

UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FIRST HALF YEAR ENDED 30 JUNE 2001

The Board of Directors of SembCorp Marine Ltd is pleased to announce the unaudited results for the Company and the Group for the first half year ended 30 June 2002.

These figures have not been audited.

		Group			Company		
		30/06/02 S\$'000	30/06/01 S\$'000	% Change	30/06/02 S\$'000	30/06/01 S\$'000	% Change
1a	Turnover	491,987	373,356	31.8	10,067	13,209	(23.8)
1b	Cost of sales or classification as followed in the most recent audited annual financial statements	(436,794)	(317,107)	37.7	(6,980)	(5,875)	18.8
1c	Gross profit/loss	55,193	56,249	(1.9)	3,087	7,334	(57.9)
1d	Investment income	80	91	(12.1)	26,066	37,849	(31.1)
1e	Other income including interest income	7,367	9,329	(21.0)	5,086	7,820	(35.0)
2a	Operating profit before income tax, minority interests, extraordinary items, interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	62,261	65,164	(4.5)	31,088	53,019	(41.4)
2b (i)	Interest on borrowings	(376)	(143)	162.9	(416)	(610)	(31.8)
2b (ii)	Depreciation and amortisation	(19,207)	(13,515)	42.1	(2,259)	(2,178)	3.7
2b (iii)	Foreign exchange gain/(loss)	382	1,565	(75.6)	2,683	1,152	132.9
2c	Exceptional items (provide separate disclosure of items)	14,474	1,162	1145.6	20,946	(4,226)	595.6
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	57,534	54,233	6.1	52,042	47,157	10.4
2e	Income derived from associated companies (with separate disclosure of any items included therein which are exceptional because of size & incidence)	2,248	(4,110)	154.7	-	-	-
2f	Operating profit before income tax	59,782	50,123	19.3	52,042	47,157	10.4

2g	Less income tax (indicate basis of computation)	(6,988)	(11,823)	(40.9)	(2,792)	(8,587)	(67.5)
2g (i)	Operating profit after tax before deducting minority interests	52,794	38,300	37.8	49,250	38,570	27.7
2g (ii)	Less minority interests	201	868	(76.8)	-	-	-
2h	Operating profit after tax attributable to members of the company	52,995	39,168	35.3	49,250	38,570	27.7
2i (i)	Extraordinary items (provide separate disclosure of items)	-	-	-	-	-	-
2i (ii)	Less minority interests	-	-	-	-	-	-
2i (iii)	Extraordinary items attributable to members of the company	-	-	-	-	-	-
2i (iv)	Transfer to/from Exchange Reserve	-	-	-	-	-	-
2i (v)	Transfer to Capital Reserve	-	-	-	-	-	-
2j	Operating profit after tax and extraordinary items attributable to members of the company	52,995	39,168	35.3	49,250	38,570	27.7
					Group Figures		
					Latest period	Previous corresponding period	
3a	Operating profit [2(g)(i) above] as a percentage of turnover [1(a) above]				10.73%	10.26%	
3b	Operating profit [2(h) above] as a percentage of issued capital and reserves at end of the period				5.79%	4.39%	
3c	Earnings per ordinary share based on 2(h) above after deducting any provision for preference dividends:-						
3c (i)	Based on weighted average number of ordinary shares in issue				3.77 cents 1,406,779,000	2.81 cents 1,395,808,000	
3c (ii)	On a fully diluted basis				3.75 cents 1,414,019,000	2.80 cents 1,398,494,000	
	(To disclose the basis used in arriving at the weighted average number of shares for the purposes of (c)(i) above and to provide details of any adjustments made for the purpose of (c)(ii) above)						
3d	Net tangible asset backing per ordinary share based on existing issued share capital as the end of the period reported on				63.9 cents	63.4 cents	

3e To provide an analysis of expenses based on their function within the group for the

current and previous corresponding period

Analysis of Group's expenses (excluding cost of sales) comprised the following:

	30/06/02 \$'000	30/06/01 \$'000	% Change
Personnel costs and administration expenses	13,384	13,431	(0.3)
Facility expenses	4,359	4,107	6.1
Amortisation of goodwill of an associated company	2,664	-	nm
Amortisation of goodwill	408	-	nm

of subsidiaries			
Amortisation of loan stock discount	50	-	nm
Other operating expenses	4,053	1,223	231.4
	24,918	18,761	32.8

Item 4 is not applicable to interim results

		Group			Company		
		30/06/02 S\$'000	30/06/01 S\$'000	% Change	30/06/02 S\$'000	30/06/01 S\$'000	% Change
4a	Sales reported for first half year	491,987	373,356	31.8	10,067	13,209	(23.8)
4b	Operating profit[2(g)(i)] reported for first half year	52,794	38,300	37.8	49,250	38,570	27.7
4c	Sales reported for second half year	-	-	-	-	-	-
4d	Operating profit[2(g)(i)] reported for second half year	-	-	-	-	-	-

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 \$4.9 million for the Group and \$3.8 million for the Company mainly due to the reduction in corporate income tax rate.

5b Amount of any pre-acquisition profits

NIL

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

Gain on sale of associated companies and long term investments	12,261,000
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5 Any other comments relating to Paragraph 5

c

Share of Results of Associated Companies

The share of results of associated companies and a joint venture (before goodwill amortisation) improved to a profit of \$2.2 million compared to a loss of \$4.1 million in 2001.

Exceptional Items

	Group		Company	
	30/06/02 S\$'000	30/06/01 S\$'000	30/06/02 S\$'000	30/06/01 S\$'000
Profit on sale of associated companies and long term invest	12,261	1,162	25,209	1,774

ments				
Realisation of Capital Reserves and Foreign Currency Translation	6,591	-	-	-
Reserve suspense	-	-	-	-

of an associated company				
Provision for diminution in value of investment in an associated co	(4,378)	-	(4,263)	(6,000)

Company and other long term investments				
	14,474	1,162	20,946	(4,226)

Segmental Results

By Business Segment

	Group Turnover		Group Segment Results	
	30/06/02	30/06/01	30/06/02	30/06/01
Ship repair, building & conveyance	470,059	349,663	32,950	40,367

r s i o n				
S h i p c h a r t e r i n g	10,287	7,721	1,760	2,885
O t h e r s	11,641	15,972	1,279	542
T o t a l	491,987	373,356	35,989	43,794

By Geographical Segment

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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 ending 30 June 2002 improved by 31.8% from \$373.4 million in 2001 to \$492.0 million. This improvement was attributed mainly to the increase in new building and conversion business activities.

The Group achieved a 35.3% increase in attributable profits from \$39.2 million in 2001 to \$53.0 million in 2002. The increase in the Group's attributable profit came mainly from the exceptional profits of \$14.5 million and the write-back of deferred taxation resulting from the change in corporate income tax rate. The exceptional profits are derived mainly from the divestment of an associated company and sales of other long-term investments. Group attributable profit before these exceptional profits increased by 1.4% from \$38.0 million in 2001 to \$38.5 million in 2002.

7b Where a forecast, or a prospect statement, has been previously disclosed to shareholders, the issuer must explain any variance between the forecast or prospect statement and the actual results

Not Applicable.

- 7c **A statement by the Directors of the Company whether an item or event of a material or unusual nature, which would have affected materially the results of operations of the Group and Company, has occurred between the date to which the report refers and the date on which the report is issued. If none, to give a negative statement.**

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this announcement which will affect substantially the results of the operation of the Company and of the Group for the financial period in respect of which this announcement is made.

- 8 **A commentary at the date of this announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period**

The ship repair market will remain competitive. However, the market for the ship conversion, modifications of rigs and offshore platforms for the oil and gas industries is still strong.

Barring unforeseen circumstances, with its current order book, the Group expects the current year's results to show improvement over the previous year.

9 **Dividend**

(a) Present Period

Name of Dividend	Interim	Special
Dividend Type	Cash	Cash
Dividend Rate	0.75 cents per ordinary share less tax	0.75 cents per ordinary share less tax
Par value of shares	\$0.10	\$0.10
Tax Rate	22.0%	22.0%

(b) Previous Corresponding Period

Name of Dividend	Interim	Special
Dividend Type	Cash	Cash
Dividend Rate	0.75 cents per ordinary share less tax	0.75 cents per ordinary share less tax
Par value of shares	\$0.10	\$0.10
Tax Rate	24.5%	24.5%

(c) Total Annual Dividend

	Latest Year	Previous Year
Ordinary	-	-
Preference	-	-
Total:	-	-

(d) Date payable

The interim and special dividend will be paid on 30 August 2002.

(e) Book closure date

Notice is hereby given that the Transfer Book and Register of Members of the Company will be closed from 17 August 2002 to 20 August 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 5pm on 16 August 2002 will be registered before entitlements to dividends are determined.

(f) Any other comments relating to Paragraph 9

The Board is pleased to propose an interim dividend of 7.5% (0.75 cents) per share less income tax of 22.0% [2001 : 7.5% (0.75 cents) per share less income tax of 24.5%] and a special dividend of 7.5% (0.75 cents) per share less income tax of 22.0% [2001 : special dividend 7.5% (0.75 cents) per share less income tax of 24.5%]

10a Balance Sheet

	Group		Company	
	30/06/02 \$'000	31/12/01 \$'000	30/06/02 \$'000	31/12/01 \$'000
Non-current assets				
Fixed assets	466,426	429,914	186,445	188,378
Subsidiaries	-	-	338,626	299,858
Associated	84,318	89,977	43,290	51,568

o m p a n i e s & j o i n t v e n t u r e s				
O t h e r i n v e s t m e n t s	93,886	98,152	72,962	75,684
L o n g t e r m t r a d e d e b t o r s	189,889	167,356	82,912	87,920
I n t a n g i b l e s	14,371	15,567	-	-
N e t c u r r e n t a	128,118	187,274	51,853	79,851

Assets				
Non-Current liabilities				
Deferred taxation	(45,609)	(48,608)	(33,164)	(35,730)
Redeemable convertible loan stock	(4,851)	(4,801)	-	-
Other deferred	(2,104)	(1,925)	-	-

re d l i a b i l i t i e s				
	924,444	932,906	742,924	747,529
C a p i t a l a n d r e s e r v e s				
S h a r e c a p i t a l	140,931	140,614	140,931	140,614
R e s e r v e s	773,644	782,274	601,993	606,915
	914,575	922,888	742,924	747,529
M i n o r i t y i n t e r e s t s	9,869	10,018	-	-
	924,444	932,906	742,924	747,529

10b Cash flow statement

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2002

	30/06/02 \$'000	30/06/01 \$'000
CASH FLOW FROM OPERATING ACTIVITIES:		
Operating profit	35,989	43,794
Adjustments for:		
Depreciation of fixed assets	16,085	13,515
Fixed assets written-off	66	-
Gain on disposal of fixed assets	-	(2)
Amortisation of good will	3,072	-
Amortisation of redeemable convertible loan stock discount	50	-
Operating income before	55,262	57,307

reinvestment in working capital		
Decrease/(increase) in debtors	58,917	(156,821)
Decrease in stocks and work-in-progress	63,851	63,278
(Decrease)/increase in creditors	(77,501)	753
Cash generated from operations	100,529	(35,483)
Investment and interest income received	6,670	9,697
Interest paid	(368)	(143)
Income taxes paid	(13,966)	(11,096)
Net cash provided by/(used in) operating activities	92,865	(37,025)

CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition/disposal of subsidiaries, net	(21,035)	(225)
Investment in associated companies	(27,526)	(15,625)
Purchase of fixed assets	(8,725)	(29,587)
Purchase of long term investments	(1,330)	-
Proceeds from disposal of fixed assets	-	5
Proceeds from sale of long term investments	3,084	1,625
Proceeds from sale of associated company	28,069	76

Dividends from associated company	-	387
Partial return of capital by an associated company in voluntary liquidation	-	327
Partial return of capital by associated companies	5,215	2,724
Net cash used in investing activities	(22,248)	(40,293)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid by the Company	(54,963)	(44,439)
Additional short term bank	68,000	-

loans		
Repayment of bank borrowings	(22,964)	(164)
Fixed deposit pledged with a bank for banking facilities	(40,071)	-
Repayment of hire purchase creditors	(139)	(151)
Proceeds from issue of new shares:		
- by the Company	2,331	6,057
- by the subsidiary to minority shareholders	-	2,000
Repayment from an associated company	-	150
Net	(47,806)	(36,547)

cash used in financing activities		
Net increase/(decrease) in cash and cash equivalents	22,811	(113,865)
Cash and cash equivalents at beginning of period	56,472	195,570
Cash and cash equivalents at end of period	79,283	81,705

The acquisition/disposal of subsidiary companies in 2002 and in 2001 have been shown as single item. The effect on the individual assets and liabilities is set out below: -

	Acquisition of a subsidiary 2002 \$'000	Disposal of a subsidiary 2001 \$'000
Fixed assets	43,997	-
Investments in a joint venture	-	(1,500)
Stocks and work-in-progress	5,642	0
Debtors	30,228	(9)
Banks and cash	52	(225)

balances		
Bank overdraft	(6,787)	-
Creditors	(50,410)	8
Current taxation	-	9
Deferred taxation	(690)	-
Bank loans	(2,800)	-
Net assets acquired/(disposed)	19,232	(1,717)
Minority interest	(52)	137
Amount taken up as associated company	(6,731)	-
Loss on disposal	-	230
Goodwill on acquisition	1,851	-
Purchase consideration/(Sales proceeds)	14,300	(1,350)
Amount reflected as other receivables	-	1,350

Cash paid	14,300	-
Acquisition and disposal of subsidiaries, net of cash are represented by: -		
Cash paid	(14,300)	-
Less: Bank and cash balances	52	(225)
Add: Bank overdraft	(6,787)	-
Net cash outflow	(21,035)	(225)

10c Statement of changes in equity

	Share Capital	Share Premium	Capital Reserves	Foreign Currency Translation Reserves	Revenue Reserves	Total Shareholders' Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January	140,614	229,329	28,423	5,580	518,942	922,888

2002						
	Issue of new shares on exercise of share options	317	2,014	-	-	-
Realisation of provisions	-	-	(10,386)	195	3,600	(6,591)

pos a l o f a n a s s o c i a t e d c o m p a n y						
S h a r e o f a s s o c i a t e d c o m p a n y -' s c a p i t a l r e	-	-	16	-	-	16

s e r v e s						
	-	-	-	(878)	-	(878)
C u r r e n c y t r a n s l a t i o n a l s i n g d u n g t h e p e r i o d						
	-	-	-	-	52,995	52,995
P r o f i t a t t r i b u t a b l e t o s h						

Shareholders for the period 2001 final dividend prior year adjustment (Note						
	-	-	-	-	(54,963)	(54,963)
	-	-	-	-	(1,223)	(1,223)

13 (a))) B a i a n c e s a t 3 0 J u n e 2 0 0 2 C o l o r a d o B a i a n c e s a t 1 J a n u a r y 2 0 0 2 I s						
	140,931	231,343	18,053	4,897	519,351	914,575
	140,614	229,329	960	-	376,626	747,529
	317	2,014	-	-	-	2,331

Issue of new shares on exercise of share options						
Profit attributable to share	-	-	-	-	49,250	49,250

Shareholders for the period 2001 final dividend Priority adjustment (Note 13)						
	-	-	-	-	(54,963)	(54,963)
	-	-	-	-	(1,223)	(1,223)

· (a)) B a l a n c e a s a t 3 0 J u n e 2 0 0 2						
	140,931	231,343	960	-	369,690	742,924

10d Explanatory notes that are material to an understanding of the information provided in 10a, b and c above

Please refer to paragraph 13 a

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

Pursuant to the SembCorp Marine Share Option Plan (the "Plan"), 3,171,100 ordinary shares of \$0.10 each were issued during the financial period. The Plan was approved at the Company's Extraordinary General Meeting held on May 31, 2000.

As at 30 June 2002, the Company's issued and paid-up share capital comprises 1,409,312,080 (31 December 2001: 1,406,140,980) ordinary shares of \$0.10 each. In addition, there were 30,694,350 (31 December 2001: 34,406,850) 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.

12 The group's borrowings and debt securities as at the end of the financial period reported on, and comparative figures as at the end of the most recently announced financial statements

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

As at (30/06/2002)		As at (31/12/2001)	
Secured	Unsecured	Secured	Unsecured
82,000	68,000,000	246,000	21,010,000

b Amount repayable after one year

As at (30/06/2002)	As at (31/12/2001)
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Secured	Unsecured	Secured	Unsecured
-	4,851,000	-	4,801,000

(c) Any other comments relating to Paragraph 12

NIL

13 A statement that the same accounting policies and methods of computation are followed in the financial statements as compared with the most recent audited annual financial statements. When there have been any changes or departure from the accounting policies and methods of computation, including those required by an accounting standard, this should be disclosed together with the reasons for the change and the effect of the change

Except as disclosed as below, the Group has adopted the same accounting policies and method of computation in the financial statements for the current reporting period as compared with the audited financial statements as at 31 December 2001.

(a) Statement of Accounting Standard 12 (2001) Income Taxes

The Group adopted Statement of Accounting Standard ("SAS") 12 (2001) Income Taxes. The Group's policy is to review tax position at the end of the year. The Group's opening revenue reserves as at 1 January 2002 was restated by \$1.2 million from \$518.9 million to \$517.7 million with the adoption of the new standard. For FY 2001, the impact on SAS 12 is to increase the Profit Attributable to Shareholders for that year by \$94,000. The impact of adoption of SAS 12 will be reflected in FY2001 PATMI and FY 2002 PATMI upon finalisation of FY 2002 results.

BY ORDER OF THE BOARD

Lim Seh Li
Company Secretary
31/07/2002

