



SEMBCORP DEVELOPMENT SIGNS JOINT VENTURE AGREEMENT TO DEVELOP GATEWAY, A RESIDENTIAL PROJECT IN VIETNAM

Vietnam, October 11, 2012 – Sembcorp Development, the wholly-owned urban development business unit of Sembcorp Industries, is co-developing a residential project, *Gateway*, in Binh Duong province, Vietnam.

A joint venture agreement has been signed between Sembcorp Development Vietnam, a newly incorporated wholly-owned subsidiary of Sembcorp Development, and its partner, Vietnam Singapore Industrial Park Joint Venture Co. (VSIPJV). VSIPJV is the developer of the Vietnam Singapore Industrial Park (VSIP) projects across Vietnam. It is a 49:51 joint venture between Becamex IDC and a Singapore consortium led by Sembcorp Development respectively. Sembcorp Development holds an effective 47.4% stake in VSIPJV.

Under the agreement, Sembcorp Development Vietnam and VSIPJV will incorporate a joint venture company in Vietnam with 40% and 60% shareholding respectively to develop *Gateway*. The total project development cost is estimated to be US\$165 million, which will be undertaken over several phases from 2013. The project will be built in tandem with demand, and is estimated to be developed over eight years or more. Sembcorp Development Vietnam's equity investment of US\$5.2 million will be internally funded.

Gateway is part of a larger mixed-use development within the 500-hectare VSIP in Thuan An district, Binh Duong province, which has been operational since 1996. *Gateway* sits on a 4.1-hectare land plot which will be developed into a mid-market residential project of about 163,807 square metres gross floor area, comprising 1,380 apartment units and amenities. Phase one will comprise two blocks of 250 apartment units. *Gateway* is part of the developer's efforts to develop projects that complement the functions of VSIP, delivering an integrated urban work and living environment that enhances the attractiveness of VSIP.

The above transaction is not expected to have a material impact on the earnings per share and net asset value per share of Sembcorp Industries for the current financial year.