



## **DIVESTMENT OF ZHUMADIAN CHINA WATER CO**

**SHANGHAI, January 24, 2014** – Sembcorp Industries (the Group) announces that it has entered into an agreement to divest its entire stake in Zhumadian China Water Co, which runs a municipal water facility in Henan, China. Through its wholly-owned entity China Water Company (Zhumadian), it signed a sale and purchase agreement to divest its 51% stake in the company to Beijing Enfei Environmental Protection Co for RMB90 million (approximately S\$19 million). The consideration was decided based on fair value of the asset and includes settlement of an outstanding shareholder loan.

Completion of the divestment is expected in the third quarter of the year, upon the satisfaction of certain conditions precedent, including approval by China's relevant authorities. Following the divestment, Zhumadian China Water Co will cease to be part of the Group.

The transaction is not expected to have a material impact on the earnings per share and net asset value per share of the Group for the financial year ending December 31, 2014. None of the directors or the controlling shareholders of Sembcorp Industries has any interest, direct or indirect, in the divestment.