The 717 megawatt gas-fired Phu My 3 of SembCorp Utilities is Vietnam's first and largest private sector power plant (pictured).

Value

In this section

Operating and Financial Review:

- Utilities
- Marine Engineering
- Logistics
- Environmental Engineering
- Engineering & Construction

Solid performance coupled with growth overseas.

(Pictured) SembCorp Cogen, our gas-fired cogeneration plant in Singapore, receives piped natural gas from West Natuna, Indonesia.

SembUtilities continued to be our key earnings driver in 2005, contributing 48% of Group PATMI.

Operations review

In 2005, SembCorp Utilities' (SembUtilities) turnover increased by 12% to S$3.3 billion while Profit After Tax and Minority Interest (PATMI) grew 25% to S$156.1 million. Return On Equity held strong at 22%. This solid performance was underpinned by healthy earnings contributions from our Singapore and overseas operations.

Singapore

Our Singapore operations continued to perform well. On the back of an expansion in Singapore's petrochemical industry, we successfully clinched new utilities and services contracts from three customers, worth a total of approximately S$68 million per annum over an average duration of 15 years. Earnings contribution from these contracts is expected to commence in the second half of 2006. Our gas division also secured 13 new contracts with industrial customers worth a total of S$10 million per annum.

The UK

Our operations in the UK contributed significantly to the growth for Utilities recorded in 2005. High power prices coupled with our ability to utilise multi-fuels in a high fuel cost environment contributed to the good performance of our UK operations. Between August 2004 and December 2005, SembCorp Utilities UK (SembUtilities UK) was granted permission to use tallow as a fuel source to produce power and steam on Teesside. Our burning of tallow generated Renewable Obligation Certificates that added to SembUtilities UK's profitability.

In 2005, SembUtilities UK sanctioned the development of one of the UK's largest biomass renewable energy projects, Wilton 10. The £60 million (S$187 million) wood-burning power station will generate 30 megawatts of electricity and is expected to be operational by mid-2007. Around £11 million (S$32 million) of the investment will come from a grant made under the UK Government's Bio-energy Capital Grants Scheme.

With good market conditions in the chemical industry, SembUtilities UK secured new contracts and renewed contracts worth a total of S$611 million over a period of one to five years.

Wilton International became the first multi-company site to receive one of the highest health and safety accolades in the world when we were conferred the Sword of Honour by the British Safety Council during the year. In recognition of our investment in the UK, we were also awarded the UK Trade & Investment International Business Award in November 2005.

Other markets

Our Vietnam operations, Phu My 3 performed well in 2005 and distributed its first dividends to shareholders in its first full year of operations. Its strong performance was due to lower operation and maintenance costs as well as high capacity output, driven by the growing demand for electricity in Vietnam.

As the construction of our new facilities in Nanjing and Shanghai was only completed in the second half of 2005, our China operations did not contribute to the Utilities business during the year.

Nanjing SembCorp SUIWU began commercial operations in July 2005, providing wastewater treatment services to industrial customers in Nanjing Chemical Industrial Park (NCIP). We strengthened our presence and broadened our integrated utilities service offerings in NCIP through two new investments during the year. In November, we aquired a 70% stake in NCIP SembCorp Water to build, own and operate a 100,000 cubic metres per day water treatment facility. In December we became the exclusive provider of third-party integrated utilities within NCIP after our acquisition of 34% of NCIP SembCorp Utilities.

Our Shanghai Caojing Cogeneration plant completed reliability test runs and was declared commercially operational by the Shanghai Municipal Electrical Power Company in December 2005.

In June 2005, we established our third beachhead in China when we invested in an 80:20 joint venture to acquire, expand, own and operate a 20,000 cubic metres per day integrated industrial wastewater treatment plant in the ZhangJiaGang Free Trade Zone in Jiangsu Province, China.

Offshore Engineering

Our Offshore Engineering division closed the year with an operating loss of S$23.2 million as a result of losses incurred from projects that required offshore installation. With its new contracting strategy to focus on procurement and construction projects, the division is expected to return to profitability in 2006. Offshore Engineering's orderbook stood at S$230.9 million as of end 2005.

Outlook

SembUtilities is expected to achieve better operating profits in 2006 compared to 2005, barring unforeseen circumstances.

Our Singapore operations will continue to generate stable earnings underpinned by its long-term contracts. It will continue to be the main earnings contributor to SembUtilities. Growth opportunities are expected on Jurong Island on the back of fresh investments as well as capacity expansion by existing customers. To remain competitive, we have put in place programmes to further optimise our resources to increase asset yield. We remain interested in the expected sale of the local power generation companies by Temasek in 2006.

High oil prices led to significant increases in UK energy prices during 2005 and this helped to enhance the profitability of our UK business. We expect to maintain this strong performance in 2006. We also expect our operations in Vietnam to continue performing well.

Our facilities in China are still in the early phase of operations and are not expected to contribute significantly to 2006 performance.

The rising trend of privatisation in the power and water sectors in the Middle East region has presented us with considerable business opportunities for our utilities services. In January 2006, we were ranked first of two short-listed bidders for the privatisation of the Fujairah independent water and power project in the UAE. The project comprises the acquisition, ownership, operation and maintenance of an existing 650 megawatt power and 100 million imperial gallons per day water plant, as well as the expansion of the facility to add a further 225 megawatts of power generation capacity.

Performance indicators (S$ million)

	2005	2004
Turnover	**3,280.5**	2,930.1
PATMI	**156.1**	124.8

Another record year with turnover up 56% and profit up 29%.

This fifth generation ultra-deepwater semi-submersible rig (pictured) delivered by SembCorp Marine's Jurong Shipyard in early 2005 is one of the most technologically advanced drilling rigs in the world.

All business segments of SembMarine achieved strong growth, especially the offshore conversion and rig building segments. Our orderbook reached an all-time high of S$5.9 billion.

Operations review
SembCorp Marine (SembMarine) performed strongly in 2005, posting record high turnover and Profit After Tax and Minority Interest (PATMI). Turnover increased 56% over 2004 to S$2.1 billion, while PATMI at S$121.4 million showed a growth of 29% over the previous year. Operating profit increased by 34% to S$124.5 million while gross profit increased from S$120.4 million to S$169.5 million in 2005. Return On Equity also reached 12% for the first time.

This strong financial performance was due to strong growth across all business segments of SembMarine, as well as increasing contribution from Cosco Shipyard Group. The rig building sector registered the highest growth in 2005. Its turnover contribution grew a robust 223% to S$381.3 million, representing 18% of SembMarine's turnover. Two units of semi-submersible rigs were successfully completed and delivered to GlobalSanteFe in the first quarter of the year. This was followed by a 133% growth in the turnover contribution from shipbuilding, which stood at S$188.6 million. Vessels completed and delivered in 2005 include two units of 3,200 hp tugs for Pacific Workboats and one unit of 2,626 TEU container vessel for Wan Hai Lines. Ship conversion grew 44% and contributed S$886.3 million, or 42% of SembMarine turnover in 2005. Projects completed in the year include the Floating Production Storage & Offloading (FPSO) conversion for Modec Venture 11 and the Erha FPSO Topsides installation and commission for ExxonMobil. Growth in these sectors exceeded the management's target of a 15% growth for the shipbuilding, ship conversion and offshore businesses.

The ship repair segment also grew, contributing to 25% of turnover at S$530.6 million. 2005 also saw the average value per vessel increase from S$1.5 million in 2004 to S$1.7 million, with 309 vessels repaired.

In October 2005, another strategic hub was established in Texas, USA to serve our customers in the Gulf of Mexico region. PPL shipyard acquired a 100% equity interest in Sabine Industries and its subsidiaries, Sabine Offshore Services and Sabine Shipyards, as well as a 25% equity interest in Sabine Vessels, for a total consideration of US$6.4 million.

A total of S$4.2 billion of new contracts was secured in 2005 compared to S$2.1 billion in 2004. SembMarine's orderbook has now reached an all-time high of S$5.9 billion (as of February 2006). Contracts secured in 2005 include eight units of our proprietary design Baker Marine Pacific Class 375 deep drilling offshore jack-ups as well as three sixth generation semi-submersibles. Since the launch of the Baker Marine proprietary design in January 2004, 13 new orders for the jack-ups have been secured to-date, comprising a 24% worldwide market share for rigs.

Outlook
SembMarine has a strong orderbook of S$5.9 billion, excluding ship repair, with deliveries and completions ongoing until 2009. Based on the scheduled completion of these projects, we expect overall performance in 2006 to be stronger than 2005.

The industry is expected to continue benefiting from strength in global freight rates as well as high oil prices. Rig building demand is expected to be strong due to high worldwide rig utilisation rates, unprecedented high charter rates as well as an ageing rig fleet that needs to be replaced. In particular, demand is expected to grow for high specification rigs, where operators are increasingly

Contracts secured in 2005

Month	Value (S$ million)	Details	Client
January	217	1 unit of Baker Marine Pacific Class 375 jack-up rig	Apexindo
February	161	Fabrication & integration of topsides production modules for newbuild FPSO	ConocoPhillips China
	123	Design & construction of a Self-Propelled DP2 Heavy Lift pipelay vessel	SapuraCrest Petroleum
	82	Fabrication of a deep draft semi-submersible hull	Atlantia Offshore
	194	1 unit of Baker Marine Pacific Class 375 jack-up rig	Deep Drilling Invest
March	196	1 unit of Baker Marine Pacific Class 375 jack-up rig	Wisuperior, a subsidiary of Awilco Offshore
April	212	1 unit of Baker Marine Pacific Class 375 jack-up rig	Seatankers
	209	1 unit of Baker Marine Pacific Class 375 jack-up rig	Petrojack II
	215	1 unit of Baker Marine Pacific Class 375 jack-up rig	Japan Drilling
June	1,310	2 units of Friede & Goldman ExD designed semi-submersible rigs	SeaDrill
	216	1 unit of Baker Marine Pacific Class 375 jack-up rig	Petrojack III
July	127	1 unit of FPSO and 1 unit FSO conversions	Modec
August	697	1 unit of Friede & Goldman ExD designed semi-submersible rig	PetroMena
October	238	1 unit of Baker Marine Pacific Class 375 jack-up rig	Awilco
Total	**4,197**		

prepared to commit to long-term contracts in anticipation of their drilling programmes as well as for floaters, where day rates are increasing across the board. There continues to be buoyant market fundamentals for the ship conversion and offshore sector, with demand for FPSO and Floating Storage & Offloading (FSO) vessels driven mainly by high oil prices and increased exploration and production activities. As at December 31, 2005, 84 production floaters are estimated as being planned or under study.

Despite a competitive environment, the outlook for ship repair is expected to be strong due to favourable freight rates for all categories of vessels, while shipbuilding demand continues to be healthy in the niche market for feeder container vessels and offshore supply vessels.

With a robust market outlook for all sectors in the marine and offshore industry, SembMarine expects to continue to secure new orders in 2006 and beyond.

To achieve sustained growth, SembMarine will continue to leverage on the complementary facilities between our global hubs in Singapore and Brazil and continue to grow the contribution from our overseas hubs. Locally, SembMarine is looking to maximise its Singapore-based yard capacity and is also organising its Sembawang Shipyard to build rigs. We will also seek to increase our market share through the ownership of proprietary vessel and rig designs as well as our strong track record for semi-submersibles. Meanwhile, our strategic alliances with our international clientele continue to provide a steady and growing baseload orderbook. In 2005, ASP Shipmanagement became our alliance partner. Our alliance partners made up 39% of our total ship repair revenue for 2005, up 10% from the previous year. Together with our regular customers, they account for 86% of our turnover from ship repair.

Performance indicators (S$ million)

	2005	2004
Turnover	**2,119.3**	1,362.8
PATMI	**121.4**	94.1

Growth across Asia pushes expansion.

With some of its warehouses reaching full utilisation, SembCorp Logistics in 2005 increased its warehousing capacity throughout Asia by approximately 108,600 m^2.

SembLog reported higher turnover and PATMI thanks to increased sales in all regions and strong performance in Supply Chain Management.

SembCorp Logistics (SembLog) continued its expansion and growth across Asia in 2005. Turnover reached S$542.5 million, up 8% from S$500.6 million in 2004. On a comparable basis, excluding earnings contribution and divestment gains from Kuehne & Nagel International, in which SembLog held a 20% interest until October 2004, Profit After Tax and Minority interest (PATMI) grew a healthy 33% to S$62.0 million due to strong Supply Chain Management performance particularly in North Asia.

Supply Chain Management

On a comparable basis, Supply Chain Management turnover increased 8% from S$452.1 million to S$490.2 million, contributing 90% to Logistics' turnover. On a comparable basis, PATMI grew 36% to S$47.3 million from S$34.8 million in 2004.

Sectors that performed strongly were Consumer, Hi-tech and Industrial. Our supply chain customer base continued to grow in 2005 and we secured a total of 245 contracts, of which 173 were from new customers. We also gained more regional accounts. As of end 2005, we served 22 customers regionally.

In some locations, our warehouses reached full utilisation. We added a number of new facilities including 37,000 square metres (m^2) in Singapore, 20,000 m^2 in India, 5,000 m^2 in Japan, 8,000 m^2 in Malaysia, 5,100 m^2 in South Korea, 23,000 m^2 in Thailand and 10,500 m^2 in Vietnam.

In Singapore, our new 30,000 m^2 distribution centre in Tuas began operations at end 2005 and to help us cope with increased demand, another 7,000 m^2 was also added to our warehousing facility at 3 Clementi Loop.

Supply chain turnover in Southeast Asia grew to S$305.3 million despite a one-off project which had boosted revenue in 2004. This region contributed 62% to total supply chain turnover 2005. A total of 55 contracts were secured during the year and additional warehousing facilities were added to cope with stronger business volumes.

Early in the year, our supply chain network in Southeast Asia expanded with the establishment of PT SembLog Indonesia and SembLog-MacroAsia Philippines, which commenced operations in July and October 2005 respectively. In the six months of its operations, PT SembLog Indonesia established three distribution centres. Its distribution coverage now extends to nine major cities, including Jakarta, Surabaya, Medan and Jogjakarta.

The North Asia region was a strong performer, generating a growth of 12% in turnover to S$120.0 million due to increased business activity in China, South Korea and Japan. Eighty-three supply chain contracts were secured during the year, of which 66 were from new customers.

Cross-border supply chain operations in North Asia gained momentum as demand for China-Japan and China-Korea supply chain services grew. To cater to this growing demand, we are establishing a strategic presence in eastern China by leasing 13,000 m^2 of warehousing facility in the Qingdao Free Trade Zone in Shandong province, where the majority of foreign direct investments from Japan and South Korea into China are made. Scheduled to be operational by mid-2006, the facility will also support our expansion into freight management services as Qingdao port is the third largest port in China.

In Japan, Footwork Express now ranks among the top ten logistics transportation companies in Japan following its acquisition of Kyushu Sankyo Unyu, the second largest transportation company in the Kyushu region of Japan. Dedicated supply chain marketing teams have been formed, while the consolidation of Footwork and Kyushu Sankyo Unyu's terminals and the rationalisation of resources are in progress.

South Asia operations recorded strong turnover growth of 76% to S$48.0 million from 96 contracts secured during the year, of which 62 were from new customers. Our marketing teams worked hard at improving the quality of the customer base by pursuing higher-yielding accounts. The South Asia teams were also active in building the freight management business, which saw good results in the year. However, operations were impacted by floods and as such, provisions for doubtful debts and impairment of assets were made. Operating losses for the year stood at S$3.1 million, down 3% from 2004.

Oil and Gas Logistics

Oil and Gas Logistics delivered stable performance. Turnover registered an improvement of 12% to S$48.1 million, while PATMI fell 11% to S$15.0 million, primarily due to higher expansion, rental and redevelopment costs as well as the loss of one of its income streams. The masterplan for the redevelopment of SembLog's Loyang base in Singapore has been completed and is pending approval from the authorities. We are also exploring new markets, such as Cambodia and Myanmar, to expand our operations to.

Specialty Logistics

Metals and Collateral Management (CMA)-linked logistics continued to do well in 2005. We secured 29 new CMA-linked contracts. A total of 132,000 metric tonnes of metals were handled during 2005 compared with 45,000 metric tonnes handled in the six months of operations in 2004.

In a move to tap the rising demand for metals and CMA-linked logistics services in China, SembLog's 50%-owned subsidiary, Pacorini-SembLog, set up Pacorini-SembLog Shanghai in late 2005. The legal entity would allow Pacorini-SembLog Shanghai to seek alliance as a licenced warehouse provider with the Shanghai Futures Exchange to undertake the delivery and storage of Shanghai Futures Exchange-approved non-bonded metals into the Exchange.

Chemical logistics was another segment of Specialty Logistics that expanded in 2005. SembLog's 49:51 joint venture with Belgium's Katoen Natie, Katoen Natie SembCorp, added a second chemical logistics terminal on Jurong Island costing S$19.9 million. Construction of the 30,000 m^2 facility, which will be adjacent to Katoen Natie SembCorp's existing terminal, is underway and is expected to be completed by end 2006.

Outlook

Asia is where our Logistics business is focused and most Asian economies are expected to perform strongly in 2006. The demand for logistics services in Asia is therefore expected to remain strong, in line with increased business activities. SembLog will continuously tap into the growing demand for Supply Chain Management services in Asia and we expect its recurring earnings in 2006 to be better than that of 2005.

Performance indicators (S$ million)

	2005	2004
Turnover	**542.5**	500.6
PATMI	**62.0**	1,168.7

Sharper focus and innovative technologies for growth.

(Pictured) SembCorp Environmental Management's recycling facility in Tuas, Singapore, where the collection, automated sorting and baling, as well as bulk trading of various types of recyclable paper, is handled.

SembEnviro conducted a review of its business, streamlining existing divisions and identifying new strategies to reduce costs and extract value from waste.

Operations Review

The performance of our Environmental Engineering arm was subdued in 2005. Turnover at SembCorp Environmental Management (SembEnviro) was S$218.7 million and Profit After Tax and Minority Interest (PATMI) was S$4.7 million in 2005 as compared to S$202.5 million and S$14.4 million respectively in the previous year.

Several factors contributed to the weak performance of the business in 2005, with the main impact due to a write-off of an amount receivable from a customer as part of the settlement of a dispute. Provision was also made for a one-off disposal cost at our construction and demolition waste premises. High fuel costs as well as start-up costs for our new operations overseas in China and India also contributed to the weak performance.

A review of the business was conducted in 2005. The waste collection and recovery businesses were streamlined into three business divisions – Collection, Recovery and Treatment – so as to optimise resources and improve synergy within our operations. To focus on profitable business sectors, we also decided to exit the environmental consultancy business as well as the electronic waste business in Singapore. In addition, we will be intensifying our focus on the development of innovative pre-disposal treatment methods and waste-to-resource technologies to reduce the cost of waste disposal, improve recyclable materials yield and extract value from waste.

In 2005, we maintained our position as the largest integrated environmental solutions provider in Singapore, with major shares in the municipal and biomedical waste sectors.

Between April to December 2005, we re-secured contracts to serve four out of the six municipal sectors up for re-tender. The contracts were for the Clementi, City, Hougang-Punggol and Woodlands-Yishun sectors. Commencing in mid-2006 and lasting between seven to eight years each, these contracts will provide a stable revenue base going forward.

In addition, we also clinched new contracts to strengthen our steadily growing commercial, car park management and conservancy businesses. In March 2005, we were awarded five car park management contracts totalling S$11 million, each for a four-year term with an option to renew for a further two years. We also secured two three-year parking enforcement services contracts in May 2005 worth a total of S$13.8 million.

The total orderbook for our Singapore operations stood at S$548.4 million as at December 31, 2005, compared to S$403.0 million in the previous year.

2005 also marked several milestones with regard to our expansion into the growing Chinese waste management market.

In January, our subsidiary SembEnviro Tay Paper became the first Singapore company to enter the waste paper market in China when we formed a 60:40 joint venture with established Shanghai waste paper recycler XiangHong Waste Paper Recycling. The joint venture, Shanghai SembTay XiangHong Recycling, will collect waste paper for supply to paper mills in the Yangtze River Delta, with possible future expansion to Suzhou in 2006.

With a focus on the waste management market in Shanghai, we also formed a 40:60 joint venture, Shanghai SEI SembCorp-Enviro Solutions, with state-owned enterprise Shanghai Environment Investment in February 2005 for S$8.0 million. Shanghai SEI SembCorp-Enviro Solutions will serve as a platform to participate in the newly corporatised waste collection market in Shanghai. This new venture strengthens our presence in the fast-growing Shanghainese waste management market, where we are currently serving the industrial and commercial sector through our joint venture Shanghai SembEnviro Reliance.

Our associate SembSITA Australia also continued to perform well during the year, maintaining our position as a leading player in the Australian market.

Outlook

Singapore continues to be a highly competitive market, particularly in the municipal, industrial and commercial waste sectors. However, there remains considerable market space for the introduction of new waste management practices and technologies such as our pneumatic waste conveyance system. In addition, concerted efforts will also be made to increase recycling rates through measures such as enhanced door-to-door collection systems and centralised recycling stations.

In the year ahead, we will continue to pursue selective opportunities for growth overseas. In particular, we will capitalise on waste management opportunities through our current joint ventures in China and India, leveraging on our partnerships with key local players in these markets. In China, the pace of privatisation of waste management services continues to pick up speed with more districts in Shanghai set for waste collection privatisation in 2006. Heavy emphasis has also been placed on encouraging a recycling economy in the country's Eleventh Five-Year Plan. In India, the government continues to be focused on the regulatory environment for waste management, with a drive towards compliance in sectors such as municipal solid waste and biomedical waste. Strong growth in the industry is expected over the next few years as privatisation and regulatory improvements occur in this sector, coupled with rapid economic growth. The Middle East is also undergoing rapid development in the area of integrated waste management, particularly in countries like Qatar, Bahrain and the UAE.

Meanwhile, we also aim to further consolidate our market position and expand into post-collection in Australia.

Underpinned by contributions from our overseas operations, we expect the performance of our Environmental Engineering business to improve over 2005.

Performance indicators (S$ million)

	2005	2004
Turnover	**218.7**	202.5
PATMI	**4.7**	14.4

Continued emphasis on process engineering.

SembCorp Engineers and Constructors' SembCorp Simon-Carves has supplied six out of the last 11 LDPE plants in the world since 1997, including this LDPE plant in Nanjing, China (pictured).

SembE&C's turnover rose 33% to S$1.1 billion, doubling PATMI to S$0.8 million, while the orderbook stood at a healthy S$2.3 billion.

Operations review
In 2005, SembCorp Engineers and Constructors' (SembE&C) turnover rose 33% to S$1.1 billion, doubling Profit After Tax and Minority Interest (PATMI) to S$0.8 million.

During the year, we secured S$874 million of new orders to take our orderbook to a healthy S$2.3 billion as of end December 2005. As a result of SembE&C's intensified efforts to pursue more overseas contracts, a larger 66% of our orderbook was made up of overseas projects, compared to 59% in 2004.

Similarly, process engineering jobs made up two-thirds of the orderbook, reflecting SembE&C's primary focus on process engineering, which has been a mainstay of the business since 2004.

In December 2005, subsidiary SembCorp Simon-Carves successfully secured a S$400 million contract to construct a 400,000 tonnes per annum Low Density Polyethylene (LDPE) plant for chemical producer Huntsman on Teesside, UK. This contract was a follow-up to the earlier contract awarded in January for the design of the same plant, expected to be the largest single-stream LDPE facility in the world.

Having supplied 75 LDPE stream facilities around the world, including six of the 11 most recently commissioned, SembCorp Simon-Carves is recognised as the world's most experienced process engineering contractor for the design and supply of LDPE plants.

Another significant contract secured in 2005 was the S$198.6 million contract to build an additional facility adjacent to the oil refinery that we are currently building for Essar in India. The project is expected to complete in December 2006.

Outlook
The global construction market is expected to be relatively positive as sustained oil prices, a recovering Japanese economy along with a dynamic US economy are expected to continue to spur infrastructure investments worldwide.

Notwithstanding the stable and positive global construction outlook, we continue to face margin pressure as more construction firms from China and India, advantaged by their lower cost base, compete to gain a foothold in the international arena.

Moving forward, we will press on with our strategy of focusing on overseas markets, especially those in China, India, Southeast Asia and the Middle East, where strong growth potential is evident. We will also continue to concentrate on process sectors, especially the petrochemical and oil and gas industries where high oil prices act as a driver for added investments. We will do so by capitalising on our extensive process engineering track record and our reputation as an international leader in process engineering design and construction.

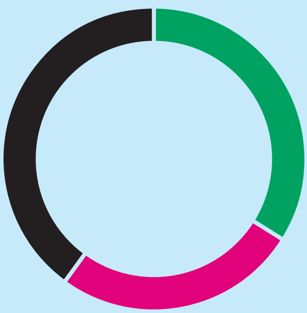
To increase overall profitability, we will strive towards improving our project execution through stringent cost controls and the continuous strengthening of risk management processes.

Significant contracts in orderbook

Description	Country	Client	Remaining contract value (S$ million)	End date
LDPE Plant	UK	Huntsman Petrochemicals	400	Feb 2008
Circle Line Contract 856	Singapore	LTA	335	Feb 2009
Oil Refinery	India	Essar/Vadinar	282	Dec 2006
Mediterranean Garden	UAE	Nakheel	216	Jun 2006

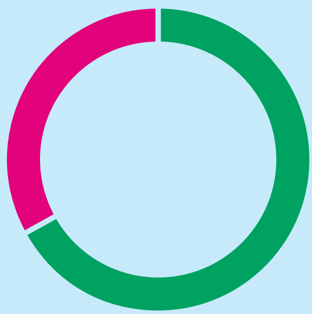
Orderbook by territory

Singapore	34%
Rest of Asia	26%
Europe & Others	40%



Orderbook by business

Process Engineering	67%
Building and Civil Engineering Projects	33%



Total orderbook as at December 31, 2005: S$2.3 billion

Performance indicators (S$ million)

	2005	2004
Turnover	**1,096.5**	824.2
PATMI	**0.8**	0.4