

PRESS RELEASE

Sembcorp Industries Ltd
CO REGN NO 199802418D
30 Hill Street #05-04
Singapore 179360
Tel (65) 6723 3113
Fax (65) 6822 3254
www.sembcorp.com

SEMBCORP SUBSIDIARY ACQUIRES 100% EQUITY INTEREST IN VEOLIA ES SINGAPORE AND PUBLIC CLEANING BUSINESS OF VEOLIA ES SINGAPORE INDUSTRIAL

- **Sembcorp drives circular economy and recycling momentum as it grows its environmental business in Singapore**

Singapore, Jan 3, 2020 - Sembcorp Industries (Sembcorp) announces that it has, through its wholly owned subsidiary SembWaste, entered into a sale and purchase agreement with Veolia Environmental Services Asia to acquire 100% equity interest in Veolia ES Singapore (VESS) and the public cleaning business of Veolia ES Singapore Industrial (VESSI) for approximately S\$28 million*. Completion of the deal is subject to conditions precedent including regulatory approvals.

The businesses to be acquired hold contracts for public and commercial waste and recyclable collections covering recovery and recycling, public and commercial cleaning services, as well as associated properties which include a materials recovery facility.

This acquisition is in line with Sembcorp's strategy of deepening its presence as an integrated energy and urban solutions player providing green and more efficient solutions to enable sustainable development in its key markets. Committed to supporting Singapore's move towards a circular economy and a zero waste nation, the acquisition will further strengthen Sembcorp's waste management and recycling business as the nation's premier integrated environmental services provider.

By joining the dots along the entire waste management value chain from waste collection and public cleaning to materials recovery and turning waste into energy, this acquisition will help to strengthen Sembcorp's strategy of supporting sustainable development with its integrated solutions.

Neo Hong Keat, Senior Vice President (Waste Management), Sembcorp Industries, said, "Sustainability needs scale in the environmental business. For instance, after the acquisition,

**Subject to final purchase price adjustment upon completion*

SembWaste's fleet of vehicles would have doubled to close to 400. Such scale will enable the business to invest in a more efficient trucking fleet using cleaner fuels. In addition, we would also be better placed to move towards automation as well as skills upgrading for a fast-changing industry that is critical to the sustainability ecosystem in Singapore."

The consideration amount was arrived at after taking into account the earnings, book value of the business and existing contract values. The consideration will be fully paid in cash and internally funded.

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, 2020.

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For media and analysts' queries, please contact:

Sembcorp Industries:

Media:

Lee Teen Yen (Ms)
Vice President, Group Strategic
Communications & Sustainability
DID: +65 6723 3088
Email: teenyen.lee@sembcorp.com

Analysts:

Ling Xin Jin (Ms)
Assistant Vice President, Group Strategic
Communications & Sustainability
DID: +65 6723 3384
Email: ling.xinjin@sembcorp.com

ABOUT SEMBCORP INDUSTRIES

Sembcorp Industries is a leading energy, marine and urban development group, operating across multiple markets worldwide.

As an integrated energy player, Sembcorp is poised to benefit from the global energy transition. With a strong track record in developing and developed markets, we provide solutions across the energy and utilities value chain, with a focus on the Gas & Power, Renewables & Environment, and Merchant & Retail sectors. We have a balanced energy portfolio of over 12,500MW, including thermal power plants, renewable wind and solar power assets. In addition, Sembcorp is a world leader in offshore and marine engineering, as well as an established brand name in urban development.



Sembcorp Industries has total assets of over S\$24 billion and over 7,000 employees. Listed on the main board of the Singapore Exchange, it is a component stock of the Straits Times Index, several MSCI and FTSE indices including the FTSE4Good Index, as well as the SGX Sustainability Leaders Index and the Dow Jones Sustainability Asia Pacific Index.