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REDUCTION OF EQUITY INTEREST IN SINO-SINGAPORE (CHENGDU) INNOVATION PARK DEVELOPMENT CO.

Singapore, July 15, 2020 – Sembcorp Development, the Urban business of Sembcorp Industries, announces that its joint venture company, Singapore-Sichuan Investment Holdings (SSIH), has entered into an agreement to sell a 30% equity interest it holds in Sino-Singapore (Chengdu) Innovation Park Development Co. (SSCIP). The purchaser of the stake is Chengdu High-tech Investment Group.

SSIH is incorporated in Singapore and has held a 50% stake in SSCIP since 2012. SSCIP is the master developer of the 1,000-hectare Singapore-Sichuan Hi-tech Innovation Park in Chengdu, China. Following the completion of the disposal which is expected by end of July 2020, SSIH's share in SSCIP will be reduced to 20%.

The consideration for the disposal amounts to RMB691.3 million (approximately S\$138.3 million), includes a 22.6% premium over the original cost of investment, and factored in SSIH's cost of funds in China. The net asset value was approximately RMB564 million (equivalent to approximately S\$112.8 million) as at December 31, 2019.

The consideration is expected to be received in cash in tranches and in full by March 31, 2021. Sembcorp Development, which owns 50% of SSIH, will record a gain of S\$11.5 million from the disposal post-completion and maintain a 10% effective equity interest in SSCIP.

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