



## **CHANGE IN SHAREHOLDING IN SEMBCORP INFRA SERVICES AND FORMATION OF JOINT VENTURE WITH CRE ASIA**

***Hai Phong City, May 16, 2018*** – Sembcorp Industries (Sembcorp) announces that Sembcorp Infra Services (SIS), a subsidiary of Sembcorp's wholly-owned entity Sembcorp Development, has entered into a share subscription agreement with CRE Asia in respect of the proposed subscription to new shares to be issued by SIS.

Under the agreement, SIS will increase its share capital from 6,826,919 ordinary shares to 20,509,840 ordinary shares, via the issuance of new ordinary shares. CRE Asia has agreed to invest US\$6.2 million into SIS in exchange for 6,152,952 new ordinary shares, or 30% of the resultant enlarged capital of SIS. Sembcorp Development will hold the balance 70% of SIS's enlarged share capital. The value of the new shares to be issued was derived taking into account the projected cashflows of SIS's existing warehouse space in Vietnam. CRE's investment amount will be paid in cash to SIS on completion of the share subscription, which is expected to take place by end-July 2018.

SIS and its wholly-owned subsidiary SIS Hai Phong are the developers of around 30,000 square metres of warehouse space within the Vietnam Singapore Industrial Park integrated township (VSIP) in Hai Phong, Vietnam. CRE Asia is a subsidiary of Tokyo stock-exchange listed company, CRE Inc, one of Japan's largest management companies specialising in real estate properties for logistics operations. The new capital from CRE Asia, together with bank borrowings, will fund the development of an additional 30,000 square metres of warehouse space in Vietnam by SIS.

Prior to this share subscription exercise, SIS was a wholly-owned subsidiary of Sembcorp Development. Sembcorp Development is the co-master developer of the seven VSIP developments in Vietnam, which have a gross land area of 6,660 hectares and a manufacturing tenant base of 724 international and local companies.

In addition to the share subscription agreement, a joint venture agreement has also been signed between Sembcorp Development, SIS and CRE Asia, to support Sembcorp Development's warehousing and logistics operations in the VSIP integrated townships in Vietnam. CRE's strengths in logistics tenant leasing, and the management and development of logistics properties, will complement Sembcorp Development's capabilities in industrial and warehousing property development. This strategic alliance will help to drive the expansion and growth of both companies' businesses in Vietnam.

The above developments are not expected to have material impact on the earnings per share and net asset value per share of Sembcorp Industries for the financial year ending December 31, 2018.

- END -