



## 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 SIGNS JOINT VENTURE AGREEMENT TO EXPAND WATER BUSINESS INTO SOUTHERN CHINA**

**QINZHOU, January 27, 2010** – Sembcorp's wholly-owned utilities business has entered a joint venture agreement to provide wastewater treatment services to industrial customers in the Qinzhou Economic Development Zone (QEDZ), Guangxi Province, China.

With this, the QEDZ is set to become Sembcorp's first beachhead in southern China. Sembcorp currently has energy and water operations in the Yangtze River Delta - in Shanghai, Nanjing and Zhangjiagang - as well as in the northern and northeast cities of Tianjin and Shenyang.

Sembcorp will hold an 80% stake in the joint venture, Qinzhou Sembcorp Water Co., which will invest a total of RMB 62 million (approximately S\$12.6 million) to build, own and operate a wastewater treatment plant in the QEDZ, with an initial capacity of 15,000 cubic metres per day. The remaining 20% stake in the joint venture will be held by Guangxi Qinzhou Linhai Industrial Investment Co. (QLIC), which is wholly owned by the QEDZ Administrative Committee. Expected to commence operations in the second quarter of 2011, the facility will serve industrial and municipal customers in the QEDZ, and is expected to be expanded in tandem with customer demand.

Under the agreement, the joint venture will have 50 years' concession rights to provide wastewater treatment and reclaimed water to customers in the QEDZ. The concession area covers an area of roughly 67 square kilometres.

The joint venture agreement was signed by Dr Jeffrey Chen, CEO of Sembcorp's China operations (陈明信博士, 胜科中国区首席执行官) and Mr Xu Lifeng, Chairman & General Manager of QLIC (徐立锋先生, 广西钦州临海工业投资有限责任公司董事长兼总经理).

The formation of this joint venture is not expected to have a material impact on the earnings per share and net tangible assets per share of Sembcorp Industries for the current financial year.

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For media enquiries please contact:

Ng Lay San (Ms)

Vice President

Group Corporate Relations

DID: +65 6723 3150

Email: [ng.laysan@sembcorp.com](mailto:ng.laysan@sembcorp.com)

Fock Siu Ling (Ms)

PR Counsel

Group Corporate Relations

DID: +65 6723 3152

Email: [fock.siu ling@sembcorp.com](mailto:fock.siu ling@sembcorp.com)

## **ABOUT SEMBCORP INDUSTRIES**

Sembcorp Industries is a leading utilities and marine group. With facilities with over 3,800 megawatts of installed power capacity and over 4 million cubic metres of water under management per day, Sembcorp is a trusted provider of essential energy and water solutions to customers in Singapore, China, Vietnam, the United Kingdom and the Middle East. In addition, it is a world leader in marine & offshore engineering, as well as an established developer of integrated industrial townships in Asia.

Sembcorp Industries has total assets of over S\$9 billion and employs just under 7,000 employees. Listed on the main board of the Singapore Exchange, it is a component stock of the Straits Times Index and several MSCI indices.

### ***Note to Editors:***

*Following a company rebrand, please refer to the company as “Sembcorp” (with “S” in upper case and “c” in lower case), or “Sembcorp Industries” in full. Please also note that “Sembcorp” is not an abbreviation of “Sembawang Corporation” but a brand name in itself, and it is therefore incorrect to refer to our company as “Sembawang”, “Sembawang Corporation” or similar.*

## **ABOUT QINZHOU ECONOMIC DEVELOPMENT ZONE**

Qinzhou Economic Development Zone (QEDZ) is located in Qinzhou City in China’s Guangxi Province. Qinzhou City is 120 kilometres from Nanning City and 760 kilometres from Guangxi City. It is around 100 kilometres to Nanning airport, the main airport in Guangxi. China’s Central Government has earmarked Qinzhou City to be developed into an important petrochemical hub in southern China. Currently, 19 companies operate in the QEDZ, and additional investments expected to open on the site in 2010 include a 10 million tonnes per annum PetroChina oil refinery. The further development of a downstream petrochemical industry on the site is expected to follow.