

SEMBCORP MARINE LTD**Unaudited Financial Statement For The First Half Year Ended 30 June 2000**

The Directors of SembCorp Marine Ltd herein announce the unaudited financial results for the first half year ended 30 June 2000.

These figures have not been audited.

		Group			Company		
		S\$'000		%	S\$'000		%
		2000	1999	Change	2000	1999	Change
1.(a)	Turnover	348,995	486,578	(28.3)	92,060	244,732	(62.4)
1.(b)	Investment income	654	166	294.0	42,654	166	25595.2
1.(c)	Other income including interest income	7,599	6,014	26.4	6,241	4,985	25.2
2.(a)	Operating profit before income tax, minority interests, extraordinary items, interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	62,768	70,138	(10.5)	75,524	32,532	132.2
2.(b)(i)	Interest on borrowings	(206)	(390)	(47.2)	(984)	(238)	313.4
2.(b)(ii)	Depreciation and amortisation	(14,474)	(14,261)	1.5	(1,749)	(3,500)	(50.0)
2.(b)(iii)	Foreign exchange gain/(loss)	793	1,022	(22.4)	11	543	(98.0)
2.(c)	Exceptional items	6,085	0	NM	12,652	0	NM

2.(d)	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	54,966	56,509	(2.7)	85,454	29,337	191.3
2.(e)	Income derived from associated companies	(3,332)	1,527	(318.2)	0	0	0
2.(f)	Less income tax	(12,030)	(16,799)	(28.4)	(14,742)	(7,628)	93.3
2.(g)(i)	Operating profit after tax before deducting minority interests	39,604	41,237	(4.0)	70,712	21,709	225.7
2.(g)(ii)	Less minority interests	2,314	264	776.5	0	0	0
2.(h)	Operating profit after tax attributable to members of the company	41,918	41,501	1.0	70,712	21,709	225.7
2.(i)(i)	Extraordinary items						
2.(i)(ii)	Less minority interests						
2.(i)(iii)	Extraordinary items attributable to members of the company						
2.(i)(iv)	Transfer to/from Exchange Reserve						
2.(i)(v)	Transfer to Capital Reserve						
2.(j)	Operating profit after tax and extraordinary items attributable to members of the company	41,918	41,501	1.0	70,712	21,709	225.7

Group Figures**2000****1999**

3.(a) Earnings per share based on 2(h) above after deducting any provision for preference dividends:-

3.(a)(i) Based on existing issued share capital

3.0 cents

3.0 cents

3.(a)(ii) On a fully diluted basis

3.0 cents

3.0 cents

3.(b)	Earnings per share based on 2(j) above:-		
	(i) Based on existing issued share capital	3.0 cents	3.0 cents
	(ii) On a fully diluted basis	3.0 cents	3.0 cents
3.(b)	Net tangible asset backing per ordinary share	61 cents	60 cents

4.(a)	Amount of any adjustment for under or overprovision of tax in respect of prior years	
	There is no material under-provision or over-provision of tax in respect of prior years.	
4.(b)	Amount of any pre-acquisition profits	
	NIL	
4.(c)	Amount of profits on any sale of investments and/or properties	
	Sale of investments/properties	\$Profit/(Loss)
	Gain on sale of Jurong Technologies Industrial Corp. Ltd ("JTIC") Shares.	\$6,085,000.00
4.(d)	Any other comments relating to Paragraph 4	
	Share of Results of Associated Companies	
	<p>The first half 1999 share of results of associated companies included Jurong Engineering Limited ("JEL") profit before tax of \$2.568 million (profit after tax \$2.415 million). The current effective interest in JEL is 19.8%. The directors consider that they do not have significant influence over JEL's financial and operating policy decisions and JEL ceased to be an associated company of the Group with effect from 1 January 2000. The carrying value of JEL as at 31 December 1999, has been reclassified as a Long Term Quoted Investment.</p>	
5.(a)	<u>Review of the performance of the company and its principal subsidiaries</u>	
	<p>Group turnover for the half year ended 30 June 2000 declined by 28.3% to \$349.0 million as compared with \$486.6 million in 1999. This decline was attributed mainly to the lower contributions from the ship conversion and offshore sector as well as the deconsolidation of JTIC upon JTIC's public listing in March 2000.</p>	

The Company's turnover for the year ended 30 June 2000, decreased by 62.4% to \$92.1 million in 2000 as compared with \$244.7 million in 1999. This was mainly attributable to the transfer of its ship repair, building, conversion and offshore engineering activities to its wholly owned subsidiary, Jurong Shipyard Pte Ltd, with effect from 1 April 2000.

Despite the decline in turnover, the Group achieved a 1.0% increase in profit after tax and minority interests at \$41.9 million as compared with \$41.5 million in 1999. The improvement was a result of the savings achieved through the restructuring of the Group's operations early this year and the \$6.1 million exceptional profits through the divestment of JTIC shares.

5.(b) A statement by the Directors of the Company on whether "any 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 include a negative statement.

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen during the period from 30 June 2000 to the date of this announcement which would affect substantially the results of the Group and the Company for the period ended 30 June 2000.

6. Commentary on current year prospects

The ship repair market remains difficult. Barring unforeseen circumstances, the Group expects to achieve a full year performance comparable to that of 1999.

7. Dividend

(a) Latest Period

Name of Dividend	Interim	Special
Dividend Type	Cash	Cash
Dividend Rate	0.75 cents per ordinary share less tax	1.50 cents per ordinary share less tax
Par value of shares	0.10	0.10
Tax Rate	25.5%	25.5%

(b) Previous Corresponding Period

Name of Dividend	Interim	Special
Dividend Type	Cash	Cash
Dividend Rate	7.50 cents per ordinary share less tax	15.00 cents per ordinary share less tax
Par value of shares	0.50	0.50
Tax Rate	26.0%	26.0%

(c) Date payable

The interim and special dividend will be paid on 31 August 2000.

(d) Books closing date

Notice is hereby given that the Transfer Book and Register of Members of the Company will be closed from 15 August 2000 to 17 August 2000, 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 p.m. on 14 August 2000 will be registered before entitlements to dividend are determined.

(e) Any other comments relating to Paragraph 7

The Board is pleased to propose an interim dividend of 7.5% (0.75 cents) per share less income tax of 25.5% and a special dividend of 15% (1.5 cents) per share less income tax of 25.5%.

The quantum of interim and special dividend proposed is the same as the interim and special dividend declared for the previous corresponding period.

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

On 3 May 2000, the Company issued 697,589,115 ordinary bonus shares of \$0.10 each, credited as fully paid, by way of the capitalisation of the sum of \$69,758,911.50, being part of the amount standing to the credit of the share premium account of the Company. This bonus issue was on the basis of one bonus share for every one existing share held by members.

As at 30 June 2000, total share options outstanding under the Jurong Shipyard Executives' Share Option Scheme were 16,680,000 ordinary shares of \$0.10 each.

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

9. Comparative figures of the group's borrowings and debt securities**(a) Amount repayable in one year or less, or on demand**

		As at 30/06/2000		As at 31/12/1999	
		Secured	Unsecured	Secured	Unsecured

		328,000	12,225,000	550,000	18,851,000	
	(b) Amount repayable after one year					
		As at 30/06/2000		As at 31/12/1999		
		Secured	Unsecured	Secured	Unsecured	
		410,000	0	574,000	0	
	(c) Any other comments relating to Paragraph 9					
		NIL				
10.	<u>Balance Sheet</u>					
	Not Applicable					
11.	<u>Year 2000 Compliance</u>					
	The Group did not encounter any problems related to Y2K and had successfully crossed over into Year 2000. The Group will continue to monitor all system performance and maintain due vigilance throughout the year.					