

PRESS RELEASE

Sembcorp Industries Ltd
CO REGN NO 199802418D
30 Hill Street #05-04
Singapore 179360
Tel (65) 6723 3113
Fax (65) 6822 3254
www.sembcorp.com

SEMBCORP TO DEVELOP ITS FIRST BEACHHEAD IN CHINA'S HUBEI PROVINCE

- **Signs agreement to build, own and operate a new industrial wastewater treatment plant in the Jingmen Chemical Industrial Park**

Hubei, CHINA, April 8, 2014 – Sembcorp Industries (Sembcorp) is pleased to announce the expansion of its industrial wastewater treatment business to China's Hubei province, with the development of its first beachhead in Jingmen city.

Through its wholly-owned subsidiary, Sembcorp (China) Holding Co, the company has signed a joint venture agreement to build, own and operate an industrial wastewater treatment plant in the Jingmen Chemical Industrial Park (JCIP). Sembcorp will own a 95% stake in the joint venture, while Jingmen Xinyuan Investment Company, wholly owned by the Duodao District Government of Jingmen city and a business arm of the JCIP Administration Committee, will hold the remaining 5%.

At a total investment of RMB98.7 million (approximately S\$20.5 million), the facility will have an initial capacity of 10,000 cubic metres per day with capabilities to treat multiple streams of industrial wastewater. Expected to be completed in the first half of 2016, the facility will provide industrial wastewater treatment services to companies in the JCIP under a 30-year exclusive concession agreement.

The 27.6-square kilometre JCIP houses a six million tonnes per annum oil refinery owned by SINOPEC Jingmen, as well as downstream petrochemical, coal-to-chemicals and fine chemicals companies. Refinery output on the site is expected to increase to 10 million tonnes per annum, accelerating the growth of the site as a petrochemical cluster. JCIP is located in Hubei province, which is at the juncture of the Yangtze River Economic Belt and the Beijing-Guangzhou Railway Economic Belt. With a gross domestic product (GDP) of RMB2.47 trillion in 2013¹, Hubei's GDP is one of the highest amongst China's provincial regions.

¹ Sources: CEIC, China Statistical Yearbooks as well as the Hubei Provincial People's Government Official Website, hubei.gov.cn

Alan Yau, CEO of Sembcorp China, said, “Our latest success in Hubei leverages Sembcorp’s strong capabilities in offering innovative and effective water and wastewater management for industries in China. We are pleased to extend our specialised water solutions to Hubei province, where we will contribute to its environmental protection while supporting industrialisation. We value Jingmen Chemical Industrial Park Administration Committee’s confidence in us, and are confident that we will make a positive impact on the growth of its petrochemical, coal-to-chemicals and fine chemicals industries with our proven solutions.”

Sembcorp’s proven solutions are also in line with the central government’s growing emphasis on greater environmental protection. With its water and wastewater treatment solutions, strong technical strength and established operating track record, the Group partners industrial sites and local governments in their efforts towards balancing development and growth with responsibility towards the environment.

With this expansion to Hubei province, Sembcorp’s utilities business now extends across 11 provincial regions in China.

The total project investment of RMB98.7 million will be funded through a mix of equity and borrowings. Sembcorp’s 95% share of the equity investment amounts to RMB37.5 million (approximately S\$7.8 million), which will be financed by internal funds.

The transaction is not expected to have a material impact on the earnings per share and net asset value per share of Sembcorp Industries for the current financial year.

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For analysts and media queries, please contact:

Aleve Co (Ms)

Senior Manager

Group Corporate Relations

DID: +65 6723 3178

Email: aleve.co@sembcorp.com

Melissa Yee (Ms)

Manager

Group Corporate Relations

DID: +65 6723 3326

Email: melissa.yee@sembcorp.com

ABOUT SEMBCORP INDUSTRIES

Sembcorp Industries is a leading energy, water and marine group operating across six continents worldwide. With facilities of over 7,200 megawatts of gross power capacity and over eight million cubic metres of water per day in operation and under development, Sembcorp is a trusted provider of essential energy and water solutions to both industrial and municipal customers. It is also a world leader in marine and offshore engineering as well as an established brand name in urban development.

The Group has total assets of over S\$13 billion and employs approximately 10,000 employees. Listed on the main board of the Singapore Exchange, it is a component stock of the Straits Times Index and several MSCI and FTSE indices.

ABOUT SEMBCORP IN CHINA

Sembcorp has invested in the China market for close to two decades and its presence spans 15 provincial regions across the country.

The Group has the expertise to provide essential solutions in sustainable ways. With its renewable energy and high-efficiency power generation facilities, innovative water and wastewater treatment solutions, as well as sustainable, self-sufficient urban developments, Sembcorp supports China's continued growth. In addition, its commitment to sustainability is aligned with the strong emphasis on environmental protection in China's 12th Five-year Plan.

Note to Editors: Please refer to the company as “**Sembcorp**” (with “**S**” in upper case and “**c**” in lower case), or “Sembcorp Industries” in full. Please also note that “Sembcorp” is not an abbreviation of “Sembawang Corporation” but a brand name in itself, and it is therefore incorrect to refer to our company as “Sembawang”, “Sembawang Corporation” or similar.