

PRESS RELEASE

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**GROUNDBREAKING OF THE NANJING INTERNATIONAL WATER HUB IN
JIANGXINZHOU, NANJING**

China, March 23, 2016 – Sembcorp Industries (Sembcorp) today held the groundbreaking ceremony of its Nanjing International Water Hub (NIWH) on Jiangxinzhou in Nanjing city's new central business district of Jianye in Jiangsu province. The ceremony was witnessed by Mr Liu Yi'an, Nanjing Executive Vice Mayor and Member of the Nanjing Municipal Standing Committee and Mr Teo Ser Luck, Singapore's Minister of State (MOS) for Manpower.

A 34,183-square metre development strategically located on the Sino-Singapore Nanjing Eco Hi-tech Island, the NIWH is designed to host research facilities, business and conference space to facilitate the development and commercialisation of new water technologies. With the participation of government agencies, academia and research institutions, the private sector and non-government organisations, the NIWH is envisioned to be the leading centre in Nanjing for science and water technology exchanges.

Targeted to be completed in 2018, the NIWH is wholly owned and developed by Sembcorp. A unique feature of the Water Hub is the Water Technology Innovation Centre. The Centre provides facilities to support performance tests on emerging water technologies in clinical settings and in the field. Beyond performance tests in a controlled in-door environment, Sembcorp will grant third party water technology developers access to its water facilities across China to test-bed their technologies. This supports the commercialisation of research and development projects from the pilot-testing stage to market-ready levels.

Said Tang Kin Fei, Group President & CEO of Sembcorp Industries, "There is a growing need for innovative water solutions to meet water challenges, given the global challenges brought on by increasing environmental degradation, water shortage and stringent water quality standards worldwide. Sembcorp hopes that the Nanjing International Water Hub will serve as an eco-system that will attract international water companies and research institutions. We believe this will catalyse the development and commercialisation of innovative water technologies applicable to both the Chinese and international markets."

During the event, NIWH signed three memoranda of understanding (MOUs). The first two MOUs were signed with Singapore's Public Utilities Board (PUB) and National University of Singapore's Centre for Water Research respectively to explore a series of collaboration programmes with the aim of helping Singapore small and medium-sized enterprises bring new technologies and water treatment solutions into the Chinese and international markets. The third MOU was signed with Sembcorp's wholly-owned subsidiary Sembcorp (China) Holding to explore developing the Sembcorp Global Asset Management System (GAMS) for Water at the NIWH. The GAMS system will be equipped with capabilities using advanced data analytics for process optimisation, troubleshooting and predictive maintenance. The system allows Sembcorp to optimise its operations and drive operational effectiveness and reliability from a central control location at the NIWH.

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ABOUT SEMBCORP INDUSTRIES

Sembcorp Industries is a leading energy, water and marine group operating across five continents worldwide. With facilities of over 10,600 megawatts of gross power capacity and close to nine 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 S\$20 billion and employs over 7,000 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.

SEMBCORP IN CHINA

Sembcorp has invested in the China market for over 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.

Sembcorp has invested in the Chinese industrial water market since 2003. As an owner-operator of water and wastewater treatment facilities, the company has created a niche in providing specialised industrial water solutions. Today, it provides industrial water solutions in nine leading chemical and petrochemical parks in the country.

Sembcorp also co-develops three government-supported urban developments in China. The Sino-Singapore Nanjing Eco Hi-tech Island, Singapore-Sichuan Hi-tech Innovation Park and the Wuxi-Singapore Industrial Park are developed in response to China's urbanisation trend and the need for satellite cities in new metropolitan areas. As aligned with China's growth trajectory, the urban developments are positioned to attract high-technology companies and modern services.

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.