

Pricing Supplement

SEMBCORP FINANCIAL SERVICES PTE. LTD.

S\$2,000,000,000

Multicurrency Debt Issuance Programme

Unconditionally and irrevocably guaranteed by

SEMBCORP INDUSTRIES LTD

SERIES NO: 008

TRANCHE NO: 001

S\$150,000,000 3.593 Per Cent. Fixed Rate Notes due 2026

Issue Price : 100 per cent.

Oversea-Chinese Banking Corporation Limited

Issuing and Paying Agent

DBS Bank Ltd

10 Toh Guan Road

#04-11 (Level 4B)

DBS Asia Gateway

Singapore 608838

The date of this Pricing Supplement is 24 November 2014.

This Pricing Supplement relates to the Tranche of Notes referred to above.

This Pricing Supplement, under which the Notes described herein (the "**Notes**") are issued, is supplemental to, and should be read in conjunction with, the Information Memorandum (the "**Information Memorandum**") dated 17 May 2013 issued in relation to the S\$2,000,000,000 Multicurrency Debt Issuance Programme of Sembcorp Industries Ltd and Sembcorp Financial Services Pte. Ltd. (Sembcorp Financial Services Pte. Ltd., the "**Issuer**"), unconditionally and irrevocably guaranteed by Sembcorp Industries Ltd (the "**Guarantor**"). Terms defined in the Information Memorandum have the same meaning in this Pricing Supplement. The Notes will be issued on the terms of this Pricing Supplement read together with the Information Memorandum. In the event of any inconsistency between the Information Memorandum and the Pricing Supplement, the Pricing Supplement shall prevail. The Issuer and the Guarantor accept responsibility for the information contained in this Pricing Supplement which, when read together with the Information Memorandum, contains information that is material in the context of the issue of the Notes.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the "**ITA**"), shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.


SEMBCORP FINANCIAL SERVICES PTE. LTD.

Signed: 
Name: Koh Chiap Khiong
Title: Director

Signed: 
Name: Frank Koh
Title: SVP, GCF

SEMBCORP INDUSTRIES LTD

Signed: 
Name: Tang Kin Fei
Title: Group President & CEO

Signed: 
Name: Richard Quek
Title: EVP, Group BD&C

The terms of the Notes and additional provisions relating to their issue are as follows:

1.	Issuer:	Sembcorp Financial Services Pte. Ltd.
2.	Guarantor:	Sembcorp Industries Ltd
3.	Series No.:	008
4.	Tranche No.:	001
5.	Currency:	Singapore Dollars
6.	Principal Amount of Series:	S\$150,000,000
7.	Principal Amount of Tranche:	S\$150,000,000
8.	Denomination Amount:	S\$250,000
9.	Calculation Amount (if different from Denomination Amount):	Not applicable
10.	Issue Date:	26 November 2014
11.	Redemption Amount (including early redemption):	Denomination Amount
12.	Interest Basis:	Fixed Rate
13.	Interest Commencement Date:	26 November 2014
14.	Fixed Rate Note	
	(a) Maturity Date:	26 November 2026
	(b) Day Count Fraction:	Actual/365 (Fixed)
	(c) Interest Payment Date(s):	Interest on the Notes will be payable semi-annually in arrear on the dates falling on 26 May and 26 November in each year
	(d) Initial Broken Amount:	Not applicable
	(e) Final Broken Amount:	Not applicable
	(f) Interest Rate:	3.593 per cent. per annum
15.	Floating Rate Note	Not applicable
16.	Variable Rate Note	Not applicable
17.	Hybrid Note	Not applicable

18.	Zero Coupon Note	Not applicable
19.	Issuer's Redemption Option Issuer's Redemption Option Period (Condition 6(d)):	No Not applicable
20.	Noteholders' Redemption Option Noteholders' Redemption Option Period (Condition 6(e)):	No Not applicable
21.	Issuer's Purchase Option Issuer's Purchase Option Period (Condition 6(b)):	No Not applicable
22.	Noteholders' VRN Purchase Option Noteholders' VRN Purchase Option Period (Condition 6(c)(i)):	No Not applicable
23.	Noteholders' Purchase Option Noteholders' Purchase Option Period (Condition 6(c)(ii)):	No Not applicable
24.	Redemption for Taxation Reasons:	Yes
25.	Form of Notes:	Bearer The Notes will be represented on issue by a Permanent Global Security.
26.	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	No
27.	Applicable TEFRA exemption:	C Rules
28.	Listing:	Singapore Exchange Securities Trading Limited
29.	ISIN Code:	SG6UI9000007
30.	Common Code:	Not applicable
31.	Clearing System(s):	The Central Depository (Pte) Limited
32.	Depository:	The Central Depository (Pte) Limited
33.	Delivery:	Delivery free of payment
34.	Method of issue of Notes:	Individual Dealer
35.	The following Dealer(s) are subscribing the Notes:	Oversea-Chinese Banking Corporation Limited
36.	The aggregate principal amount of Notes issued has been translated in Singapore dollars at the rate of [•] producing a sum of (for Notes not denominated in	Not applicable

	Singapore dollars):	
37.	Use of proceeds:	The net proceeds arising from the issue of the Notes (after the deduction of issue expenses) will be used to refinance existing indebtedness of operations and finance the general corporate working capital requirements of the Guarantor and its subsidiaries
38.	Other terms:	Please see Appendix 1 to this Pricing Supplement
	Details of any additions or variations to terms and conditions of the Notes as set out in the Information Memorandum:	None
	Any additions or variations to the selling restrictions:	None

Appendix 1

The section "Singapore Taxation" appearing from pages 120 to 125 of the Information Memorandum shall be deleted in its entirety and substituted with the following:

"SINGAPORE TAXATION

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the Inland Revenue Authority of Singapore ("**IRAS**") and the Monetary Authority of Singapore ("**MAS**") in force as at the date of this Information Memorandum and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Information Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Securities or of any person acquiring, selling or otherwise dealing with the Securities or on any tax implications arising from the acquisition, sale or other dealings in respect of the Securities. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to acquire, own or dispose of the Securities and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Holders and prospective holders of the Securities are advised to consult their own professional advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Securities, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuers, the Arranger, the Guarantor and any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Securities.

In addition, the disclosure below is on the assumption that the IRAS regards each tranche of the Perpetual Securities as "debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore ("**ITA**") and that distribution payments made under each tranche of the Perpetual Securities will be regarded as interest payable on indebtedness and holders thereof may therefore enjoy the tax concessions and exemptions available for qualifying debt securities, provided that the other conditions for the qualifying debt securities scheme are satisfied. If any tranche of the Perpetual Securities is not regarded as "debt securities" for the purposes of the ITA and holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ. Investors and holders of any tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of any tranche of the Perpetual Securities.

1. Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any

immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is 17 per cent. with effect from the year of assessment 2010. The applicable rate for non-resident individuals is 20 per cent. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The rate of 15 per cent. may be reduced by applicable tax treaties.

Certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

- (a) interest from debt securities derived on or after 1 January 2004;
- (b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and
- (c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

In addition, as the Programme is arranged as a whole by The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch ("**HSBC**"), which is a Financial Sector Incentive (Bond Market) ("**FSI-BM**") Company (as defined in the ITA) and the participation of SCI as a new issuer is also arranged by HSBC, any tranche of the Securities ("**Relevant Securities**") issued or to be issued as debt securities under the Programme during the period from the date of this Information Memorandum to 31 December 2018 would be, pursuant to the MAS Circular FSD Cir 02/2013 entitled "Extension and Refinement of Tax Concessions for Promoting the Debt Market" issued by MAS on 28 June 2013 (the "**MAS Circular**"), "qualifying debt securities" ("**QDS**") for the purposes of the ITA, to which the following treatment shall apply:

- (i) subject to certain prescribed conditions having been fulfilled (including the furnishing of a return on debt securities in respect of the Relevant Securities in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the Relevant Securities as the relevant authorities may require to MAS and such other relevant authorities as may be prescribed and the inclusion by the relevant Issuer in all offering documents relating to the Relevant Securities of a statement to the effect that where interest, discount income, break cost, prepayment fee or redemption premium from the Relevant Securities is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Securities using funds from that person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), "prepayment fee", "redemption premium" and "break cost"

(collectively, the "**Qualifying Income**") from the Relevant Securities paid by the relevant Issuer and derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Securities are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;

(ii) subject to certain conditions having been fulfilled (including the submission of a return on debt securities in respect of the Relevant Securities in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the Relevant Securities as the relevant authorities may require to MAS and such other relevant authorities as may be prescribed), Qualifying Income from the Relevant Securities paid by the relevant Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(iii) subject to:

(aa) the relevant Issuer including in all offering documents relating to the Relevant Securities a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Securities is not exempt from tax shall include such income in a return of income made under the ITA; and

(bb) the furnishing to MAS and such other relevant authorities as may be prescribed of a return on debt securities for the Relevant Securities in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the Relevant Securities as the relevant authorities may require,

payments of Qualifying Income derived from the Relevant Securities are not subject to withholding of tax by the relevant Issuer.

Notwithstanding the foregoing:

(a) if during the primary launch of any tranche of Relevant Securities, the Relevant Securities of such tranche are issued to fewer than four persons and 50 per cent. or more of the issue of such Relevant Securities is beneficially held or funded, directly or indirectly, by related parties of the relevant Issuer, such Relevant Securities would not qualify as QDS; and

(b) even though a particular tranche of Relevant Securities are QDS, if, at any time during the tenor of such tranche of Relevant Securities, 50 per cent. or more of the issue of such Relevant Securities is held beneficially or funded, directly or indirectly, by any related party(ies) of the relevant Issuer, Qualifying Income derived from such Relevant Securities held by:

(i) any related party of the relevant Issuer; or

(ii) any other person where the funds used by such person to acquire such Relevant Securities are obtained, directly or indirectly, from any related party of the relevant Issuer,

shall not be eligible for the tax exemption or the concessionary rate of tax as described above.

The term "**related party**", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms "**prepayment fee**", "**redemption premium**" and "**break cost**" are defined in the ITA as follows:

"prepayment fee", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities;

"redemption premium", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity; and

"break cost", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption.

References to "prepayment fee", "redemption premium" and "break cost" in this Singapore tax disclosure have the same meaning as defined in the ITA.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from the Relevant Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Securities using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Relevant Securities is not exempt from tax is required to include such income in a return of income made under the ITA.

Under the Qualifying Debt Securities Plus Scheme ("**QDS Plus Scheme**"), subject to certain conditions having been fulfilled (including the submission of a return on debt securities in respect of the QDS in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the QDS as the relevant authorities may require to MAS and such other relevant authorities as may be prescribed), income tax exemption is granted on Qualifying Income from QDS (excluding Singapore Government Securities) which:-

- (a) are issued during the period from 16 February 2008 to 31 December 2018;
- (b) have an original maturity of not less than 10 years;
- (c) cannot be redeemed, called, exchanged or converted within 10 years from the date of their issue; and
- (d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

However, even if a particular tranche of the Relevant Securities are QDS which qualify under the QDS Plus Scheme, if, at any time during the tenure of such tranche of Relevant Securities, 50 per cent. or more of the issue of such Relevant Securities is held beneficially or funded, directly or indirectly, by any related party(ies) of the relevant Issuer, Qualifying Income from such Relevant Securities derived by:

- (i) any related party of the relevant Issuer; or
- (ii) any other person where the funds used by such person to acquire such Relevant Securities are obtained, directly or indirectly, from any related party of the relevant Issuer,

shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

The MAS Circular states that, with effect from 28 June 2013, the QDS Plus Scheme will be refined to allow QDS with certain standard early termination clauses (as prescribed in the MAS Circular) to qualify for the QDS Plus Scheme at the point of issuance of such debt securities. The MAS has also clarified that if such debt securities are subsequently redeemed prematurely pursuant to such standard early termination clauses before the 10th year from the date of issuance of such debt securities, the tax exemption granted under the QDS Plus Scheme to Qualifying Income accrued prior to such redemption will not be clawed back. Under such circumstances, the QDS Plus status of such debt securities will be revoked prospectively for such outstanding debt securities (if any), and holders thereof may still enjoy the tax benefits under the QDS scheme if the QDS conditions continue to be met.

MAS has stated that, notwithstanding the above, QDS with embedded options with economic value (such as call, put, conversion or exchange options which can be triggered at specified prices or dates and are built into the pricing of such debt securities at the onset) which can be exercised within 10 years from the date of issuance of such debt securities will continue to be excluded from the QDS Plus Scheme from such date of issuance.

2. Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Securities will not be taxable in Singapore. However, any gains derived by any person from the sale of the Securities which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Securities who apply, or who are required to apply Singapore Financial Reporting Standard 39 – Financial Instruments: Recognition and Measurement ("**FRS 39**"), may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Securities, irrespective of disposal, in accordance with FRS 39. Please see the section below on "Adoption of FRS 39 Treatment for Singapore Income Tax Purposes".

3. Adoption of FRS 39 Treatment for Singapore Income Tax Purposes

The IRAS has issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition and Measurement" (the "**FRS 39 Circular**"). The ITA has since been amended to give effect to the FRS 39 Circular.

The FRS 39 Circular generally applies, subject to certain "opt-out" provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

Holders of the Securities who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Securities.

4. Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008."