



SEMBCORP MARINE LTD
Registration Number: 196300098Z

FOURTH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2015 FINANCIAL STATEMENTS & RELATED ANNOUNCEMENT

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SEMBCORP MARINE LTD
UNAUDITED RESULTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2015

The Board of Directors of Sembcorp Marine Ltd wishes to announce the following unaudited results of the Group for the fourth quarter and full year ended 31 December 2015.

1. CONSOLIDATED INCOME STATEMENT

		Group			Group		
	Note	4Q 2015 \$'000	4Q 2014 \$'000	+ / (-) %	FY 2015 \$'000	FY 2014 \$'000	+ / (-) %
Turnover	2a	1,327,002	1,444,932	(8.2)	4,968,132	5,832,595	(14.8)
Cost of sales	2a	(1,654,960)	(1,170,246)	41.4	(4,837,240)	(4,988,918)	(3.0)
Gross (loss)/profit	2a	(327,958)	274,686	n.m.	130,892	843,677	(84.5)
Other operating income	2b	(8,119)	209	n.m.	41,448	35,348	17.3
Other operating expenses	2b	4,881	1,354	n.m.	(31,926)	(19,584)	63.0
General and administrative expenses	2c	(178,815)	(43,872)	n.m.	(290,405)	(152,416)	90.5
Operating (loss)/profit		(510,011)	232,377	n.m.	(149,991)	707,025	n.m.
Finance income	2d	4,574	2,137	n.m.	10,813	9,711	11.3
Finance costs	2e	(13,932)	(9,485)	46.9	(46,775)	(20,960)	n.m.
Investment income	2f	-	-	-	557	1,192	(53.3)
Non-operating income	2g	-	32	n.m.	-	179	n.m.
Non-operating expenses	2g	(1,645)	(2)	n.m.	(18,708)	(2)	n.m.
Share of results of associates and joint ventures, net of tax	2h	(150,315)	(7,392)	n.m.	(173,499)	9,859	n.m.
(Loss)/profit before tax		(671,329)	217,667	n.m.	(377,603)	707,004	n.m.
Tax credit/(expense)	2i	117,789	(24,195)	n.m.	77,637	(105,729)	n.m.
(Loss)/profit for the period/year		(553,540)	193,472	n.m.	(299,966)	601,275	n.m.
(Loss)/profit attributable to:							
Owners of the Company		(536,883)	174,046	n.m.	(289,672)	560,128	n.m.
Non-controlling interests		(16,657)	19,426	n.m.	(10,294)	41,147	n.m.
(Loss)/profit for the period/year		(553,540)	193,472	n.m.	(299,966)	601,275	n.m.
(Loss)/profit attributable to owners of the Company excluding non-operating items							
		(535,238)	174,016	n.m.	(270,964)	559,951	n.m.
Earnings per share (cents)							
Basic	2j	(25.70)	8.34	n.m.	(13.87)	26.83	n.m.
Diluted		(25.70)	8.33	n.m.	(13.87)	26.82	n.m.

n.m.: not meaningful

2. NOTES TO CONSOLIDATED INCOME STATEMENT

2a. Turnover, Cost of Sales

		Group			Group		
		4Q 2015 \$'000	4Q 2014 \$'000	+ / (-) %	FY 2015 \$'000	FY 2014 \$'000	+ / (-) %
Turnover	(i)	1,327,002	1,444,932	(8.2)	4,968,132	5,832,595	(14.8)
Cost of sales		(1,654,960)	(1,170,246)	41.4	(4,837,240)	(4,988,918)	(3.0)
Gross (loss)/profit	(ii)	(327,958)	274,686	n.m.	130,892	843,677	(84.5)
<i>Included in cost of sales:</i>							
Depreciation and amortisation	(iii)	(34,684)	(30,252)	14.7	(126,464)	(111,505)	13.4
Inventories (written down)/written back, net		(85,474)	(203)	n.m.	(85,518)	76	n.m.
Provision for foreseeable losses on contracts work-in-progress		(277,961)	-	n.m.	(277,961)	-	n.m.

- (i) Turnover for 4Q 2015 decreased mainly due to lower revenue recognition for rig building projects. Reversal of revenue due to termination of contract with a customer, customer deferment requests and customer's restructuring has resulted in the lower revenue recognition for rigs & floaters segment. However, turnover from offshore platforms projects was higher.

Turnover for FY 2015 decreased mainly due to the lower revenue recognition for rig building projects and lower average revenue per repair vessel despite the increase in the number of ships repaired. Reversal of revenue due to termination of contract with a customer, customer deferment requests and customer's restructuring has resulted in the lower revenue recognition for rigs & floaters segment. For the offshore platforms projects, turnover was higher in FY 2015.

- (ii) Gross loss for 4Q 2015 was mainly due to write-downs of inventories and work-in-progress, provision for foreseeable losses, and customer deferment requests for rig building projects.

Gross profit for FY 2015 decreased mainly due to lower contribution from rig building projects. Write-downs of inventories and work-in-progress, provision for foreseeable losses, and customer deferment requests for rig building projects have resulted in lower margin recognition. However, gross profit for the offshore platforms projects and repair business was higher.

- (iii) Depreciation and amortisation for 4Q 2015 and FY 2015 increased mainly due to depreciation charge for Sembmarine Integrated Yard @ Tuas and Brazil new yard; and amortisation of intellectual property rights.

2b. Other operating income/(expenses)

		Group			Group		
		4Q 2015 \$'000	4Q 2014 \$'000	+ / (-) %	FY 2015 \$'000	FY 2014 \$'000	+ / (-) %
Other operating income		(8,119)	209	n.m.	41,448	35,348	17.3
Other operating expenses		4,881	1,354	n.m.	(31,926)	(19,584)	63.0
		(3,238)	1,563	n.m.	9,522	15,764	(39.6)
<i>Included in other operating income/(expenses):</i>							
Foreign exchange (loss)/gain, net	(i)	(18,732)	14,760	n.m.	108	(5,913)	n.m.
Fair value adjustment on hedging instruments	(ii)	5,468	(20,542)	n.m.	(29,409)	(12,169)	n.m.
Gain on disposal of property, plant and equipment, net		12	31	(61.3)	426	98	n.m.
Rental income		4,573	3,063	49.3	16,320	11,051	47.7
Other income		6,028	5,488	9.8	24,594	24,199	1.6
Other expenses		(587)	(1,237)	(52.5)	(2,517)	(1,502)	67.6
		(3,238)	1,563	n.m.	9,522	15,764	(39.6)

- (i) Foreign exchange loss in 4Q 2015 mainly arose from the revaluation of assets and liabilities denominated in Euro and United States dollar.

- (ii) Fair value adjustment on hedging instruments was due to mark-to-market adjustments of foreign currency forward contracts.

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

2c. General and administrative expenses

	Group			Group		
	4Q 2015 \$'000	4Q 2014 \$'000	+ / (-) %	FY 2015 \$'000	FY 2014 \$'000	+ / (-) %
General and administrative expenses (i)	(178,815)	(43,872)	n.m.	(290,405)	(152,416)	90.5
<i>Included in general and administrative expenses:</i>						
Depreciation and amortisation	(2,957)	(1,052)	n.m.	(5,274)	(3,628)	45.4
Allowance for doubtful debts and bad debts, net	(151,836)	(72)	n.m.	(153,856)	(192)	n.m.

(i) Higher general and administrative expenses in 4Q 2015 and FY 2015 were mainly due to provision for impairment of trade receivables for rig building contracts.

2d. Finance income

Higher finance income in 4Q 2015 and FY 2015 was mainly due to higher interest income as compared to the corresponding periods in 2014.

2e. Finance costs

	Group			Group		
	4Q 2015 \$'000	4Q 2014 \$'000	+ / (-) %	FY 2015 \$'000	FY 2014 \$'000	+ / (-) %
Finance costs	(13,932)	(9,485)	46.9	(46,775)	(20,960)	n.m.
<i>Included in finance costs:</i>						
Interest expense (i)	(13,217)	(8,859)	49.2	(44,400)	(18,618)	n.m.
Commitment and facility fees	(715)	(626)	14.2	(2,375)	(2,342)	1.4
	(13,932)	(9,485)	46.9	(46,775)	(20,960)	n.m.

(i) Higher interest expense in 4Q 2015 and FY 2015 was mainly due to higher bank borrowings as compared to the corresponding periods in 2014.

2f. Investment income

Lower investment income in FY 2015 was mainly due to lower dividend received from investments.

2g. Non-operating income/(expenses)

	Group			Group		
	4Q 2015 \$'000	4Q 2014 \$'000	+ / (-) %	FY 2015 \$'000	FY 2014 \$'000	+ / (-) %
Non-operating income	-	32	n.m.	-	179	n.m.
Non-operating expenses	(1,645)	(2)	n.m.	(18,708)	(2)	n.m.
	(1,645)	30	n.m.	(18,708)	177	n.m.
<i>Included in non-operating income/(expenses):</i>						
Net change in fair value of financial assets measured through profit or loss	(1,645)	30	n.m.	(1,653)	177	n.m.
Impairment losses on available-for-sale financial assets	-	-	-	(17,055)	-	n.m.
	(1,645)	30	n.m.	(18,708)	177	n.m.

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

The share of results of associates and joint ventures decreased in 4Q 2015 and FY 2015 mainly due to share of losses from associates. The share of losses from associates resulted from the write-downs of certain inventory and provisions for impairment of trade receivables for certain contracts.

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

2i. Tax credit/(expense)

		Group			Group		
		4Q 2015 \$'000	4Q 2014 \$'000	+ / (-) %	FY 2015 \$'000	FY 2014 \$'000	+ / (-) %
Tax credit/(expense)	(i)	117,789	(24,195)	n.m.	77,637	(105,729)	n.m.
<i>Included in tax credit/(expense):</i>							
Write-back of tax in respect of prior years, net	(ii)	9,462	10,888	(13.1)	21,274	10,956	94.2

(i) Tax credit in 4Q 2015 and FY 2015 was mainly due to recognition of unutilised tax losses.

(ii) In 4Q 2015 and FY 2015, the write-back of tax was mainly attributable to recognition of tax incentives.

2j. Earnings per ordinary share

Earnings per ordinary share of the Group based on net (loss)/profit attributable to owners of the Company:		Group			Group		
		4Q 2015	4Q 2014	+ / (-) %	FY 2015	FY 2014	+ / (-) %
(i) Based on the weighted average number of shares (cents)		(25.70)	8.34	n.m.	(13.87)	26.83	n.m.
Weighted average number of shares ('000)		2,089,016	2,089,306	-	2,088,686	2,088,054	-
(ii) On a fully diluted basis (cents)		(25.70)	8.33	n.m.	(13.87)	26.82	n.m.
Adjusted weighted average number of shares ('000)		2,089,124	2,089,972	-	2,088,794	2,088,720	-

2k. Profitability ratios

	Group			Group		
	4Q 2015 %	4Q 2014 %	+ / (-) %	FY 2015 %	FY 2014 %	+ / (-) %
(Loss)/profit after taxation as a percentage of Turnover	(41.71)	13.39	n.m.	(6.04)	10.31	n.m.
(Loss)/profit attributable to owners of the Company as a percentage of Issued Capital and Reserves at end of period/year	(21.38)	5.87	n.m.	(11.54)	18.89	n.m.

2l. Breakdown of sales

	Group		
	FY 2015 \$'000	FY 2014 \$'000	+ / (-) %
First Half Year			
(i) Sales reported	2,511,253	2,676,099	(6.2)
(ii) Profit after tax before deducting non-controlling interests reported	222,064	268,566	(17.3)
Second Half Year			
(iii) Sales reported	2,456,879	3,156,496	(22.2)
(iv) Profit after tax before deducting non-controlling interests reported	(522,030)	332,709	n.m.

3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Group			Group		
		4Q 2015 \$'000	4Q 2014 \$'000	+ / (-) %	FY 2015 \$'000	FY 2014 \$'000	+ / (-) %
(Loss)/profit for the period/year		(553,540)	193,472	n.m.	(299,966)	601,275	n.m.
Other comprehensive income							
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Foreign currency translation differences for foreign operations	3a(i)	1,632	51,772	(96.8)	78,807	57,047	38.1
Net change in fair value of cash flow hedges	3a(ii)	20,994	(40,462)	n.m.	(15,375)	(42,395)	(63.7)
Net change in fair value of cash flow hedges transferred to profit or loss	3a(iii)	12,181	12,159	0.2	12,181	12,159	0.2
Net change in fair value of available-for-sale financial assets	3a(iv)	20,531	(11,901)	n.m.	6,761	(22,008)	n.m.
Change in fair value of available-for-sale financial assets transferred to profit or loss	3a(v)	-	-	-	17,055	-	n.m.
Other comprehensive income for the period/year, net of tax		55,338	11,568	n.m.	99,429	4,803	n.m.
Total comprehensive income for the period/year		(498,202)	205,040	n.m.	(200,537)	606,078	n.m.
Total comprehensive income attributable to:							
Owners of the Company		(481,450)	179,884	n.m.	(201,103)	558,246	n.m.
Non-controlling interests		(16,752)	25,156	n.m.	566	47,832	(98.8)
Total comprehensive income for the period/year		(498,202)	205,040	n.m.	(200,537)	606,078	n.m.

3a. Explanatory notes to Consolidated Statement of Comprehensive Income

- (i) The translation differences mainly arose from the consolidation of entities whose functional currencies are United States dollars and Renminbi.
- (ii) Fair value changes were due to the mark-to-market adjustments of foreign currency forward contracts and interest rate swaps.
- (iii) This relate to reclassification to profit or loss for ineffective cash flow hedges.
- (iv) Fair value changes were mainly attributable to the mark-to-market adjustments of quoted prices of available-for-sale assets.
- (v) Reclassification to profit or loss on impairment of available-for-sale financial assets.

4. BALANCE SHEETS

	Group		Company	
	31-Dec-2015 \$'000	31-Dec-2014 \$'000	31-Dec-2015 \$'000	31-Dec-2014 \$'000
Non-current assets				
Property, plant and equipment	3,540,555	3,008,909	94,490	90,805
Investment properties	-	-	20,733	22,535
Investments in subsidiaries	-	-	503,022	502,675
Interests in associates and joint ventures	312,056	470,277	107,369	107,369
Other financial assets	107,263	90,443	70,429	59,528
Trade and other receivables	54,106	41,015	54,515	73,824
Intangible assets	46,607	52,614	184	184
Deferred tax assets	23,499	8,044	-	-
	<u>4,084,086</u>	<u>3,671,302</u>	<u>850,742</u>	<u>856,920</u>
Current assets				
Inventories and work-in-progress	3,833,066	3,005,419	-	-
Trade and other receivables	589,711	468,532	48,329	40,869
Tax recoverable	3,893	203	1,611	-
Other financial assets	61,061	14,188	-	-
Cash and cash equivalents	629,305	1,078,776	10,908	22,402
	<u>5,117,036</u>	<u>4,567,118</u>	<u>60,848</u>	<u>63,271</u>
Total assets	<u>9,201,122</u>	<u>8,238,420</u>	<u>911,590</u>	<u>920,191</u>
Current liabilities				
Trade and other payables	2,518,677	1,825,676	22,502	18,430
Excess of progress billings over work-in-progress	288,067	1,005,353	-	-
Provisions	24,136	15,690	6,771	-
Other financial liabilities	104,614	46,771	-	-
Current tax payable	46,601	121,259	-	3,682
Interest-bearing borrowings	914,951	433,848	-	-
	<u>3,897,046</u>	<u>3,448,597</u>	<u>29,273</u>	<u>22,112</u>
Net current assets	<u>1,219,990</u>	<u>1,118,521</u>	<u>31,575</u>	<u>41,159</u>
Non-current liabilities				
Deferred tax liabilities	42,722	130,309	10,541	11,069
Provisions	51,391	100,274	18,036	27,895
Other financial liabilities	2,635	35,673	-	-
Interest-bearing borrowings	2,465,224	1,307,519	-	-
Other long-term payables	77,825	84,021	5,580	16,823
	<u>2,639,797</u>	<u>1,657,796</u>	<u>34,157</u>	<u>55,787</u>
Total liabilities	<u>6,536,843</u>	<u>5,106,393</u>	<u>63,430</u>	<u>77,899</u>
Net assets	<u>2,664,279</u>	<u>3,132,027</u>	<u>848,160</u>	<u>842,292</u>
Equity attributable to owners of the Company				
Share capital	484,288	484,288	484,288	484,288
Other reserves	9,770	(76,625)	(7,988)	(16,733)
Revenue reserve	2,017,147	2,557,455	371,860	374,737
	<u>2,511,205</u>	<u>2,965,118</u>	<u>848,160</u>	<u>842,292</u>
Non-controlling interests	153,074	166,909	-	-
Total equity	<u>2,664,279</u>	<u>3,132,027</u>	<u>848,160</u>	<u>842,292</u>

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

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

Interest-bearing borrowings:	As at 31-Dec-2015	As at 31-Dec-2014
	\$'000	\$'000
(i) <u>Amount repayable in one year or less, or on demand</u> Unsecured	914,951	433,848
(ii) <u>Amount repayable after one year</u> Unsecured	2,465,224	1,307,519

4b. **Net asset value**

	Group		Company	
	31-Dec-2015	31-Dec-2014	31-Dec-2015	31-Dec-2014
Net asset value per ordinary share based on issued share capital at the end of the financial year (cents)	120.24	141.92	40.61	40.31

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

(i) **Group**

Non-current assets

'Property, plant and equipment' increased mainly due to capital expenditures for Phase II of Sembmarine Integrated Yard @ Tuas and Brazil new yard.

'Interests in associates and joint ventures' decreased mainly due to share of losses in associates.

'Other financial assets' increased mainly due to fair value adjustments of quoted equity shares and foreign currency forward contracts.

'Trade and other receivables' increased mainly due to prepayment of lease.

'Intangible assets' decreased mainly due to amortisation charge for the year.

'Deferred tax assets' increased mainly due to tax credit on unutilised tax losses.

Current assets

'Inventories and work-in-progress' comprising mainly work-in-progress increased due to payment terms of rig building projects. The recoverability of work-in-progress from the rig building segment is dependent on the customers taking delivery of the rigs in the future.

'Trade and other receivables' increased mainly due to billings for ongoing projects and timing of receipts.

'Tax recoverable' increased mainly due to payment made during the year.

'Other financial assets' increased mainly due to fair value adjustments on foreign currency forward contracts.

'Cash and cash equivalents' decreased mainly due to capital expenditures, dividends paid and working capital changes for ongoing projects.

Current liabilities

'Trade and other payables' increased mainly due to timing of payments made during the year.

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

'Provisions' increased mainly due to reclassification of provision for site restoration from non-current liabilities.

'Other financial liabilities' increased mainly due to fair value adjustments on foreign currency forward contracts.

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

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

(i) **Group** (Cont'd)

Current liabilities (Cont'd)

'Current tax payable' decreased mainly due to payments made during the period, offset by current year tax provision.

'Interest-bearing borrowings' increased mainly due to borrowings for working capital and capital expenditures for the new yard in Brazil. The Group has secured adequate committed long term banking facilities to refinance the short term borrowings as they fall due.

Non-current liabilities

'Deferred tax liabilities' decreased mainly due to recognition of tax incentives.

'Provisions' decreased mainly due to reclassification of provision for site restoration to current liabilities.

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

'Interest-bearing borrowings' increased mainly due to borrowings for working capital and capital expenditures.

Equity

'Other reserves' increased mainly due to foreign currency translation gain for foreign operations, fair value adjustments on foreign currency forward contracts and fair value adjustments on quoted prices of available-for-sale financial assets.

(ii) **Company**

Non-current assets

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

'Trade and other receivables' decreased mainly due to receipts received.

Current assets

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

'Cash and cash equivalents' decreased mainly due to dividends paid.

Current liabilities

'Trade and other payables' increased mainly due to timing of payments made during the year.

'Provisions' increased mainly due to reclassification of provision for site restoration from non-current liabilities.

'Current tax payable' decreased mainly due to payments made during the period.

Non-current liabilities

'Provisions' decreased mainly due to reclassification of provision for site restoration to current liabilities.

'Other long-term payables' decreased mainly due to lower long-term employee benefits.

Equity

'Other reserves' deficit decreased mainly due to fair value adjustments on quoted prices of available-for-sale financial assets.

5. CONSOLIDATED STATEMENT OF CASH FLOWS

	Group		Group	
	4Q 2015	4Q 2014	FY 2015	FY 2014
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities:				
(Loss)/profit for the period/year	(553,540)	193,472	(299,966)	601,275
Adjustments for:				
Finance income	(4,574)	(2,137)	(10,813)	(9,711)
Finance costs	13,932	9,485	46,775	20,960
Investment income	-	-	(557)	(1,192)
Depreciation of property, plant and equipment	36,139	29,581	125,731	110,893
Amortisation of intangible assets	1,502	1,723	6,007	4,240
Share of results of associates and joint ventures, net of tax	150,315	7,392	173,499	(9,859)
Gain on disposal of property, plant and equipment	(12)	(31)	(426)	(98)
Fair value adjustment on hedging instruments	(5,468)	20,542	29,409	12,169
Net change in fair value of financial assets measured through profit or loss	1,645	(30)	1,653	(177)
Impairment losses on available-for-sale financial assets	-	-	17,055	-
Share-based payment expenses	(5,494)	2,805	7,011	15,998
Impairment losses on property, plant and equipment	1,400	-	1,400	-
Property, plant and equipment written off	1	156	14	232
Inventories written down/(written back), net	85,474	203	85,518	(76)
Provision for foreseeable losses on contracts work-in-progress	277,961	-	277,961	-
Allowance for doubtful debts and bad debts, net	151,836	72	153,856	192
Tax (credit)/expense	(117,789)	24,195	(77,637)	105,729
Operating profit before working capital changes	33,328	287,428	536,490	850,575
Changes in working capital:				
Inventories and work-in-progress	(1,137,974)	(924,810)	(1,908,412)	(1,357,216)
Trade and other receivables	(172,088)	(21,561)	(288,254)	(22,657)
Trade and other payables	729,093	308,405	832,293	112,557
Cash used in operations	(547,641)	(350,538)	(827,883)	(416,741)
Investment and interest income received	4,615	2,093	11,498	10,726
Interest paid	(19,148)	(5,260)	(68,787)	(19,460)
Tax paid	(18,933)	(10,135)	(103,927)	(82,798)
Net cash used in operating activities	(581,107)	(363,840)	(989,099)	(508,273)
Cash flows from investing activities:				
Purchase of property, plant and equipment	(206,023)	(215,842)	(932,829)	(738,878)
Proceeds from sale of property, plant and equipment	24	122	647	419
Purchase of intangible assets	-	(1,327)	-	(26,513)
Acquisition of other financial assets	-	1	(15)	(5,417)
Net cash used in investing activities	(205,999)	(217,046)	(932,197)	(770,389)
Cash flows from financing activities:				
Proceeds from borrowings	890,887	155,539	2,052,674	1,255,269
Repayment of borrowings	(296,611)	(57,784)	(309,138)	(291,696)
Proceeds from share options exercised	(888)	55	879	723
Purchase of treasury shares	(1,315)	-	(12,293)	(11,555)
Dividends paid to owners of the Company	-	-	(250,665)	(271,605)
Dividends paid to non-controlling interests of subsidiaries	-	-	(14,558)	(13,399)
Capital contribution by non-controlling interests	-	-	157	-
Unclaimed dividends	-	-	29	5
Net cash generated from financing activities	592,073	97,810	1,467,085	667,742
Net decrease in cash and cash equivalents	(195,033)	(483,076)	(454,211)	(610,920)
Cash and cash equivalents at beginning of the period/year	824,766	1,556,147	1,076,783	1,694,901
Effect of exchange rate changes on balances held in foreign currencies	(2,451)	3,712	4,710	(7,198)
Cash and cash equivalents at end of the period/year	627,282	1,076,783	627,282	1,076,783

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:

	31-Dec-2015 \$'000	31-Dec-2014 \$'000
Fixed deposits	15,002	66,157
Cash and bank balances	614,303	1,012,619
Cash and cash equivalents in balance sheets	629,305	1,078,776
Bank overdrafts	(2,023)	(1,993)
Cash and cash equivalents in consolidated statement of cash flows	627,282	1,076,783

5b. Explanatory notes to Consolidated Statement of Cash Flows

(i) Fourth quarter

Cash flows from operating activities before changes in working capital was \$33.3 million in 4Q 2015. Net cash used in operating activities for 4Q 2015 at \$581.1 million was mainly due to working capital for the ongoing rig building projects.

Net cash used in investing activities for 4Q 2015 was \$206.0 million. The Group spent \$206.0 million on expansion and operational capital expenditures, mainly for the Brazil new yard and Phase II of Sembmarine Integrated Yard @ Tuas.

Net cash generated from financing activities for 4Q 2015 was \$592.1 million. It relates mainly to net proceeds from borrowings.

(ii) Full Year

Cash flows from operating activities before changes in working capital was \$536.5 million in FY 2015. Net cash used in operating activities for FY 2015 at \$989.1 million was mainly due to working capital for the ongoing rig building projects.

Net cash used in investing activities for FY 2015 was \$932.2 million. The Group spent \$932.8 million on expansion and operational capital expenditures, mainly for the Brazil new yard and Phase II of Sembmarine Integrated Yard @ Tuas.

Net cash generated from financing activities for FY 2015 was \$1,467.1 million. It relates mainly to net proceeds from borrowings, offset by dividends paid.

(iii) Significant non-cash transactions

Purchase of property, plant and equipment includes payment of \$27.9 million on prior year's accrued capital expenditure for the Brazil new yard (FY 2014: excludes accrued capital expenditure of \$33.1 million for the Brazil new yard).

6. STATEMENTS OF CHANGES IN EQUITY

6a. Statements of Changes in Equity for the Group

	Attributable to owners of the Company							Non-controlling interests \$'000	Total Equity \$'000
	Share capital \$'000	Reserve for own shares \$'000	Capital reserves \$'000	Currency translation reserve \$'000	Other reserves \$'000	Revenue reserve \$'000	Total \$'000		
9M 2015									
At 1 January 2015	484,288	(1,715)	25,574	(17,044)	(83,440)	2,557,455	2,965,118	166,909	3,132,027
Total comprehensive income									
Profit for the period	-	-	-	-	-	247,211	247,211	6,363	253,574
Other comprehensive income									
Foreign currency translation differences for foreign operations	-	-	-	66,220	-	-	66,220	10,955	77,175
Net change in fair value of cash flow hedges	-	-	-	-	(36,369)	-	(36,369)	-	(36,369)
Net change in fair value of available-for-sale financial assets	-	-	-	-	(13,770)	-	(13,770)	-	(13,770)
Change in fair value of available-for-sale financial assets transferred to profit or loss	-	-	-	-	17,055	-	17,055	-	17,055
Total other comprehensive income	-	-	-	66,220	(33,084)	-	33,136	10,955	44,091
Total comprehensive income	-	-	-	66,220	(33,084)	247,211	280,347	17,318	297,665
Transactions with owners of the Company, recognised directly in equity									
Purchase of treasury shares	-	(10,978)	-	-	-	-	(10,978)	-	(10,978)
Issue of treasury shares	-	10,795	-	-	(9,039)	-	1,756	-	1,756
Dividends paid to owners of the Company	-	-	-	-	-	(250,665)	(250,665)	-	(250,665)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(14,558)	(14,558)
Unclaimed dividends	-	-	-	-	-	29	29	-	29
Share-based payments	-	-	-	-	9,694	-	9,694	-	9,694
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	157	157
Total transactions with owners	-	(183)	-	-	655	(250,636)	(250,164)	(14,401)	(264,565)
At 30 September 2015	484,288	(1,898)	25,574	49,176	(115,869)	2,554,030	2,995,301	169,826	3,165,127
4Q 2015									
Total comprehensive income									
Loss for the period	-	-	-	-	-	(536,883)	(536,883)	(16,657)	(553,540)
Other comprehensive income									
Foreign currency translation differences for foreign operations	-	-	-	1,727	-	-	1,727	(95)	1,632
Net change in fair value of cash flow hedges	-	-	-	-	20,994	-	20,994	-	20,994
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	-	12,181	-	12,181	-	12,181
Net change in fair value of available-for-sale financial assets	-	-	-	-	20,531	-	20,531	-	20,531
Total other comprehensive income	-	-	-	1,727	53,706	-	55,433	(95)	55,338
Total comprehensive income	-	-	-	1,727	53,706	(536,883)	(481,450)	(16,752)	(498,202)
Transactions with owners of the Company, recognised directly in equity									
Purchase of treasury shares	-	(1,315)	-	-	-	-	(1,315)	-	(1,315)
Issue of treasury shares	-	64	-	-	(959)	-	(895)	-	(895)
Share-based payments	-	-	-	-	(436)	-	(436)	-	(436)
Total transactions with owners	-	(1,251)	-	-	(1,395)	-	(2,646)	-	(2,646)
At 31 December 2015	484,288	(3,149)	25,574	50,903	(63,558)	2,017,147	2,511,205	153,074	2,664,279

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

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

	Attributable to owners of the Company							Non-controlling interests \$'000	Total Equity \$'000
	Share capital \$'000	Reserve for own shares \$'000	Capital reserves \$'000	Currency translation reserve \$'000	Other reserves \$'000	Revenue reserve \$'000	Total \$'000		
9M 2014									
At 1 January 2014	484,288	(7,759)	25,574	(67,406)	(26,588)	2,268,927	2,677,036	132,476	2,809,512
Total comprehensive income									
Profit for the period	-	-	-	-	-	386,082	386,082	21,721	407,803
Other comprehensive income									
Foreign currency translation differences for foreign operations	-	-	-	4,320	-	-	4,320	955	5,275
Net change in fair value of cash flow hedges	-	-	-	-	(1,933)	-	(1,933)	-	(1,933)
Net change in fair value of available-for-sale financial assets	-	-	-	-	(10,107)	-	(10,107)	-	(10,107)
Total other comprehensive income	-	-	-	4,320	(12,040)	-	(7,720)	955	(6,765)
Total comprehensive income	-	-	-	4,320	(12,040)	386,082	378,362	22,676	401,038
Transactions with owners of the Company, recognised directly in equity									
Purchase of treasury shares	-	(11,555)	-	-	-	-	(11,555)	-	(11,555)
Issue of treasury shares	-	17,349	-	-	(16,705)	-	644	-	644
Dividends paid to owners of the Company	-	-	-	-	-	(271,605)	(271,605)	-	(271,605)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(13,399)	(13,399)
Unclaimed dividends	-	-	-	-	-	5	5	-	5
Share-based payments	-	-	-	-	9,205	-	9,205	-	9,205
Total transactions with owners	-	5,794	-	-	(7,500)	(271,600)	(273,306)	(13,399)	(286,705)
At 30 September 2014	484,288	(1,965)	25,574	(63,086)	(46,128)	2,383,409	2,782,092	141,753	2,923,845
4Q 2014									
Total comprehensive income									
Profit for the period	-	-	-	-	-	174,046	174,046	19,426	193,472
Other comprehensive income									
Foreign currency translation differences for foreign operations	-	-	-	46,042	-	-	46,042	5,730	51,772
Net change in fair value of cash flow hedges	-	-	-	-	(40,462)	-	(40,462)	-	(40,462)
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	-	12,159	-	12,159	-	12,159
Net change in fair value of available-for-sale financial assets	-	-	-	-	(11,901)	-	(11,901)	-	(11,901)
Total other comprehensive income	-	-	-	46,042	(40,204)	-	5,838	5,730	11,568
Total comprehensive income	-	-	-	46,042	(40,204)	174,046	179,884	25,156	205,040
Transactions with owners of the Company, recognised directly in equity									
Issue of treasury shares	-	250	-	-	(182)	-	68	-	68
Share-based payments	-	-	-	-	3,074	-	3,074	-	3,074
Total transactions with owners	-	250	-	-	2,892	-	3,142	-	3,142
At 31 December 2014	484,288	(1,715)	25,574	(17,044)	(83,440)	2,557,455	2,965,118	166,909	3,132,027

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

6b. Statements of Changes in Equity of the Company

	Share capital \$'000	Reserve for own shares \$'000	Capital reserves \$'000	Other reserves \$'000	Revenue reserve \$'000	Total Equity \$'000
9M 2015						
At 1 January 2015	484,288	(1,715)	960	(15,978)	374,737	842,292
Total comprehensive income						
Profit for the period	-	-	-	-	248,239	248,239
Other comprehensive income						
Net change in fair value of available-for-sale financial assets	-	-	-	(6,111)	-	(6,111)
Total other comprehensive income	-	-	-	(6,111)	-	(6,111)
Total comprehensive income	-	-	-	(6,111)	248,239	242,128
Transactions with owners of the Company, recognised directly in equity						
Purchase of treasury shares	-	(10,978)	-	-	-	(10,978)
Issue of treasury shares	-	10,795	-	(9,028)	-	1,767
Dividends paid to owners of the Company	-	-	-	-	(250,665)	(250,665)
Unclaimed dividends	-	-	-	-	29	29
Share-based payments	-	-	-	1,869	-	1,869
Cost of share-based payment issued to employees of subsidiaries	-	-	-	7,825	-	7,825
Total transactions with owners	-	(183)	-	666	(250,636)	(250,153)
At 30 September 2015	484,288	(1,898)	960	(21,423)	372,340	834,267
4Q 2015						
Total comprehensive income						
Loss for the period	-	-	-	-	(480)	(480)
Other comprehensive income						
Net change in fair value of available-for-sale financial assets	-	-	-	17,012	-	17,012
Total other comprehensive income	-	-	-	17,012	-	17,012
Total comprehensive income	-	-	-	17,012	(480)	16,532
Transactions with owners of the Company, recognised directly in equity						
Purchase of treasury shares	-	(1,315)	-	-	-	(1,315)
Issue of treasury shares	-	64	-	(952)	-	(888)
Share-based payments	-	-	-	856	-	856
Cost of share-based payment issued to employees of subsidiaries	-	-	-	(1,292)	-	(1,292)
Total transactions with owners	-	(1,251)	-	(1,388)	-	(2,639)
At 31 December 2015	484,288	(3,149)	960	(5,799)	371,860	848,160

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

6b. Statements of Changes in Equity of the Company (Cont'd)

	Share capital \$'000	Reserve for own shares \$'000	Capital reserves \$'000	Other reserves \$'000	Revenue reserve \$'000	Total Equity \$'000
9M 2014						
At 1 January 2014	484,288	(7,759)	960	2,748	409,509	889,746
Total comprehensive income						
Profit for the period	-	-	-	-	238,396	238,396
Other comprehensive income						
Net change in fair value of available-for-sale financial assets	-	-	-	(7,002)	-	(7,002)
Total other comprehensive income	-	-	-	(7,002)	-	(7,002)
Total comprehensive income	-	-	-	(7,002)	238,396	231,394
Transactions with owners of the Company, recognised directly in equity						
Purchase of treasury shares	-	(11,555)	-	-	-	(11,555)
Issue of treasury shares	-	17,349	-	(16,681)	-	668
Dividends paid to owners of the Company	-	-	-	-	(271,605)	(271,605)
Unclaimed dividends	-	-	-	-	5	5
Share-based payments	-	-	-	1,789	-	1,789
Cost of share-based payment issued to employees of subsidiaries	-	-	-	7,416	-	7,416
Total transactions with owners	-	5,794	-	(7,476)	(271,600)	(273,282)
At 30 September 2014	484,288	(1,965)	960	(11,730)	376,305	847,858
4Q 2014						
Total comprehensive income						
Loss for the period	-	-	-	-	(1,568)	(1,568)
Other comprehensive income						
Net change in fair value of available-for-sale financial assets	-	-	-	(7,140)	-	(7,140)
Total other comprehensive income	-	-	-	(7,140)	-	(7,140)
Total comprehensive income	-	-	-	(7,140)	(1,568)	(8,708)
Transactions with owners of the Company, recognised directly in equity						
Issue of treasury shares	-	250	-	(182)	-	68
Share-based payments	-	-	-	597	-	597
Cost of share-based payment issued to employees of subsidiaries	-	-	-	2,477	-	2,477
Total transactions with owners	-	250	-	2,892	-	3,142
At 31 December 2014	484,288	(1,715)	960	(15,978)	374,737	842,292

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

6c. Changes in the Company's share capital

(i) Issued and Paid Up Capital

As at 31 December 2015, the Company's issued and paid up capital, excluding treasury shares, comprises 2,088,567,580 (31 December 2014: 2,089,343,860) ordinary shares.

(ii) Share Options

During 4Q 2015, there were no (4Q 2014: 22,675) share options exercised under the Company's Share Option Plan ("SOP") and settled by way of issuance of treasury shares.

In 4Q 2015, there were no (4Q 2014: 2,800) share options that lapsed.

As at 31 December 2015, there were 973,312 (31 December 2014: 1,676,502) unissued ordinary shares under options granted to eligible employees and directors under the SOP.

(iii) Performance Shares

In 4Q 2015, there were 75,000 (4Q 2014: Nil) performance shares that lapsed under the Company's Performance Share Plan ("PSP").

The total number of performance shares in awards granted conditionally and representing 100% of targets to be achieved, but not released as at 31 December 2015 was 3,200,000 (31 December 2014: 2,810,000). Based on the multiplying factor, the actual release of the awards could range from zero to a maximum of 4,800,000 (31 December 2014: 4,215,000) performance shares.

(iv) Restricted Shares

During 4Q 2015, 22,547 (4Q 2014: 37,947) restricted shares were released under the Company's Restricted Share Plan ("RSP") RSP and 41,158 (4Q 2014: 19,240) restricted shares lapsed. The restricted shares released were settled by way of issuance of treasury shares.

The total number of restricted shares outstanding, including awards achieved but not released, as at 31 December 2015 was 10,101,585 (31 December 2014: 8,262,801). Of this, the total number of restricted shares in awards granted conditionally and representing 100% of targets to be achieved, but not released as at 31 December 2015 was 7,623,701 (31 December 2014: 5,450,570). Based on the multiplying factor, the actual release of the conditional awards could range from zero to a maximum of 11,435,552 (31 December 2014: 8,175,855) restricted shares.

(v) Treasury Shares

During 4Q 2015, the Company acquired 600,000 (4Q 2014: Nil) ordinary shares in the Company by way of on-market purchases.

In 4Q 2015, 22,547 treasury shares were issued pursuant to the RSP (4Q 2014: 60,622 treasury shares were issued pursuant to the SOP and RSP).

As at 31 December 2015, 1,192,527 (31 December 2014: 416,247) treasury shares were held that may be issued upon the exercise of the 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. However, our auditors have performed certain procedures under the requirements of Singapore Standard on Related Services (SSRS) 4400 – Engagements to Perform Agreed-upon Procedures Regarding Financial Information. These procedures do not constitute either an audit or a review made in accordance with Singapore Standards on Auditing or Singapore Standards on Review Engagements.

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 31 December 2014.

10. CHANGES IN ACCOUNTING POLICIES

The following new/amended FRSs have become effective from 1 January 2015:

Amendments to FRS 19 Employee Benefit Plans: Employee Contributions

Improvements to FRSs (January 2014)

- FRS 16 Property, Plant and Equipment
- FRS 38 Intangible Assets
- FRS 24 Related Party Disclosures
- FRS 102 Share-based Payment
- FRS 103 Business Combinations
- FRS 108 Operating Segments

Improvements to FRSs (February 2014)

- FRS 103 Business Combinations
- FRS 113 Fair Value Measurements
- FRS 40 Investment Property

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

11. REVIEW OF GROUP PERFORMANCE

(i) Turnover

	4Q 2015	4Q 2014	+ / (-)	+ / (-)	FY 2015	FY 2014	+ / (-)	+ / (-)
	\$'m	\$'m	\$'m	%	\$'m	\$'m	\$'m	%
Rigs & Floaters	854.1	1,099.6	(245.5)	(22.3)	3,318.5	4,207.0	(888.5)	(21.1)
Repairs & Upgrades	160.1	157.5	2.6	1.7	557.3	622.3	(65.0)	(10.4)
Offshore Platforms	294.1	170.0	124.1	73.0	1,016.5	924.7	91.8	9.9
Other Activities	18.7	17.8	0.9	5.1	75.8	78.6	(2.8)	(3.6)
	1,327.0	1,444.9	(117.9)	(8.2)	4,968.1	5,832.6	(864.5)	(14.8)

Turnover for 4Q 2015 decreased mainly due to lower revenue recognition for rig building projects. Reversal of revenue due to termination of contract with a customer, customer deferment requests and customer's restructuring has resulted in the lower revenue recognition for rigs & floaters segment. However, turnover from offshore platforms projects was higher.

Turnover for FY 2015 decreased mainly due to the lower revenue recognition for rig building projects and lower average revenue per repair vessel despite the increase in the number of ships repaired. Reversal of revenue due to termination of contract with a customer, customer deferment requests and customer's restructuring has resulted in the lower revenue recognition for rigs & floaters segment. For the offshore platforms projects, turnover was higher in FY 2015.

(ii) Loss/profit attributable to Owners of the Company ("Net loss/profit")

Net loss for 4Q 2015 and FY 2015 was mainly due to lower contribution from rig building projects resulting from write-downs of inventories and work-in-progress, provision for foreseeable losses, customer deferment requests and restructuring, higher finance costs, impairment loss on available-for-sale financial assets and share of losses from associates. However, contribution from offshore platforms projects was higher.

12. VARIANCE FROM PROSPECT STATEMENT

There is no material change from the previous prospect statement.

13. PROSPECTS

In FY2015, Sembcorp Marine secured S\$3.2 billion in new orders, which represents a healthy replenishment of order books notwithstanding the challenging macro environment. With these new contracts, the Group's net order book backlog as at 31 Dec 2015 stands at \$10.4 billion.

Several of our customers have requested for delivery deferments in light of delays in chartering out their rigs. Given the current depressed environment in the upstream sector, we have tried to accommodate their requests, while preserving our commercial interests. As has been reported, one of our customers has failed to take delivery of its rig, and we have terminated the contract and taken legal action to recover the amount due to us. For the rest of our completed rigs with deferment requests, they have all been technically accepted by our customers and we have arrived at or are finalising mutually acceptable solutions with them.

The Group has made prudent provisions of \$609 million in FY2015 for rig contracts, of which \$329 million relate to Sete Brasil. Looking ahead, this down-cycle is expected to be more protracted than previous cycles. Sembcorp Marine believes that it is sufficiently prepared, not just to ride through the storm, but to lay stronger foundations for the future when the market recovers. The Group will continue to actively manage our balance sheet to maintain a healthy financial position.

The Group remains optimistic on the longer term prospects of its business as its facilities have been built to cater to the industry's demand for the long term. As an integrated Sembcorp Marine, we will optimise our capabilities and capacities, as well as increase our efficiency and productivity to better serve our partners and customers.

This release may contain 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, cost of capital and capital availability, competition from other companies and venues for the sale and distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.

14. DIVIDEND

(i) Current Financial Period Reported On

Name of Dividend	Interim Ordinary One-tier tax exempt	Proposed Final Ordinary One-tier tax exempt	Total
Dividend Type	Cash	Cash	Cash
Dividend Amount (cents per share)	4.0	2.0	6.0

(ii) Corresponding Period of the Immediately Preceding Financial Year

Name of Dividend	Interim Ordinary One-tier tax exempt	Final Ordinary One-tier tax exempt	Total
Dividend Type	Cash	Cash	Cash
Dividend Amount (cents per share)	5.0	8.0	13.0

(iii) Date payable

The proposed final ordinary one-tier tax exempt dividend of 2.0 cents per ordinary share, if approved at the AGM to be held on 18 April 2016, will be paid on 13 May 2016.

(iv) Books closure date

Notice is hereby given that the Transfer Book and Register of Member of the Company will be closed on 29 April 2016 for the preparation of dividend warrants. Duly completed transfers received by the Registrar, KCK Corpserve Pte Ltd, 333 North Bridge Road, #08-00 KH Kea building, Singapore 188721, up to 5 p.m. on 28 April 2016 will be registered before entitlements to dividend are determined.

(v) Total Annual Dividend

	2015 \$'000	2014 \$'000
Interim Ordinary dividend	83,563	104,459
Final Ordinary dividend*	41,771	167,102
Total	125,334	271,561

* 2015 proposed final ordinary dividend are estimated based on share capital of 2,088,567,580 ordinary shares at the end of the financial year.

15. SEGMENTAL REPORTING

FY 2015

(i) Business Segments:

	Rigs & floaters, Repairs & upgrades, Offshore platforms, and Specialised shipbuilding \$'000	Ship chartering \$'000	Others \$'000	Eliminations \$'000	Total \$'000
Turnover					
Sales to external parties	4,897,185	52,399	18,548	-	4,968,132
Inter-segment sales	-	-	178,016	(178,016)	-
Total	4,897,185	52,399	196,564	(178,016)	4,968,132
Results					
Segment results	(174,235)	10,501	13,743	-	(149,991)
Finance income	10,628	-	185	-	10,813
Finance costs	(43,933)	(2,842)	-	-	(46,775)
Investment income	-	-	557	-	557
Non-operating expenses	(1,653)	-	(17,055)	-	(18,708)
Share of results of associates and joint ventures, net of tax	(177,357)	2,364	1,494	-	(173,499)
(Loss)/profit before tax	(386,550)	10,023	(1,076)	-	(377,603)
Tax credit/(expense)	79,804	-	(2,167)	-	77,637
(Loss)/profit for the year	(306,746)	10,023	(3,243)	-	(299,966)
Assets					
Segment assets	8,472,359	257,107	132,208	-	8,861,674
Investments in associates and joint ventures	241,961	62,537	7,558	-	312,056
Deferred tax assets	23,499	-	-	-	23,499
Tax recoverable	3,893	-	-	-	3,893
Total assets	8,741,712	319,644	139,766	-	9,201,122
Liabilities					
Segment liabilities	6,304,941	118,233	24,346	-	6,447,520
Deferred tax liabilities	42,372	-	350	-	42,722
Current tax payable	44,496	-	2,105	-	46,601
Total liabilities	6,391,809	118,233	26,801	-	6,536,843
Capital expenditure					
	903,978	-	913	-	904,891
Significant non-cash items					
Depreciation and amortisation	120,333	10,477	928	-	131,738
Fair value adjustment on hedging instruments	29,409	-	-	-	29,409
Impairment losses on available-for-sale financial assets	-	-	17,055	-	17,055
Impairment losses on property, plant and equipment	-	1,400	-	-	1,400
Property, plant and equipment written off	14	-	-	-	14
Inventories written down, net	85,518	-	-	-	85,518
Provision for foreseeable losses on contracts work- in-progress	277,961	-	-	-	277,961
Allowance for doubtful debts and bad debts, net	153,856	-	-	-	153,856

(ii) Geographical Segments:

	Turnover from external customers \$'000	Non-current assets ⁽¹⁾ \$'000	Total assets \$'000	Capital expenditure \$'000
Singapore	289,098	2,291,782	7,256,113	439,161
China	2	237,287	237,326	-
Rest of ASEAN, Australia & India	382,078	169,145	351,293	15,193
Middle East & Africa	10,541	-	-	-
Norway	858,820	-	-	-
The Netherlands	1,044,512	234,013	257,064	-
Austria	533,846	-	-	-
Rest of Europe	336,636	6,642	16,428	733
Brazil	89,466	1,010,165	1,076,549	449,692
U.S.A.	1,403,150	4,256	6,349	112
Mexico	19,283	-	-	-
Other Countries	700	-	-	-
Total	4,968,132	3,953,290	9,201,122	904,891

⁽¹⁾ Non-current assets presented consist of property, plant and equipment, investments in associates and joint ventures, trade and other receivables (other than financial instruments) and intangible assets.

15. SEGMENTAL REPORTING (Cont'd)

FY 2014

(i) Business Segments:

	Rigs & floaters, Repairs & upgrades, Offshore platforms, and Specialised shipbuilding \$'000	Ship chartering \$'000	Others \$'000	Eliminations \$'000	Total \$'000
Turnover					
Sales to external parties	5,759,737	50,816	22,042	-	5,832,595
Inter-segment sales	-	-	220,236	(220,236)	-
Total	5,759,737	50,816	242,278	(220,236)	5,832,595
Results					
Segment results	680,455	12,907	13,663	-	707,025
Finance income	9,596	-	115	-	9,711
Finance costs	(19,318)	(1,642)	-	-	(20,960)
Investment income	78	-	1,114	-	1,192
Non-operating income	179	-	-	-	179
Non-operating expenses	(2)	-	-	-	(2)
Share of results of associates and joint ventures, net of tax	3,290	4,909	1,660	-	9,859
Profit before tax	674,278	16,174	16,552	-	707,004
Tax expense	(103,838)	-	(1,891)	-	(105,729)
Profit for the year	570,440	16,174	14,661	-	601,275
Assets					
Segment assets	7,389,588	238,219	132,089	-	7,759,896
Investments in associates and joint ventures	408,061	56,152	6,064	-	470,277
Deferred tax assets	8,044	-	-	-	8,044
Tax recoverable	203	-	-	-	203
Total assets	7,805,896	294,371	138,153	-	8,238,420
Liabilities					
Segment liabilities	4,692,124	123,853	38,848	-	4,854,825
Deferred tax liabilities	129,897	-	412	-	130,309
Current tax payable	118,460	-	2,799	-	121,259
Total liabilities	4,940,481	123,853	42,059	-	5,106,393
Capital expenditure					
	798,283	-	216	-	798,499
Significant non-cash items					
Depreciation and amortisation	105,895	8,366	872	-	115,133
Fair value adjustment on hedging instruments	12,169	-	-	-	12,169
Property, plant and equipment written off	232	-	-	-	232
Inventories written back, net	(76)	-	-	-	(76)
Allowance for doubtful debts and bad debts, net	192	-	-	-	192

(ii) Geographical Segments:

	Turnover from external customers \$'000	Non-current assets ⁽¹⁾ \$'000	Total assets \$'000	Capital expenditure \$'000
Singapore	775,566	1,949,864	6,504,070	265,978
China	5,225	397,938	398,176	25
Rest of ASEAN, Australia & India	696,627	148,132	178,147	16,973
Middle East & Africa	24,222	-	-	-
Norway	924,097	-	-	-
The Netherlands	1,069,909	228,473	243,795	-
Rest of Europe	205,130	6,809	29,278	709
Brazil	127,511	837,612	878,772	514,785
U.S.A.	1,327,426	3,933	6,182	29
Mexico	676,882	-	-	-
Total	5,832,595	3,572,761	8,238,420	798,499

⁽¹⁾ Non-current assets presented consist of property, plant and equipment, investments in associates and joint ventures, trade and other receivables (other than financial instruments) and intangible assets.

15. SEGMENTAL REPORTING (Cont'd)

15a. Explanatory notes to Segmental Reporting

(i) Business segments

The Group has two reportable segments, which are the Group's strategic business units. The strategic business units are managed separately because of their different business activities. The two reportable segments are (i) rigs & floaters, repairs & upgrades, offshore platforms and specialised shipbuilding (ii) ship chartering.

Inter-segment sales and transfers are carried out on an arm's length basis. Segment assets consist primarily of property, plant and equipment, current assets and exclude inter-segment balances. Segment liabilities comprise mainly operating liabilities and exclude inter-segment balances. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Other operations include bulk trading in marine engineering related products; provision of harbour tug services to port users; collection and treatment of used copper slag, and the processing and distribution of copper slag for blast cleaning purposes.

(ii) Geographical segments

The Group operates principally in the Republic of Singapore. 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.

(iii) Review of segment performance

Please refer to paragraph 11.

16. INTERESTED PERSON TRANSACTIONS

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

	FY 2015 \$'000	FY 2014 \$'000
Transaction for the Sales of Goods and Services		
PSA International Pte Ltd and its associates	5,091	5,840
Sembcorp Industries Limited and its associates	-	108
Transaction for the Purchase of Goods and Services		
Sembcorp Industries Limited and its associates	350	1,811
Singapore Technologies Engineering Ltd and its associates	179	16,117
Management and Support Services		
Sembcorp Industries Limited	250	250
Total Interested Person Transactions	5,870	24,126

17. 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

**TAN YAH SZE/KEM HUEY LEE SHARON
JOINT COMPANY SECRETARIES**

15 February 2016