Semcorp Industries
The Creation of Two Focused Companies

Presentation in relation to the Proposed Distribution *In Specie* of Ordinary Shares in the Capital of Semcorp Marine

July 22, 2020
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What do I need to know about the Transaction?

Sembcorp Industries (“SCI”) and Sembcorp Marine (“SCM”) have jointly proposed a Transaction comprising two steps:

A. S$2.1 billion renounceable rights issue by SCM to meet its liquidity requirements and strengthen its balance sheet

B. Demerger of SCI and SCM via a distribution in specie of SCM Shares held by SCI to SCI Shareholders

- SCI has undertaken to subscribe for up to S$1.5 billion of SCM Rights Shares by setting off the outstanding principal of S$1.5 billion under the Subordinated Loan extended to SCM
- Temasek has entered into the Sub-Underwriting Agreement with DBS Bank Ltd. for the remaining S$0.6 billion of SCM Rights Shares
- Depending on the level of subscription for the Proposed SCM Rights Issue by SCM Shareholders other than SCI, SCI will hold between 60.9% and 69.9% of SCM Shares post the Proposed SCM Rights Issue
- As a result of the Proposed Distribution, Temasek (which is currently the single largest shareholder of SCI) will become a direct shareholder of SCM, and the Temasek Concert Party Group will hold more than 30% of SCM
- In addition to approvals for the Proposed SCM Rights Issue and Proposed Distribution by the SCM Shareholders and SCI Shareholders, respectively, an approval by the Independent SCM Shareholders of the Whitewash Resolution is being sought to waive their rights to receive a mandatory take-over offer from the Temasek Concert Party Group
- By voting in favour of the Proposed Distribution and if the Independent SCM Shareholders approve the Whitewash Resolution, SCI Shareholders will also be waiving their rights to receive a mandatory take-over offer from the Temasek Concert Party Group in respect of the SCM Shares that they will hold after the Proposed Distribution

Sole Financial Adviser to SCI in respect of the Proposed Distribution

Note: All capitalised terms shall have the meanings ascribed to them in the SCI Circular dated 22 July 2020

1. The Sub-Underwriting Agreement is entered into by Startree, a wholly-owned subsidiary of Temasek, on 8 June 2020. No sub-underwriting fees will be paid to Temasek or Startree
2. Based on the Minimum SCI Distribution Shares where SCI is required to subscribe only for its SCI Pro-Rata SCM Rights Shares (6,371,353,820 SCM Rights Shares) and the remaining SCM Rights Shares are subscribed by other SCM Shareholders; fractional entitlements to be disregarded
3. Based on the Maximum SCI Distribution Shares where SCI is required to subscribe for all of the Undertaking SCM Rights Shares (7,500,000,000 SCM Rights Shares); fractional entitlements to be disregarded
4. Including holdings of Temasek and its wholly-owned subsidiaries

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What will I get as an SCI Shareholder?

- Pursuant to the Proposed Distribution\(^1\), you will receive between 4.279\(^2\) and 4.911\(^3\) SCM Shares for each SCI Share you own as at the SCI Record Date. **No payment is required from you**

- The number of SCM Shares to be distributed to you by SCI will depend on the number of SCM Shares held by SCI following completion of the Proposed SCM Rights Issue

- For illustrative purposes only:

\(^1\) Subject to the satisfaction of the conditions to the Transaction

\(^2\) Based on the Minimum SCI Distribution Shares where SCI is required to subscribe only for its SCI Pro-Rata SCM Rights Shares (6,371,353,820 SCM Rights Shares) and the remaining SCM Rights Shares are subscribed by other SCM Shareholders; fractional entitlements to be disregarded

\(^3\) Based on the Maximum SCI Distribution Shares where SCI is required to subscribe for all of the Undertaking SCM Rights Shares (7,500,000,000 SCM Rights Shares); fractional entitlements to be disregarded
Why is this being proposed to SCI Shareholders?

**ENHANCE SHAREHOLDER VALUE**

Transforms SCI into a Focused Energy and Urban business
- Enables SCI to capture growth opportunities to provide solutions that support the energy transition and sustainable development
- Demerger delivers a clearer investment proposition to you and makes SCI more comparable to industry peers
- Potential positive re-rating of SCI’s equity value

Implements Returns and Strengthens the Balance Sheet
- Increase in pro forma ROE\(^2\) (3.5\% to 7.9\%) and ROA\(^3\) (3.5\% to 5.6\%)
- Significant reduction in debt levels\(^4\) by S$2.9 billion on a pro forma basis
- Improvement of pro forma net debt-to-EBITDA\(^5\) ratio from 6.4x to 5.0x

**IMPROVE INVESTMENT FLEXIBILITY**

Your Investments, Your Flexibility
- You will have direct shareholdings in two focused companies, with Temasek alongside as a direct and significant shareholder
- No payment required to receive shares in a recapitalised SCM
- You gain the flexibility to calibrate your holdings in the two companies

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1. The pro forma figures above represent selected FY2019 pro forma financial effects assuming SCI subscribes for all of the Undertaking SCM Rights Shares (7,500,000,000 SCM Rights Shares). For further details on the FY2019 and 1H 2020 pro forma financial effects of the Transaction on the SCI Group, please refer to Appendix A of the SCI Circular dated 22 July 2020
2. Return on Equity computed as FY2019 Profit attributable to owners of SCI (excluding non-recurring potential fair value gains or losses recognised at the completion of the Proposed Distribution) divided by equity attributable to owners of SCI as at 31 December 2019
3. Return on Assets computed as the sum of (i) FY2019 Net Profit (excluding non-recurring potential fair value gains or losses recognised at the completion of the Proposed Distribution) and (ii) FY2019 finance costs, divided by total assets as at 31 December 2019
4. Includes the perpetual securities, but excludes lease liabilities
5. Computed as total borrowings (including the perpetual securities) less total cash balance as at 31 December 2019 divided by FY2019 EBITDA. Total borrowings exclude lease liabilities

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Selected 2019 Pro Forma Financial Effects for SCI

1. FY2019 Earnings per Share (EPS) (cents)
   - Improves by approximately 22%

2. FY2019 Return on Equity (ROE) (%)
   - Improves by 4.4 p.p. to 7.9%

3. Total Borrowings (S$m)
   - Decreases by approximately S$2.9 billion

<table>
<thead>
<tr>
<th></th>
<th>Pre Transaction</th>
<th>Post Transaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPS (cents)</td>
<td>11.81</td>
<td>14.38</td>
</tr>
<tr>
<td>ROE (%)</td>
<td>3.5%</td>
<td>7.9%</td>
</tr>
<tr>
<td>Borrowings (S$m)</td>
<td>11,601</td>
<td>8,700</td>
</tr>
</tbody>
</table>

Note: The pro forma figures above represent selected FY2019 pro forma financial effects. For further details on the FY2019 and 1H 2020 pro forma financial effects of the Transaction on the SCI Group, please refer to Appendix A of the SCI Circular dated 22 July 2020.

1. EPS computed as PATMI excluding profits attributable to perpetual security holders of the Company (“Profit attributable to owners of the Company”) divided by the weighted average of 1,786 million SCI Shares (excluding treasury shares) for FY2019.
2. ROE computed as Profit attributable to owners of the Company (excluding the non-recurring potential fair value gains or losses recognised at the completion of the Proposed Distribution) divided by equity attributable to owners of the Company. Ratios have been prepared using equity attributable to owners of the Company as at 31 December 2019.
3. Total borrowing excludes lease liabilities.
4. Post Transaction figures assume SCI subscribes for all of the Undertaking SCM Rights Shares (7,500,000,000 SCM Rights Shares), SCM Shares and SCI Shares in issue are 2,090,487,729 SCM Shares and 1,785,574,930 SCI Shares respectively (excluding treasury shares and assuming no outstanding performance shares and restricted shares pursuant to the SCI PSP and SCI RSP, or the SCM RSP, are exercised or released on or prior to the SCI Record Date and SCM Record Date respectively, and no SCM Shares are issued for the payment of SCI Directors’ fees).

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What needs to happen for the Transaction to be successful?

- **ALL** of the following resolutions must be approved at the EGMs of both SCI and SCM for the Proposed Distribution to proceed:

<table>
<thead>
<tr>
<th>Resolution</th>
<th>Requirement</th>
<th>Voting Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary Resolution to approve the Proposed Distribution</td>
<td>• Simple majority (&gt;50%) required from SCI Shareholders who are voting</td>
<td>Simple majority (&gt;50%) required from SCI Shareholders who are voting</td>
</tr>
<tr>
<td></td>
<td>• Temasek Concert Party Group required to abstain from voting</td>
<td>Temasek Concert Party Group (including SCI) required to abstain from voting</td>
</tr>
<tr>
<td>Whitewash Resolution&lt;sup&gt;1&lt;/sup&gt; in respect of the Proposed Distribution</td>
<td>• Simple majority (&gt;50%) required from SCM Shareholders who are voting</td>
<td>Simple majority (&gt;50%) required from SCM Shareholders who are voting</td>
</tr>
<tr>
<td></td>
<td>• Temasek Concert Party Group (including SCI) required to abstain from voting</td>
<td>SCI has provided an irrevocable undertaking to vote in favour&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
<tr>
<td>Ordinary Resolution to approve the Proposed SCM Rights Issue</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This means that if any one of the Resolutions is NOT APPROVED, the Proposed SCM Rights Issue and the Proposed Distribution WILL NOT PROCEED. SCM and SCI will not proceed with the demerger, and the companies will continue as they are today. The critical need to address SCM’s liquidity requirements will fail.

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1. The Proposed Distribution will result in the Temasek Concert Party Group holding more than 30% of SCM Shares. As such, SCM Shareholders will need to approve the Whitewash Resolution to waive their rights to receive a mandatory take-over offer from the Temasek Concert Party Group.
2. To the extent not prohibited under applicable laws and regulations (including the Listing Manual).

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What do I need to do?

1. Based on the Minimum SCI Distribution Shares where SCI is required to subscribe only for its SCI Pro-Rata SCM Rights Shares (6,371,353,820 SCM Rights Shares) and the remaining SCM Rights Shares are subscribed by other SCM Shareholders; fractional entitlements to be disregarded

2. Based on the Maximum SCI Distribution Shares where SCI is required to subscribe for all of the Undertaking SCM Rights Shares (7,500,000,000 SCM Rights Shares); fractional entitlements to be disregarded

Online SCI EGM at 11.30 a.m. on 11 August 2020

Shareholders of SCM and SCI approve ALL of the resolutions proposed at their respective EGMs:

- You will receive between 4.279 and 4.911 SCM Shares for each SCI Share owned. NO PAYMENT IS REQUIRED
- Demerger of SCM from SCI

OR

Shareholders of SCM and SCI do not approve any one of the resolutions proposed at their respective EGMs:

- YOU WILL NOT RECEIVE ANY SCM SHARES
- SCM and SCI will not proceed with the demerger, and the companies will continue as they are today. The critical need to address SCM's liquidity requirements will fail

PRE-REGISTER for the online SCI EGM by 11.30 a.m. on 8 August 2020

VOTE on the Proposed Distribution by submitting a Proxy Form to be received by 11.30 a.m. on 8 August 2020

You now have the Circular

Scan QR code to pre-register
How can I vote on the Proposed Distribution?

If you wish to exercise your voting rights at the SCI EGM, you must submit a Proxy Form to appoint the Chairman of the SCI EGM to vote on your behalf.

1 Step 1: Locate the Proxy Form
The Proxy Form is enclosed in the Circular and is also available on the SCI website and the SGX website at the following respective URLs:
https://www.sembcorp.com/en/investor-relations/extraordinary-general-meeting
https://www.sgx.com/securities/company-announcements

2 Step 2: Complete the Proxy Form

A Fill in your name and particulars.
Note: You must appoint the Chairman of the SCI EGM as your proxy if you wish to exercise your voting rights at the SCI EGM (due to the current COVID-19 situation in Singapore).

B Indicate your vote in the box labelled FOR, AGAINST or ABSTAIN.

C If you are an individual, you or your attorney MUST SIGN and indicate the date. If you are a corporation, the Proxy Form must be executed under your common seal or signed by a duly authorised officer or attorney.

D Indicate the number of SCI Shares you hold.

3 Step 3: Submit the completed Proxy Form
If submitted by post, the Proxy Form must be sent to: M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902

If submitted electronically, the Proxy Form must be submitted via email to SCI’s Share Registrar at gpe@mncsingapore.com

- The Proxy Form must be submitted and received by 11.30 a.m. on 8 August 2020
- CPFIS Members and SRS Investors who wish to appoint the Chairman of the SCI EGM as proxy should approach their respective CPF agent banks or SRS Approved Banks to submit their votes by 11.30 a.m. on 5 August 2020

If you require further assistance or information, please contact:

DBS Bank Ltd.
Strategic Advisory
Tel: +65 6878 2150
(During office hours only from 9.00 a.m. to 6.00 p.m., Monday to Friday)
Important Dates and Times

- **Last date and time for lodgement of Proxy Forms for the SCI EGM**: 8 August 2020 at 11.30 a.m.
- **Date and time of the SCI EGM**: 11 August 2020 at 11.30 a.m.
- **Expected date of announcement of the SCI Record Date and distribution ratio of the Proposed Distribution**: 7 September 2020
- **Expected last date of “cum” trading of the SCI Shares on the SGX-ST**: On or about 8 September 2020
- **Expected SCI Record Date for the Proposed Distribution**: On or about 10 September 2020 at 5.30 p.m.
- **Expected date for crediting the SCM Shares to SCI Shareholders pursuant to the Proposed Distribution**: On or about 11 September 2020

Note: Save for the date and time by which the Proxy Forms must be lodged and the date and time of the SCI EGM, the timetable above is only indicative and the actual dates of the events in italics will be announced by SCI in due course by way of SGXNET announcements released on the SGX-ST.
VOTE TODAY TO BECOME A SHAREHOLDER OF TWO FOCUSED COMPANIES

Please vote by submitting your Proxy Form
Appendix

SCI – A Focused Energy & Urban Leader
# Transformation of SCI into a Focused Energy and Urban business

- A focused business uniquely positioned to provide a suite of integrated energy and urban solutions that support the global energy transition and sustainable development
- Proven capabilities, strong track record and a valued partner to customers and governments

## Our Businesses

<table>
<thead>
<tr>
<th>Energy</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global energy transition, low-carbon and cleaner energy</td>
<td>Urbanisation and sustainable development in Asia</td>
</tr>
</tbody>
</table>

## Macro Themes

<table>
<thead>
<tr>
<th>Competitive Position</th>
<th>Value Creation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner-operator of a balanced portfolio of high-efficiency thermal and renewable assets</td>
<td>&gt;12,600MW in power capacity, including over 2,600MW of renewable power capacity</td>
</tr>
<tr>
<td>Track record in renewable energy and environmental solutions including wind and solar power, battery storage and energy from waste</td>
<td>&gt; 8.6 million m³/day in water &amp; wastewater treatment capacity</td>
</tr>
<tr>
<td>Proven deep integration expertise in the provision of solutions across the energy and utilities value chain</td>
<td>Move up the value chain and leverage synergies with energy business</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Reposition as an integrated energy player</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solid track record in transforming raw land into self-sufficient urban developments</td>
<td>13 projects in Vietnam, China and Indonesia</td>
</tr>
<tr>
<td>Strong franchise in Asia</td>
<td>US$34 billion in direct investments attracted to its projects</td>
</tr>
<tr>
<td>Delivers the economic engine to support industrialisation and urbanisation</td>
<td>&gt;1,000 tenants comprising multinationals and leading local enterprises</td>
</tr>
</tbody>
</table>
**Integrated Solutions for a Sustainable Future**

### Energy Solutions

<table>
<thead>
<tr>
<th>Gas</th>
<th>Centralised Power Generation</th>
<th>Renewables &amp; Storage</th>
<th>Merchant &amp; Retail</th>
<th>Distributed Energy Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pipeline gas &amp; LNG importation, marketing and optimisation</td>
<td>Utility-scale power generation</td>
<td>Utility-scale combined heat and power</td>
<td>Market optimisation of assets</td>
</tr>
<tr>
<td></td>
<td>Regasification infrastructure development</td>
<td>Utility-scale combined heat and power</td>
<td>Cogeneration and tri-generation (power, cooling and heating solutions)</td>
<td>Flexibility services</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Commercial &amp; industrial rooftop solar power generation</td>
<td>Utility-scale wind power generation</td>
<td>Energy trading &amp; origination</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Energy storage systems</td>
<td>Energy storage systems</td>
<td>Hedging services</td>
</tr>
</tbody>
</table>

### Environmental Solutions

<table>
<thead>
<tr>
<th>Water and Wastewater Management</th>
<th>Solid Waste Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closed loop industrial water management</td>
<td>Waste management &amp; logistics</td>
</tr>
<tr>
<td>Industrial wastewater treatment &amp; reclamation</td>
<td>Recycling services</td>
</tr>
<tr>
<td>Electricity retail (including green attributes such as RECs &amp; CERs)</td>
<td>Waste-to-resource</td>
</tr>
<tr>
<td>Energy optimisation and efficiency</td>
<td>Public cleaning</td>
</tr>
<tr>
<td>Microgrids</td>
<td>Residential developments</td>
</tr>
<tr>
<td>Urban mobility solutions</td>
<td>Assets, facilities &amp; operational management</td>
</tr>
<tr>
<td>Virtual power plant (VPP)</td>
<td>Urban Solutions</td>
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</tbody>
</table>

### Urban Solutions

<table>
<thead>
<tr>
<th>Urban Development Types &amp; Urban Solution</th>
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<tbody>
<tr>
<td>Integrated townships</td>
</tr>
<tr>
<td>Industrial parks</td>
</tr>
<tr>
<td>High-tech parks</td>
</tr>
<tr>
<td>Business hubs</td>
</tr>
<tr>
<td>Logistics warehouses</td>
</tr>
<tr>
<td>Residential developments</td>
</tr>
</tbody>
</table>
Repositioning for the Global Energy Transition

Enabling a Low Carbon Energy Future with Integrated Solutions

Leveraging technology and digital innovation to offer a suite of renewable energy solutions

Utility-scale
- Onshore wind farms
- Ground-mounted solar systems
- Floating solar photovoltaic systems
- Stand-alone battery systems

Commercial & Industrial
- Rooftop solar energy systems
- Co-located solar energy systems
- Battery storage integration
- Microgrids (solar, wind, batteries)

Distributed Energy Solutions
- Distributed energy generation
- Grid ancillary services & demand response
- Electricity retail (including green attributes such as RECs & CERs)
- Energy optimisation & efficiency and Virtual Power Plant (VPP)

Renewable Energy net profit has increased nearly five-fold since 2016

Global Renewable Energy Portfolio

Singapore
- A leading solar energy player in Singapore
  - 241MWp of solar capacity
  - One of the largest solar players in Singapore

China
- Growing renewable energy contribution
  - 725MW of onshore wind power projects

India
- Providing renewable power to support India’s growth
  - Over 1,700MW of wind and solar power projects across seven states

UK
- Developing one of Europe’s largest battery energy storage systems
  - A 120MW portfolio representing one of Europe’s largest battery energy storage systems
A Leading Asian Developer with 30 years of Experience in Transforming Raw Land into Sustainable Urban Developments, Delivering the Economic Engine to Support Growth

Remaining Saleable Land of 2,633 hectares

- Vietnam: 61% (1,335 hectares)
- China: 21% (553 hectares)
- Indonesia: 18% (445 hectares)

2,633 hectares of saleable industrial, business, commercial and residential land

Positioned in Key Growth Areas

- Vietnam: 13 projects in Vietnam, China and Indonesia
- >1,000 customers comprising MNCs and leading local enterprises
- US$34 billion in direct investments attracted to our integrated developments
- Enhancing value through selective C&R developments

Vietnam
- 9 projects strategically located in the southern, central and northern economic zones
- VSIP Binh Duong (park 1), Vietnam
- Central Java expected to benefit from investment spillovers from Jakarta

Indonesia
- Kendal Industrial Park, Indonesia

China
- Key growth regions in Jiangsu and Chengdu offering high-tech, innovative and eco platforms
- Sino-Singapore Nanjing Eco-High-tech Island, China
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