

PRESS RELEASE

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SEMBCORP EXPANDS ITS INDUSTRIAL WASTEWATER TREATMENT BUSINESS IN CHINA'S JIANGSU PROVINCE

- *Signs agreement to acquire and upgrade an existing facility to a high concentration industrial wastewater treatment plant*
- *Plans in place by the Jiangsu Environment Protection Department to replicate Sembcorp's model in other industrial parks in Jiangsu*

SINGAPORE, June 3, 2014 – Sembcorp Industries (Sembcorp) strengthens its presence in China's Jiangsu province with the signing of a joint venture agreement to acquire and upgrade an existing wastewater treatment plant in Lianyungang Lingang Chemical Industrial Park (LCIP).

Under the agreement, Sembcorp's wholly-owned subsidiary, Sembcorp (China) Holding Co, will hold an 80% stake in the joint venture, while Lianyungang Lingang Industrial Area Administration Committee's wholly-owned company, Shenghai Wastewater Treatment Plant Co, will hold the remaining stake.

Sembcorp has been selected by the Jiangsu Environment Protection Department to improve industrial wastewater treatment operations at LCIP. The existing facility in the chemical industrial park, which is only able to treat low concentration wastewater, will be upgraded to one that is capable of treating high concentration industrial wastewater directly from source. Sembcorp was selected for this project given its proven capabilities to treat multiple streams of complex industrial wastewater directly from customers to meet discharge standards, benefitting both customers and local governments.

The upgrading is targeted to be completed by end 2015 and the enhanced industrial wastewater treatment plant will have a capacity of 20,000 cubic metres per day. The total project cost of RMB130 million (approximately S\$26.1 million) will be funded through a mix of equity and borrowings.

The Jiangsu Environment Protection Department intends to collaborate with Sembcorp to utilise the company's advanced industrial wastewater treatment solutions to manage industrial wastewater from multi-customers within chemical industrial parks in Jiangsu. The LCIP will be the first of the industrial parks to have its water management capabilities upgraded by Sembcorp under this collaboration. The collaboration is an endorsement of Sembcorp's strong reputation as a global leader in industrial wastewater treatment, and is in line with a memorandum of understanding for cooperation in strengthening environmental protection signed at the sixth Singapore-Jiangsu Cooperation Council meeting by the Jiangsu Environment Protection Department and International Enterprise (IE) Singapore.

Alan Yau, CEO of Sembcorp China, said, "This project leverages Sembcorp's established capabilities and leading position in industrial wastewater treatment globally. We are honoured to be selected by the Jiangsu Environment Protection Department and are pleased to bring our expertise in industrial wastewater treatment to the Lianyungang Lingang Chemical Industrial Park. We also look forward to having this model replicated in other chemical industrial parks in Jiangsu. This will enable us to extend our solutions across the province and further cement our position as a market leader in industrial wastewater treatment in China."

Currently, Sembcorp's industrial water and wastewater treatment business serves 11 industrial sites in China, including important petrochemical and chemical sites such as Nanjing Chemical Industrial Park and Zhangjiagang Free Trade Port Zone in Jiangsu province. It was recently named China's "Leader in Wastewater Treatment for Chemical Industrial Parks" by ChinaWaterNet at its prestigious China Water Industry Annual Awards.

This 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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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\$14 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.*