

SEMBCORP INDUSTRIES LTD

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

ANNOUNCEMENT

ADJUSTMENT TO SHARE AWARDS PURSUANT TO DISTRIBUTION IN SPECIE

Sembcorp Industries Ltd (“**SCI**” or the “**Company**”) refers to the distribution in specie of ordinary shares in the capital of Sembcorp Marine Ltd (the “**Distribution**”) which was completed on 11 September 2020, and its circular to shareholders dated 22 July 2020 (the “**Circular**”) in relation to, inter alia, the Distribution.

Unless otherwise defined, all capitalised terms used herein shall bear the same meanings ascribed to them in the Circular.

As set out in the Circular:

- (i) pursuant to the rules of the SCI Performance Share Plan (“PSP”) and the SCI Restricted Share Plan (“RSP”), if the Company, *inter alia*, declares a special dividend (whether in cash or *in specie*), then the Executive Resource & Compensation Committee (“ERCC”) may, in its sole discretion, determine whether the class and/or number of SCI Shares which are the subject of an SCI Share Award granted under either the SCI PSP or the SCI RSP to the extent not yet vested and/or the class and/or number of SCI Shares in respect of which future SCI Share Awards may be granted under either the SCI PSP or the SCI RSP, shall be adjusted, and if so, the manner in which such adjustments should be made; and
- (ii) the Board was considering the appropriate methodology to be adopted for the making of any adjustments to the outstanding SCI Share Awards granted under the SCI PSP and SCI RSP in connection with the Distribution.

The Company wishes to announce that the ERCC has determined the methodology to be adopted for the making of adjustments to the outstanding SCI Share Awards granted under the SCI PSP and the SCI RSP, and the auditors of the Company, KPMG LLP, have confirmed that the methodology and the adjustments are fair and reasonable. As a result of the adjustments pursuant to the Distribution, (a) an additional 3,825,317 SCI Shares are proposed to be released under the outstanding SCI Share Awards granted under the SCI PSP, assuming the full achievement of the requisite pre-determined performance conditions and targets over the performance period in respect of such outstanding SCI Share Awards¹; and (b) an additional 5,013,272 SCI Shares will be conditionally released under the outstanding SCI Share Awards granted under the SCI RSP over the requisite time period in respect of such outstanding SCI Share Awards².

¹ Such performance conditions and targets were approved by the ERCC at the beginning of the performance period relating to such SCI Share Awards, and the final number of SCI Shares which will be vested to holders will depend on the level of achievement of such conditions and targets over the performance period, subject to the approval of the ERCC.

² SCI Shares under SCI Share Awards granted under the SCI RSP will vest conditionally over a three to four-year period contingent on satisfactory individual performance of the holders for the financial year preceding each tranche of vesting, and continued employment within the SCI Group.

Details of the adjustments will be communicated separately to holders of the outstanding SCI Share Awards.

BY ORDER OF THE BOARD

Kwong Sook May
Company Secretary
Singapore, 24 November 2020