

CIRCULAR DATED MARCH 30, 2015

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold your ordinary shares in the capital of Sembcorp Industries Ltd (the “**Company**”), you should immediately forward this Circular and the Proxy Form attached to this Circular to the purchaser or to the stockbroker or other agent through whom the sale was effected for onward transmission to the purchaser.

The Singapore Exchange Securities Trading Limited takes no responsibility for the accuracy of any statements or opinions made in this Circular.



CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) the proposed renewal of the IPT Mandate; and**
- (2) the proposed renewal of the Share Purchase Mandate.**

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form : April 19, 2015 at 11.20 a.m.

Date and time of Extraordinary General Meeting : April 21, 2015 at 11.20 a.m. (or as soon thereafter following the conclusion or adjournment of the Seventeenth Annual General Meeting of the Company to be held at 11.00 a.m. on the same day and at the same place)

Place of Extraordinary General Meeting : The Auditorium
NTUC Centre, Level 7
One Marina Boulevard
Singapore 018989

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DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

"2014 Circular"	:	The Company's Circular to Shareholders dated April 1, 2014.
"Companies Act"	:	The Companies Act, Chapter 50 of Singapore.
"Company"	:	Sembcorp Industries Ltd.
"Directors"	:	The directors of the Company for the time being.
"EGM"	:	The extraordinary general meeting of the Company, notice of which is given on pages 29 to 32 of this Circular.
"2014 EGM"	:	The extraordinary general meeting of the Company held on April 24, 2014.
"EPS"	:	Earnings per Share.
"Group"	:	The Company and its subsidiaries.
"Latest Practicable Date"	:	The latest practicable date prior to the printing of this Circular, being February 27, 2015.
"Listing Manual"	:	The listing manual of the SGX-ST, including any amendments made thereto up to the Latest Practicable Date.
"Market Day"	:	A day on which the SGX-ST is open for trading in securities.
"PSP 2010"	:	The Sembcorp Industries Performance Share Plan 2010.
"RSP 2010"	:	The Sembcorp Industries Restricted Share Plan 2010.
"SGX-ST"	:	Singapore Exchange Securities Trading Limited.
"Share Purchase Mandate"	:	The mandate to enable the Company to purchase or otherwise acquire its issued Shares.
"Shareholders"	:	Persons who are registered as holders of Shares in the Register of Members of the Company and Depositors who have Shares entered against their names in the Depository Register.
"Shares"	:	Ordinary shares in the capital of the Company.
"SOP"	:	The SembCorp Industries Share Option Plan.
"Take-over Code"	:	The Singapore Code on Take-overs and Mergers.
"Temasek"	:	Temasek Holdings (Private) Limited.
"S\$", "\$" and "cents"	:	Singapore dollars and cents, respectively.
"%" or "per cent."	:	Per centum or percentage.

The terms **"Depositor"**, **"Depository Agent"** and **"Depository Register"** shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

DEFINITIONS

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders.

References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding.

LETTER TO SHAREHOLDERS

SEBPCORP INDUSTRIES LTD (Incorporated in the Republic of Singapore) Company Registration No. 199802418D

Directors:

Ang Kong Hua (*Chairman*)
Tang Kin Fei (*Group President & CEO*)
Goh Geok Ling (*Independent Director*)
Evert Henkes (*Independent Director*)
Bobby Chin Yoke Choong (*Independent Director*)
Margaret Lui (*Non-executive Director*)
Tan Sri Mohd Hassan Marican (*Independent Director*)
Tham Kui Seng (*Independent Director*)
Dr Teh Kok Peng (*Independent Director*)
Ajaib Haridass (*Independent Director*)
Neil McGregor (*Non-executive Director*)

Registered Office:

30 Hill Street #05-04
Singapore 179360

March 30, 2015

To: The Shareholders of
Sembcorp Industries Ltd

Dear Sir/Madam

1. INTRODUCTION

1.1 EGM. The Directors are convening the EGM to be held on April 21, 2015 to seek Shareholders' approval for the following proposals:

- (a) the proposed renewal of the IPT Mandate (as defined below); and
- (b) the proposed renewal of the Share Purchase Mandate,

(the "**Proposals**").

1.2 Circular. The purpose of this Circular is to provide Shareholders with information relating to the Proposals to be tabled at the EGM.

2. THE PROPOSED RENEWAL OF THE IPT MANDATE

2.1 IPT Mandate. At the 2014 EGM, approval of the Shareholders was obtained for the renewal of a mandate (the "**IPT Mandate**") to enable the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9 of the Listing Manual) to enter into certain interested person transactions ("**Interested Person Transactions**") with the classes of interested persons as set out in the IPT Mandate. Particulars of the IPT Mandate are set out in the Appendix to the 2014 Circular.

The IPT Mandate was expressed to take effect until the conclusion of the next Annual General Meeting ("**AGM**") of the Company, being the Seventeenth AGM which is scheduled to be held on April 21, 2015. Accordingly, the Directors propose that the IPT Mandate be renewed at the EGM, to take effect until the Eighteenth AGM of the Company.

2.2 The Appendix. The IPT Mandate, including the rationale for, and the benefits to, the Company, the review procedures for determining transaction prices and other general information relating to Chapter 9 of the Listing Manual, are set out in the Appendix to this Circular. The terms of the IPT Mandate which is sought to be renewed remain unchanged.

LETTER TO SHAREHOLDERS

2.3 Audit Committee Statement. The Audit Committee of the Company, comprising Messrs Bobby Chin Yoke Choong, Evert Henkes, Tham Kui Seng and Teh Kok Peng, confirms that:

- (a) the methods or procedures for determining the transaction prices under the IPT Mandate have not changed since the 2014 EGM; and
- (b) the methods or procedures referred to in paragraph 2.3(a) above are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

3. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

3.1 Background. Shareholders had approved the renewal of the Share Purchase Mandate at the 2014 EGM. The authority and limitations on the Share Purchase Mandate were set out in the 2014 Circular and Ordinary Resolution 2 set out in the Notice of the 2014 EGM.

The Share Purchase Mandate was expressed to take effect on the date of the passing of Ordinary Resolution 2 at the 2014 EGM and will expire on the date of the forthcoming Seventeenth AGM to be held on April 21, 2015. Accordingly, Shareholders' approval is being sought for the renewal of the Share Purchase Mandate at the EGM, immediately following the Seventeenth AGM of the Company convened to be held on the same date.

As at the Latest Practicable Date, the Company had purchased or acquired an aggregate of 3,000,000 Shares by way of Market Purchases (as defined in paragraph 3.3.3 below) pursuant to the Share Purchase Mandate approved by Shareholders at the 2014 EGM. The highest and lowest price paid was S\$4.97 and S\$4.11 per Share respectively and the total consideration paid for all purchases was S\$13.2 million, excluding commission, brokerage and goods and services tax.

As at the Latest Practicable Date, 3,511,241 Shares purchased or acquired by the Company are held as treasury shares.

3.2 Rationale for the Share Purchase Mandate. The rationale for the Company to undertake the purchase or acquisition of its Shares is as follows:

- (a) In managing the business of the Group, management strives to increase Shareholders' value by improving, *inter alia*, the return on equity of the Group. Share purchase is one of the ways through which the return on equity of the Group may be enhanced.
- (b) The Share Purchase Mandate is an available option for the Company to return surplus cash which is in excess of the financial and possible investment needs of the Group to its Shareholders. In addition, the Share Purchase Mandate will allow the Company to have greater flexibility over, *inter alia*, the Company's share capital structure and its dividend policy.
- (c) Share repurchase programmes help buffer short-term share price volatility and off-set the effects of short-term speculators and investors and, in turn, bolster shareholder confidence and employee morale.

The approval of the Share Purchase Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake share purchases or acquisitions at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.

While the Share Purchase Mandate would authorise a purchase or acquisition of Shares up to the 2% limit described in paragraph 3.3.1 below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full 2% limit as authorised and no purchases or acquisitions of Shares would be made in circumstances which would have or may have a material adverse effect on the financial position of the Company.

LETTER TO SHAREHOLDERS

3.3 Authority and Limits of the Share Purchase Mandate. The authority and limitations placed on the Share Purchase Mandate, if approved at the EGM, are the same as were previously approved by Shareholders at the 2014 EGM, and are summarised below:

3.3.1 Maximum Number of Shares

The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than 2% of the total number of issued Shares of the Company as at the date of the EGM. Any Shares which are held as treasury shares will be disregarded for purposes of computing the 2% limit.

Purely for illustrative purposes, on the basis of 1,787,547,732 Shares in issue as at the Latest Practicable Date and disregarding the 3,511,241 Shares held in treasury as at the Latest Practicable Date, and assuming no further Shares are issued, and no further Shares are purchased or acquired by the Company, and no further Shares purchased or acquired by the Company are held as treasury shares, on or prior to the EGM, the purchase by the Company of up to the maximum limit of 2% of its issued Shares will result in the purchase or acquisition of 35,680,729 Shares.

3.3.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the EGM at which the renewal of the Share Purchase Mandate is approved, up to:

- (a) the date on which the next annual general meeting of the Company is held or required by law to be held;
- (b) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied; or
- (c) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated,

whichever is the earliest.

3.3.3 Manner of Purchases or Acquisitions of Shares

Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchases (“**Market Purchases**”) transacted on the SGX-ST through the SGX-ST’s trading system, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchases (“**Off-Market Purchases**”) effected pursuant to an equal access scheme.

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual and the Companies Act as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

An Off-Market Purchase must, however, satisfy all the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements and (2) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

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If the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document containing at least the following information:

- (1) terms and conditions of the offer;
- (2) period and procedures for acceptances; and
- (3) information required under Rules 883(2), (3), (4), (5) and (6) of the Listing Manual.

3.3.4 **Purchase Price**

The purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors.

The purchase price to be paid for the Shares must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (b) in the case of an Off-Market Purchase, 110% of the Average Closing Price of the Shares,

in either case, excluding related expenses of the purchase or acquisition.

For the above purposes:

"Average Closing Price" means the average of the last dealt prices of a Share for the five consecutive Market Days on which the Shares are transacted on the SGX-ST immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs after the relevant five-day period; and

"date of the making of the offer" means the date on which the Company makes an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

3.4 Status of Purchased Shares. Shares purchased or acquired by the Company are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Shares will expire on such cancellation) unless such Shares are held by the Company as treasury shares. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company, which are cancelled and are not held as treasury shares.

3.5 Treasury Shares. Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

3.5.1 **Maximum Holdings**

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

3.5.2 **Voting and Other Rights**

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

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In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share into treasury shares of a smaller amount is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

3.5.3 **Disposal and Cancellation**

Where Shares are held as treasury shares, the Company may at any time but subject always to the Take-over Code:

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Under Rule 704(28) of the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as the date of the sale, transfer and cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after such sale, transfer, cancellation and/or use, and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

3.6 **Source of Funds.** The Company may purchase or acquire its own Shares out of capital, as well as from its profits.

The Company will use the internal sources of funds of the Group to finance the Company's purchase or acquisition of the Shares. The Company does not intend to obtain or incur any external borrowings to finance such purchase or acquisition. The Directors do not propose to exercise the Share Purchase Mandate to such extent that it would materially affect the working capital requirements of the Group.

3.7 **Financial Effects.** The financial effects on the Group and the Company arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the number of Shares purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effects on the Group and the Company, based on the audited financial statements of the Group and the Company for the financial year ended December 31, 2014, are based on the assumptions set out below.

3.7.1 **Purchase or Acquisition out of Profits and/or Capital**

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's profits and/or capital.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of dividends by the Company.

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Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of dividends by the Company will not be reduced.

3.7.2 Number of Shares Acquired or Purchased

Based on the number of issued and paid-up Shares as at the Latest Practicable Date (and disregarding the Shares held in treasury) and on the assumptions set out in paragraph 3.3.1 above, the purchase by the Company of up to the maximum limit of 2% of its issued Shares will result in the purchase or acquisition of 35,680,729 Shares.

3.7.3 Maximum Price Paid for Shares Acquired or Purchased

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 35,680,729 Shares at the maximum price of S\$4.44 for one Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 35,680,729 Shares is S\$158,422,437.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 35,680,729 Shares at the maximum price of S\$4.65 for one Share (being the price equivalent to 110% of the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 35,680,729 Shares is S\$165,915,390.

3.7.4 Illustrative Financial Effects

The financial effects on the Group and the Company arising from purchases or acquisitions of Shares which may be made pursuant to the proposed Share Purchase Mandate will depend on, *inter alia*, whether the purchase or acquisition is made out of profits and/or capital, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time and whether the Shares purchased or acquired are cancelled or held in treasury.

For illustrative purposes only and on the basis of the assumptions set out in paragraphs 3.7.2 and 3.7.3 above, the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate on the audited financial statements of the Group and the Company for the financial year ended December 31, 2014 are set out below and assuming the following:

- (a) the purchase or acquisition of 35,680,729 Shares by the Company pursuant to the Share Purchase Mandate by way of Market Purchases made equally out of profits and capital, and cancelled;
- (b) the purchase or acquisition of 35,680,729 Shares by the Company pursuant to the Share Purchase Mandate by way of Market Purchases made equally out of profits and capital, and held in treasury;
- (c) the purchase or acquisition of 35,680,729 Shares by the Company pursuant to the Share Purchase Mandate by way of Off-Market Purchases made equally out of profits and capital, and cancelled;
- (d) the purchase or acquisition of 35,680,729 Shares by the Company pursuant to the Share Purchase Mandate by way of Off-Market Purchases made equally out of profits and capital, and held in treasury;
- (e) the purchase or acquisition of 35,680,729 Shares by the Company pursuant to the Share Purchase Mandate had occurred on January 1, 2014; and
- (f) 8,000 treasury shares transferred for a total consideration of S\$0.020 million arising from the exercise of share options granted pursuant to the SOP between January 1, 2015 and the Latest Practicable Date had been purchased since January 1, 2014,

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the financial effects on the audited financial accounts of the Group and the Company for the financial year ended December 31, 2014 would have been as follows:

Scenario 1(A)

Market Purchases of up to a maximum of 2% made equally out of profits (1%) and capital (1%) and cancelled

	Group		Company	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
Share Capital	565,572	486,361 ⁽¹⁾	565,572	486,361 ⁽¹⁾
Other Reserves	(115,272)	(115,272)	(7,361)	(7,361)
Accumulated Profits	4,978,291	4,899,080 ⁽¹⁾	1,383,446	1,304,235 ⁽¹⁾
	5,428,591	5,270,169	1,941,657	1,783,235
Treasury Shares	(15,845)	(15,845)	(15,845)	(15,845)
	5,412,746	5,254,324	1,925,812	1,767,390
Perpetual Securities	202,565	202,565	202,565	202,565
Non-controlling Interests	1,616,143	1,616,143	–	–
Total Equity	<u>7,231,454</u>	<u>7,073,032</u>	<u>2,128,377</u>	<u>1,969,955</u>
Net Assets ⁽²⁾	5,615,311	5,456,889	2,128,377	1,969,955
Current Assets	6,129,631	5,971,209	365,850	207,428
Current Liabilities	5,357,423	5,357,423	342,632	342,632
Total Borrowings	4,742,943	4,742,943	549,011	549,011
Cash and Cash Equivalents	1,660,607	1,502,185	197,575	39,153
Number of issued and paid-up Shares, less treasury shares	1,784,036,491	1,748,355,762 ⁽³⁾	1,784,036,491	1,748,355,762 ⁽³⁾
Weighted average number of Shares	1,785,911,894	1,750,231,165	1,785,911,894	1,750,231,165
Net profit attributable to Shareholders, less distribution to holders of perpetual securities	791,501	791,501	344,241	344,241
Financial Ratios				
Basic EPS (cents) ⁽⁴⁾	44.32	45.22	19.28	19.67
Net Asset Value per Share (S\$)	3.15	3.12	1.19	1.13
Total Debt-to-capitalisation ratio ⁽⁵⁾	0.40	0.40	0.21	0.22

Notes:

- ⁽¹⁾ The Market Purchases are computed based on the price of S\$4.44 which is equivalent to 105% of the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date.
- ⁽²⁾ Net Assets attributable to owners of the Company and holders of perpetual securities.
- ⁽³⁾ 1,748,355,762 Shares are computed based on an additional 35,680,729 Shares purchased and cancelled.
- ⁽⁴⁾ Earnings per share is based on net profit attributable to the owners of the Company, less distribution to holders of perpetual securities.
- ⁽⁵⁾ Total Debt-to-capitalisation ratio means the ratio of total borrowings to the total of borrowings and equity.

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Scenario 1(B)

Market Purchases of up to a maximum of 2% made equally out of profits (1%) and capital (1%) and held as treasury shares

	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
	S\$'000	S\$'000	S\$'000	S\$'000
Share Capital	565,572	565,572	565,572	565,572
Other Reserves	(115,272)	(115,272)	(7,361)	(7,361)
Accumulated Profits	4,978,291	4,978,291	1,383,446	1,383,446
	<u>5,428,591</u>	<u>5,428,591</u>	<u>1,941,657</u>	<u>1,941,657</u>
Treasury Shares	(15,845)	(174,267) ⁽¹⁾	(15,845)	(174,267) ⁽¹⁾
	5,412,746	5,254,324	1,925,812	1,767,390
Perpetual Securities	202,565	202,565	202,565	202,565
Non-controlling Interests	1,616,143	1,616,143	–	–
Total Equity	<u>7,231,454</u>	<u>7,073,032</u>	<u>2,128,377</u>	<u>1,969,955</u>
Net Assets ⁽²⁾	5,615,311	5,456,889	2,128,377	1,969,955
Current Assets	6,129,631	5,971,209	365,850	207,428
Current Liabilities	5,357,423	5,357,423	342,632	342,632
Total Borrowings	4,742,943	4,742,943	549,011	549,011
Cash and Cash Equivalents	1,660,607	1,502,185	197,575	39,153
Number of issued and paid-up Shares, less treasury shares	1,784,036,491	1,748,355,762 ⁽³⁾	1,784,036,491	1,748,355,762 ⁽³⁾
Weighted average number of Shares	1,785,911,894	1,750,231,165	1,785,911,894	1,750,231,165
Net profit attributable to Shareholders, less distribution to holders of perpetual securities	791,501	791,501	344,241	344,241
Financial Ratios				
Basic EPS (cents) ⁽⁴⁾	44.32	45.22	19.28	19.67
Net Asset Value per Share (S\$)	3.15	3.12	1.19	1.13
Total Debt-to-capitalisation ratio ⁽⁵⁾	0.40	0.40	0.21	0.22

Notes:

- ⁽¹⁾ The Market Purchases are computed based on the price of S\$4.44 which is equivalent to 105% of the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date.
- ⁽²⁾ Net Assets attributable to owners of the Company and holders of perpetual securities.
- ⁽³⁾ 1,748,355,762 Shares are computed based on an additional 35,680,729 Shares purchased and held as treasury shares.
- ⁽⁴⁾ Earnings per share is based on net profit attributable to the owners of the Company, less distribution to holders of perpetual securities.
- ⁽⁵⁾ Total Debt-to-capitalisation ratio means the ratio of total borrowings to the total of borrowings and equity.

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Scenario 1(C)

Off-Market Purchases of up to a maximum of 2% made equally out of profits (1%) and capital (1%) and cancelled

	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
	S\$'000	S\$'000	S\$'000	S\$'000
Share Capital	565,572	482,614 ⁽¹⁾	565,572	482,614 ⁽¹⁾
Other Reserves	(115,272)	(115,272)	(7,361)	(7,361)
Accumulated Profits	4,978,291	4,895,333 ⁽¹⁾	1,383,446	1,300,488 ⁽¹⁾
	<u>5,428,591</u>	<u>5,262,675</u>	<u>1,941,657</u>	<u>1,775,741</u>
Treasury Shares	(15,845)	(15,845)	(15,845)	(15,845)
	<u>5,412,746</u>	<u>5,246,830</u>	<u>1,925,812</u>	<u>1,759,896</u>
Perpetual Securities	202,565	202,565	202,565	202,565
Non-controlling Interests	1,616,143	1,616,143	–	–
Total Equity	<u>7,231,454</u>	<u>7,065,538</u>	<u>2,128,377</u>	<u>1,962,461</u>
Net Assets ⁽²⁾	5,615,311	5,449,395	2,128,377	1,962,461
Current Assets	6,129,631	5,963,715	365,850	199,934
Current Liabilities	5,357,423	5,357,423	342,632	342,632
Total Borrowings	4,742,943	4,742,943	549,011	549,011
Cash and Cash Equivalents	1,660,607	1,494,691	197,575	31,659
Number of issued and paid-up Shares, less treasury shares	1,784,036,491	1,748,355,762 ⁽³⁾	1,784,036,491	1,748,355,762 ⁽³⁾
Weighted average number of Shares	1,785,911,894	1,750,231,165	1,785,911,894	1,750,231,165
Net profit attributable to Shareholders, less distribution to holders of perpetual securities	791,501	791,501	344,241	344,241
Financial Ratios				
Basic EPS (cents) ⁽⁴⁾	44.32	45.22	19.28	19.67
Net Asset Value per Share (S\$)	3.15	3.12	1.19	1.12
Total Debt-to-capitalisation ratio ⁽⁵⁾	0.40	0.40	0.21	0.22

Notes:

- ⁽¹⁾ The Off-Market Purchases are computed based on the price of S\$4.65 which is the equivalent to 110% of the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date.
- ⁽²⁾ Net Assets attributable to owners of the Company and holders of perpetual securities.
- ⁽³⁾ 1,748,355,762 Shares are computed based on an additional 35,680,729 Shares purchased and cancelled.
- ⁽⁴⁾ Earnings per share is based on net profit attributable to the owners of the Company, less distribution to holders of perpetual securities.
- ⁽⁵⁾ Total Debt-to-capitalisation ratio means the ratio of total borrowings to the total of borrowings and equity.

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Scenario 1(D)

Off-Market Purchases of up to a maximum of 2% made equally out of profits (1%) and capital (1%) and held as treasury shares

	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
	S\$'000	S\$'000	S\$'000	S\$'000
Share Capital	565,572	565,572	565,572	565,572
Other Reserves	(115,272)	(115,272)	(7,361)	(7,361)
Accumulated Profits	4,978,291	4,978,291	1,383,446	1,383,446
	5,428,591	5,428,591	1,941,657	1,941,657
Treasury Shares	(15,845)	(181,761) ⁽¹⁾	(15,845)	(181,761) ⁽¹⁾
	5,412,746	5,246,830	1,925,812	1,759,896
Perpetual Securities	202,565	202,565	202,565	202,565
Non-controlling Interests	1,616,143	1,616,143	–	–
Total Equity	<u>7,231,454</u>	<u>7,065,538</u>	<u>2,128,377</u>	<u>1,962,461</u>
Net Assets ⁽²⁾	5,615,311	5,449,395	2,128,377	1,962,461
Current Assets	6,129,631	5,963,715	365,850	199,934
Current Liabilities	5,357,423	5,357,423	342,632	342,632
Total Borrowings	4,742,943	4,742,943	549,011	549,011
Cash and Cash Equivalents	1,660,607	1,494,691	197,575	31,659
Number of issued and paid-up Shares, less treasury shares	1,784,036,491	1,748,355,762 ⁽³⁾	1,784,036,491	1,748,355,762 ⁽³⁾
Weighted average number of Shares	1,785,911,894	1,750,231,165	1,785,911,894	1,750,231,165
Net profit attributable to Shareholders, less distribution to holders of perpetual securities	791,501	791,501	344,241	344,241
Financial Ratios				
Basic EPS (cents) ⁽⁴⁾	44.32	45.22	19.28	19.67
Net Asset Value per Share (S\$)	3.15	3.12	1.19	1.12
Total Debt-to-capitalisation ratio ⁽⁵⁾	0.40	0.40	0.21	0.22

Notes:

- ⁽¹⁾ The Off-Market Purchases are computed based on the price of S\$4.65 which is the equivalent to 110% of the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date.
- ⁽²⁾ Net Assets attributable to owners of the Company and holders of perpetual securities.
- ⁽³⁾ 1,748,355,762 Shares are computed based on an additional 35,680,729 Shares purchased and held as treasury shares.
- ⁽⁴⁾ Earnings per share is based on net profit attributable to the owners of the Company, less distribution to holders of perpetual securities.
- ⁽⁵⁾ Total Debt-to-capitalisation ratio means the ratio of total borrowings to the total of borrowings and equity.

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The financial effects set out above are for illustrative purposes only. Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 2% of the issued Shares (excluding the Shares held in treasury), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 2% of the issued Shares (excluding the Shares held in treasury). In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

- 3.8 Listing Status of the Shares.** The Listing Manual requires a listed company to ensure that at least 10% of the total number of issued shares (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed is at all times held by the public. As at the Latest Practicable Date, Temasek, who is a substantial Shareholder of the Company, has a direct interest in 48.83% (excluding the Shares held in treasury), a deemed interest (through Startree Investments Pte Ltd) in 0.53% (excluding the Shares held in treasury) and a deemed interest in approximately 0.19% (excluding the Shares held in treasury) of the issued Shares. Approximately 50.10% of the issued Shares (excluding the Shares held in treasury) are held by public Shareholders.

The Company is of the view that there is a sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases up to the full 2% limit pursuant to the proposed Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, causing market illiquidity or affecting orderly trading.

- 3.9 Listing Rules.** Rule 886(1) of the Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (i) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares and (ii) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer. Such announcement (which must be in the form of Appendix 8.3.1 to the Listing Manual) must include, *inter alia*, details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares (as applicable), the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares excluding treasury shares and the number of treasury shares held after the purchase.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, the Company will not purchase or acquire any Shares during the period of one month immediately preceding the announcement of the Company’s full-year results and the period of two weeks before the announcement of the first quarter, second quarter and third quarter results.

- 3.10 Take-over Implications.** Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

3.10.1 Obligation to Make a Take-over Offer

If, as a result of any purchase or acquisition by the Company of its Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

3.10.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

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Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert with each other:

- (a) the following companies:
 - (i) a company;
 - (ii) the parent company of (i);
 - (iii) the subsidiaries of (i);
 - (iv) the fellow subsidiaries of (i);
 - (v) the associated companies of any of (i), (ii), (iii) or (iv);
 - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
 - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights; and
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts).

The circumstances under which the Shareholders, including the Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

3.10.3 Effect of Rule 14 and Appendix 2

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, the Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

Based on the interests of substantial Shareholders as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date, Temasek would not become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of the purchase by the Company of the maximum limit of 2% of its issued Shares as at the Latest Practicable Date.

Shareholders are advised to consult their professional advisers and/or the Securities Industry Council at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchases by the Company.

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4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

4.1 Directors' Interests. As at the Latest Practicable Date, the Directors' interests in Shares as recorded in the Register of Directors' Shareholdings are as follows:

Director	Number of Shares				Number of Shares comprised in outstanding share options/awards
	Direct Interest	% ⁽¹⁾	Deemed Interest	% ⁽¹⁾	
Ang Kong Hua	70,500 ⁽²⁾	–	–	–	–
Tang Kin Fei	5,499,486 ⁽³⁾	0.31	–	–	1,543,120 ⁽⁴⁾
Goh Geok Ling	443,554	0.02	131,600 ⁽⁵⁾	0.01	–
Evert Henkes	159,504	0.01	–	–	–
Bobby Chin Yoke Choong	55,600	–	–	–	–
Margaret Lui	28,100	–	–	–	–
Tan Sri Mohd Hassan Marican	29,600 ⁽⁶⁾	–	–	–	–
Tham Kui Seng	15,500	–	–	–	–
Dr Teh Kok Peng	8,700	–	–	–	–
Ajaib Haridass	–	–	–	–	–
Neil McGregor	–	–	–	–	–

Notes:

⁽¹⁾ Based on 1,784,036,491 Shares in issue (disregarding 3,511,241 Shares held in treasury) as of the Latest Practicable Date.

⁽²⁾ The 70,500 Shares are held in the name of DBS Nominees Pte Ltd.

⁽³⁾ Of the 5,499,486 Shares, 1,000,000 Shares are held in the name of DBS Nominees Pte Ltd and 1,000,000 Shares are held in the name of Citibank Nominees Singapore Pte Ltd.

⁽⁴⁾ Of the 1,543,120 Shares:

- (a) 400,000 Shares are comprised in conditional awards granted to Tang Kin Fei pursuant to the PSP 2010, subject to performance targets set over a 3 year period from 2012 to 2014. Achievement of targets below threshold level will mean no Shares will be delivered, while achievement up to 150% will mean up to 1.5 times the number of conditional Shares awarded could be delivered;
- (b) 300,000 Shares are comprised in conditional awards granted to Tang Kin Fei pursuant to the PSP 2010, subject to performance targets set over a 3 year period from 2013 to 2015. Achievement of targets below threshold level will mean no Shares will be delivered, while achievement up to 150% will mean up to 1.5 times the number of conditional Shares awarded could be delivered;
- (c) 300,000 Shares are comprised in conditional awards granted to Tang Kin Fei pursuant to the PSP 2010, subject to performance targets set over a 3 year period from 2014 to 2016. Achievement of targets below threshold level will mean no Shares will be delivered, while achievement up to 150% will mean up to 1.5 times the number of conditional Shares awarded could be delivered;
- (d) 57,120 Shares are comprised in awards granted to Tang Kin Fei pursuant to the RSP 2010. These shares will vest in year 2015;
- (e) 126,000 Shares are comprised in awards granted to Tang Kin Fei pursuant to the RSP 2010. Out of the 126,000 Shares, 63,000 will vest in year 2015 and the balance will vest in year 2016;
- (f) 180,000 Shares are comprised in conditional awards granted to Tang Kin Fei pursuant to the RSP 2010 for a 2 year period from 2013 to 2014. Achievement of targets below threshold level will mean no Shares will be delivered, while achievement up to 150% will mean up to 1.5 times the number of conditional Shares awarded could be delivered; and

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(g) 180,000 Shares are comprised in conditional awards granted to Tang Kin Fei pursuant to the RSP 2010 for a 2 year period from 2014 to 2015. Achievement of targets below threshold level will mean no Shares will be delivered, while achievement up to 150% will mean up to 1.5 times the number of conditional Shares awarded could be delivered.

⁽⁵⁾ Goh Geok Ling is deemed to be interested in the 131,600 Shares held by his spouse and a company in which he has a deemed interest of 20% or more.

⁽⁶⁾ The 29,600 Shares are held in the name of Citibank Nominees Singapore Pte Ltd.

4.2 Substantial Shareholders' Interests. As at the Latest Practicable Date, the interests of the substantial Shareholders in Shares as recorded in the Register of Substantial Shareholders are as follows:

Substantial Shareholder	Direct Interest	Number of Shares		
		% ⁽¹⁾	Deemed Interest	% ⁽¹⁾
Temasek	871,200,328	48.83	12,718,760 ⁽²⁾	0.71

Notes:

⁽¹⁾ Based on 1,784,036,491 Shares in issue (disregarding 3,511,241 Shares held in treasury) as of the Latest Practicable Date.

⁽²⁾ Temasek is deemed to be interested in the 12,718,760 Shares in which its subsidiaries and/or associated companies have or are deemed to have an interest pursuant to Section 4 of the Securities and Futures Act, Chapter 289.

5. DIRECTORS' RECOMMENDATIONS

5.1 Proposed Renewal of the IPT Mandate. All the Directors are interested persons (as described in paragraph 5.1 of the Appendix to this Circular). Accordingly, they have refrained from making any voting recommendation to Shareholders in respect of Resolution 1, being the Ordinary Resolution relating to the proposed renewal of the IPT Mandate to be proposed at the EGM.

Temasek and each of the Directors will abstain from voting, and each has undertaken to ensure that its/his associates will abstain from voting, on Resolution 1, being the Ordinary Resolution relating to the proposed renewal of the IPT Mandate to be proposed at the EGM. Each of the Directors and their respective associates will also decline to accept appointment as proxy for any Shareholder to vote in respect of Resolution 1, unless the Shareholder concerned shall have given instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of Resolution 1.

5.2 Proposed Renewal of the Share Purchase Mandate. The Directors are of the opinion that the proposed Share Purchase Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Resolution 2, being the Ordinary Resolution relating to the proposed renewal of the Share Purchase Mandate to be proposed at the EGM.

6. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 29 to 32 of this Circular, will be held at The Auditorium, NTUC Centre, Level 7, One Marina Boulevard, Singapore 018989 on April 21, 2015 at 11.20 a.m. (or as soon thereafter following the conclusion or adjournment of the Seventeenth Annual General Meeting of the Company to be held at 11.00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications the Ordinary Resolutions set out in the Notice of EGM.

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7. ACTION TO BE TAKEN BY SHAREHOLDERS

- 7.1 Appointment of Proxies.** Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf will find attached to this Circular a Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of the Company's Share Registrar, M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902 not less than 48 hours before the time fixed for the EGM. The sending of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.
- 7.2 When Depositor regarded as Shareholder.** A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 48 hours before the time fixed for the EGM.

8. INSPECTION OF DOCUMENTS

The following documents are available for inspection at the registered office of the Company at 30 Hill Street #05-04, Singapore 179360 during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the Annual Report of the Company for the financial year ended December 31, 2014;
- (b) the 2014 Circular; and
- (c) the Memorandum and Articles of Association of the Company.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposals, and the Company and its subsidiaries which are relevant to the Proposals, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Yours faithfully
for and on behalf of
the Board of Directors of
Sembcorp Industries Ltd

Ang Kong Hua
Chairman

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THE IPT MANDATE

1. Chapter 9 of the Listing Manual

- 1.1** Chapter 9 of the listing manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") governs transactions by a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be at risk, with the listed company's interested persons. When this Chapter applies to a transaction and the value of that transaction alone or on aggregation with other transactions conducted with the interested person during the financial year reaches, or exceeds, certain materiality thresholds, the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders' approval for that transaction.
- 1.2** Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and hence are excluded from the ambit of Chapter 9, immediate announcement and shareholders' approval would be required in respect of transactions with interested persons if certain financial thresholds (which are based on the value of the transaction as compared with the listed company's latest audited consolidated net tangible assets ("**NTA**")) are reached or exceeded. In particular, shareholders' approval is required for an interested person transaction of a value equal to, or which exceeds:
- (a) 5% of the listed company's latest audited consolidated NTA; or
 - (b) 5% of the listed company's latest audited consolidated NTA, when aggregated with other transactions entered into with the same interested person (as such term is construed under Chapter 9 of the Listing Manual) during the same financial year.
- 1.3** Based on the latest audited consolidated accounts of Sembcorp Industries Ltd ("**Sembcorp Industries**") and its subsidiaries (the "**Sembcorp Group**") for the financial year ended December 31, 2014, the consolidated NTA of the Sembcorp Group was S\$5,216,230,000. In relation to Sembcorp Industries, for the purposes of Chapter 9, in the current financial year and until such time that the consolidated audited accounts of the Sembcorp Group for the year ending December 31, 2015 are published, 5% of the latest audited consolidated NTA of the Sembcorp Group would be S\$260,811,500.
- 1.4** Chapter 9 of the Listing Manual permits a listed company, however, to seek a mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company's interested persons.
- 1.5** Under the Listing Manual:
- (a) an "**entity at risk**" means:
 - (i) the listed company;
 - (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the "**listed group**"), or the listed group and its interested person(s), has control over the associated company;
 - (b) an "**interested person**" means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder;

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- (c) an “**associate**” in relation to an interested person who is a director, chief executive officer or controlling shareholder includes an immediate family member (that is, the spouse, child, adopted child, step-child, sibling or parent) of such director, chief executive officer or controlling shareholder, the trustees of any trust of which the director/his immediate family, the chief executive officer/his immediate family or controlling shareholder/his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and any company in which the director/his immediate family, the chief executive officer/his immediate family or controlling shareholder/his immediate family has or have an aggregate interest (directly or indirectly) of 30% or more, and, where a controlling shareholder is a corporation, its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30% or more;
- (d) an “**approved exchange**” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9; and
- (e) an “**interested person transaction**” means a transaction between an entity at risk and an interested person.

2. Rationale for the IPT Mandate

2.1 It is envisaged that in the ordinary course of their businesses, transactions between companies in the EAR Group (as defined below) and Sembcorp Industries’ interested persons are likely to occur from time to time. Such transactions would include, but are not limited to, the provision of goods and services in the ordinary course of business of the EAR Group to Sembcorp Industries’ interested persons or the obtaining of goods and services from them.

2.2 In view of the time-sensitive nature of commercial transactions, the renewal of the mandate (the “**IPT Mandate**”) pursuant to Chapter 9 of the Listing Manual will enable:

- (a) Sembcorp Industries;
- (b) subsidiaries of Sembcorp Industries (excluding subsidiaries listed on the SGX-ST or an approved exchange); and
- (c) associated companies of Sembcorp Industries (other than an associated company that is listed on the SGX-ST or an approved exchange) over which the Sembcorp Group, or the Sembcorp Group and interested person(s) of Sembcorp Industries has or have control,

(together, the “**EAR Group**”), or any of them, in the ordinary course of their businesses, to enter into the categories of transactions (“**Interested Person Transactions**”) set out in paragraph 6.1 below with the specified classes of Sembcorp Industries’ interested persons (the “**Interested Persons**”) set out in paragraph 5.1 below, provided such Interested Person Transactions are made on normal commercial terms.

3. Scope of the IPT Mandate

3.1 The EAR Group engages in a wide range of activities (as described in paragraph 6.1 below) for which the renewal of the IPT Mandate is being sought.

3.2 The IPT Mandate does not cover any transaction by a company in the EAR Group with an Interested Person that is below \$100,000 in value as the threshold and aggregation requirements of Chapter 9 of the Listing Manual would not apply to such transactions.

3.3 Transactions with interested persons (including the Interested Persons) that do not fall within the ambit of the IPT Mandate will be subject to the relevant provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.

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4. Benefit to Shareholders

The IPT Mandate (and its subsequent renewal thereafter on an annual basis) will enhance the ability of companies in the EAR Group to pursue business opportunities which are time-sensitive in nature, and will eliminate the need for Sembcorp Industries to announce, or to announce and convene separate general meetings on each occasion to seek Shareholders' prior approval for the entry by the relevant company in the EAR Group into such transactions. This will substantially reduce the expenses associated with the convening of general meetings on an ad hoc basis, improve administrative efficacy considerably, and allow manpower resources and time to be channelled towards attaining other corporate objectives.

5. Classes of Interested Persons

5.1 The IPT Mandate applies to the Interested Person Transactions (as described in paragraph 6.1 below) which are carried out with the following classes of Interested Persons:

- (a) Temasek Holdings (Private) Limited and its associates (the "**Temasek Group**"); and
- (b) Directors, Chief Executive Officer(s) and controlling shareholders of Sembcorp Industries (other than the controlling shareholder described in sub-paragraph (a) above) and their respective associates.

5.2 Transactions with Interested Persons which do not fall within the ambit of the IPT Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual.

6. Categories of Interested Person Transactions

6.1 The Interested Person Transactions with the Interested Persons (as described in paragraph 5.1 above) which are covered by the IPT Mandate and the benefits to be derived therefrom are set out below:

6.1.1 General Transactions

This category relates to general transactions ("**General Transactions**") in connection with the provision to, or the obtaining from, Interested Persons of products and services in the normal course of business of the EAR Group or which are necessary for the day-to-day operations of the EAR Group comprising the following:

(a) Utilities Activities

The products and services under this sub-category are:

- (i) the importing and retailing (including the provision of shipping services in connection therewith) of natural gas in Singapore;
- (ii) the provision or obtaining of natural gas for the generation of electricity and the production of steam, chemical feedstocks and heating;
- (iii) power generation and supply;
- (iv) the provision or obtaining of electricity and steam;
- (v) the production and supply of specialised chemical feedstocks;
- (vi) the provision of a range of utilities and support services, such as steam, cooling water, industrial water, NEWater, wastewater (including water) treatment, hazardous waste management and incineration services and terminalling facilities and management services;

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- (vii) the obtaining of engineering, procurement and construction services to build infrastructure facilities in connection with the provision or supply of utilities; and
- (viii) the provision of materials used as feedstocks for the production of petroleum and utilities products.

(b) Urban Development Activities

The products and services under this sub-category are:

- (i) the sale/purchase and/or lease of land parcels, office space and factories in industrial parks and other development properties;
- (ii) the management and operation of industrial parks and infrastructure projects; and
- (iii) the provision of project management, site management, estate management and consultancy services in relation to integrated urban development.

(c) Engineering and Construction Activities

The products and services under this sub-category are:

- (i) the provision or obtaining of engineering, procurement, construction and management services for turnkey projects and construction services (including retrofitting and renovation);
- (ii) the provision or obtaining of design consultancy services (covering architectural, structural, mechanical, process, civil, electrical, land surveying and quantity surveying);
- (iii) the sale or purchase of building materials;
- (iv) the provision or obtaining of building, engineering and technical services;
- (v) the leasing and rental (as lessor and lessee) of plant and equipment used in connection with services provided;
- (vi) the leasing and rental (as lessor and lessee) of vessels, tug boats and barges used in connection with services provided; and
- (vii) the obtaining or the purchase of electronic and engineering equipment, construction plant and equipment, computer maintenance and systems and insurances.

(d) Environmental and Environmental Engineering Activities

The products and services under this sub-category are:

- (i) the provision of industrial and commercial waste collection services, including the sale of bins, to industrial and commercial buildings, hotels, serviced residences and private and public institutions;
- (ii) the provision of haulage, recycling and waste minimization of construction and other waste services;
- (iii) the provision of recycling services;
- (iv) the provision of medical waste collection and disposal services to hospitals, private clinics and health institutions;

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- (v) the provision of liquid waste transportation and disposal services;
 - (vi) the provision of record destruction services;
 - (vii) the provision of pneumatic refuse conveyance system;
 - (viii) the provision of biomass waste-to-energy incineration services; and
 - (ix) the provision of environmental engineering and consultancy services.
- (e) Minting Activities
- The products and services under this sub-category are:
- (i) the manufacturing, marketing and trading of numismatic coins and medallions, and other related products and services.
- (f) Activities for Day-to-Day Operations
- The products and services under this sub-category, which are necessary for the day-to-day operations of the Sembcorp Group, are:
- (i) the provision or obtaining of land and sea transportation, freight services, warehousing and logistics services;
 - (ii) the provision or obtaining of property management, property security and building maintenance services;
 - (iii) the obtaining of commodity hedging services in respect of the purchase of commodities used for the purposes of the business activities;
 - (iv) the leasing of properties which are not in use (as lessor) to generate additional revenue for the EAR Group and the leasing of office space (as lessee);
 - (v) the leasing of vehicles (as lessee) and the obtaining of maintenance and repair services (including the purchase of spare parts); and
 - (vi) the provision or the obtaining of such other products and/or services which are incidental to or in connection with the provision or obtaining of products and/or services in paragraphs 6.1.1(a) to (e) above.

The EAR Group will benefit from having access to competitive quotes from the different companies in the different industries within the Temasek Group in addition to obtaining quotes from, or transacting with, non-Interested Persons.

The headings in this paragraph 6.1.1 are inserted for branding purposes only and shall be ignored in construing the types of General Transactions which are covered by the IPT Mandate.

6.1.2 Treasury Transactions

Treasury transactions (“**Treasury Transactions**”) comprise (a) the placement of funds with any Interested Person, (b) the borrowing of funds from any Interested Person, (c) the entry into with any Interested Person of forex, swap and option transactions for hedging purposes and (d) the subscription of debt securities (including but not limited to convertible bonds and hybrid bonds) or redeemable preference shares (“**RPS**”) issued by any Interested Person and the issue of debt securities (including but not limited to convertible bonds and hybrid bonds) or RPS to any Interested Person and the buying from, or the selling to, any Interested Person of debt securities (including but not limited to convertible bonds and hybrid bonds) or RPS.

THE APPENDIX

The EAR Group can benefit from competitive rates and quotes in an expedient manner on the placement of funds with, borrowings from, the entry into forex, swap and option transactions with, and the subscription and purchase of debt securities (including but not limited to convertible bonds and hybrid bonds) or RPS issued by, or the issue of debt securities (including but not limited to convertible bonds and hybrid bonds) or RPS to, any Interested Person.

6.1.3 Management and Support Services

The EAR Group may, from time to time, receive management and support services from, or provide management and support to, its Interested Persons in the areas of finance, treasury, investment risk review, governmental relations, strategic development, management information systems, and human resources management and development (“**Management Support Services**”). By having access to and providing such management support, the EAR Group will derive operational and financial leverage in its dealings with third parties as well as benefits from the global network of its Interested Persons.

7. Review Procedures for Interested Person Transactions

7.1 The EAR Group has established the following procedures to ensure that Interested Person Transactions are undertaken on an arm’s length basis and on normal commercial terms:

7.1.1 General Transactions

Review Procedures

In general, there are procedures established by the EAR Group to ensure that General Transactions with Interested Persons are undertaken on an arm’s length basis and on normal commercial terms consistent with the EAR Group’s usual business practices and policies, which are generally no more favourable to the Interested Persons than those extended to unrelated third parties.

In particular, the following review procedures have been put in place.

(a) *Provision of services or the sale of products*

The review procedures are:

- (i) all contracts entered into or transactions with Interested Persons are to be carried out at the prevailing market rates or prices of the service or product providers, on terms which are no more favourable to the Interested Person than the usual commercial terms extended to unrelated third parties (including, where applicable, preferential rates/prices/discounts accorded to corporate customers or for bulk purchases) or otherwise in accordance with applicable industry norms; and
- (ii) where the prevailing market rates or prices are not available due to the nature of service to be provided or the product to be sold, the EAR Group’s pricing for such services to be provided or products to be sold to Interested Persons is determined in accordance with the EAR Group’s usual business practices and pricing policies, consistent with the usual margin to be obtained by the EAR Group for the same or substantially similar type of contract or transaction with unrelated third parties. In determining the transaction price payable by Interested Persons for such services or products, factors such as, but not limited to, quantity, volume consumption, customer requirements, specifications, duration of contract and strategic purposes of the transaction will be taken into account; and

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(b) *Obtaining of services or the purchasing of products*

The review procedures are:

- (i) all contracts entered into or transactions with Interested Persons are to be carried out by obtaining quotations (wherever possible or available) from at least two other unrelated third party suppliers for similar quantities and/or quality of services or products, prior to the entry into of the contract or transaction with the Interested Person, as a basis for comparison to determine whether the price and terms offered by the Interested Person are fair and reasonable and comparable to those offered by other unrelated third parties for the same or substantially similar type of services or products. In determining whether the price and terms offered by the Interested Person are fair and reasonable, factors such as, but not limited to, delivery schedules, specification compliance, track record, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases, will also be taken into account; and
- (ii) in the event that such competitive quotations cannot be obtained (for instance, if there are no unrelated third party vendors of similar products or services, or if the product is a proprietary item), the senior management staff of the relevant company in the EAR Group (with no interest, direct or indirect in the transaction), will determine whether the price and terms offered by the Interested Person are fair and reasonable.

Threshold Limits

In addition to the review procedures, the following threshold limits (“**GT Limits**”) will be applied to supplement the internal systems of the EAR Group to ensure that General Transactions are undertaken with Interested Persons on an arm’s length basis and on normal commercial terms:

General Transactions	GT Limit (\$ million)
Utilities Activities	250
Urban Development Activities	20
Engineering and Construction Activities	250
Environmental and Environmental Engineering Activities	20
Minting Activities	20

Where the EAR Group’s proportionate share in a transaction with an Interested Person exceeds any of the relevant GT Limits set out above, such transaction must be approved by the audit committee of Sembcorp Industries (the “**Audit Committee**”) prior to its entry. Where the EAR Group’s proportionate share in a transaction is equal to or below any of the relevant GT Limits set out above, such transaction need not have the prior approval of the Audit Committee, but shall be reviewed on a quarterly basis by the Audit Committee.

7.1.2 Treasury Transactions

Placements

In relation to the placement with any Interested Person by the EAR Group of its funds, Sembcorp Industries will require that quotations shall be obtained from such Interested Person and at least two banks for rates of deposits with such bankers of an equivalent amount, and for the equivalent period, of the funds to be placed by the EAR Group. The EAR Group will only place its funds with such Interested Person, provided that the terms quoted are no less favourable than the terms quoted by such banks for equivalent amounts.

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Borrowings

In relation to the borrowing of funds from any Interested Person by the EAR Group, Sembcorp Industries will require that quotations shall be obtained from such Interested Person and at least two banks for rates for loans from such bankers of an equivalent amount, and for the equivalent period, of the funds to be borrowed. The EAR Group will only borrow funds from such Interested Person, provided that the terms quoted are no less favourable than those quoted by such banks.

Debt Securities and RPS

In relation to the subscription of debt securities (including but not limited to convertible bonds and hybrid bonds) or RPS issued by, or purchase of debt securities (including but not limited to convertible bonds and hybrid bonds) or RPS from, Interested Persons, the EAR Group will only enter into the subscription or purchase of such debt securities or RPS issued provided that the price(s) at which the EAR Group subscribes for or purchases such debt securities or RPS will not be higher than the price(s) at which such debt securities or RPS are subscribed for or purchased by third parties.

In relation to the issue or sale to Interested Persons of debt securities (including but not limited to convertible bonds and hybrid bonds) or RPS, the EAR Group will only issue or sell such debt securities or RPS to Interested Persons provided that the price(s) at which the EAR Group issues or sells such debt securities or RPS will not be lower than the price(s) at which such debt securities or RPS are issued or sold to third parties. The EAR Group will also comply with all applicable laws and regulations in connection with the issue or sale of such debt securities or RPS to Interested Persons.

For the purposes of the IPT Mandate, the RPS to be subscribed or purchased from Interested Persons, or to be issued or sold to Interested Persons, will not carry any voting rights, except in the circumstances set out in Section 180(2)(a), (b) and (c) of the Companies Act.

Forex, Swaps, Options

In relation to forex, swap and option transactions with any Interested Person by the EAR Group, Sembcorp Industries will require that rate quotations shall be obtained from such Interested Person and at least two banks. The EAR Group will only enter into such forex, swap or option transactions with such Interested Person provided that such terms quoted are no less favourable than the terms quoted by such bankers.

In addition to the foregoing, the following threshold limits (“**Treasury Limits**”) will be applied to supplement the internal systems of the EAR Group to ensure that Treasury Transactions are undertaken with Interested Persons on an arm’s length basis and on normal commercial terms:

Type of Treasury Transaction	Treasury Limit (\$ million)
Placements	100
Borrowings	100
Subscription or Purchase of Debt Securities	100
Issue or Sale of Debt Securities and RPS	100
Subscription or Purchase of RPS	50
Forex, Swaps, Options	50

Where the EAR Group’s proportionate share in a transaction with an Interested Person exceeds any of the relevant Treasury Limits set out above, such transaction must be approved by the Audit Committee prior to its entry. Where the EAR Group’s proportionate share in a transaction is equal to or below any of the relevant Treasury Limits set out above, such transaction need not have the prior approval of the Audit Committee, but shall be reviewed on a quarterly basis by the Audit Committee.

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7.1.3 Management Support Services

The EAR Group will satisfy itself that the costs for any Management Support Services provided by or to any Interested Person shall be on an arm's length and normal commercial basis and in accordance with any formula for such cost recovery agreed with such Interested Person. Transactions exceeding the amount of S\$1,000,000 must be approved by the Audit Committee, and transactions equal to or below S\$1,000,000 shall be reviewed on a quarterly basis by the Audit Committee.

- 7.2 Semcorp Industries will maintain a register of transactions carried out with Interested Persons pursuant to the IPT Mandate (recording the basis, including the quotations obtained to support such basis, on which they were entered into), and Semcorp Industries' internal audit plan will incorporate a review of all transactions entered into in the relevant financial year pursuant to the IPT Mandate.
- 7.3 The Audit Committee of Semcorp Industries shall review these internal audit reports on Interested Person Transactions to ascertain that the established review procedures to monitor Interested Person Transactions have been complied with.
- 7.4 If during these periodic reviews by the Audit Committee, the Audit Committee is of the view that the review procedures as stated above have become inappropriate or insufficient in view of changes to the nature of, or the manner in which, the business activities of the EAR Group are conducted, Semcorp Industries will revert to Shareholders for a fresh mandate based on new guidelines and review procedures to ensure that Interested Person Transactions will be on an arm's length and on normal commercial basis.

8. Validity Period of the IPT Mandate

The IPT Mandate, as renewed, will take effect from the passing of the ordinary resolution relating thereto, and will (unless revoked or varied by Semcorp Industries in general meeting) continue in force until the next Annual General Meeting of Semcorp Industries following thereafter. Approval from Shareholders will be sought for the renewal of the IPT Mandate at each subsequent Annual General Meeting of Semcorp Industries, subject to satisfactory review by the Audit Committee of its continued application to the transactions with Interested Persons.

9. Disclosure in Annual Report

- 9.1 The Company will announce the aggregate value of transactions conducted with Interested Persons pursuant to the IPT Mandate for the quarterly financial periods which the Company is required to report on pursuant to the Listing Manual and within the time required for the announcement of such report.
- 9.2 Disclosure will be made in the Semcorp Industries Annual Report of the aggregate value of transactions conducted with Interested Persons pursuant to the IPT Mandate during the financial year, and in the Annual Reports for subsequent financial years that the IPT Mandate continues in force, in accordance with the requirements of Chapter 9 of the Listing Manual.

Notice of Extraordinary General Meeting

Sembcorp Industries Ltd

Co Regn No. 199802418D

(Incorporated in the Republic of Singapore)

Notice is hereby given that an Extraordinary General Meeting of Sembcorp Industries Ltd (the “**Company**”) will be held at The Auditorium, NTUC Centre, Level 7, One Marina Boulevard, Singapore 018989 on Tuesday, April 21, 2015 at 11.20 a.m. (or as soon thereafter following the conclusion or adjournment of the Seventeenth Annual General Meeting of the Company to be held at 11.00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the following Resolutions which will be proposed as Ordinary Resolutions:

Ordinary Resolution 1

The Proposed Renewal of the IPT Mandate

THAT:

- (1) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual (“**Chapter 9**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), for the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9), or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the Appendix to the Company’s Circular to Shareholders dated March 30, 2015 (the “**Circular**”) with any party who is of the class of interested persons described in the Appendix to the Circular, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions;
- (2) the approval given in paragraph (1) above (the “**IPT Mandate**”) shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and
- (3) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and / or this Resolution.

Ordinary Resolution 2

The Proposed Renewal of the Share Purchase Mandate

THAT:

- (1) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (the “**Shares**”) not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

Ordinary Resolution 2 (*cont'd*)

- (a) market purchase(s) on the SGX-ST; and / or
- (b) off-market purchase(s) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

- (2) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
 - (a) the date on which the next Annual General Meeting of the Company is held;
 - (b) the date by which the next Annual General Meeting of the Company is required by law to be held; and
 - (c) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;
- (3) in this Resolution:

"**Average Closing Price**" means the average of the last dealt prices of a Share for the five consecutive trading days on which the Shares are transacted on the SGX-ST immediately preceding the date of market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs after the relevant five-day period;

"**date of the making of the offer**" means the date on which the Company makes an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the relevant terms of the equal access scheme for effecting the off-market purchase;

"**Maximum Limit**" means that number of issued Shares representing 2% of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares as at that date); and

"**Maximum Price**", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (a) in the case of a market purchase of a Share, 105% of the Average Closing Price of the Shares; and
- (b) in the case of an off-market purchase of a Share pursuant to an equal access scheme, 110% of the Average Closing Price of the Shares; and

- (4) the Directors of the Company and / or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and / or he may consider expedient or necessary to give effect to the transactions contemplated and / or authorised by this Resolution.

By Order of the Board

Kwong Sook May
Company Secretary
Singapore
March 30, 2015

Notes:

- (1) A member of the Company entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- (2) The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902 not less than 48 hours before the time of the Extraordinary General Meeting.
- (3) The Company intends to use its internal sources of funds to finance the purchase or acquisition of its Shares. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of Shares purchased or acquired, the price at which such Shares were purchased or acquired and whether the Shares purchased or acquired are held in treasury or cancelled.

Based on the existing issued Shares as at February 27, 2015 (the "**Latest Practicable Date**") and excluding any Shares held in treasury, the purchase by the Company of 2% of its issued Shares (and disregarding the Shares held in treasury) will result in the purchase or acquisition of 35,680,729 Shares.

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 35,680,729 Shares at the maximum price of S\$4.44 for one Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 35,680,729 Shares is S\$158,422,437.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 35,680,729 Shares at the maximum price of S\$4.65 for one Share (being the price equivalent to 110% of the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 35,680,729 Shares is S\$165,915,390.

The financial effects of the purchase or acquisition of such Shares by the Company pursuant to the proposed Share Purchase Mandate on the audited financial statements of the Group and the Company for the financial year ended December 31, 2014 based on these assumptions are set out in paragraph 3.7 of the Circular.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and / or representative(s) to attend, speak and vote at the Extraordinary General Meeting and / or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and / or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and / or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and / or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and / or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Proxy Form

Sembcorp Industries Ltd
Co Regn No. 199802418D
(Incorporated in the Republic of Singapore)

NOTES TO CPF INVESTORS

1. For investors who have used their CPF moneys to buy shares in the capital of Sembcorp Industries Ltd, the Circular to Shareholders dated March 30, 2015 is forwarded to them at the request of their CPF Approved Nominees and is sent **FOR INFORMATION ONLY**.
2. This Proxy Form is not valid for use by such CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. **CPF Investors who wish to vote should contact their CPF Approved Nominees. Personal Data Privacy**
4. By submitting an instrument appointing a proxy(ies) and / or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated March 30, 2015.

I / We, _____ (Name), _____ (NRIC / Passport No.)

of _____ (Address)

being a member / members of SEMBCORP INDUSTRIES LTD hereby appoint:

Name	Address	NRIC / Passport No.	Proportion of Shareholdings (%)

and / or (delete as appropriate)

Name	Address	NRIC / Passport No.	Proportion of Shareholdings (%)

or failing him / her, the Chairman of the Extraordinary General Meeting as my / our proxy / proxies to attend and to vote for me / us on my / our behalf and, if necessary, to demand a poll, at the Extraordinary General Meeting of the Company to be held on Tuesday, April 21, 2015 at The Auditorium, NTUC Centre, Level 7, One Marina Boulevard, Singapore 018989, at 11.20 a.m. (or as soon thereafter following the conclusion or adjournment of the Seventeenth Annual General Meeting of the Company to be held at 11.00 a.m. on the same day and at the same place) and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the Ordinary Resolutions as set out in the Notice of Extraordinary General Meeting. In the absence of specific directions, the proxy / proxies will vote or abstain as he / they may think fit, as he / they will on any other matter arising at the Extraordinary General Meeting.)

Resolutions	For	Against
Ordinary Resolution 1 To approve the proposed renewal of the IPT Mandate		
Ordinary Resolution 2 To approve the proposed renewal of the Share Purchase Mandate		

Total Number of Shares Held

Signature(s) or Common Seal of Member(s)

Date

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.

1st FOLD

4. The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902 not less than 48 hours before the time appointed for the Extraordinary General Meeting.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Extraordinary General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Extraordinary General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

2nd FOLD



BUSINESS REPLY SERVICE PERMIT
NO. 06735



The Company Secretary
Sembcorp Industries Ltd
c/o M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902

Postage will be
paid by addressee.
For posting in
Singapore only.

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