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Business Description

Sembcorp Industries is a Singapore-listed company with assets totalling more than S\$12.5 billion. The Group is primarily involved in the following businesses:

- Utilities
- Marine
- Urban Development

The *Utilities* business provides energy and water to industrial and municipal customers. It operates in 14 countries with an established presence in Asia and a strong growing presence in emerging markets around the world. Key activities in the energy sector include power generation and retail, process steam production and supply, as well as natural gas import, supply and retail. In the water sector, the business offers industrial and municipal wastewater treatment, as well as the production and supply of reclaimed, desalinated and potable water and water for industrial use. Together with energy and water, the business also offers on-site logistics as part of a bundled offer to industrial customers, as well as solid waste management services.

The *Marine* business has a strong global reputation and 50 years of proven track record in providing a full spectrum of integrated solutions from ship repair, shipbuilding, ship conversion, rig building to offshore engineering and construction. With operations spanning across Singapore, Indonesia, China, Brazil, India, the UK and USA, it offers one of the largest marine and offshore engineering facilities in the region. By leveraging on complementary facilities and capabilities, the business provides customers a full range of integrated customised solutions, from conceptualisation and design, engineering, procurement and construction, to commissioning and delivery.

The *Urban Development* business owns, develops, markets and manages urban developments comprising industrial parks as well as business, commercial and residential space in Vietnam, China and Indonesia. The business offers an integrated approach to delivering urban work and living environments that will attract local and international investments. With a track record of more than 20 years undertaking master planning, land preparation and infrastructure development, and transforming raw land into large-scale urban developments, the business stands in good stead to capitalise on urbanisation trends in developing countries.

Objective & Strategies

Sembcorp's aim is to build sustainable businesses that deliver long-term shareholder value and growth. The Group pursues the following strategic directions:

Build upon strong business models and brand name

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

Our *Utilities* business has established itself as a leading energy and water player. We have a strong track record in supplying power, steam and natural gas to industrial customers and to the grid, and are a trusted provider of total water and wastewater solutions to both industries and households. Leveraging on our expertise in energy and water, we have established a niche as a global leader for the provision of bundled energy, water and on-site logistics to customers in energy-intensive industrial sites, and as a developer, owner and operator of large-scale combined power and water plants.

Our *Marine* business has built up 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 provide a steady and growing base-load in ship repair.

Our *Urban Development* business takes an integrated approach to the development of urban work and living environments. Its early involvement in the development of industrial, residential, business and commercial areas also provides potential opportunities for the provision of utilities and other urban solutions.

At the same time, we aim to capitalise on the strength and reliability associated with our brand. Through understanding the needs of our customers and leveraging on group strength and sector expertise, we deliver solutions that enable them to do business better and enhance their quality of life.

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 unique capabilities and processes we have built up in each of our businesses, harnessing technology and innovation to further enhance our competitive advantage.

Our businesses operate in synergy and build upon the established relationships and successes of one another. With this integrated approach to business, we are able to tap on the strengths of our various businesses to enhance the Group's competitive position as a whole. We apply this strength in integration to our new acquisitions, successfully integrating them within the Group to reap the benefits of mergers and acquisitions and provide even more value for our customers and shareholders.

A developer, owner and operator of energy and water assets, we have a proven track record in identifying, securing, financing and executing

greenfield and brownfield projects. On the energy front, we apply technologies for greater efficiency and lower emissions, including combined cycle gas turbine, wind power and combined power and desalination technologies. We also have the ability to produce energy from a diversity of fuels including natural gas, coal as well as renewable sources such as biomass, energy-from-waste and wind. On the water front, we have developed distinctive capabilities as operators of reliable and efficient facilities serving both industrial customers and households. Our specialised expertise includes the treatment of complex high concentration industrial wastewater from multiple sources for industrial sites, as well as the production of water through desalination and water reclamation for water-stressed regions.

Our *Marine* business' proprietary technologies and designs for rigs, drillships and vessels allow us to serve our customers with technologically-advanced solutions. For instance, our proprietary Jurong Espadon drillship design represents the next generation of high specification drillships with advanced capabilities for operational efficiency and ultra-deepwater operations worldwide. This strategic expansion of our product offering to cover the drillship market will enable us to deliver a complete solution in the ultra-deepwater segment, strengthening our leadership in this growing market. Our trusted brand name and reputation for quality and on-time delivery also strengthen our position as one of the leading players in the global market.

Our *Urban Development* business takes an integrated approach to designing self-sufficient urban developments, featuring world-class industrial, business, commercial and residential space. We are a valued partner to governments, with our ability to deliver the economic engine to support industrialisation by attracting local and international investments to our urban developments. We have an established track record in the development of raw land, including master

planning, land preparation and infrastructure development as well as the ability to extract further value by undertaking the selective development of commercial and residential real estate at choice sites.

With industrialisation and urbanisation, the world's demand for energy, water and other urban solutions continues to grow. As a provider of these essential solutions, Sembcorp is well-positioned with the right businesses and in the right places to benefit from these growth trends and seize opportunities in growing markets.

Develop new income streams

Sembcorp is committed to developing our key businesses to generate new income streams. We seek to expand in tandem with demand through strategic partnerships with our customers, and continuously develop innovative and competitive solutions that 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 continue to 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. To support the world's continued development, we also actively invest in green business lines which will give us an edge in an increasingly resource-scarce world.

A disciplined and accountable approach

At Sembcorp, we believe that we can only build sustainable businesses through a disciplined and accountable approach. We recognise that well-defined corporate governance processes are essential in enhancing corporate accountability and long-term sustainability, and that our approach should at the same time include economic, social and environmental considerations. Through maintaining high standards of corporate governance as well as responsibly managing our impacts and better meeting society's needs and expectations, we believe we can create shared value for our shareholders and other stakeholders and enhance our competitiveness.



Guohua Sembcorp Wind Power Companies
in Hulunbeier and Huanghua, China