

As a listed company, we have a duty to carry out open, honest and comprehensive communications with our shareholders and with the market. SembCorp Industries is owned by its shareholders and as such, they are entitled to fair disclosure of company information and to be able to voice their opinions at appropriate forums.

This is the spirit in which we conduct our Investor Relations. We make it our aim to give investors (shareholders, would-be shareholders and analysts) meaningful information so they can make informed investment decisions. We have, since the inception of SembCorp Industries, made investor relations a critical communications function staffed with people who are thoroughly committed to meeting the needs of our investors with full disclosure of relevant information presented in a clear and understandable way.

Investor communications in 2003

Quarterly reporting

As we moved from a half-yearly to a quarterly disclosure platform, we sought the views of the media and our investor-dialogue partners on the disclosure forums they preferred. Based on their feedback, we have employed a reporting cycle with full media and analyst conferences, with the CEO, Chief Operating Officer (COO) and Chief Financial Officer (CFO) present, twice a year at the second quarter (half-year) and the full year reporting. For the first and third quarters, teleconferences are held for the media and analysts.

For Full Year 2003, the joint media and investor conference was broadcast live via webcast and senior management took questions sent in by investors via an email link. The webcast was also archived through a link on SembCorp Industries' website for on-demand viewing.

For 2003, we released each quarter's results 42 days after the financial close. We aim to improve on the speed we bring our results to the market.

After each release of our results via MASNET and holding the joint media and analysts briefing, there follows an intense period of meetings with institutional shareholders, investors and analysts. The CEO and senior

management are present at these meetings to discuss issues and give clarification as may be sought. However, SembCorp Industries is fully mindful of and compliant with the Singapore Stock Exchange's guidelines on fair disclosure when holding discussions with individual parties.

Newsflow to the market

While all public companies have a duty to disclose material information to the market, we make it our aim that our news releases and materials are written in as user-friendly a manner as possible. We look at the news from both our company's as well as from the reader's standpoint. We often use summaries of key points, background information and other data to help our readers understand the developments better.

Accessibility to investors

In addition to meetings held as part of the mandatory reporting cycle, meetings are held at the requests of investors and analysts. In 2003, SembCorp Industries management held about 50 meetings with analysts and fund managers. The CEO personally attended about 20% of these meetings.

In order to help investors better understand our businesses, site tours of our operations are held. For example, tours of our facilities on Jurong Island are conducted to enable investors to better comprehend our Utilities business model. There were two held this year. We also held a tutorial session in 2003 for analysts to give them insight into how our cogeneration operation bids and operates in the Singapore New Electricity Market.

It has also been our Investor Relations practice since 2000 that whenever a major new facility opens, a tour and briefing for analysts and fund managers will be organised.

Encouraging shareholder participation at company meetings

We believe in full participation by our shareholders at Company Meetings. Although it is our practice to hold such meetings at our own facilities to keep costs down, we arrange for buses to ferry shareholders from the nearest MRT station to our premises in order to assist individuals to attend our Annual General Meeting.

We note with satisfaction that the attendance at our Annual General Meetings is rising – 176 voting shareholders and proxies for the FY2002 AGM held on May 31, 2003 versus 131 for the FY2001 AGM a year earlier.

Knowing our shareholders better

We carry out a share registry analysis on a regular basis. The purpose of these studies is to allow us to know who our shareholders are. From this information, we are helped in our understanding of our shareholders' investing styles as well as the priorities and concerns they may have.

SembCorp Industries' Investor Relations would like to record our company's appreciation and gratitude to all our shareholders who have participated and assisted in these analyses.

Investor education

We have worked with SIAS – the Securities Investor Association (Singapore) – to further investor education among the retail investor community. In 2002 and 2003, we were one of the sponsors of the Association's investor education programmes. These programmes help retail investors gain a better understanding of investment methods and how to evaluate stocks.

SembCorp Industries believes that its responsibility is to all shareholders and investors. Our communications must be fair and disseminated to all at the same time. Equally important, we believe that the information we give out must be presented in a relevant and understandable way – thinking as if we were in the investors' shoes as it were.

Today, we are all faced with a deluge of information and we know well that information can illuminate but also obscure. We believe that knowing the difference and doing what is right by our investors will give us, at SembCorp Industries, a reputation for relevant and trustworthy communications that lasts.