



Company Registration Number: 196300098Z

SEMBCORP MARINE TO INCREASE SHAREHOLDINGS IN SEMB-ECO PTE LTD AND DIVEST STAKE IN ECOSPEC GLOBAL TECHNOLOGY PTE LTD

Acquisition of patents as part of a share swap agreement will boost Sembcorp Marine's intellectual property assets

Singapore, January 15 2019: Sembcorp Marine Ltd (the "Company", and together with its subsidiaries, the "Group") wishes to announce that its subsidiaries Sembcorp Marine Repairs and Upgrades Pte. Ltd. ("SMRU") and Semb-Eco Pte Ltd ("Semb-Eco") have, on 15 January 2019, entered into a share swap agreement with Ecospec Global Technology Pte Ltd ("EGT") and their shareholders Mr Chew Hwee Hong and Neonlite Investments Pte Ltd, to exchange 10,000,000 ordinary shares representing 20% of the issued share capital of EGT for 23,801,653 ordinary shares representing 45% of the issued share capital of Semb-Eco (the "Transaction").

As part of the Transaction, EGT will assign to SMRU certain of its intellectual property and proprietary rights for a consideration of approximately S\$7.2 million (equivalent to all outstanding amounts due from EGT as at 31 October 2018). SMRU will also acquire five groups of Semb-Eco core patents, which are applied in the development of the following offshore and marine solutions:

- Ballast water treatment
- Exhaust gas cleaning
- Biofouling control
- Corrosion control

The Transaction was arrived at on a willing-buyer and willing-seller basis, taking into account, *inter alia*, the information regarding EGT and Semb-Eco's businesses, operations, financial results and financial positions, and the future prospects of both entities.

EGT is a joint venture company between Neonlite Investments Pte Ltd (holding 75% of EGT's issued capital), Mr Chew Hwee Hong (5%) and SMRU (20%). Its principal activities are the research and experimental development of environmental and clean technologies.

Semb-Eco is a joint venture company between Neonlite Investments Pte Ltd (holding 30% of Semb-Eco's issued share capital), Mr Chew Hwee Hong (15%) and SMRU (55%). The principal activity of Semb-Eco is investment holding.

"Through this transaction, Sembcorp Marine further strengthens its intellectual property and knowledge to facilitate research and development of solutions for the global offshore and marine sectors. This in turn supports our ongoing efforts to move up the value chain so that we can do more for our customers and partners," said Sembcorp Marine President & CEO Mr Wong Weng Sun.

In consequence, Semb-Eco, Semb-Eco Technology Pte Ltd and Semb-Eco R&D Pte Ltd will become wholly-owned Sembcorp Marine subsidiaries, while EGT will cease to be an associated company of the Group.

The Transaction is not expected to have any material impact on the consolidated net tangible assets per share and earnings per share of the Company for the year ending 31 December 2019.

Save as disclosed, none of the directors or controlling shareholders of the Company have any interest, direct or indirect, in the Transaction other than through their shareholding interests in the Company.

For further information, please contact:

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About Sembcorp Marine

Sembcorp Marine provides innovative engineering solutions to the global offshore, marine and energy industries, drawing upon more than 50 years of track record. We focus on four key capabilities, namely, Rigs & Floaters; Repairs & Upgrades; Offshore Platforms; and Specialised Shipbuilding.

Our customers include major energy companies, drilling contractors, shipping companies as well as owners and operators of floating production units.

We operate shipyards and other facilities located in Singapore, Indonesia, Norway, the United Kingdom and Brazil.

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