

COMPANY OVERVIEW

Sembcorp is focused on businesses that are market leaders and capable of delivering quality earnings and sustainable growth.

BUSINESS DESCRIPTION

Sembcorp Industries is a Singapore-listed company with assets totalling more than S\$8.7 billion. The Group is primarily involved in the following businesses:

- Utilities
- Marine & Offshore Engineering
- Environmental Management
- Industrial Parks

The Utilities business unit provides energy, water and centralised utilities to industrial and other customers in Singapore, the UK, China, Vietnam and the UAE. Its activities include power generation, steam production and distribution, water and wastewater treatment and recycling, industrial water supply, natural gas supply and associated industrial site services.

The Marine & Offshore Engineering business unit operates a global network of shipyards in Singapore, China, India, Indonesia, Saudi Arabia and the USA to provide integrated solutions in ship repair, shipbuilding, ship conversion, rig building, topsides fabrication and offshore engineering.

The Environmental Management business unit provides integrated environmental solutions to industries, municipalities and governments in Singapore, Australia, India and China. Its activities include waste collection, recycling and reuse of waste as well as pre-disposal waste treatment.

The Industrial Parks business owns, develops, markets and manages industrial parks and townships in Indonesia, China and Vietnam. It offers an integrated approach to township development providing a fully self-sufficient world-class manufacturing environment.

OBJECTIVE & STRATEGIES

Sembcorp's aim is to provide shareholder value by excelling in businesses that deliver stable earnings, while having the ability to sustain growth over the long term. The Group pursues overall growth through five strategic directions:

Focus on key businesses

Sembcorp is focused on businesses that are market leaders and capable of delivering quality earnings and sustainable growth. Our Utilities and Marine & Offshore Engineering businesses offer strong fundamentals. Coupled with our disciplined approach towards investment and growth, we believe that focusing on these key businesses will enable us to continue delivering value and growth to our shareholders.

Build upon business models

Sembcorp has developed and will continue to build on strong business models in each of our businesses.

In Utilities, we have established a niche as a global leader for the provision of centralised utilities and services to multiple customers in energy-intensive clusters such as chemical and petrochemical hubs. We aim to replicate our success in key markets around the globe through establishing and growing beachheads in target markets. We do this by entering into strategic partnerships with our international customers and through selective investments in projects that provide secure offtake and that give us the potential to grow. With the majority of our customers on long-term contracts, the business provides stable recurring income

and strong recurrent cash flow. Our Marine & Offshore Engineering business is a global leader with a portfolio that encompasses various segments of the value chain in the global marine and offshore industry. This comprehensive portfolio supports growth and healthy margins, while its strong orderbook gives earnings visibility. Long-term strategic alliances with our international ship repair clientele also provide a steady and growing baseload.

Taking an integrated approach, we are also focused on enhancing our business models across our other businesses. Our Industrial Parks unit has pioneered innovative concepts for industrial townships and complexes. Its early involvement in an industrial area also provides potential opportunities for the provision of utilities and other services. Meanwhile, our Environmental Management arm is focused on developing new pre-disposal treatment methods.

Leverage capabilities for growth

Sembcorp believes that only businesses with clear competitive edge and leading market positions can deliver sustainable growth. To this end, we continue to leverage the differentiating capabilities we have built up in each of our businesses, so as to secure healthy returns and maintain our market leadership.

We seek to leverage and strengthen our unique operational and technological capabilities in the energy, water and environment sectors to seize growth opportunities in these fast-growing sectors. We have developed one of the UK's largest biomass renewable energy projects and in view of rising fuel costs, we are focused on building our expertise in producing energy from alternative fuels. As operators of reliable facilities offering competitive utilities in industrial clusters, we have developed distinctive capabilities including the provision of industrial water, water recycling and the treatment of complex high concentration wastewater from multiple sources. In Environmental Management, we are focused on pre-disposal treatment and are exploring alternative uses of recovered resources. Together with the continuous improvement and development of proprietary technologies and designs

for rigs and vessels in our Marine & Offshore Engineering business and our Industrial Parks business' concept of integrated industrial townships, we set ourselves apart from the competition.

Develop new income streams

Sembcorp is committed to developing our core businesses to generate new income streams. We seek to expand in tandem with demand through strategic partnership with our customers, providing essential solutions to meet their growing needs. To provide a platform for future growth, we continually identify and develop a pipeline of greenfield and brownfield investments. We also aim to build leading positions in growth markets through selective acquisitions and partnerships.

Harness group synergies

At Sembcorp, we operate as an integrated business. We are organised to harness synergies across the Group, enabling our businesses to capitalise on the strength and reliability associated with the Sembcorp brand. Through understanding the needs of our customers and leveraging on group strength and sector expertise to deliver innovative and effective solutions that enable them to do business better, the performance of Sembcorp's businesses reinforce the strength of our brand.