



JOINT VENTURE WITH JAPAN'S NISHI-NIPPON RAILROAD CO. FOR A PROPOSED RESIDENTIAL DEVELOPMENT IN HAI PHONG CITY, VIETNAM

HAI PHONG, October 20, 2017 – A Sembcorp joint venture company, Vietnam Singapore Industrial Park and Township Development Joint Stock Company (VSIP JSC), signed a conditional joint venture agreement today with Nishi-Nippon Railroad Co. (NNR), for the joint development of a residential project in Hai Phong City, Vietnam. NNR is a subsidiary of Tokyo stock exchange listed company Nishitetsu Group, a conglomerate with business activities in transportation and logistics as well as real estate.

The proposed development is subject to a condition precedent that VSIP JSC completes a planned revision to the township master plan of VSIP Hai Phong Integrated Township and Industrial Park by mid-2018. VSIP JSC is also the master developer behind the 1,600-hectare VSIP Hai Phong, where the proposed residential development will be located. The master plan of the township is being revised for the first time in almost a decade, to accommodate enhancements to the township's physical environment.

VSIP JSC will hold 30 per cent of the joint venture company to be formed for the residential development, with NNR holding the remaining 70 per cent. The residential development comprises landed houses and shophouses for sale with clubhouse amenities.

VSIP JSC is co-owned by lead shareholders Sembcorp Development, a wholly-owned company of Sembcorp Industries, and Vietnam state-owned enterprise Becamex IDC Corporation. Sembcorp Development's effective interest in VSIP JSC is 45.2%.

This joint venture is not expected to have a material impact on the earnings per share and net asset value per share of Sembcorp Industries for the financial year ending December 31, 2017.