



Company Registration Number: 196300098Z

## **Sembcorp Marine Ltd 59th Annual General Meeting Responses to Substantial and Relevant Questions**

**Singapore, 7 April 2022** – Sembcorp Marine Ltd (“**Sembcorp Marine**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) would like to thank shareholders for submitting their questions in advance of the 59th Annual General Meeting (“**AGM**”) to be held by electronic means at 11.00 a.m. on 20 April 2022.

The Company has received questions from shareholders in relation to the AGM and is releasing with this announcement the responses to the said questions.

If there are subsequent clarifications sought, or substantial and relevant questions/follow-up questions received after 6 April 2022, the Company will address these as soon as practicable via further announcement(s) on the SGXNet prior to the AGM or during the AGM itself.

## Questions

### 1. Can the Board update on the strategic plan for the Company going forward to add value to shareholders?

Sembcorp Marine will accelerate its transition to the renewables and clean energy segment to create long-term value and deliver stronger returns for its stakeholders.

The Group embarked on this strategic business transformation in 2015 to rebalance its product solutions portfolio by increasing its focus on renewables, cleaner energy and other green solutions. The Group's sustainable solutions segment constituted 30% of total revenue in 2021 and 43% of the Group's net order book as at end 2021. In the near term, with high oil & gas prices, the Group will continue to respond to increasing opportunities to offer offshore oil & gas production solutions. In the longer term, renewable energy and other cleaner and green solutions will increasingly account for a greater share of our order book and revenue.

To further this ambition, the Group is also in the final stages of negotiating a potential combination with Keppel Offshore and Marine (See Question 2 below).

The Group's immediate focus, however, is to complete its existing projects safely and on schedule.

Some key projects under execution by the Group include:

- Offshore hook-up and commissioning works for two substation topsides for Ørsted's 1.4GW Hornsea 2 Offshore Wind Farm;
- Design, construction, installation and commissioning of the offshore converter platform for RWE Renewables' Sofia Offshore Wind Farm;
- Construction and integration of hull, topsides and living quarters for the newbuild semi-submersible Floating Production Unit ("**FPU**") contracted by Shell for the Whale development project; and
- Design and construction of the remaining two battery-powered Ropax ferries for Norled

Going forward, a key priority is to replenish the Group's order book. The Group is committed to actively convert its pipeline of orders into firm contracts on a timely basis.

At end March 2022, Sembcorp Marine secured a contract from Maersk Supply Service for the construction of a Wind Turbine Installation Vessel ("**WTIV**") in full compliance to Jones Act. Based on the Group's in-house design in collaboration with the customer, the WTIV is capable of operating at a high level of efficiency and to handle the next generation of larger wind turbines.

The Group has commenced work on the Front-end Engineering Design contract awarded by Altera in September 2021 for the development of a Floating Production Storage and Offloading ("**FPSO**") facility for the Dorado FPSO project. The Group hopes to secure the engineering, procurement and construction contract for this project.

Negotiations are also in progress with the Brazilian Navy on the construction of the Antarctic Support Vessel “NapAnt”, which is part of the Brazil Navy Research Vessel Project, with a contract award expected in the first half of 2022.

The Group continues to actively pursue multiple projects and tender opportunities in the Renewable Energy and Gas Solutions segment, as well as the Process Solutions segment, including projects relating FPSO vessels, Floating Storage Offloading vessels and FPU's.

The Group's Repairs & Upgrades business has also secured advanced orders for the repair and upgrade of LNG carriers and cruise vessels. The Group is also working on active enquiries for offshore vessels upgrading projects.

In addition, the Group has continued to secure green technology retrofit solutions, including projects relating to ballast water management system and scrubber installations, and identified opportunities in sustainable repairs and upgrading, such as air lubrication systems and ammonia-based fuel solutions.

Underpinned by its operational and technology bench strengths, the Group is well-placed to support the global energy needs, premised on a low-carbon footprint with a balanced portfolio across offshore, marine and energy product solutions.

The Group will continue to further diversify its business portfolio and extend into new areas of renewable energy, electrification, gas value chain, ocean living, as well as carbon capture and storage solutions.

**2. Will there be a merger with Keppel Offshore & Marine? Will this target of a definitive agreement by 30 April 30 or in the first half 2022 be achieved?**

**How will the proposed merger create value for shareholders? How soon could the Combined Entity be expected to be profitable? What is the expected timeline to synergise the resources of the Combined Entity for current and/or future projects?**

In response to the profound changes in the global offshore & marine engineering and energy sectors in recent years, the objective of the Proposed Combination is to create a stronger Combined Entity, leveraging respective strengths to realise synergies and deliver sustainable value over the long term for shareholders.

The Proposed Combination aims to create a stronger player and accelerate the Combined Entity's transition to seize new and emerging opportunities in the renewable and clean energy sectors.

The Combined Entity would bring together the best talents, engineering skills, intellectual properties, and technical know-how from both companies. This will enable it to be better positioned to compete for larger contracts, whilst pursuing the synergies that can arise from the increased operational scale, broader geographical footprint and other enhanced capabilities.

Significant progress has been made on advancing the Proposed Combination, including mutual due diligence, the transaction structure, exchange ratio and other related matters.

Both parties are devoting considerable resources to progressing the Proposed Combination. However, more time and deliberation will be required to complete due diligence, reach mutual agreement on the transaction terms and finalise definitive legal documentation. Both parties are committed to continue with exclusive negotiations and are working towards a definitive agreement by 30 April 2022.

Further updates will be provided as soon as there are material developments.

For more information, please refer to the Company's announcement dated 31 March 2022.