



Company Registration Number: 196300098Z

4 October 2021

Dear Editor

## **MEDIA CLARIFICATION**

We refer to the article published in the Business Times on 4 October 2021 titled "Sembmarine revised statement of directors' intent to subscribe to rights issue after EGM".

Your writer did not disclose fully the Company's response to his question (which is reproduced in an appendix enclosed with this letter). We have set out the Company's response to your writer below so that your readers are fully informed.

In the Company's Circular of 4 August 2021, the statement on directors' intentions followed the language in the Corporate Governance Advisory Committee Statement on Director Disclosures in Rights Issues (issued in September 2020) which recommends that "*for good corporate governance, companies should disclose whether the directors intend to subscribe to their rights entitlement*".

However, when considering the statement in the subsequent 2021 OIS on 26 August 2021, the directors deliberated further and decided to add the words "in full or in part" for a more precise description of their intentions and for greater clarity. The difference in wording was not due to any change in the intention of the directors.

We therefore do not believe that shareholders were misled in any way.

Furthermore, the Company respects that the investment decisions taken by the directors as shareholders are personal and would depend on their financial commitments and personal holdings, which varied significantly. (Note: This is shown in the table provided by the Company and published with the article.)

The Company is encouraged that all the directors of the Company have demonstrated their support by subscribing for the Rights Shares, in full or in part.

Chua Mun Yuen  
Head, Investor Relations & Corporate Communications  
Sembcorp Marine Ltd

Question:

With reference to page 29 of SMM's 4 Aug circular:

<https://links.sgx.com/FileOpen/Circular.ashx?App=Announcement&FileID=677229>

It is stated: "In this regard, the Directors who have interests in the Shares have indicated to the Company that they intend to subscribe to their Rights entitlements, in accordance with the terms and conditions of the Rights Issue."

Yet, from subsequent announcements, it appears that four of SMM's directors who had interests in the company's shares did not fully take up their entitlements -- namely, Mohd Hassan Marican, Wong Weng Sun, Willian Tan Seng Koon and Koh Chiap Kiong.

I am aware that voting to approve the rights issue did not obligate your shareholders to actually subscribe for the rights issue. I am also aware that SMM's Offer Information Statement (OIS) of Aug 26 states on page 98: "In addition, the Directors who have interests in the Shares have indicated to the Company that they intend to subscribe to their Rights entitlements in full or in part, in accordance with the terms and conditions of the Rights Issue."

How would you respond to the suggestion that your shareholders may have been misled by the circular when they voted at the EGM? Why is the wording of the directors' intent in the circular different from the OIS? Did it reflect a change in their position after the EGM? What caused that change? Why was the change in position not stated more prominently?