



UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2001

The Directors of SembCorp Marine Ltd herein announce the unaudited results for the Company and the Group for the year ended 31 December 2001.

These figures have not been audited.

		Group			Company		
		2001 S\$'000	2000 S\$'000	% Change	2001 S\$'000	2000 S\$'000	% Change
1a	Turnover	854,461	763,008	12.0	26,355	103,183	(74.5)
1b	Investment income	96	673	(85.7)	39,678	42,897	(7.5)
1c	Other income including interest income	19,627	17,886	9.7	16,594	16,987	(2.3)
2a	Operating profit before income tax, minority interests, extraordinary items, interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	128,115	123,477	3.8	74,136	101,030	(26.6)
2b (i)	Interest on borrowings	(291)	(1,329)	(78.1)	(1,546)	(1,356)	14.0
2b (ii)	Depreciation and amortisation	(30,449)	(27,280)	11.6	(4,500)	(5,172)	(13.0)
2b (iii)	Foreign exchange gain/(loss)	5,221	1,521	243.3	1,333	612	117.8
2c	Exceptional items	1,201	6,477	(81.5)	(15,873)	13,063	(221.5)
2d	Operating profit before income tax, minority interests and extraordinary items but after interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	103,797	102,866	0.9	53,550	108,177	(50.5)
2e	Income derived from associated companies	(405)	(6,791)	(94.0)	-	-	-
2f	Less income tax	(22,539)	(21,117)	6.7	(10,968)	(15,303)	(28.3)
2g (i)	Operating profit after tax before deducting minority interests	80,853	74,958	7.9	42,582	92,874	(54.2)
2g (ii)	Less minority interests	1,892	4,820	(60.7)	-	-	-
2h	Operating profit after tax attributable to members of the company	82,745	79,778	3.7	42,582	92,874	(54.2)
2i	Extraordinary items	-	-	-	-	-	-

(i)							
2i	Less minority interests	-	-	-	-	-	-
2i	Extraordinary items attributable to members of the company	-	-	-	-	-	-
2i	Transfer to/from Exchange Reserve	-	-	-	-	-	-
2i	Transfer to Capital Reserve	-	-	-	-	-	-
2i	Transfer to Reserve Fund	-	-	-	-	-	-
2j	Operating profit after tax and extraordinary items attributable to members of the company	82,745	79,778	3.7	42,582	92,874	(54.2)

		Group Figures		
		2001	2000	% Change
3a	Operating profit [2(g)(i) above] as a percentage of turnover [1(a) above]	9.5%	9.8%	(3.1)
3b	Operating profit [2(h) above] as a percentage of issued capital and reserves at end of year	9.0%	9.0%	-
3c	Earnings per share based on 2(h) above after deducting any provision for preference dividends:-			
3c (i)	Based on existing issued share capital	5.92	5.72	3.5
3c (ii)	On a fully diluted basis	5.90	5.72	3.1
3d	Earnings per share based on 2(j) above after deducting any provision for preference dividends:-			
3d (i)	Based on existing issued share capital	5.92	5.72	+ 3.5
3d (ii)	On a fully diluted basis	5.90	5.72	+ 3.1
3e	Net tangible asset backing per ordinary share	65	64	+ 1.6

Note: In compliance with Singapore Statement of Accounting Standard ("SAS") No 10, SAS No 17 and SAS No 32, adjustments relating to proposed dividend, accrual for unconsumed annual leave and redeemable convertible loan stock discount have been made to the FY2000 figures for 3(a), 3(b), 3(c) (i) & (ii), 3(d)(i) & (ii) and 3(e). The previous figures for 3(a), 3(b), 3(c)(i) & (ii), 3(d)(i) & (ii) and 3(e) were 9.90%, 9.40%, 5.75 cents, 5.75 cents, 5.75 cents, 5.75 cents and 61 cents respectively.

		Group			Company		
		2001	2000	%	2001	2000	%

		S\$'000	S\$'000	Change	S\$'000	S\$'000	Change
4a	Turnover reported for first half year	373,356	348,995	7.0	13,209	92,060	(85.7)
4b	Operating profit [2(g)(i)] reported for first half year	38,300	39,604	(3.3)	38,570	70,712	(45.5)
4c	Turnover reported for second half year	481,105	414,013	16.2	13,146	11,123	18.2
4d	Operating profit [2(g)(i)] reported for first half year	42,553	35,354	20.4	4,012	22,162	(81.9)

5a Amount of any adjustment for under or overprovision of tax in respect of prior years

Over-provision of tax in respect of prior years amounted to \$2.2 million for the Group and \$1.9 million for the Company mainly due to the reduction in corporate income tax rate and government's off budget tax rebates.

5b Amount of any pre-acquisition profits

NIL

5c Amount of profits on any sale of investments and/or properties

Sale of investments/properties	\$Profit/(Loss)
Gain on sale of long term investment	1,201,000
Gain on sale of property	4,119,000

5d

Any other comments relating to Paragraph 5

Share of Results of Associated Companies

The share of results of associated companies and a joint venture improved 94% to a marginal loss of \$0.4 million compared to a loss of \$6.8 million in 2000. The improvements were mainly attributable to:

- Atlantis Shipyard losses decreased by \$3.1 million as their 2000 losses included a one-off fixed asset and bad debt write-off;
- \$2.6 million contributions from new acquisitions made during the year, comprising Maua Jurong (\$2.0 million) and PPL Shipyard (0.6million) and;
- \$1.8 million improved performance of the Oslo Gas Carriers.

Exceptional Items

	Group		Company	
	2001 S\$'000	2000 S\$'000	2001 S\$'000	2000 S\$'000
Profit on sale of long term investments	1,201	6,477	2,127	13,063
Provision for diminution in value of investment in a subsidiary and an associated company.	-	-	(6,000)	-

Provision for share of losses in an associated company	-	-	(12,000)	-
	1,201	6,477	(15,873)	13,063

6 Segmental Results

a. By Business Segment

	Group Turnover		Group Segment Results	
	2001 S\$'000	2000 S\$'000	2001 S\$'000	2000 S\$'000
Ship repair, building & conversion	806,609	706,846	78,575	74,032
Ship chartering	21,926	1,529	3,354	7,165
Others	25,926	54,633	1,236	(2,038)
Total	854,461	763,008	83,165	79,159

b. By geographical segment

The Group operates mainly in the Republic of Singapore

7a Review of the performance of the company and its principal subsidiaries

Group turnover for the half year ended 31 December 2001 improved by 12.0% to \$763.0 million in 2000 to \$854.5 million in 2001. The increase was attributed mainly to the improvement in ship repair activities.

The Company's shipyard operations were transferred to a wholly owned subsidiary, Jurong Shipyard Pte Ltd, with effect from 1 April 2000. As a result, the Company's turnover for the year ended 31 December 2001 decreased by 74.5% from \$103.2 million in 2000 to \$26.4 million in 2001.

The Group achieved a 3.7% increase in profit after tax and minority interests from \$79.8 million in 2000 to \$82.7 million in 2001. The improvement was attributed mainly to the increase in ship repair volume, lower losses from associated companies and write-back of prior years' tax over-provision. The exceptional profit from sale of long term investments was \$1.2 million compared to the \$6.5 million in 2000. Excluding the effect of the exceptional profits, PATMI increased by 11.2% to \$81.5 million in 2001 from \$73.3 million in 2000.

The Group has carried out a review of the impact upon the adoption of the new accounting standards SAS No 36- "Impairment of assets". The Group is satisfied that as 31 December 2001, there is no indication of major impairment to its assets and accordingly no provision for impairment of assets is deemed necessary for the year ended 2001.

7b Subsequent Event

As part of the Group's effort to divest its non-core activities and to remain focused on its marine activities of ship repair, shipbuilding, ship conversion and offshore businesses, the Company has:

- a. On 11 January 2002
 - i. disposed of its 50% interest comprising of 615,000 ordinary shares in Neptune Associated Lines (NAL) to Neptune Orient Lines Limited (NOL). NAL is a ship owning and ship chartering company formerly jointly owned by the Company and NOL. The consideration payable

to the Companyt was a nominal amount of \$1 based on NAL's net tangible assets value of \$1 as at 30 December 2001.

- ii. acquired from NOL a 50% equity stake in Atlantis Shipyard Pte Ltd (Atlantis), a mid-sized shipyard specialising in the repair of small and medium-sized vessels, including afloat and anchorage repairs and the construction of mid-sized vessels. The acquisition, comprising 20 million ordinary shares was purchased at a consideration of \$11 million in cash based on Atlantis net tangible assets value of \$22 million as at 30 September 2001. The consideration was funded from internal resources and on a willing buyer, willing seller basis. Upon completion of the acquisition, the Company now holds an 85% interest in Atlantis.
- b. On 18 February 2002, disposed of its entire 25.49% interest, comprising 100,350,000 ordinary shares in Jurong Technologies Industrial Corporation Limited ("JTIC") at 29 cents per share. The consideration payable to the Company is \$27.98 million and will be fully paid in cash.

In the opinion of the Directors, saved as disclosed as above, no item, transaction or event of a material and unusual nature has arisen during the period from 31 December 2001 to the date of this announcement which would affect substantially the results of the Group and the Company for the year ended 31 December 2001.

8 Commentary on current year prospects

The Group has a strong order book to keep the yards busy throughout the year 2002. Contributions from associated companies especially those in the offshore sector are expected to be higher than 2001.

Barring unforeseen circumstances, the Group expects to improve its performance in the current year.

9 Dividend

(a) Any dividend declared for the present financial period? Yes

Name of Dividend	Interim & Special	Final	Special
Dividend Type	Cash	Cash	Cash
Dividend Rate	1.50 cents per ordinary share less tax	1.00 cents per ordinary share less tax	4.00 cents per ordinary shares less tax
Par value of shares	\$0.10	\$0.10	\$0.10
Tax Rate	24.5%	24.5%	24.5%

(b) Any dividend declared for the previous corresponding period? Yes

Name of Dividend	Interim & Special	Final	Special
Dividend Type	Cash	Cash	Cash
Dividend Rate	2.25 cents per ordinary share less tax	0.99 cents per ordinary share less tax	3.21 cents per ordinary shares less tax
Par value of shares	\$0.10	\$0.10	\$0.10
Tax Rate	25.5%	24.5%	24.5%

(c) Date payable

The final and special dividend will be paid on 28 June 2002.

(d) Books closing date

Notice is hereby given that the Transfer Book and Register of Members of the Company will be closed from 11 June 2002 to 12 June 2002, both dates inclusive, for the preparation of dividend warrants. Duly completed transfers received by the Registrar, Kon Choon Kooi Pte Ltd, 47 Hill Street, #06-02, Chinese Chamber of Commerce & Industry Building, Singapore 179365, up to 5 pm on 10 June 2002 will be registered before entitlements to dividend are determined.

(e) Any other comments relating to Paragraph 9

The Board is pleased to propose a final dividend of 10.0% (1.00 cents) per share less income tax of 24.5% [2000: 9.9% (0.99 cents) per share less income tax of 24.5%] and a special dividend of 40.0% (4.00 cents) per share less income tax of 24.5% [2000: special dividend 3.21% (3.21 cents) per share less income tax of 24.5%].

10 Balance Sheet

Balance Sheet as at 31 December

	Group		Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Fixed assets	429,914	411,997	188,378	192,425
Subsidiaries	-	-	299,858	305,233
Associated companies & joint ventures	89,977	80,604	51,568	37,544
Other investments	98,152	98,645	75,684	76,261
Long term trade debtors	167,356	125,696	87,920	109,441
Deferred expenditure	-	403	-	-
Goodwill on consolidation	15,567	-	-	-
Net current assets	187,274	241,203	79,851	74,272
<u>Creditors: amounts falling due after one year</u>				
Deferred taxation	(48,608)	(50,527)	(35,730)	(37,479)
Long term loan (secured)	-	(246)	-	-
Redeemable convertible loan stock	(4,801)	(4,701)	-	-
Other deferred liabilities	(1,925)	(1,406)	-	-
	932,906	901,668	747,529	757,697
<u>Capital and Reserves</u>				
Share capital	140,614	139,518	140,614	139,518
Reserves	782,274	751,231	606,915	618,179
	922,888	890,749	747,529	757,697
Minority interests	10,018	10,919	-	-
	932,906	901,668	747,529	757,697

Note: In compliance with Singapore Statement of Accounting Standard ("SAS") No 10, SAS No 17 and SAS No 32, adjustments relating to proposed

dividend, accrual for unconsumed annual leave and redeemable convertible loan stock discount have been made to the FY2000 figures. Dividend can only be accrued after shareholders' approval at the Company's Annual General Meeting ("AGM"). Accordingly, the FY2001 figures have not accounted for the proposed net dividend of \$53.1 million and the FY2000 figures have been restated for the proposed dividend of \$44.2 million so as to be comparable on the same basis.

In previous years, goodwill on consolidation was written off against reserves in the year in which the goodwill arises. In accordance with SAS No 22 (revised) - Business Combinations, such goodwill will be capitalised and amortised over a period of not more than 20 years.

11 Summarised statement of changes in equity (the Group)

	Share Capital	Share Premium	Capital Reserves	Foreign Currency Translation Reserves	Revenue Reserves	Total Share holders' Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2001 as previously reported	139,518	222,819	28,117	3,428	455,294	849,176
Prior year adjustment (note 1)	-	-	314	-	41,259	41,573
	139,518	222,819	28,431	3,428	496,553	890,749
Issue of new shares on exercise of share options	1,096	6,510	-	-	-	7,606
Share of associated company's capital reserves	-	-	(8)	-	-	(8)
Currency translation arising during the period	-	-	-	2,152	-	2,152
Profit attributable to shareholders for the period	-	-	-	-	82,745	82,745
Dividend paid (note 2)	-	-	-	-	(60,356)	(60,356)
Balance as at 31 Dec 2001	140,614	229,329	28,423	5,580	518,942	922,888

Note 1- Prior year adjustment arises from the implementation of the new accounting standards:

	Capital Reserves	Revenue Reserves	Impact on Profit & Loss A/c	
			2001	2000
Effect from implementation of:	\$'000	\$'000	\$'000	\$'000
SAS 10 Proposed dividend	-	44,175	-	-
SAS 17 Accrual for unconsumed annual	-	(2,916)	(1,422)	(380)

leave				
SAS 32 Redeemable convertible loan stock reserve	314	-	(100)	-
	314	41,259	(1,522)	(380)

With effect from 1 January 2001, accrual was made for unconsumed annual leave on an earned basis instead of on a consumed basis. This change in accounting policy has the effect of reducing current year's Group profit before tax by about \$1,422,000 (2000: \$380,000). The cumulative charge for prior years has been made against opening revenue reserves of the Group by reducing reserves by approximately \$2,916,000 (2000: \$2,536,000).

Note 2- During the period, the 2000 final dividend less tax paid amounted to \$44,439,000 which included \$264,000 in respect of shares issued after the previous financial year end to the date of payment of the dividend.

12 Details of any changes in the company's issued share capital

Pursuant to the SembCorp Marine Share Option Plan (the "Plan"), 10,962,750 ordinary shares of \$0.10 each were issued during the financial year. The Plan was started in 1991 and details of the Plan were set out in the annual report of that year.

Options were granted in 2001 (the "2001 Options") pursuant to the Plan in respect of a total 14,323,000 unissued ordinary shares of \$0.10 each to 1004 full time executives of the Group (including 337,000 issued to 23 executives of the parent Group). The 2001 options are exercisable from 28 September 2002 to 27 September 2011 (28 September 2002 to 27 September 2006 for non-executive directors of the company) and the exercise price is \$0.66 per share for cash.

As at 31 December 2001, the Company's issued and paid-up share capital comprises 1,406,140,980 (31 December 2000: 1,395,178,230) ordinary shares of \$0.10 each. There were 34,406,850 (31 December 2000: 32,453,800) unissued ordinary shares of \$0.10 each under options granted to eligible employees and directors under the Plan.

There were no rights or bonus issues since the previous dividend was paid.

Comparative figures of the group's borrowings and debt securities

(a) Amount repayable in one year or less, or on demand

As at (31/12/2001)		As at (30/06/2001)	
Secured	Unsecured	Secured	Unsecured
246,000	21,010,000	328,000	1,788,000

(b) Amount repayable after one year

As at (31/12/2001)		As at (30/06/2001)	
Secured	Unsecured	Secured	Unsecured
-	4,801,000	82,000	4,751,000

(c) Any other comments relating to Paragraph 12

NIL

13 Cashflow Statement

CONSOLIDATED STATEMENT OF CASH FLOWS

	2001	2000
	\$'000	\$'000
CASH FLOW FROM OPERATING ACTIVITIES:		
Operating profit	83,164	79,159
Adjustments for:		
Depreciation of fixed assets	28,829	27,276
Fixed assets written-off	6	16
Gain on disposal of fixed assets	(4,516)	(6,762)
Write-off/amortisation of deferred expenditure	403	4
Amortisation of goodwill on consolidation	1,520	-
Amortisation of convertible loan stock discount interest	100	-
Operating income before reinvestment in working capital	109,506	99,693
(Increase)/decrease in debtors	(133,503)	75,121
Increase in stocks and work-in-progress	(52,949)	(78,583)
Increase in creditors	42,989	9,818
Increase in deferred expenditure	-	(57)
Cash (used by)/generated from operations	(33,957)	105,992
Investment and interest income received	19,093	18,214
Interest paid	(262)	(1,329)
Income taxes paid	(20,313)	(22,041)
Net cash (used)/provided by operating activities	(35,439)	100,836
CASH FLOW FROM INVESTING ACTIVITIES		
Additional interest in a subsidiary	(1,135)	-
Disposal of subsidiaries, net	(225)	(363)
Investment in associated companies	(31,798)	(494)
Purchase of fixed assets	(49,146)	(45,463)
Purchase of long term investments	(40)	(2,000)
Proceeds from disposal of fixed assets	931	49,505
Proceeds from sale of associated companies	482	-
Proceeds from sale of long term investments	1,962	977
Capital refund from associated companies	3,714	-
Dividends from associated companies	2,135	1,424
Net cash (used)/provided by investing activities	(73,120)	3,586
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid		
- by the Company	(60,356)	(62,364)
- by a subsidiary to minority shareholders	-	(473)
Proceeds on issue of new shares		
- by the Company	7,606	-
- by a subsidiary to minority shareholders	2,000	-
Short term borrowings	20,000	-
Repayment of borrowings	(328)	(7,245)

Repayment to hire purchase creditors	(334)	(258)
Repayment from an associated company	473	376
Net cash (used) in financing activities	(30,939)	(69,964)
Net (decrease)/increase in cash and cash equivalents	(139,498)	34,458
Cash and cash equivalents at beginning of year	195,970	161,512
Cash and cash equivalents at end of year	56,472	195,970

BY ORDER OF THE BOARD

Lim Seh Li
Company Secretary

Singapore,
18 February 2002