

## Sembcorp believes that only businesses with clear competitive edge and leading market positions can deliver sustainable growth.

### BUSINESS DESCRIPTION

Sembcorp Industries is a Singapore-listed company with assets totalling more than S\$8 billion. The Group is primarily involved in the following businesses:

- Utilities
- Marine
- Environment
- Industrial Parks

The Utilities business provides centralised utilities, energy and water to industrial and other customers in Singapore, the UK, China, Vietnam and the UAE. Its activities include power generation, steam production and distribution, natural gas supply, wastewater treatment, supply of reclaimed, potable, desalinated and industrial water, as well as other on-site logistics and services.

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

The Environment business provides integrated environmental management solutions to industries, municipalities and governments in Singapore, Australia

and India. Its activities include waste collection as well as recycling and waste-to-resource.

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

### OBJECTIVE & STRATEGIES

Sembcorp's aim is to provide shareholder value by focusing on businesses that deliver recurring earnings and have the ability to sustain growth over the long term. The Group pursues five strategic directions:

#### Focus on key businesses

Sembcorp is focused on businesses that are capable of delivering recurring earnings. Our Utilities and Marine businesses offer strong fundamentals. Coupled with our strong operational and management capabilities and a disciplined approach towards investment, we believe that focusing on these businesses will enable us to continue delivering long-term value to our shareholders.

#### Build upon business models

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

For instance, our Utilities business has 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. Our Marine business is a global brand name with a comprehensive range of capabilities encompassing various segments of the value chain in the global marine and offshore industry. Its orderbook provides earnings visibility while long-term strategic alliances with international ship operators also provide a steady and growing baseload in ship repair.

We are also focused on enhancing our business models across our other businesses. Our Industrial Parks unit takes an integrated approach to the development of townships and industrial parks. Its early involvement in the development of industrial areas also provides potential opportunities for the provision of utilities and other services. Meanwhile, our Environment arm is focused on further developing its waste-to-resource capabilities.

#### 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.

We seek to leverage and strengthen our unique operational and technological capabilities in the energy, water and wastewater and environment sectors to seize growth opportunities in these fast-growing sectors. On the energy and environment front, we are focusing our efforts on diversifying our fuel portfolio and building our expertise in producing energy from alternative fuels. From biomass to solid recovered fuel, we are developing long-term solutions to complement our steam and power capabilities. This will enhance

the competitiveness of our business and provide a range of alternatives that will enable us to continually adapt to market changes and price fluctuations, while addressing environmental issues. As operators of reliable facilities offering essential utilities for industrial clusters, we have developed distinctive capabilities including the provision of industrial water, water reclamation and the treatment of complex high concentration wastewater from multiple sources. We continue to build on these capabilities to provide total water solutions using energy-efficient and environmentally-friendly technologies.

Meanwhile, our Marine business' proprietary technologies and designs for rigs and vessels allow it to serve its customers with technologically-advanced solutions. Its trusted brand name and reputation for quality and on-time delivery also strengthen its position as one of the leading players in the market. Similarly, our Industrial Parks business' concept of integrated industrial townships illustrates capabilities which provide us a unique competitive advantage.

#### 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 partnerships with our customers, providing essential solutions to meet their needs. We also look to new markets where there is a demand for our services. To provide a platform for future growth, we continually identify and develop a pipeline of greenfield and brownfield investments. Applying a disciplined approach, we aim to build leading positions in growth markets through selective acquisitions and partnerships.

#### Build on strong brand name

At Sembcorp, we aim 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.