



DIVESTMENT OF SEMBCORP LIANYUNGANG WATER CO

Shanghai, July 23, 2019 – Sembcorp Industries (the Group) announces that its wholly-owned subsidiary Sembcorp (China) Holding Co has signed a conditional agreement to divest its 80% stake in Sembcorp Lianyungang Water Co (SLWC) to its local partner, Lianyungang Shenghai Wastewater Treatment Plant Co, for RMB120 million (approximately S\$23.7 million). The consideration was decided taking into account the book value of SLWC and relevant transaction multiples as well as settlement of an outstanding loan. SLWC runs an industrial wastewater treatment facility in the Lianyungang Lingang Chemical Industrial Park in China.

The divestment is in line with the Group's capital recycling efforts. The transaction is expected to be completed by the end of the year, subject to the satisfaction of certain conditions precedent, including approval by the relevant authorities in China. Upon completion, SLWC will cease to be part of the Group.

None of the directors or controlling shareholders of the Group have any interest, direct or indirect, in the divestment. This transaction is not expected to have a material impact on the earnings per share and net asset value per share of Sembcorp for the financial year ending December 31, 2019.