



DIVESTMENT OF YANCHENG CHINA WATER CO COMPLETED

Shanghai, December 30, 2016 – Further to its announcement of February 5, 2016, Sembcorp Industries (the Group) announces that its wholly-owned entity China Water Company (Yancheng) has completed the divestment of its entire 49% stake in Yancheng China Water Co to Yancheng City Municipal Utilities Investment Company for RMB 260 million (approximately S\$53 million). The Group will recognise a net gain of approximately S\$30 million arising from this transaction for the financial year ending December 31, 2016.

Yancheng China Water Co runs a municipal water facility in Jiangsu, China. The consideration for the sale was decided taking into account the discounted cash flow of the operations and was paid in cash. The carrying value of the asset was RMB 116 million (approximately S\$24 million). No director or controlling shareholder of the Group had any interest, direct or indirect, in the transaction. Following the divestment, Yancheng China Water Co has ceased to be part of the Group.

This will not 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, 2016.