

Investor Relations

SembCorp Industries has been consistently delivering good returns for our shareholders over the years. In addition, we are committed to cultivating high standards of investor relations through maintaining transparent and honest communications with our shareholders and the financial markets.

Generating returns for our shareholders

To enable our shareholders to benefit from the solid performance of our business operations, the Board has proposed an ordinary dividend of 5 cents per share, subject to approval at the Annual General Meeting, on April 26, 2005. A special dividend of gross 6.25 cents per share was paid out in January 2005, following the receipt of dividend from our subsidiary, SembCorp Logistics. This is set to bring the total dividend to a record high of 11.25 cents, representing a 61% increase over the year before. This generates a yield of 6.9%, based on end-2004 closing share price.

Proposed capital reduction

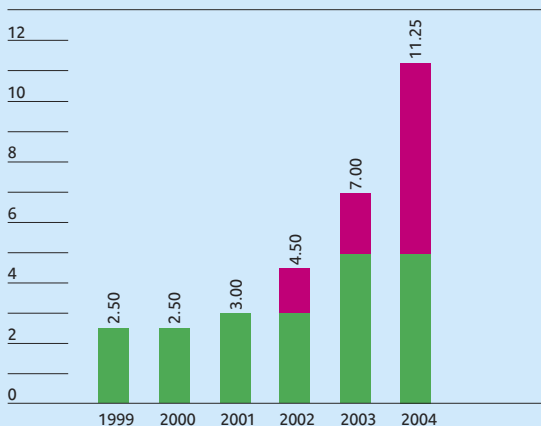
The Board has also proposed a capital reduction of S\$215.0 million which is aimed at returning surplus capital to shareholders, and increasing our future Earnings Per Share and Return on Equity. The proposed capital reduction is subject to shareholders' approval in April 2005. It is proposed that the exercise be effected by cancelling 6% of the issued share capital at S\$1.95 per share. The price of S\$1.95 is based on a premium of 2.6% over the volume weighted average trading prices of shares traded on the Singapore Exchange Securities Trading Limited for the five market days from February 11 to 17, 2005. As shares will be cancelled proportionately, all shareholders will maintain their proportionate shareholdings in SembCorp Industries.

Share price in 2004

SembCorp Industries' share price performed well in 2004, closing the year at S\$1.62, up 29% year-on-year

Dividend Per Share from 1999 to 2004 (in cents)

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|-------------------|------|------|------|------|------|------|
| Special dividend | - | - | - | 1.50 | 2.00 | 6.25 |
| Ordinary dividend | 2.50 | 2.50 | 3.00 | 3.00 | 5.00 | 5.00 |



from S\$1.26 at the end of 2003. It also outperformed the Straits Times Index during the same period by 12%. Trading of our shares was active in 2004 with more than 1 billion shares changing hands during the year, on the back of an average daily volume of approximately 4 million shares. Including dividends, our shares provided a total shareholder return of 35% for the year.

Our Shareholders

Institutional investors increase holding

Institutional investors raised their holdings of our shares substantially in 2004. Excluding the shares held by our strategic shareholder, institutional investors held 53% of our remaining shares, compared to 38% from the year before.

Strong interest from foreign investors

At the end of 2004, approximately 77% of all shares held by institutional investors were held by foreign based investors, the majority of whom were from the

UK and US. This reflects both SembCorp Industries' international orientation, as well as the attractive investment potential of our shares in the international financial markets.

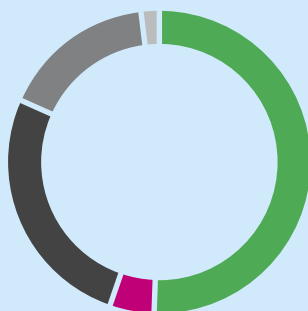
Ensuring Transparency in our Investor Relations

At SembCorp Industries, we believe that proactive, timely and quality communication with investors and financial analysts is integral to helping the Company achieve a fair valuation of its shares. Our Investor Relations team is committed to providing meaningful information to our investors, the financial community and the interested public, to enable them to make informed investment decisions.

We organise quarterly results announcement briefings and teleconferences with the media and analysts. In addition, we hold one-on-one meetings and conference calls with institutional investors to discuss our corporate strategy and key developments.

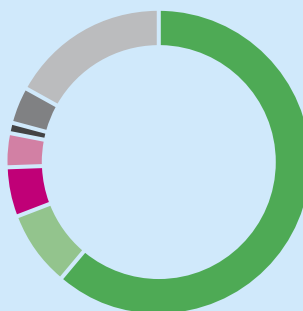
Share Ownership
by Investor Category

| | |
|-----------------|-------|
| Strategic | 50.8% |
| Retail | 4.7% |
| Institutional | 26.3% |
| Below Threshold | 16.3% |
| Others | 1.9% |



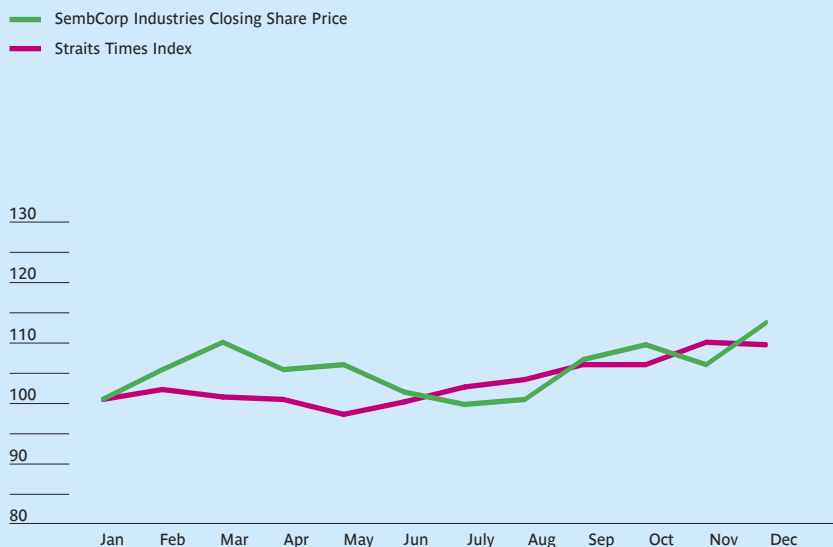
Share Ownership
by Geographical Distribution

| | | | |
|----------------|-------|-----------|-------|
| Singapore | 61.5% | Hong Kong | 3.9% |
| United Kingdom | 8.1% | Others | 16.9% |
| United States | 5.2% | | |
| Other Europe | 3.8% | | |
| Japan | 0.6% | | |



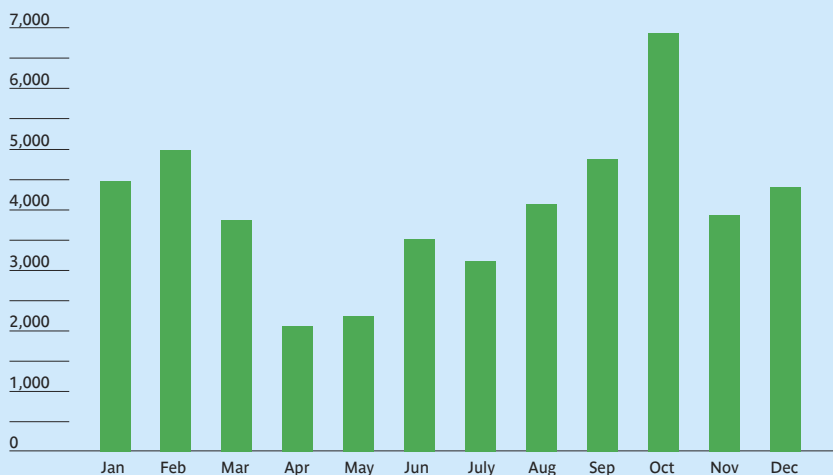
Investor Relations

Average Monthly SembCorp Industries Share Price and Straits Times Index (STI) in 2004



| Month | Closing Share Price (S\$) | ST Index |
|-----------|---------------------------|----------|
| January | 1.31 | 1848.36 |
| February | 1.43 | 1888.63 |
| March | 1.54 | 1858.92 |
| April | 1.43 | 1842.03 |
| May | 1.45 | 1788.66 |
| June | 1.34 | 1838.00 |
| July | 1.29 | 1891.71 |
| August | 1.31 | 1918.34 |
| September | 1.47 | 1984.74 |
| October | 1.53 | 1980.69 |
| November | 1.45 | 2027.66 |
| December | 1.62 | 2066.14 |

Average Monthly Trade Volume of SembCorp Industries Shares in 2004



| Month | Volume ('000) |
|-----------|---------------|
| January | 4,487.74 |
| February | 4,979.95 |
| March | 3,851.96 |
| April | 2,095.67 |
| May | 2,271.71 |
| June | 3,542.71 |
| July | 3,166.32 |
| August | 4,120.19 |
| September | 4,866.96 |
| October | 6,960.19 |
| November | 3,952.30 |
| December | 4,393.96 |

In March 2004, we participated in the Credit Suisse First Boston Asian Investment Conference 2004 in Hong Kong, where we conducted workshops and one-on-one meetings with existing shareholders and potential investors from Singapore, Hong Kong, Europe, US and Canada.

Furthermore, to foster greater understanding of our business operations, we organised visits for members of the financial community to our operating facilities. In April 2004, we hosted a group visit to SembCorp Utilities facilities on Jurong Island for 15 sell-side financial analysts. A similar visit was held in September for key institutional investors from Europe.

For the year 2004, approximately 20 analysts extended coverage on SembCorp Industries, and published regular research reports with estimates and forecasts on our company's performance.

To ensure that retail investors and the interested public have good and regular access to information about SembCorp Industries, we participated in the SGX-MAS Research Incentive Scheme, where analysts research reports from two local stockbrokerages were made available to the investing public. We also participated in the SGX Retail Investment Fair 2004 in May which was aimed at educating the retail investing public.

Press releases from the SembCorp Group of companies are promptly uploaded on our website www.sembcorp.com.sg. We also arrange for video and audio web-casts of our half-yearly results announcements to help investors understand our businesses and corporate developments better.

Recognition

We are honoured that our efforts to communicate with the capital market in a consistent, timely and frank manner have been recognised. SembCorp Industries' 2003 Annual Report won the Merit Award at the Annual Report Awards. The awards were organised by the Institute of Certified Public Accountants of Singapore, the Investment

Management Association of Singapore, the Securities Investors Association Singapore (SIAS), the Singapore Institute of Management, the Singapore Institute of Directors, the Singapore Exchange Limited and the Business Times.

We were also recognised as one of Singapore's most transparent companies at the annual SIAS Investors' Choice Awards 2004.

Calendar of SembCorp Industries' Quarterly Results Announcements*

| | | |
|----------------|------------------|----------|
| First Quarter | May 9, 2005 | Monday |
| First Half | August 11, 2005 | Thursday |
| Third Quarter | November 7, 2005 | Monday |
| Full year 2005 | February 2006 | |

* Note: Dates subject to change