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LEGAL PROCEEDINGS IN RESPECT OF DIVESTED MUNICIPAL WATER ASSETS - SEMBCORP UTILITIES SOUTH AFRICA AND SEMBCORP SILULUMANZI

Singapore, November 9, 2020 – Sembcorp Industries (the Group) refers to its earlier announcement on December 21, 2018 on the completion of the sale of its wholly-owned subsidiary Sembcorp Utilities (Netherlands) N.V.'s (SUNNV) 100% stake in Sembcorp Utilities South Africa (SUSA) and its 100% effective stake in Sembcorp Silulumanzi to South African Water Works Pty Ltd (the Sale). Total proceeds from the Sale were ZAR718 million (approximately S\$70 million).

The Sale was subject to the consent of the Mbombela Local Municipality, South Africa (Municipality) and such consent (Municipality consent) had been obtained prior to the completion of the Sale. The Municipality consent has recently been challenged in the South African High Court by a party who had made an unsuccessful bid to become a local Broad Based Black Economic Empowerment (BBBEE) minority shareholder in Sembcorp Silulumanzi (the Proceedings). Neither the Group nor any of its subsidiaries were parties to the Proceedings when they were launched in July 2019.

One of the potential consequences of the Proceedings is that the completed Sale may be reversed and that the parties to the Sale would have to re-apply for the Municipal consent. However, according to legal advice, prospects of this outcome are remote.

To protect its interests, the Group requested and has been granted approval by the South African High Court for SUNNV and SUSA to be joined as parties to the Proceedings.

As at the date of this announcement, the Proceedings are still ongoing.

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