,049
Exchange differences on monetary items forming part of net investment in foreign operation	-	-	1,131	-	-	1,131	-	1,131	-	1,131
Net change in fair value of cash flow hedges	-	-	-	(36,875)	-	(36,875)	-	(36,875)	(15,920)	(52,795)
Net change in fair value of cash flow hedges reclassified to profit or loss	-	-	-	74,809	-	74,809	-	74,809	1,414	76,223
Net change in fair value of available-for-sale financial assets	-	-	-	(16,965)	-	(16,965)	-	(16,965)	(5,372)	(22,337)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	-	-	10,402	-	10,402	-	10,402	6,653	17,055
Defined benefit plan actuarial gains and losses	-	-	-	-	(3,918)	(3,918)	-	(3,918)	-	(3,918)
Share of other comprehensive of associates and joint ventures	-	-	-	(54,005)	(8)	(54,013)	-	(54,013)	-	(54,013)
Total other comprehensive income	-	-	102,855	(22,634)	(3,926)	76,295	-	76,295	17,100	93,395
Total comprehensive income	-	-	102,855	(22,634)	484,151	564,372	-	564,372	129,170	693,542
Transactions with owners of the Company, recognised directly in equity										
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	43,656	43,656
Issue of perpetual securities	-	-	-	-	-	-	596,775	596,775	-	596,775
Share-based payments	-	-	-	15,871	-	15,871	-	15,871	3,781	19,652
Purchase of treasury shares	-	(5,391)	-	-	-	(5,391)	-	(5,391)	-	(5,391)
Treasury shares transferred to employees	-	12,870	-	(12,540)	-	330	-	330	-	330
Treasury shares of a subsidiary	-	-	-	(5,625)	-	(5,625)	-	(5,625)	(3,597)	(9,222)
Non-controlling interests of subsidiary acquired	-	-	-	-	-	-	-	-	151,832	151,832
Acquisition of non-controlling interests	-	-	-	4,745	-	4,745	-	4,745	(12,719)	(7,974)
Realisation of reserve upon disposal of subsidiaries	-	-	10,406	-	14	10,420	-	10,420	8,457	18,877
Realisation of reserve upon liquidation of subsidiary	-	-	111	-	-	111	-	111	-	111
Perpetual securities distribution paid	-	-	-	-	-	-	(10,000)	(10,000)	-	(10,000)
Accrued perpetual securities distribution	-	-	-	-	(18,135)	(18,135)	18,135	-	-	-
Dividend paid	-	-	-	-	(285,866)	(285,866)	-	(285,866)	(124,273)	(410,139)
Unclaimed dividends	-	-	-	-	28	28	-	28	-	28
Total transactions with owners	-	7,479	10,517	2,451	(303,959)	(283,512)	604,910	321,398	67,137	388,535
At September 30, 2015	565,572	(7,562)	(87,089)	65,022	5,158,483	5,694,426	807,475	6,501,901	1,812,450	8,314,351
4Q15										
Total comprehensive income										
Profit / (loss) for the period	-	-	-	-	60,778	60,778	-	60,778	(206,523)	(145,745)
Other comprehensive income										
Foreign currency translation differences for foreign operations	-	-	(13,982)	-	-	(13,982)	-	(13,982)	(1,302)	(15,284)
Exchange differences on monetary items forming part of net investment in foreign operation	-	-	(366)	-	-	(366)	-	(366)	-	(366)
Net change in fair value of cash flow hedges	-	-	-	(31,572)	-	(31,572)	-	(31,572)	7,245	(24,327)
Net change in fair value of cash flow hedges reclassified to profit or loss	-	-	-	31,672	-	31,672	-	31,672	5,335	37,007
Net change in fair value of available-for-sale financial assets	-	-	-	11,401	-	11,401	-	11,401	7,996	19,397
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	-	-	34,518	-	34,518	-	34,518	(4)	34,514
Defined benefit plan actuarial gains and losses	-	-	-	-	(2,207)	(2,207)	-	(2,207)	(104)	(2,311)
Share of other comprehensive of associates and joint ventures	-	-	-	30,170	8	30,178	-	30,178	-	30,178
Total other comprehensive income	-	-	(14,348)	76,189	(2,199)	59,642	-	59,642	19,166	78,808
Total comprehensive income	-	-	(14,348)	76,189	58,579	120,420	-	120,420	(187,357)	(66,937)
Transactions with owners of the Company, recognised directly in equity										
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	3,101	3,101
Issue of perpetual securities	-	-	-	-	-	-	(224)	(224)	-	(224)
Share-based payments	-	-	-	3,407	-	3,407	-	3,407	(165)	3,242
Purchase of treasury shares	-	(1,418)	-	-	-	(1,418)	-	(1,418)	-	(1,418)
Treasury shares transferred to employees	-	335	-	(127)	-	208	-	208	-	208
Treasury shares of a subsidiary	-	-	-	(1,350)	-	(1,350)	-	(1,350)	(860)	(2,210)
Non-controlling interests of subsidiary acquired	-	-	-	-	-	-	-	-	(11,685)	(11,685)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	(4)	(4)
Put liability to acquire non-controlling interests	-	-	-	(193,113)	-	(193,113)	-	(193,113)	-	(193,113)
Realisation of reserve upon disposal of associate	-	-	17,116	-	-	17,116	-	17,116	-	17,116
Realisation of reserve upon disposal of subsidiaries	-	-	-	-	(14)	(14)	-	(14)	-	(14)
Perpetual securities distribution paid	-	-	-	-	-	-	(14,367)	(14,367)	-	(14,367)
Accrued perpetual securities distribution	-	-	-	-	(9,804)	(9,804)	9,804	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	(5,050)	(5,050)
Unclaimed dividends	-	-	-	-	498	498	-	498	-	498
Total transactions with owners	-	(1,083)	17,116	(191,183)	(9,320)	(184,470)	(4,787)	(189,257)	(14,663)	(203,920)
At December 31, 2015	565,572	(8,645)	(84,321)	(49,972)	5,207,742	5,630,376	802,688	6,433,064	1,610,430	8,043,494

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

6b. Statements of Changes in Equity of the Company

	Attributable to owners of the Company							
	Share capital	Other reserves			Revenue reserve	Total	Perpetual securities	Total
		Reserve for own shares	Others					
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
9M16								
At January 1, 2016	565,572	(8,645)	(5,015)	1,756,013	2,307,925	802,688	3,110,613	
Total comprehensive income								
Profit for the period	-	-	-	148,541	148,541	-	148,541	
Other comprehensive income								
Net change in fair value of cash flow hedges	-	-	19	-	19	-	19	
Total other comprehensive income	-	-	19	-	19	-	19	
Total comprehensive income	-	-	19	148,541	148,560	-	148,560	
Transactions with owners of the Company, recognised directly in equity								
Share-based payments	-	-	10,227	-	10,227	-	10,227	
Purchase of treasury shares	-	(3,829)	-	-	(3,829)	-	(3,829)	
Treasury shares transferred to employees	-	10,221	(9,794)	-	427	-	427	
Perpetual securities distribution paid	-	-	-	-	-	(24,238)	(24,238)	
Accrued perpetual securities distribution	-	-	-	(29,205)	(29,205)	29,205	-	
Dividends paid	-	-	-	(178,724)	(178,724)	-	(178,724)	
Unclaimed dividends	-	-	-	1	1	-	1	
Total transactions with owners	-	6,392	433	(207,928)	(201,103)	4,967	(196,136)	
At September 30, 2016	565,572	(2,253)	(4,563)	1,696,626	2,255,382	807,655	3,063,037	
4Q16								
Total comprehensive income								
Profit for the period	-	-	-	139,754	139,754	-	139,754	
Other comprehensive income								
Net change in fair value of cash flow hedges	-	-	(226)	-	(226)	-	(226)	
Total other comprehensive income, net of tax	-	-	(226)	-	(226)	-	(226)	
Total comprehensive income	-	-	(226)	139,754	139,528	-	139,528	
Transactions with owners of the Company, recognised directly in equity								
Share-based payments	-	-	3,558	-	3,558	-	3,558	
Purchase of treasury shares	-	(3,237)	-	-	(3,237)	-	(3,237)	
Perpetual securities distribution paid	-	-	-	-	-	(14,367)	(14,367)	
Accrued perpetual securities distribution	-	-	-	(9,808)	(9,808)	9,808	-	
Unclaimed dividends	-	-	-	103	103	-	103	
Total transactions with owners	-	(3,237)	3,558	(9,705)	(9,384)	(4,559)	(13,943)	
At December 31, 2016	565,572	(5,490)	(1,231)	1,826,675	2,385,526	803,096	3,188,622	
	Attributable to owners of the Company							
	Share capital	Other reserves			Revenue reserve	Total	Perpetual securities	Total
		Reserve for own shares	Others					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
9M15								
At January 1, 2015	565,572	(15,041)	(7,345)	1,383,446	1,926,632	202,565	2,129,197	
Total comprehensive income								
Profit for the period	-	-	-	285,442	285,442	-	285,442	
Other comprehensive income								
Net change in fair value of cash flow hedges	-	-	1,293	-	1,293	-	1,293	
Total other comprehensive income	-	-	1,293	-	1,293	-	1,293	
Total comprehensive income	-	-	1,293	285,442	286,735	-	286,735	
Transactions with owners of the Company, recognised directly in equity								
Cancellation of shares	-	-	-	-	-	596,775	596,775	
Share-based payments	-	-	10,490	-	10,490	-	10,490	
Purchase of treasury shares	-	(5,391)	-	-	(5,391)	-	(5,391)	
Treasury shares transferred to employees	-	12,870	(12,540)	-	330	-	330	
Perpetual securities distribution paid	-	-	-	-	-	(10,000)	(10,000)	
Accrued perpetual securities distribution	-	-	-	(18,135)	(18,135)	18,135	-	
Dividends paid	-	-	-	(285,866)	(285,866)	-	(285,866)	
Unclaimed dividends	-	-	-	(1)	(1)	-	(1)	
Total transactions with owners	-	7,479	(2,050)	(304,002)	(298,573)	604,910	306,337	
At September 30, 2015	565,572	(7,562)	(8,102)	1,364,886	1,914,794	807,475	2,722,269	
4Q15								
Total comprehensive income								
Profit for the period	-	-	-	400,433	400,433	-	400,433	
Other comprehensive income								
Net change in fair value of cash flow hedges	-	-	-	-	-	-	-	
Total other comprehensive income	-	-	-	-	-	-	-	
Total comprehensive income	-	-	-	400,433	400,433	-	400,433	
Transactions with owners of the Company, recognised directly in equity								
Issue of perpetual securities	-	-	-	-	-	(224)	(224)	
Share-based payments	-	-	3,214	-	3,214	-	3,214	
Purchase of treasury shares	-	(1,418)	-	-	(1,418)	-	(1,418)	
Treasury shares transferred to employees	-	335	(127)	-	208	-	208	
Perpetual securities distribution paid	-	-	-	-	-	(14,367)	(14,367)	
Accrued perpetual securities distribution	-	-	-	(9,804)	(9,804)	9,804	-	
Unclaimed dividends	-	-	-	498	498	-	498	
Total transactions with owners	-	(1,083)	3,087	(9,306)	(7,302)	(4,787)	(12,089)	
At December 31, 2015	565,572	(8,645)	(5,015)	1,756,013	2,307,925	802,688	3,110,613	

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

6c. Changes in the Company's share capital

Issued and paid up capital

As at December, 2016, the Company's issued and paid up capital excluding treasury shares comprises 1,785,557,694 (December 31, 2015: 1,785,176,479) ordinary shares.

Share Options

During 4Q16, nil (4Q15: 87,500) 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, 2016, there were nil (December 31, 2015: 319,549) unissued ordinary shares under options granted to eligible employees and directors under the Company's SOP. All options have expired as of June 2016.

Performance Shares

During 4Q16, nil (4Q15: 31,250) performance shares were awarded under the Company's Performance Share Plan ("PSP"), nil (4Q15: nil) performance shares were released and nil (4Q15: nil) performance shares were 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, 2016, was 2,418,250 (December 31, 2015: 2,081,250). Based on the multiplying factor, the actual release of the awards could range from zero to a maximum of 3,627,375 (December 31, 2015: 3,121,875) performance shares.

Restricted Shares

During 4Q16, nil (4Q15: 24,375) restricted shares were awarded under the Restricted Share Plan ("RSP"), nil (4Q15: 1,140) restricted shares were released and 40,250 (4Q15: 28,890) restricted shares were lapsed.

In 4Q16, nil (4Q15: 420) restricted shares were awarded for the over-achievement of the performance targets.

The total number of restricted shares outstanding, including awards achieved but not released, as at end December 31, 2016 was 9,095,728 (December 31, 2015: 7,829,129). Of this, the total number of restricted shares in awards granted conditionally and representing 100% of targets to be achieved, but not released was 6,686,507 (December 31, 2015: 5,267,075). Based on the multiplying factor, the actual release of the conditional awards could range from zero to a maximum of 10,029,760 (December 31, 2015: 7,900,613) restricted shares.

Treasury shares

During 4Q16, the Company acquired 1,180,000 (4Q15: 458,100) ordinary shares in the Company by way of on-market purchases. Nil (4Q15: 88,640) treasury shares were re-issued pursuant to the SOP, PSP and RSP.

As at December 31, 2016, 1,990,038 (December 31, 2015: 2,371,253) 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, 2015.

10. CHANGES IN ACCOUNTING POLICIES

The following amended FRSs have become effective from January 1, 2016.

Amendments to FRSs

- FRS 1	Presentation of Financial Statements
- FRS 16	Property, Plant and Equipment
- FRS 19	Employee Benefit Plans: Employee Contributions
- FRS 27	Separate Financial Statements
- FRS 28	Investments in Associates and Joint Ventures
- FRS 38	Intangible Assets
- FRS 105	Non-current Assets Held for Sale and Discontinued Operations
- FRS 110	Consolidated Financial Statements
- FRS 111	Joint Arrangements
- FRS 112	Disclosure of Interests in Other Entities

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 turnover of \$7.9 billion and a net profit of \$394.9 million in FY16. FY15 net profit included a total divestment gain of \$425.6 million.

Turnover

	<u>4Q16</u>	<u>4Q15</u>	<u>Change</u>	<u>+ / (-)</u>	<u>FY16</u>	<u>FY15</u>	<u>Change</u>	<u>+ / (-)</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Utilities	1,122,785	986,288	136,497	14	4,111,054	4,227,353	(116,299)	(3)
Marine	829,839	1,326,887	(497,048)	(38)	3,544,155	4,967,438	(1,423,283)	(29)
Urban Development	2,942	3,021	(79)	(3)	7,051	7,949	(898)	(11)
Others/Corporate	70,222	102,939	(32,717)	(32)	244,788	341,881	(97,093)	(28)
	<u>2,025,788</u>	<u>2,419,135</u>	<u>(393,347)</u>	<u>(16)</u>	<u>7,907,048</u>	<u>9,544,621</u>	<u>(1,637,573)</u>	<u>(17)</u>

The Utilities' turnover in 4Q16 was higher mainly due to higher turnover from Singapore operations' higher HSFO prices, higher turnover from India and recognition of construction revenue for its Myanmar project. Utilities' turnover in FY16 was lower primarily due to Singapore operations' lower HSFO prices recorded during the year compared to FY15, partially mitigated by higher turnover from India and its Myanmar project.

Marine's turnover for 4Q16 decreased mainly due to lower revenue recognition for rig building projects resulting from customers' delivery deferment requests, lower revenue recognition for offshore platforms projects and lower repair businesses. Lower turnover for FY16 was mainly due to lower revenue recognition for rig building projects resulting from customers' delivery deferment requests and lower repair businesses. For the offshore platform projects, turnover was higher in FY16.

Decrease in turnover in 4Q16 and FY16 for Others/Corporate was mainly due to lower contribution by a subsidiary dealing in specialised construction activities.

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

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

	4Q16	4Q15	Change	+ / (-)	FY16	FY15	Change	+ / (-)
	\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	%
<i>Utilities (before</i>								
<i>exceptional items)</i>	86,742	94,089	(7,348)	(8)	345,536	331,662	13,873	4
<i>Exceptional items</i>	2,492	301,147	(298,654)	(99)	2,492	369,808	(367,315)	(99)
Utilities	89,234	395,236	(306,002)	(77)	348,028	701,470	(353,442)	(50)
Marine	20,940	(327,470)	348,410	NM	48,261	(176,439)	224,700	NM
Urban Development	27,293	15,942	11,351	71	33,298	33,490	(192)	(1)
Others/Corporate	9,997	(22,930)	32,927	NM	(34,698)	(9,666)	(25,032)	(259)
	147,464	60,778	86,686	143	394,889	548,855	(153,966)	(28)

Utilities' net profit before exceptional items in 4Q16 was lower compared to 4Q15 mainly due to India's thermal power operation which has not achieved breakeven at net profit level. However, FY16 was 4% higher compared to FY15, driven by record profits from its China operations.

* Exceptional items

4Q16 & FY16: Total \$2.5 million comprising \$33.5 million divestment gain from sale of the Yancheng municipal water assets, less \$31.0 million total refinancing cost for TPCIL

FY15: Total \$369.9 million comprising divestment gains of \$425.6 million (4Q15: \$353.2 million) from the sale of SembSITA Pacific and municipal water operations in Bournemouth, UK and Zhumadian, China, less \$55.7 million (4Q15: \$52.0 million) comprising \$31.4 million from the exit of the chemical feedstock business and impairment of assets in Singapore (net of settlement amounts from customers) and \$24.3 million (4Q15: \$20.6 million) in net allowance for doubtful debts in China

Marine's net profit for 4Q16 and FY16 increased mainly due to share of lower losses from associates and gain on deemed disposal of available-for-sale financial asset arising from the step-up acquisition of Gravifloat in FY16. These are offset by higher finance costs and higher impairment of available-for-sale financial assets in FY16. Net loss for 4Q15 and FY15 was mainly due to write-downs of inventories and work-in-progress, and provision for foreseeable losses for rig building projects that was recorded in 4Q15 and FY15.

Urban Development reported a higher net profit in 4Q16 compared to 4Q15 mainly due to higher land sales from its Vietnam operations and its China associates and joint ventures reported a higher profit. Net profit in FY16 was comparable to FY15.

Net profit / (loss) for Others/Corporate in 4Q16 and FY16 included the mark-to-market impairment for Gallant Venture of \$5.8 million and \$57.7 million respectively, compared to \$34.5 million in 4Q15 and FY15. FY16 net profit was also impacted by the lower contribution from our offshore engineering business.

12. VARIANCE FROM PROSPECT STATEMENT

There is no material change from the previous prospect statement.

13. PROSPECTS

Utilities

Utilities' China operations delivered record profits in 2016. Its performance in 2017 is expected to remain steady although lower than 2016 due to the expiry of the Yangcheng cooperative joint venture agreement in 2016.

In India, Sembcorp has two thermal power plants and renewable energy assets totalling over 3,600 MW. The second thermal power plant, SGPL, commenced full commercial operations in February 2017 but has yet to secure long-term power purchase agreements. As the spot and short-term power tariffs remain weak, its performance is expected to be adversely affected.

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

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

The Utilities business remains focused on operational excellence as well as the execution of its pipeline of projects to deliver long-term growth.

Marine

While prospects for the oil & gas industry have taken a more positive turn following the November 2016 agreement by OPEC and major non-OPEC countries to cut production, Sembcorp Marine believes a more robust recovery may take longer. Despite the challenging outlook and intense competition, Sembcorp Marine believes that growth prospects for the offshore and marine industry remain positive in the medium to long term.

However, with increasing enquiries for non-drilling solutions, Sembcorp Marine foresees an earlier recovery in demand for fixed platforms, FPSO and FSO conversions and new-builds in the next few years. Rising global demand for gas also augers well for its broad-based LNG solutions and capabilities. Sembcorp Marine believes these are the key segments that will offer opportunities in 2017.

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

Urban Development

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

Group

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

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

14. SUBSEQUENT EVENTS

- (i) On January 25, 2017, the Group announced that its power plant in Chongqing has successfully commenced full commercial operation following the completion of its second 660-megawatt unit. The 1,320-megawatt coal-fired plant comprises two units of 660 megawatts each, with the first unit completed in November 2016. The approximately RMB 4.67 billion (S\$966.5 million) power plant is developed by Chongqing SongZao Electric Power, a 49:51 joint venture between Sembcorp's wholly-owned subsidiary Sembcorp (China) Holding Co and Chongqing Energy Investment Group's subsidiary Chongqing Songzao Coal and Power.
- (ii) On January 30, 2017, the Sembcorp Marine announced the completion of disposal of shares in Cosco Shipyard Group Co (CSG). The relevant Chinese regulatory authorities have approved the sale of shares in CSG to China Ocean Shipping (Group) Company (COSCO) and a new Foreign-Investment Enterprise Certificate was issued on January 19, 2017. Parties will finalise payment arrangements within the stipulated time under the sale and purchase agreement, expected to be completed by the first quarter of 2017. The Group's effective share of the divestment gain is approximately S\$29 million.

15. DIVIDEND

(a) Current Financial Year reported On

Name of Dividend	2016 Interim Ordinary Exempt-1-Tier	Proposed 2016 Final Ordinary Exempt-1-Tier	2016 Total
Dividend Type	Cash	Cash	Cash
Dividend Amount (cents per shares)	4.0	4.0	8.0

(b) Corresponding Year of the Immediately Preceding Financial Year

Name of Dividend	2015 Interim Ordinary Exempt-1-Tier	2015 Final Ordinary Exempt-1-Tier	2015 Total
Dividend Type	Cash	Cash	Cash
Dividend Amount (cents per shares)	5.0	6.0	11.0

(c) Date payable

The proposed final tax exempt 1-Tier dividend of 4.0 cents per ordinary share, if approved at the AGM to be held on April 19, 2017, will be paid on May 16, 2017.

(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 27, 2017 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 26, 2017 (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)

	FY16 \$'000	FY15 \$'000
Interim ordinary dividend	71,478	89,338
Final ordinary dividend*	71,422	107,111
Total	142,900	196,449

*FY16 dividend is estimated based on the share capital of 1,785,557,694 ordinary shares at the end of the financial year.

16. SEGMENTAL REPORTING

FY16

(i) Operating segments

	Utilities	Marine	Urban Development	Others/ Corporate	Elimi- nation	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Turnover						
External sales	4,111,054	3,544,155	7,051	244,788	-	7,907,048
Inter-segment sales	21,829	661	4,173	31,248	(57,911)	-
Total	4,132,883	3,544,816	11,224	276,036	(57,911)	7,907,048
Results						
Segment results	632,980	205,871	(11,923)	(43,020)	-	783,908
Finance income	23,495	7,922	214	52,591	(53,804)	30,418
Finance costs	(318,332)	(88,651)	(2,933)	(45,897)	53,804	(402,009)
	338,143	125,142	(14,642)	(36,326)	-	412,317
Share of results of associates and joint ventures, net of tax	104,241	(35,134)	50,315	5,699	-	125,121
	442,384	90,008	35,673	(30,627)	-	537,438
Tax expense	(80,746)	(15,121)	(552)	(3,865)	-	(100,284)
Non-controlling interests	(13,610)	(26,626)	(1,823)	(206)	-	(42,265)
Net profit for the year	348,028	48,261	33,298	(34,698)	-	394,889

Assets

Segment assets	11,080,613	9,335,419	371,503	1,795,808	(2,115,609)	20,467,734
Investment in associates and joint ventures	903,769	74,816	668,392	98,772	-	1,745,749
Tax assets	54,722	20,572	927	531	-	76,752
Total assets	12,039,104	9,430,807	1,040,822	1,895,111	(2,115,609)	22,290,235

Liabilities

Segment liabilities	7,167,664	6,680,087	273,475	1,530,002	(2,115,609)	13,535,619
Tax liabilities	453,127	124,522	1,530	12,723	-	591,902
Total liabilities	7,620,791	6,804,609	275,005	1,542,725	(2,115,609)	14,127,521

Capital expenditure

	582,807	419,879	5,117	15,946	-	1,023,749
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Significant non-cash items

Depreciation and amortisation	282,439	159,457	2,325	9,492	-	453,713
Allowance for / (Write-back of) impairment in value of assets and assets written off (net)	4,904	23,397	(1,029)	57,769	-	85,041
(Write-back of) / Allowance for doubtful debts and bad debts	(371)	5,255	35	(248)	-	4,671
Gain on disposal of investments in subsidiary, joint venture and associate	(34,572)	(186)	-	-	-	(34,758)

(ii) Geographical segments

	Revenue		Non-current Assets		Total Assets		Capital Expenditure	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Singapore	2,963,985	37	4,508,611	31	10,014,848	45	269,123	26
Rest of Asia	558,067	7	1,022,156	7	1,211,123	6	23,128	2
China	193,212	2	1,428,532	10	2,069,257	9	118,965	12
India	848,705	11	5,195,087	35	6,249,517	28	369,211	36
Middle East & Africa	111,813	1	440,916	3	448,804	2	9,515	1
UK	915,726	12	144,637	1	261,289	1	10,580	1
Rest of Europe	1,482,631	19	398,681	3	451,270	2	61	-
Brazil	83,942	1	1,346,186	9	1,392,270	6	193,331	19
U.S.A.	697,744	9	5,282	-	7,292	-	8	-
Other Countries	51,223	1	175,916	1	184,565	1	29,827	3
Total	7,907,048	100	14,666,004	100	22,290,235	100	1,023,749	100

16. SEGMENTAL REPORTING (Cont'd)

FY15

<u>(i) Operating segments</u>	Utilities	Marine	Urban Development	Others/ Corporate	Elimi- nation	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Turnover</u>						
External sales	4,227,353	4,967,438	7,949	341,881	-	9,544,621
Inter-segment sales	31,098	694	4,224	2,057	(38,073)	-
Total	4,258,451	4,968,132	12,173	343,938	(38,073)	9,544,621
<u>Results</u>						
Segment results	825,849	(168,569)	(6,999)	(25,002)	-	625,279
Finance income	21,953	10,813	236	51,942	(52,088)	32,856
Finance costs	(194,555)	(46,775)	(2,631)	(46,111)	52,088	(237,984)
	653,247	(204,531)	(9,394)	(19,171)	-	420,151
Share of results of associates and joint ventures, net of tax	121,657	(173,499)	45,517	12,524	-	6,199
	774,904	(378,030)	36,123	(6,647)	-	426,350
Tax expense	(43,596)	77,860	(1,381)	(4,831)	-	28,052
Non-controlling interests	(29,838)	123,731	(1,252)	1,812	-	94,453
Net profit / (loss) for the year	701,470	(176,439)	33,490	(9,666)	-	548,855
<u>Assets</u>						
Segment assets	8,386,532	8,862,186	409,377	1,687,124	(1,863,931)	17,481,288
Investment in associates and joint ventures	1,287,580	328,030	632,810	100,837	-	2,349,257
Tax assets	57,271	27,392	-	284	-	84,947
Total assets	9,731,383	9,217,608	1,042,187	1,788,245	(1,863,931)	19,915,492
<u>Liabilities</u>						
Segment liabilities	5,074,185	6,442,885	226,872	1,480,597	(1,863,931)	11,360,608
Tax liabilities	403,109	91,594	1,951	14,736	-	511,390
Total liabilities	5,477,294	6,534,479	228,823	1,495,333	(1,863,931)	11,871,998
Capital expenditure	535,693	904,891	682	7,011	-	1,448,277
<u>Significant non-cash items</u>						
Depreciation and amortisation	261,731	132,165	1,711	9,354	-	404,961
Allowance for impairment in value of assets and assets written off (net)	70,685	20,122	19	34,538	-	125,364
Allowance made / (Written back) for doubtful debts and bad debts	47,589	153,894	37	(50)	-	201,470
Inventories written down	-	85,518	-	-	-	85,518
Provision for foreseeable losses on contracts work-in-progress	-	277,961	-	-	-	277,961
Gain on disposal of investments in subsidiary, joint venture and associate	(425,566)	-	-	-	-	(425,566)

(ii) Geographical segments

	<u>Revenue</u>		<u>Non-current Assets</u>		<u>Total Assets</u>		<u>Capital Expenditure</u>	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Singapore	3,727,411	39	4,533,966	37	10,515,550	53	559,864	39
Rest of ASEAN & Australia	394,983	4	762,070	6	1,022,301	5	15,442	1
China	165,952	1	1,534,751	13	1,935,721	10	79,954	6
India	456,871	5	3,487,111	28	4,140,771	21	308,814	21
Middle East & Africa	105,884	1	392,469	3	451,242	2	5,229	-
UK	465,764	5	201,197	2	334,314	2	18,122	1
Rest of Europe	2,658,376	28	238,003	2	261,054	1	-	-
Brazil	89,466	1	1,011,258	8	1,083,112	5	449,692	31
U.S.A.	1,403,199	15	5,089	-	7,182	-	112	-
Other Countries	76,715	1	141,889	1	164,245	1	11,048	1
Total	9,544,621	100	12,307,803	100	19,915,492	100	1,448,277	100

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 and water 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. In addition, the business also provides on-site logistics, solid waste management and specialised project management, engineering, and procurement services.
- (ii) The Marine segment focuses principally on providing integrated solutions for the marine and offshore industry. Key capabilities include rigs & floaters; repairs & upgrades; offshore platforms and specialized shipbuilding.
- (iii) The Urban Development segment owns, develops, markets and manages integrated urban developments comprising industrial parks as well as business, commercial and residential space in Asia.
- (iv) 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's geographical segments are presented in ten principal geographical areas: Singapore, Rest of Asia, 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)**

	4Q16	FY16
	\$'000	\$'000
<u>Sale of Goods and Services</u>		
Temasek Holdings (Private) Limited and its Associates		
- Accuron Technologies Limited and its Associates	-	105
- Mapletree Investments Pte Ltd and its Associates	-	1,308
- PSA International Pte Ltd and its Associates	1,582	6,223
- Singapore Power Limited and its Associates	1,572	13,741
- Temasek Capital (Private) Limited and its Associates	411	5,532
- Wildlife Reserves Singapore Pte Ltd and its Associates	-	238
	<u>3,565</u>	<u>27,147</u>
Olam International Ltd and its Associates	285	5,427
Starhub Ltd and its Associates	-	633
SATS Ltd and its Associates	-	101
Singapore Telecommunications Ltd and its Associates	-	114,321
Singapore Airlines Limited and its Associates	-	410
Singapore Technologies Engineering Ltd and its Associates	-	1,372
	<u>3,850</u>	<u>149,411</u>
<u>Purchase of Goods and Services</u>		
Temasek Holdings (Private) Limited and its Associates		
- Mapletree Investments Pte Ltd and its Associates	-	166
- Singapore Power Limited and its Associates	1,306	5,165
- Surbana-Jurong Private Limited	-	911
- Temasek Capital (Private) Limited and its Associates ¹	107,617	372,826
	<u>108,923</u>	<u>379,068</u>
Singapore Technologies Engineering Ltd and its Associates	5,099	8,932
	<u>114,022</u>	<u>388,000</u>
<u>Management and Support Services</u>		
Temasek Holdings (Private) Limited and its Associates		
- Temasek Capital (Private) Limited and its Associates	-	3,155
	<u>117,872</u>	<u>540,566</u>

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. CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS (IN THE FORMAT SET OUT IN APPENDIX 7.7) UNDER RULE 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

19. REPORT OF PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO A DIRECTOR, CHIEF EXECUTIVE OFFICER OR SUBSTANTIAL 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 23, 2017