

Pricing Supplement



SEMBCORP FINANCIAL SERVICES PTE. LTD.

S\$1,500,000,000

Multicurrency Medium Term Note Programme

Unconditionally and irrevocably guaranteed by

SEMBCORP INDUSTRIES LTD

SERIES NO: 003

TRANCHE NO: N.A.

S\$100,000,000 Fixed Rate Notes Due 2025

Issue Price : 100 per cent.

Dealer

DBS Bank Ltd.
6 Shenton Way #35-00
DBS Building Tower One
Singapore 068809

Issuing and Paying Agent

DBS Bank Ltd.
60 Alexandra Terrace
The Comtech #05-27
Singapore 118502

The date of this Pricing Supplement is 26 August 2010.

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 8 April 2009 issued in relation to the S\$1,500,000,000 Multicurrency Medium Term Note Programme of 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 (i) is not resident in Singapore and (ii) 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: _____




Director

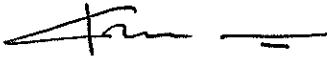
Signed: _____



Director

SEMBCORP INDUSTRIES LTD

Signed:  _____
Director

Signed:  _____
Director/Authorised Signatory

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

1.	Series No.:	003
2.	Tranche No.:	Not Applicable
3.	Currency:	Singapore dollars
4.	Principal Amount of Series:	S\$100,000,000
5.	Principal Amount of Tranche:	Not Applicable
6.	Denomination Amount:	S\$250,000
7.	Calculation Amount (if different from Denomination Amount):	Not Applicable
8.	Issue Date:	30 August 2010
9.	Redemption Amount (including early redemption):	Denomination Amount
10.	Interest Basis:	Fixed Rate
11.	Interest Commencement Date:	30 August 2010
12.	Fixed Rate Note	
	(a) Maturity Date:	30 August 2025
	(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 28 February and 30 August in each year
	(d) Initial Broken Amount:	Not Applicable
	(e) Final Broken Amount:	Not Applicable
	(f) Interest Rate:	4.25 per cent. per annum
13.	Floating Rate Note	
	(a) Redemption Month:	Not Applicable
	(b) Interest Determination Date:	Not Applicable
	(c) Day Count Fraction:	Not Applicable
	(d) Specified Number of Months (Interest Period):	Not Applicable
	(e) Specified Interest Payment Dates:	Not Applicable
	(f) Business Day Convention:	Not Applicable
	(g) Benchmark:	Not Applicable
	(h) Primary Source:	Not Applicable

	(i)	Reference Banks:	Not Applicable
	(j)	Relevant Time:	Not Applicable
	(k)	Relevant Financial Centre:	Not Applicable
	(l)	Spread:	Not Applicable
	(m)	Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	Not Applicable
14.		Variable Rate Note	
	(a)	Redemption Month:	Not Applicable
	(b)	Interest Determination Date:	Not Applicable
	(c)	Day Count Fraction:	Not Applicable
	(d)	Specified Number of Months (Interest Period):	Not Applicable
	(e)	Specified Interest Payment Dates:	Not Applicable
	(f)	Business Day Convention:	Not Applicable
	(g)	Benchmark:	Not Applicable
	(h)	Primary Source:	Not Applicable
	(i)	Reference Banks:	Not Applicable
	(j)	Relevant Time:	Not Applicable
	(k)	Relevant Financial Centre:	Not Applicable
	(l)	Spread:	Not Applicable
15.		Hybrid Note	
	(a)	Fixed Rate Period:	Not Applicable
	(b)	Floating Rate Period:	Not Applicable
	(c)	Maturity Date:	Not Applicable
	(d)	Redemption Month:	Not Applicable
	(e)	Interest Determination Date:	Not Applicable
	(f)	Day Count Fraction:	Not Applicable
	(g)	Reference Date(s):	Not Applicable
	(h)	Initial Broken Amount:	Not Applicable
	(i)	Final Broken Amount:	Not Applicable
	(j)	Interest Rate:	Not Applicable
	(k)	Specified Number of Months (Interest Period):	Not Applicable

	(l) Specified Interest Payment Dates:	Not Applicable
	(m) Business Day Convention:	Not Applicable
	(n) Benchmark:	Not Applicable
	(o) Primary Source:	Not Applicable
	(p) Relevant Time:	Not Applicable
	(q) Relevant Financial Centre:	Not Applicable
	(r) Reference Banks:	Not Applicable
	(s) Spread:	Not Applicable
	(t) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Hybrid Notes during the Floating Rate Period, if different from those set out in the Conditions:	Not Applicable
16.	Zero Coupon Note	Not Applicable
	(a) Maturity Date:	Not Applicable
	(b) Amortisation Yield:	Not Applicable
	(c) Any other formula/basis of determining amount payable:	Not Applicable
	(d) Day Count Fraction:	Not Applicable
	(e) Any amount payable under Condition 5(h) (Default interest on the Notes):	Not Applicable
17.	Issuer's Redemption Option	No
	Issuer's Redemption Option Period (Condition 5(d)):	Not Applicable
18.	Noteholders' Redemption Option	No
	Noteholders' Redemption Option Period (Condition 5(e)):	Not Applicable
19.	Issuer's Purchase Option	No
	Issuer's Purchase Option Period (Condition 5(b)):	Not Applicable
20.	Noteholders' VRN Purchase Option	No
	Noteholders' VRN Purchase Option Period (Condition 5(c)(i)):	Not Applicable
21.	Noteholders' Purchase Option	No
	Noteholders' Purchase Option Period (Condition 5(c)(ii)):	Not Applicable

22.	Redemption for Taxation Reasons:	Yes
23.	Notes to be represented on issue by:	Permanent Global Note
24.	Temporary Global Note exchangeable for Definitive Notes:	Not Applicable
25.	Temporary Global Note exchangeable for Permanent Global Note:	Not Applicable
26.	Applicable TEFRA exemption:	C Rules
27.	Listing:	Singapore Exchange Securities Trading Limited
28.	ISIN Code:	SG7X36961432
29.	Common Code:	Not Applicable
30.	Clearing System(s):	The Central Depository (Pte) Limited
31.	Depositary:	The Central Depository (Pte) Limited
32.	Delivery:	Delivery free of payment
33.	Method of issue of Notes:	Individual Dealer
34.	The following Dealer is subscribing the Notes:	DBS Bank Ltd.
35.	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 Singapore dollars):	Not Applicable
36.	Other terms:	The proceeds arising from the issuance of the Notes (after the deduction of issue expenses) will be used to refinance existing indebtedness and finance general working capital requirements of the Guarantor and its subsidiaries. Please also refer to 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:

Please refer to Appendix 2 to this Pricing Supplement

APPENDIX 1 TO THE PRICING SUPPLEMENT OF THE SERIES 003 NOTES

The section "Singapore Taxation" appearing from pages 63 to 66 in 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 issued by MAS in force as at the date of this Information Memorandum and are subject to any changes in such laws or administrative guidelines, or the interpretation of those laws or guidelines, occurring after such date, which changes could be made on a retroactive basis. These laws and guidelines 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. The following is a summary of the material Singapore tax consequences to a holder of the Notes. Neither these statements nor any other statements in this Information Memorandum are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. 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 subscribe for, purchase, own or dispose of the Notes 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 tax incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Notes are advised to consult their own tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that neither the Issuer nor any other persons involved in the MTN Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

1. Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act, Chapter 134 of Singapore (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 15.0 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is 17.0 per cent. with effect from the year of assessment 2010. The applicable rate for non-resident individuals is 20.0 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 15.0 per cent. The rate of 15.0 per cent. may be reduced by applicable tax treaties.

However, 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 or 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 MTN Programme as a whole is arranged by The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, which is a Financial Sector Incentive (Bond Market) Company (as defined in the ITA), any tranche of the Notes issued as debt securities under the MTN Programme during the period from the date of this Information Memorandum to 31 December 2013 ("**Relevant Notes**") would be "qualifying debt securities" for the purposes of the ITA, to which the following treatments shall apply:

- (i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the Comptroller of Income Tax in Singapore (the "**Comptroller**") may direct, of a return on debt securities for the Relevant Notes within such period as the Comptroller may specify and such other particulars in connection with the Relevant Notes as the Comptroller may require to the Comptroller and MAS, and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes 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 Notes 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 "**Specified Income**") from the Relevant Notes 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 Notes are not obtained from that operation, are exempt from Singapore income tax;
- (ii) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the Comptroller may direct, of a return on debt securities for the Relevant Notes within such period as the Comptroller may specify and such other particulars in connection with the Relevant Notes as the Comptroller may require to the Comptroller and the MAS), Specified Income from the Relevant Notes derived by any company or a body of persons (as defined in the ITA) in Singapore is subject to tax at a concessionary rate of 10.0 per cent.; and
- (iii) subject to:

- (aa) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from income tax shall include such income in a return of income made under the ITA; and
- (bb) the Issuer, or such other person as the Comptroller may direct, furnishing to the Comptroller and the MAS a return on debt securities for the Relevant Notes within such period as the Comptroller may specify and such other particulars in connection with the Relevant Notes as the Comptroller may require,

Specified Income derived from the Relevant Notes is not subject to withholding of tax by the Issuer.

However, notwithstanding the foregoing:

- (A) if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche are issued to fewer than four persons and 50.0 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as “qualifying debt securities”; and
- (B) even though a particular tranche of Relevant Notes are “qualifying debt securities”, if, at any time during the tenure of such tranche of Relevant Notes, 50.0 per cent or more of the issue of such Relevant Notes is held beneficially or funded, directly or indirectly, by any related party(ies) of the Issuer, Specified Income derived from such Relevant Notes held by:
 - (i) any related party of the Issuer; or
 - (ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

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

The terms “break cost”, “prepayment fee”, “redemption premium” and “related party” are defined in the ITA as follows:

“**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;

“**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

“**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.

References to “break cost”, “prepayment fee”, “redemption premium” and “related party” in this Singapore tax disclosure have their same meaning as in the ITA.

Notwithstanding that the Issuer is permitted to make payments of interest, discount income, prepayment fee, redemption premium and break cost in respect of the Relevant Notes without deduction or withholding for tax under Section 45 or Section 45A of the ITA, any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

The Qualifying Debt Securities Plus Scheme (the “**QDS Plus Scheme**”) has also been introduced as an enhancement of the Qualifying Debt Securities Scheme. Under the QDS Plus Scheme, subject to certain conditions having been fulfilled (including the submission by the Issuer or such other person as the Comptroller may direct, of a return on debt securities in respect of the qualifying debt securities within such period as the Comptroller may specify and such other particulars in connection with the qualifying debt securities as the Comptroller may require to the Comptroller and the MAS), income tax exemption is granted on interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost derived by any investor from qualifying debt securities (excluding Singapore Government Securities) which:

- (a) are issued during the period from 16 February 2008 to 31 December 2013;
- (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 Relevant Notes are “qualifying debt securities” which qualify under the QDS Plus Scheme, if, at any time during the tenure of such tranche of Relevant Notes, 50 per cent. or more of the issue of such Relevant Notes is held beneficially or funded, directly or indirectly, by any related party(ies) of the Issuer, interest, discount income, prepayment fee, redemption premium and break cost from such Relevant Notes derived by:

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

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

2. Capital Gains

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

Holders of the Notes 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 Notes in accordance with provisions of FRS 39, irrespective of disposal. 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 Inland Revenue Authority of Singapore has issued a circular entitled "Income Tax Implications arising from the adoption of FRS 39 - Financial Instruments: Recognition and Measurement" (the "FRS 39 Circular"). Legislative amendments to give effect to the FRS 39 Circular have been enacted in Section 34A of the ITA.

The FRS 39 Circular and Section 34A of the ITA generally apply, subject to certain "opt-out" provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

Holders of the Notes 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 Notes.

4. Estate Duty

Singapore estate duty has been abolished for deaths occurring on or after 15 February 2008."

APPENDIX 2 TO THE PRICING SUPPLEMENT OF THE SERIES 003 NOTES

The second paragraph of the cover page of the Information Memorandum shall be deleted in its entirety and substituted with the following:

"Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law; or
- (4) as specified in Section 276(7) of the SFA."