

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF THAT JURISDICTION. THIS ANNOUNCEMENT SHALL NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO SUBSCRIBE FOR OR BUY SECURITIES IN ANY JURISDICTION, INCLUDING IN THE UNITED STATES. SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION OR AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT. THE SECURITIES DESCRIBED HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT.

SEMBCORP MARINE LTD

(Incorporated in the Republic of Singapore)
(Company Registration No.: 196300098Z)

ANNOUNCEMENT ON THE PROPOSED COMBINATION OF SEMBCORP MARINE LTD AND KEPPEL OFFSHORE & MARINE LTD

1. INTRODUCTION

- 1.1 Background.** We refer to the announcement by Sembcorp Marine Ltd (“**Sembcorp Marine**” or the “**Company**” and together with its subsidiaries, the “**Sembcorp Marine Group**”) on 24 June 2021 in relation to, *inter alia*, its entry into a non-binding Memorandum of Understanding (the “**MOU**”) with Keppel Corporation Limited (“**Keppel**”) to explore a potential combination of Sembcorp Marine and Keppel Offshore & Marine Ltd (“**Keppel O&M**”), a wholly-owned subsidiary of Keppel.
- 1.2 Combination Framework Agreement.** The board of directors of Sembcorp Marine is pleased to announce that Sembcorp Marine has today entered into a combination framework agreement (the “**Combination Framework Agreement**”) with the Combined Entity (as defined below) and Keppel (Sembcorp Marine, the Combined Entity and Keppel each, a “**Party**” and collectively, the “**Parties**”) pursuant to which the Parties have agreed to take certain steps to effect the Proposed Combination (as defined below) and to record their respective obligations relating to, *inter alia*, the implementation of the Proposed Combination. The Parties intend to achieve a combination of the businesses of Sembcorp Marine and Keppel O&M, such that Sembcorp Marine and Keppel O&M will be held as wholly-owned subsidiaries of the Combined Entity (the “**Proposed Combination**”).
- 1.3 The Asset Co Transaction.** On 24 June 2021, Keppel announced that as a separate but connected transaction relating to the Proposed Combination, Keppel had entered into a non-binding Memorandum of Understanding (the “**Keppel-Kyanite MOU**”) with Kyanite Investment Holdings Pte Ltd (“**Kyanite**”), an indirect wholly-owned subsidiary of Temasek Holdings (Private) Limited (“**Temasek**”), pursuant to which Keppel O&M would divest Keppel O&M’s legacy rig assets and associated receivables (the “**Asset Co Transaction**”) to a newly established asset holding company (“**Asset Co**”). Keppel, Keppel O&M, Asset Co and others have, on the date of this Announcement, also entered into the agreement for the Asset Co Transaction. It is intended that the Proposed Combination will be subject to and inter-conditional with the Asset Co Transaction taking place. Details of the Asset Co Transaction are set out in

the announcement issued today by Keppel in relation to the Proposed Combination (the “Keppel Announcement”)¹.

2. INFORMATION ON SEMBCORP MARINE

2.1 History. The Company is a public limited company incorporated in Singapore on 25 April 1963. The Company was officially listed on the Main Board of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 18 September 1987.

2.2 Business. The Sembcorp Marine Group provides innovative engineering solutions to the global offshore & marine (“O&M”) and energy industries, with an increasing focus on renewable and clean energy solutions. The principal activities of the Sembcorp Marine Group include:

2.2.1 Rigs & Floaters: this segment provides turnkey solutions for complex projects;

2.2.2 Repairs & Upgrades: this segment offers one-stop repair and upgrade solutions for all types of O&M vessels and structures;

2.2.3 Offshore Platforms: this segment provides design and construction solutions for a wide range of offshore platforms; and

2.2.4 Specialised Shipbuilding: this segment provides design and construction solutions for high performance specialised vessels.

2.3 Board. As at the date of this Announcement, the Board of Sembcorp Marine comprises the following:

Directors	Designation
Tan Sri Mohd Hassan Marican	Chairman and Non-Executive/Non-Independent Director
Yap Chee Keong	Deputy Chairman and Non-Executive/Independent Director
Wong Weng Sun	President & CEO and Executive/Non-Independent Director
Bob Tan Beng Hai	Non-Executive/Independent Director and Lead Independent Director
Gina Lee-Wan	Non-Executive/Independent Director
William Tan Seng Koon	Non-Executive/Independent Director
Patrick Daniel	Non-Executive/Independent Director
Tan Wah Yeow	Non-Executive/Independent Director
Koh Chiap Khiong	Non-Executive/Non-Independent Director

2.4 Share Capital. As at the date of this Announcement:

2.4.1 Sembcorp Marine has an issued and paid-up share capital of S\$4,088,002,197.10, comprising 31,389,105,375 issued ordinary shares in the capital of Sembcorp Marine

¹For the avoidance of doubt, any reference to the Keppel Announcement in this Announcement is not an incorporation by reference of the Keppel Announcement into this Announcement.

(the “**Sembcorp Marine Shares**”) (including 6,223 treasury shares). There is only one class of shares in the capital of Sembcorp Marine, comprising the Sembcorp Marine Shares. The Sembcorp Marine Shares are ordinary shares carrying equal ranking rights to dividends, voting at general meetings and return of capital; and

- 2.4.2** Sembcorp Marine does not have any other outstanding instruments convertible into, rights to subscribe for, and options in respect of, securities which carry voting rights affecting the Sembcorp Marine Shares. However, Sembcorp Marine will be awarding and delivering Sembcorp Marine Shares to the Non-Executive Directors of Sembcorp Marine (except Mr Koh Chiap Khiong) under the Sembcorp Marine Restricted Share Plan 2020 (the “**RSP2020**”) in connection with the payment of the Directors’ fees for the financial year ended 31 December 2021, as approved by the shareholders of Sembcorp Marine (the “**Sembcorp Marine Shareholders**”)².

3. INFORMATION ON KEPPEL O&M

- 3.1 History.** Keppel O&M is a company incorporated in Singapore on 6 February 1999 and is a direct wholly-owned subsidiary of Keppel.
- 3.2 Business.** The principal activities of KOM and its subsidiaries consist of offshore rig design, construction and repair, ship repair and conversion, and specialised shipbuilding.
- 3.3 Board.** As at the date of this Announcement, the Board of Keppel O&M comprises the following:

Directors	Designation
Loh Chin Hua	Chairman
Ong Leng Yeow	Chief Executive Officer
Lim Chin Leong	Member
Chan Hon Chew	Member
Pan Stephen Yue-Kuo	Member
Tan Ek Kia	Member
Chua Hsien Yang	Member
Tham Sai Choy	Member

- 3.4 Share Capital.** As at the date of this Announcement, Keppel O&M has an issued and paid-up share capital of S\$339,716,498, comprising 664,556,126 issued ordinary shares in the capital of Keppel O&M (the “**Keppel O&M Shares**”). Save for the above, based on the information provided to Sembcorp Marine, Keppel O&M does not have any other outstanding instruments convertible into, rights to subscribe for, and options in respect of, securities which carry voting rights affecting the Keppel O&M Shares.

²At the Annual General Meeting of Sembcorp Marine held on 23 April 2021, the Sembcorp Marine Shareholders approved the payment of an aggregate amount of S\$1,800,000 as directors’ fees for the non-executive directors of the Company for the year ending 31 December 2021. It was intended that the directors’ fees for the non-executive directors for year 2021 comprise a cash component and a share component, with up to 30 per cent. being delivered in the form of restricted share awards under the RSP2020. The share component of the directors’ fees for year 2021 is intended to be delivered after the 2022 Annual General Meeting (“**2022 AGM**”), which was held on 20 April 2022. The actual number of shares to be awarded to each non-executive director holding office at the time of the payment is intended to be determined by reference to the volume-weighted average price of a share on the SGX-ST over the 14 trading days immediately following the date of the 2022 AGM. The number of shares to be awarded will be rounded down to the nearest hundred and any residual balance will be settled in cash.

- 3.5 Pro forma Financial Information.** A summary of the pro forma consolidated financial information of Keppel O&M and its subsidiaries (assuming the Asset Co Transaction and the KOM Restructuring (as defined below) is completed) for the financial years ended 31 December 2019, 2020 and 2021 is set out in Appendix A of this Announcement.

4. INFORMATION ON THE COMBINED ENTITY

Bayberry Limited (the “**Combined Entity**”) is a company incorporated on 11 February 2022 with a share capital of S\$2.00, comprising two ordinary shares (the “**Combined Entity Shares**”). The Combined Entity will adopt a new name and brand identity to reflect its focus on offshore renewables, new energy and cleaner solutions in the O&M sector.

As at the date of this Announcement, the sole shareholder of the Combined Entity is Mr Yap Chee Keong, an authorised representative of Sembcorp Marine, and the directors of the Combined Entity are Mr Yap Chee Keong and Mrs Gina Lee-Wan. The composition of the Board of Directors and senior management of the Combined Entity will be disclosed ahead of the Sembcorp Marine EGM (as defined below) in the circular to Sembcorp Marine Shareholders in connection with the Proposed Combination (the “**Sembcorp Marine Circular**”)³.

5. CONSIDERATION

- 5.1** The Proposed Combination is based on a 50:50 enterprise value ratio between Keppel O&M and Sembcorp Marine. After taking into account the respective capital structures of the two companies, the S\$500 million cash that Keppel O&M will pay to Keppel immediately prior to the closing of the Proposed Combination, and other adjustments, the agreed equity value exchange ratio will result in Keppel and its shareholders owning such number of Combined Entity Shares (the “**Keppel O&M Consideration Shares**”) representing 56 per cent. of the total issued share capital of the Combined Entity immediately following the completion of the Proposed Combination (the “**Combined Entity Issued Share Capital**”) and Sembcorp Marine Shareholders owning such number of Combined Entity Shares representing 44 per cent. of the Combined Entity Issued Share Capital⁴. Based on 31,389,099,152 Sembcorp Marine Shares in issue (excluding 6,223 treasury shares) as at the date of this Announcement, 39,949,762,557 Keppel O&M Consideration Shares will be issued⁵.

- 5.2** The Keppel O&M Consideration Shares are to be issued at S\$0.122 per share (the “**Issue Price**”). The Issue Price is based on the volume-weighted average price (“**VWAP**”) of the Sembcorp Marine Shares for the last 10 trading days up to and including 26 April 2022, being the last trading day immediately prior to the signing of the Combination Framework Agreement. Based on 39,949,762,557 Keppel O&M Consideration Shares and the Issue Price, the aggregate consideration for the Keppel O&M Scheme (as defined below) is approximately S\$4.87 billion.

³If the Combined Entity proposes to enter into service contracts with any proposed director or members of the proposed senior management, details of such service contracts will also be set out in the Sembcorp Marine Circular.

⁴Upon completion of the Sembcorp Marine Scheme, Sembcorp Marine Shareholders will become Combined Entity Shareholders and they will hold the same proportion of Combined Entity Shares as they held in Sembcorp Marine Shares immediately prior to the completion of the Sembcorp Marine Scheme.

⁵The number of Keppel O&M Consideration Shares to be issued on the Closing Date will depend on the number of issued Sembcorp Marine Shares as at the Closing Date but such number of Keppel O&M Consideration Shares will in any case represent 56 per cent. of the issued share capital of the Combined Entity on a fully diluted basis post-completion of the Proposed Combination.

- 5.3** The enterprise value ratio and the equity value exchange ratio were determined after taking into account an assessment conducted by DBS Bank Ltd., which acted as the Joint Financial Advisor to Sembcorp Marine and Keppel O&M with respect to the relative ratios assessment of Sembcorp Marine and Keppel O&M. The relative ratios were based on a discounted cash flow methodology approach conducted by DBS Bank Ltd., as well as the extensive negotiations and due diligence by the parties.
- 5.4** In addition, the independent directors of Sembcorp Marine (the “**Sembcorp Marine Independent Directors**”) have separately engaged an independent valuer and an independent financial advisor in relation to the Proposed Combination (collectively, the “**Sembcorp Marine Independent Advisors**”). The reports of the Sembcorp Marine Independent Advisors will be presented to the Sembcorp Marine Shareholders when approvals are sought for the Proposed Combination.

6. RATIONALE FOR THE PROPOSED COMBINATION

The O&M sector has faced a prolonged and severe downturn since 2015, exacerbated by the rapid global transition towards renewables and clean energy, as well as significant disruptions during the COVID-19 pandemic. Amid this downturn, competition for a shrinking pool of projects has intensified, contributing to an increased level of debt across the industry and necessary equity issuances to strengthen financial positions. Additionally, many offshore players have sought consolidation to achieve the scale and synergies needed to become more competitive and build a sustainable order book.

Oil prices have rallied in recent months, and conditions in the O&M sector are improving. However, the long-term outlook for the O&M sector is shifting amid the energy transition. Growing commitments by governments and companies around the world seeking to achieve net zero carbon emissions are driving increasing demand for renewable and clean energy solutions. These include areas such as offshore wind, hydrogen and ammonia, in which both Keppel O&M and Sembcorp Marine have built their respective capabilities and track records in the past few years.

Creation of a Premier Global Player for the Green Energy and Renewables Solutions Markets

Against this backdrop, the Proposed Combination will create a premier global player with a deep engineering heritage to offer offshore renewables, new energy and cleaner solutions in the O&M sector, in the following areas:

- **Offshore Renewables:** Building on the existing wins to date to scale up the Combined Entity’s footprint in offshore wind energy, a sector that is expected to see global expenditures of S\$260 billion between 2021 and 2030⁶, with participation across the value chain, including substations and wind turbine installation vessels;
- **New Energy:** Making select early investments in new energy sources, such as hydrogen and ammonia, and in carbon capture technologies, with a view to building successful franchises in these areas for the decades ahead; and
- **Cleaner O&M solutions:** Contributing to energy production and resiliency by continuing to serve the demand for floating production systems, such as floating production storage and offloading (FPSO) units, and other offshore oil & gas solutions,

⁶ According to market research for 2021 to 2030 by a leading global management consultancy.

estimated to amount to a S\$290 billion opportunity in terms of market size⁶ above, through focusing on innovating and applying new technologies to reduce the carbon footprint of such structures.

Greater Synergies from Combined Operational Capabilities, Engineering Bench Strength and Track Record

The Combined Entity is envisaged to unlock synergies from the integration of two established industry players by:

- Leveraging the combined technical and engineering abilities, as well as in-house design and research and development know-how, to expand its suite of technological capabilities and to carry out a wider scope of work;
- Combining the respective track records of successful executions and deliveries, and reinforcing the Combined Entity's distinctive intellectual property and thought leadership in complex projects;
- Building a global footprint and integrating the operations in Singapore into a centre of excellence focused on high-value-added, specialised projects and modules; and
- Generating greater economies of scale and developing more rigorous project execution capabilities.

The Combined Entity will create greater value for all stakeholders. As a single organisation, the collective workforce will benefit from expanded opportunities for career development and growth in the areas of renewables, new energy and cleaner O&M solutions. It will also strengthen Singapore's position as both a maritime and offshore and marine hub.

7. THE COMBINATION FRAMEWORK AGREEMENT⁷

7.1 Summary of Key Steps for the Proposed Combination. Pursuant to the terms and conditions of the Combination Framework Agreement, the Proposed Combination is proposed to be effected as follows:

7.1.1 Internal Restructuring of Sembcorp Marine. Sembcorp Marine will undertake an internal restructuring exercise, which will involve inserting the Combined Entity as a new holding company of Sembcorp Marine. Accordingly, the Combined Entity has today entered into an implementation agreement with Sembcorp Marine (the "**Sembcorp Marine Implementation Agreement**") where, by way of a scheme of arrangement under the Companies Act 1967 of Singapore (the "**Companies Act**"), all the existing Sembcorp Marine Shares and the listing status of Sembcorp Marine will be transferred to the Combined Entity. Sembcorp Marine Shareholders will exchange their Sembcorp Marine Shares for shares in the Combined Entity (the "**Combined Entity Shares**") on a one-for-one basis (collectively, the "**Sembcorp Marine Scheme**"). Upon completion, Sembcorp Marine Shareholders will hold the same number of shares in the Combined Entity as they hold in Sembcorp Marine and Sembcorp Marine will become a wholly-owned subsidiary of the Combined Entity. Please refer to Appendix C of this Announcement for details of the Sembcorp Marine Scheme.

⁷For the purposes of this section, all capitalised terms used and not defined in this section or in this Announcement shall have the same meanings ascribed to them in the Combination Framework Agreement and all references to Clauses and Schedules refer to the clauses and schedules of the Combination Framework Agreement.

- 7.1.2 Asset Co Transaction and Keppel O&M Restructuring.** Prior to the completion of the Proposed Combination, Keppel will undertake the Asset Co Transaction whereby Keppel will sell Keppel O&M's legacy rigs and associated receivables to Asset Co. In addition, certain out-of-scope assets comprising mainly Keppel O&M's interests in Floatel International Ltd and Dyna-Mac Holdings Ltd will be retained by Keppel pursuant to a restructuring of Keppel O&M (the "**Keppel O&M Restructuring**") prior to the completion of the Proposed Combination. Immediately prior to the completion of the Proposed Combination, Keppel O&M will pay S\$500 million in cash to settle outstanding interest and make a partial redemption of certain perpetual securities previously issued to Keppel. Further details of the Asset Co Transaction and the Keppel O&M Restructuring are set out in the Keppel Announcement.
- 7.1.3 Merger of the Combined Entity with Keppel O&M through a scheme of arrangement.** The Combined Entity has today entered into an implementation agreement with Keppel O&M (the "**Keppel O&M Implementation Agreement**") pursuant to which through a scheme of arrangement under the Companies Act, the Combined Entity will combine with Keppel O&M by way of a transfer of the entire issued share capital of Keppel O&M from Keppel (the sole shareholder of Keppel O&M) in exchange for the Keppel O&M Consideration Shares issued to Keppel (and/or directly to shareholders of Keppel (the "**Keppel Shareholders**") pursuant to the Keppel Distribution (as defined below)) (the "**Keppel O&M Scheme**"). Please refer to Appendix D of this Announcement for details of the Keppel O&M Scheme.
- 7.1.4 Distribution in Specie by Keppel.** Prior to completion of the Keppel O&M Scheme, Keppel will seek approval from the Keppel Shareholders for Keppel to distribute in-specie the Keppel O&M Consideration Shares (less the Retained Stake (as defined below)) to Keppel Shareholders (the "**Keppel Distribution**"). Subject to approval by the Keppel Shareholders of the Keppel Distribution, the Keppel O&M Consideration Shares (less the Retained Stake) are envisaged to be distributed by the Combined Entity on issuance to Keppel Shareholders. Details of the Keppel Distribution are set out in the Keppel Announcement.

Upon completion of the above steps, Keppel O&M and Sembcorp Marine will be wholly-owned subsidiaries of the Combined Entity and Sembcorp Marine Shareholders, Keppel and Keppel Shareholders will be shareholders of the Combined Entity. Following the Keppel Distribution, Temasek will hold 33.5 per cent. and be the largest shareholder of the Combined Entity.⁸

7.2 Conditions to Proposed Combination.

7.2.1 Conditions. The completion of the Proposed Combination is conditional upon the satisfaction (or, where applicable, the waiver) of the conditions precedent set out in Appendix B to this Announcement (the "**Proposed Combination Conditions**").

7.2.2 Benefit of Proposed Combination Conditions.

⁸Based on 17,131,025,958 SembCorp Marine Shares held by Startree, an indirect wholly-owned subsidiary of Temasek, and 371,408,292 Keppel shares held directly by Temasek as at the date of this Announcement. This figure excludes interests held by Temasek's independently-managed portfolio companies.

- (i) **Sembcorp Marine's Benefit:** The Conditions in paragraph 9 (in relation to the KCL Warranties) and paragraph 11 (in relation to there being no KOM Material Adverse Change) of Appendix B are for the benefit of Sembcorp Marine only and may only be waived by Sembcorp Marine alone. The non-fulfilment of any of these Conditions may be relied upon only by Sembcorp Marine. Sembcorp Marine may at any time and from time to time at its sole and absolute discretion waive any such non-fulfilment.
- (ii) **Keppel's Benefit:** The Conditions in paragraph 8 (in relation to the SCM Warranties) and paragraph 10 (in relation to there being no SCM Material Adverse Change) of Appendix B are for the benefit of Keppel only and may only be waived by Keppel alone. The non-fulfilment of any of these Conditions may be relied upon only by Keppel. Keppel may at any time and from time to time at its sole and absolute discretion waive any such non-fulfilment.
- (iii) **Mutual Benefit:** The Conditions in paragraphs 1 to 7 of Appendix B are for the benefit of both Parties and the non-fulfilment of any of these Conditions is not capable of being waived by either Party or both Parties.

7.3 Termination.

7.3.1 **Right to Terminate.** The Combination Framework Agreement may be terminated in the following circumstances:

- (i) **Regulatory Action:** by either Party at any time on or prior to the Closing Date, if any court of competent jurisdiction or Governmental Authority has issued an order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Proposed Combination or any part thereof or the satisfaction of any Condition to the Proposed Combination, or has refused to do anything necessary to permit the Proposed Combination or any part thereof or the satisfaction of any Condition to the Proposed Combination and such order, decree, ruling, other action or refusal has become final and non-appealable (excluding for the avoidance of doubt, if the KOM Scheme Court Sanction is not granted in which case paragraph 1.2 of Appendix D shall apply);
- (ii) **Breach or Prescribed Occurrence:** either:
 - (a) by Sembcorp Marine any time on or prior to the Closing Date if (a) Keppel is in breach of any of the KCL Warranties (other than the KCL Warranty in paragraph 3.2 of Schedule 4) which, whether singly or collectively with other breaches of any other KCL Warranty (other than the KCL Warranty in paragraph 3.2 of Schedule 4) or a KOM Prescribed Occurrence, has a Material Adverse Effect on the Restructured KOM or (b) a KOM Prescribed Occurrence has occurred which, whether singly or collectively with other KOM Prescribed Occurrences or a breach of any KCL Warranty (other than the KCL Warranty in paragraph 3.2 of Schedule 4), has a Material Adverse Effect on the Restructured KOM, and Keppel fails to remedy such

breach (if capable of remedy) within 30 days after being given notice by Sembcorp Marine to do so;

- (b) by Keppel any time on or prior to the Closing Date, if (a) Sembcorp Marine or the Combined Entity is in breach of any of the SCM Warranties (other than the SCM Warranty in paragraph 3.2 of Schedule 3) which, whether singly or collectively with other breaches of any other SCM Warranty (other than the SCM Warranty in paragraph 3.2 of Schedule 3) or a SCM Prescribed Occurrence, has a Material Adverse Effect on Sembcorp Marine or (b) an SCM Prescribed Occurrence has occurred which, whether singly or collectively with other SCM Prescribed Occurrences or a breach of any SCM Warranty (other than the SCM Warranty in paragraph 3.2 of Schedule 3), has a Material Adverse Effect on Sembcorp Marine, and Sembcorp Marine or the Combined Entity fails to remedy such breach (if capable of remedy) within 30 days after being given notice by Keppel to do so;

- (iii) **SCM Material Adverse Change:** by Keppel prior to the date of the Sembcorp Marine Scheme Meeting or Keppel EGM (whichever is later), if there has been an SCM Material Adverse Change as set out in paragraph 10 of Schedule 2 or if there is a breach of the SCM Warranty in paragraph 3.2 of Schedule 3 which (whether singly or collectively with other breaches of any other SCM Warranty or a SCM Prescribed Occurrence) has a Material Adverse Effect on Sembcorp Marine;

- (iv) **KOM Material Adverse Change:** by Sembcorp Marine prior to the date of the Sembcorp Marine Scheme Meeting or Keppel EGM (whichever is later), if there has been a KOM Material Adverse Change as set out in paragraph 11 of Schedule 2 or if there is a breach of the KCL Warranty in paragraph 3.2 of Schedule 4 which (whether singly or collectively with other breaches of any other KCL Warranty or a KOM Prescribed Occurrence) has a Material Adverse Effect on the Restructured KOM;

- (v) **Shareholders' Approval:** by either Party at any time on or prior to the Closing Date, if:
 - (a) the resolutions in respect of the Sembcorp Marine Scheme are not approved (without amendment) by the requisite majority of the SCM Scheme Shareholders at the SCM Scheme Meeting;

 - (b) the resolution in respect of the KOM Combination by the Combined Entity is not approved (without amendment) by the requisite majority of the SCM Shareholders at a general meeting of SCM (the "**SCM EGM**"); or

 - (c) the resolutions in respect of the Proposed Combination, the Asset Co Transaction or the KCL Distribution are not approved (without amendment) by the requisite majority of the KCL Shareholders at a general meeting of KCL (the "**KCL EGM**");

7.3.2 Non-fulfilment of Conditions. Notwithstanding anything contained in the Combination Framework Agreement, the Combination Framework Agreement shall terminate if any of the Conditions has not been satisfied (or, where applicable, has not been waived) by, the Long-Stop Date, provided that:

- (i) the non-fulfilment of the Condition in paragraph 8 of Schedule 2 (in relation to the SCM Warranties) shall not terminate the Combination Framework Agreement unless non-fulfilment has or would reasonably be expected to have a Material Adverse Effect on SCM; and
- (ii) the non-fulfilment of the Condition in paragraph 9 of Schedule 2 (in relation to the KCL Warranties) shall not terminate the Combination Framework Agreement unless non-fulfilment results in or would reasonably be expected to have a Material Adverse Effect on the Restructured KOM.

7.3.3 Effect of Termination: In the event of termination of the Combination Framework Agreement pursuant to Clause 7:

- (i) the Combination Framework Agreement (other than the Surviving Provisions which shall survive termination of the Combination Framework Agreement) shall cease to have any further force or effect as between the Parties;
- (ii) the Parties shall be released and discharged from their respective obligations under the Combination Framework Agreement; and
- (iii) no Party shall have any claim against the other Parties under the Combination Framework Agreement, save in respect of the Surviving Provisions.

7.4 Retained Keppel O&M Consideration Shares

Keppel will retain such number of Keppel O&M Consideration Shares which is equal to 10 per cent. of the Combined Entity Shares on a fully diluted basis post-completion of the Proposed Combination (the “**Retained Stake**”). The Retained Stake will be placed in a segregated account to fund claims by the Combined Entity, if any, relating to certain identified contingent liabilities for a period of up to 48 months from the completion of the Proposed Combination. This segregated account will be managed by an independent third party who will have authority to monetise the Retained Stake based on pre-defined parameters.

The Combined Entity has agreed to indemnify Keppel for claims, if any, in respect of certain identified contingent liabilities for a period of up to 24 months from the completion of the Proposed Combination.

7.5 Restrictions on Conduct of Business

Subject to the completion of the Proposed Combination occurring, Keppel has undertaken to Sembcorp Marine and the Combined Entity that it shall not for three years following the completion of the Proposed Combination, directly or indirectly carry on any of the following businesses:

- provision of design, engineering, procurement, construction (including full EPC or EPCIC), installation and/or commissioning of all vessels, rigs, platforms, modules and structures for use nearshore or offshore;
- repair, upgrades, conversion of all vessel types, rigs, platforms, or units and structures for use nearshore or offshore;
- shipyard operations and the provision of ancillary services to shipyards generally,

provided that Keppel is not prohibited from any development, design, engineering procurement, operation and maintenance, and/or investment in near-shore infrastructure, such as near-shore power solutions, waste-to-energy, water treatment and desalination plants, data centres, floating cities and coastal defence.

In addition, under the terms of the Proposed Combination, Keppel has also agreed to non-solicit undertakings relating to certain identified customers, suppliers and employees.

8. CHAPTER 10 OF THE LISTING MANUAL

8.1 Background on Chapter 10.

8.1.1 Chapter 10 of the listing manual of the SGX-ST (the "**Listing Manual**") governs the continuing listing obligations of issuers in respect of acquisitions and disposals. Such transactions are classified into the following categories:

- (i) non-disclosable transactions;
- (ii) disclosable transactions;
- (iii) major transactions; and
- (iv) very substantial acquisitions or reverse takeovers.

8.1.2 A transaction may fall into any of the categories set out above depending on the size of the relative figures computed on the following bases of comparison, as set out in Rule 1006 of the Listing Manual:

- (i) the net asset value ("**NAV**") of the assets to be disposed of, compared with the group's NAV. This basis is not applicable to an acquisition of assets;
- (ii) the net profits attributable to the assets acquired or disposed of, compared with the group's net profits;
- (iii) the aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares;
- (iv) the number of equity securities issued by the issuer as consideration for the acquisition, compared with the number of equity securities previously in issue; and

- (v) the aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves.

8.1.3 Where any of the relative figures computed on the bases set out above exceeds 100 per cent., the transaction is classified as a "very substantial acquisition" or "reverse takeover" respectively under Rule 1015 of the Listing Manual.

8.2 **The Proposed Combination.** The applicable relative figures for the Proposed Combination computed on the bases set out in Rule 1006 are set out below.

Rule 1006	Bases	Keppel O&M pro forma (\$ million)	Sembcorp Marine Group (\$ million)	Relative Figures (%)
(a)	Net asset value of the assets to be disposed of, compared with Sembcorp Marine's NAV	Not applicable as the Proposed Combination does not relate to a disposal of assets.		
(b)	Net profits/loss attributable to the assets to be acquired, compared with Sembcorp Marine's net profits/loss ⁽¹⁾	(156)	(1,255)	n.m.
(c)	Aggregate value of the consideration, compared with Sembcorp Marine's market capitalisation ⁽²⁾	4,874	3,829	127
(d)	Number of equity securities to be issued as consideration compared with the number of equity securities previously in issue ⁽³⁾	39,950 ⁽⁴⁾	31,389 ⁽⁵⁾	127

Notes:

- (1) "Net Profits" refers to profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests. Figures are as of the financial year ended 31 December 2021.
- (2) The market capitalisation of Sembcorp Marine was computed on the basis of 31,389,099,152 shares and the Issue Price. If the market capitalisation was computed based on the weighted average price of S\$0.127 per Sembcorp Marine Share on the market day preceding the date of the of the Combination Framework Agreement, the relative figure would still exceed 100 per cent.
- (3) The Keppel O&M Consideration Shares are to be issued by the Combined Entity. Since the capital structure of the Combined Entity on the completion of the Sembcorp Marine Scheme will replicate the capital structure of Sembcorp Marine (as it is based on a one Combined Entity Share for one Sembcorp Marine Share exchange), for the purposes of Rule 1006(d), the number of equity securities to be issued as consideration and the number of equity securities previously in issue is based on Sembcorp Marine Shares.
- (4) Based on 31,389,099,152 Sembcorp Marine Shares in issue (excluding 6,223 treasury shares) as at the date of this Announcement.
- (5) Excluding 6,223 treasury shares.

8.3 **Relative Figures.** Based on the above, the Proposed Combination is a "very substantial acquisition" under Chapter 10 of the Listing Manual and is therefore subject to the approval of the Sembcorp Marine Shareholders and approval from the SGX-ST.

The Proposed Combination is not expected to be treated as a reverse takeover as there will be no change in shareholding control of Sembcorp Marine. Following the completion of the Proposed Combination and based on the shareholding of Sembcorp Marine and Keppel as at the date of this Announcement, Temasek will remain the single largest shareholder of the Combined Entity holding 33.5 per cent. of the Combined Entity⁹ and it is expected that no other single shareholder will hold more than 15 per cent. of the issued share capital of the Combined Entity. Further details of the resultant shareholding of the Combined Entity will be set out in the Sembcorp Marine Circular.

9. ILLUSTRATIVE FINANCIAL EFFECTS

9.1 For illustrative purposes only, the financial effects of the Proposed Combination on the (a) net tangible asset (“**NTA**”) per share of Sembcorp Marine and (b) earnings per share (“**EPS**”) of Sembcorp Marine, based on:

- 9.1.1** the audited consolidated financial statements of Sembcorp Marine for the financial year ended 31 December 2021, being the most recently completed financial year for which audited financial statements of Sembcorp Marine are available as at the date of this Announcement;
- 9.1.2** the pro forma consolidated financial statements of Keppel O&M¹⁰ for the financial year ended 31 December 2021, being the most recently completed financial year for which pro forma financial statements of Keppel O&M are available as at the date of this Announcement;
- 9.1.3** information obtained during the course of due diligence;
- 9.1.4** the S\$500 million financing reflected in the balance sheet of Keppel O&M for which the proceeds will be used to settle outstanding interest and make partial redemption of certain perpetual securities previously issued; and
- 9.1.5** the issuance of 39,949,762,557 Keppel O&M Consideration Shares¹¹.

9.2 In this regard, the said illustrative financial effects have been prepared on the following assumptions:

- 9.2.1** the Keppel O&M Consideration Shares are to be issued by the Combined Entity. Since the capital structure of the Combined Entity on the completion of the Sembcorp Marine Scheme will replicate the capital structure of Sembcorp Marine (as it is based on a one Combined Entity Share for one Sembcorp Marine Share exchange), the number of shares before the Proposed Combination was based on the total number of Sembcorp Marine Shares outstanding (excluding treasury shares) as of 31 December 2021;

⁹Based on 17,131,025,958 SembCorp Marine Shares held by Startree, an indirect wholly-owned subsidiary of Temasek, and 371,408,292 Keppel shares held directly by Temasek as at the date of this Announcement. This figure excludes interests held by Temasek’s independently-managed portfolio companies.

¹⁰ Assuming the Asset Co Transaction and the KOM Restructuring is completed.

¹¹The number of Keppel O&M Consideration Shares to be issued on the Closing Date will depend on the number of issued Sembcorp Marine Shares as at the Closing Date but such number of Keppel O&M Consideration Shares will in any case represent 56 per cent. of the issued share capital of the Combined Entity on a fully diluted basis post-completion of the Proposed Combination.

9.2.2 in the calculation of the consolidated NTA after the Proposed Combination, subject to determining the fair value of Keppel O&M post-completion, the pro forma net tangible asset value of Keppel O&M as of 31 December 2021 is used; and

9.2.3 Sembcorp Marine is the accounting acquiror solely for the purposes of illustrating the financial effects after the Proposed Combination.

9.3 NTA per share (Full Year 2021). The pro forma financial effects of the consolidated NTA per share of Sembcorp Marine as at 31 December 2021, assuming the Proposed Combination had been effected on 31 December 2021, are as follows:

	Before the Proposed Combination	After the Proposed Combination
NTA (S\$ million)	3,803	4,662
Number of issued Sembcorp Marine Shares (excluding treasury shares) ('000)	31,389,099	71,338,862
NTA per share (S\$)	0.12	0.07

Notes:

- (1) NTA is calculated as Total Assets - Intangible Assets - Total Liabilities - Non-Controlling Interest.
- (2) Number of issued shares before the Proposed Combination is based on Sembcorp Marine Shares outstanding as of 31 December 2021. The number of shares to be issued as part of the Proposed Combination, resulting in the number of issued shares after the Proposed Combination, is based on the exchange ratio.
- (3) As of date of this Announcement, the number of Keppel O&M Consideration Shares to be issued is 39,949,762,557. The number of Keppel O&M Consideration Shares to be issued will depend on the number of Sembcorp Marine Shares in issue (excluding treasury shares) as at the Closing Date but such number of Keppel O&M Consideration Shares will in any case represent 56 per cent. of the issued share capital of the Combined Entity on a fully diluted basis post-completion of the Proposed Combination.

9.4 EPS (Full Year 2021). The pro forma financial effects on the consolidated EPS of Sembcorp Marine as at 31 December 2021, assuming the Proposed Combination had been effected on 1 January 2021, are as follows:

	Before the Proposed Combination	After the Proposed Combination
Net loss attributable to Sembcorp Marine Shareholders (S\$ million)	(1,171)	(1,277)
Weighted average number of issued Sembcorp Marine Shares (excluding treasury shares) ('000)	18,033,907	57,983,670
Loss per share (Singapore cents)	(6.49)	(2.20)

Notes:

- (1) Net loss from Keppel O&M includes both net loss attributable to equity holders of the company and holders of perpetual securities.
- (2) Weighted average number of issued shares before the Proposed Combination is based on Sembcorp Marine's weighted average number of issued shares for the year ended 31 December 2021. The number of shares to be issued as part of the Proposed Combination, resulting in the weighted average issued shares after the Proposed Combination, is based on the exchange ratio.
- (3) As of date of this Announcement, the number of Keppel O&M Consideration Shares to be issued is 39,949,762,557. The number of Keppel O&M Consideration Shares to be issued will depend on the number of issued Sembcorp Marine Shares as at the Closing Date but such number of Keppel O&M Consideration Shares will in any case represent 56 per cent. of the issued share capital of the Combined Entity on a fully diluted basis post-completion of the Proposed Combination.
- (4) The number of issued Sembcorp Marine Shares increased in 2021 due to the issue of 18,833,459,491 new Sembcorp Marine Shares in September 2021 pursuant to the rights issue undertaken by Sembcorp Marine.

- 9.5 For illustrative purposes only**, certain pro forma financial information of the Combined Entity as of 31 December 2021 assuming the Proposed Combination had been effected on 1 January 2021 for revenue, and on 31 December 2021 for net order book and gearing, is set out below:

	Sembcorp Marine	Keppel O&M pro forma	Combined Entity⁽¹⁾
Net Order Book (S\$ billion)⁽²⁾	1.3	5.1	6.4
Revenue (S\$ million)⁽³⁾⁽⁴⁾	1,862	2,013	3,875
Gearing⁽⁵⁾	33%	17%	22%

Notes:

- (1) Information on the Combined Entity has been computed as the aggregate of the information on Sembcorp Marine and Keppel O&M pro forma.
- (2) Net order book of Sembcorp Marine and Keppel O&M are as of 31 December 2021, based on public disclosures. The Combined Entity will have more than 50 projects as part of the net order book as of 31 December 2021.
- (3) Information on the revenue is based on the audited financial information of Sembcorp Marine for the financial year ended 31 December 2021.
- (4) Information on the revenue of Keppel O&M is based on the pro forma financial information of Keppel O&M for the financial year ended 31 December 2021.
- (5) Assumes the Proposed Combination had been effected on 31 December 2021. Gearing is calculated as Total Debt (excluding Lease Liabilities) / Total Assets as at 31 December 2021

10. EXTRAORDINARY GENERAL MEETING AND SEMBCORP MARINE CIRCULAR

- 10.1 Sembcorp Marine EGM.** An extraordinary general meeting (the “**Sembcorp Marine EGM**“) will be convened to seek the approval of the Sembcorp Marine Shareholders for, *inter alia*:

10.1.1 the Sembcorp Marine Scheme;

10.1.2 the Proposed Combination via the Keppel O&M Scheme (or Keppel O&M Share Transfer (as defined in Appendix D), as the case may be)¹²; and

10.1.3 the issuance of the Keppel O&M Consideration Shares in connection with the Keppel O&M Scheme (or Keppel O&M Share Transfer, as the case may be).

The Sembcorp Marine Circular containing, *inter alia*, details thereof and enclosing the notice of the Sembcorp Marine EGM in connection therewith, will be despatched to the Sembcorp Marine Shareholders in due course.

- 10.2 Sembcorp Marine Scheme to proceed if approved. Sembcorp Marine Shareholders should note that the Sembcorp Marine Scheme is NOT conditional on the Keppel O&M Scheme. In the event that the requisite approval for the Sembcorp Marine Scheme is obtained, the Sembcorp Marine Scheme will proceed even if the Keppel O&M Scheme does not proceed. In such event, upon completion of the Sembcorp Marine Scheme, Sembcorp Marine will be delisted from SGX-ST and the Combined Entity will be listed on the Mainboard of the SGX-ST. Sembcorp Marine will become a wholly-owned subsidiary**

¹²Upon completion of the Sembcorp Marine Scheme, Sembcorp Marine Shareholders will become Combined Entity Shareholders and they will hold the same proportion of Combined Entity Shares as they held in Sembcorp Marine Shares immediately prior to the completion of the Sembcorp Marine Scheme. As the Keppel O&M Scheme is intended to be completed concurrently with the Sembcorp Marine Scheme, the approval of the Sembcorp Marine Shareholders for the Keppel O&M Scheme (or Keppel O&M Share Transfer) and the issue of the Keppel O&M Consideration Shares is being sought at the same Sembcorp Marine EGM as the Sembcorp Marine Scheme, so as to avoid any delay in the execution timeline. Further details will be set out in the Sembcorp Marine Circular.

of the Combined Entity. Sembcorp Marine Shares held by Sembcorp Marine Shareholders will be exchanged for the Combined Entity Shares, which will be tradeable on the SGX-ST.

11. ABSTENTION FROM VOTING BY TEMASEK

11.1 **Temasek's shareholding.** As at the date of this Announcement, Temasek has:

11.1.1 a direct interest in approximately 20.63 per cent. of the issued share capital of Keppel¹³; and

11.1.2 through its indirect wholly-owned subsidiary, Startree Investments Pte. Ltd. ("**Startree**"), an interest in approximately 54.58 per cent. of the issued share capital of Sembcorp Marine¹⁴.

11.2 **Abstention from voting.** Startree, being the relevant Temasek entity holding Sembcorp Marine Shares will abstain from voting on all resolutions relating to the Proposed Combination at the Sembcorp Marine EGM, including the resolutions relating to the matters set out in paragraph 10.1 above.

12. DISCLOSURE OF INTERESTS

As of the date of this Announcement, the interests in Sembcorp Marine Shares held by directors of Sembcorp Marine are set out in Appendix E.

13. FINANCIAL ADVISORS

13.1 **Financial Advisor to Sembcorp Marine.** Credit Suisse (Singapore) Limited is the financial adviser to Sembcorp Marine in respect of the Proposed Combination.

13.2 **Joint Financial Advisor to Sembcorp Marine and Keppel O&M.** DBS Bank Ltd. has been appointed as the Joint Financial Advisor to Sembcorp Marine and Keppel O&M with respect to the relative ratios assessment of Sembcorp Marine and Keppel O&M.

13.3 **IFA to Sembcorp Marine Independent Directors.** Provenance Capital Pte. Ltd. has been appointed as the independent financial adviser (the "**IFA**") to advise the Sembcorp Marine Independent Directors for the purposes of making a recommendation to the Sembcorp Marine Shareholders in connection with the Proposed Combination.

13.4 **Independent Valuer to Sembcorp Marine Independent Directors.** Deloitte & Touche Financial Advisory Services Pte. Ltd. has been appointed as the independent valuer (the "**IV**") to advise the Sembcorp Marine Independent Directors for the purposes of making a

¹³ As at the date of this Announcement, Temasek holds a direct interest in 371,408,292 ordinary shares in the issued and paid-up capital of the Keppel. This excludes interests held by Temasek's independently-managed portfolio companies.

¹⁴ As at the date of this Announcement, Temasek holds through its indirect wholly-owned subsidiary, Startree, approximately 54.58 per cent. of the issued share capital of Sembcorp Marine. Upon completion of the Sembcorp Marine Scheme, Startree will therefore hold approximately 54.58 per cent. of the issued share capital of the Combined Entity. This excludes interests held by Temasek's independently-managed portfolio companies.

recommendation to the Sembcorp Marine Shareholders in connection with the Proposed Combination.

14. ACTION BY SHAREHOLDERS

14.1 Sembcorp Marine Shareholders are advised to refrain from taking any action in relation to their Sembcorp Marine Shares which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations of the Sembcorp Marine Independent Directors on the Proposed Combination as well as the views of the IFA and the IV to be set out in the Sembcorp Marine Circular.

14.2 Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

15. OVERSEAS SHAREHOLDERS

15.1 The applicability of the Sembcorp Marine Scheme to Sembcorp Marine Shareholders whose addresses are outside Singapore, as shown on the Register of Members of Sembcorp Marine in the records of The Central Depository (Pte) Limited (such Sembcorp Marine Shareholders, the “**Sembcorp Marine Overseas Shareholders**”) may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Sembcorp Marine Overseas Shareholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions.

15.2 Where there are potential restrictions on sending the Sembcorp Marine Circular to any overseas jurisdiction, Sembcorp Marine and the Combined Entity reserve the right not to send such document to the Sembcorp Marine Overseas Shareholders in such overseas jurisdiction. For the avoidance of doubt, the Sembcorp Marine Scheme is being proposed to all Sembcorp Marine Shareholders (including the Sembcorp Marine Overseas Shareholders), including those to whom the Sembcorp Marine Circular will not be, or may not be, sent, provided that the Sembcorp Marine Circular does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful and the Sembcorp Marine Scheme is not being proposed or made in any jurisdiction in which the introduction or implementation of the Sembcorp Marine Scheme would not be in compliance with the laws of such jurisdiction.

15.3 Further, where the directors of Sembcorp Marine are of the view that the issuance of the Combined Entity Shares to any Sembcorp Marine Overseas Shareholders pursuant to the Sembcorp Marine Scheme may infringe any relevant foreign law or may necessitate compliance with conditions or requirements which they, in their sole discretion, regard as onerous by reason of costs, delay or otherwise, the Combined Entity Shares which such Sembcorp Marine Overseas Shareholders would have been entitled to pursuant to the Sembcorp Marine Scheme (the “**Sembcorp Marine Overseas Shareholders’ Entitlement**”) will not be issued to such Sembcorp Marine Overseas Shareholders. Instead, the Sembcorp Marine Overseas Shareholders’ Entitlement shall be transferred to such person(s) as the directors of Sembcorp Marine may appoint, to sell the Combined Entity Shares and thereafter to distribute the net proceeds proportionately among such Sembcorp Marine Overseas Shareholders. Further details in relation to Sembcorp Marine Overseas Shareholders will be contained in the Sembcorp Marine Circular.

16. DOCUMENTS FOR INSPECTION

16.1 A copy of the following documents will be made available for inspection during normal business hours at the office of Sembcorp Marine at 80 Tuas South Boulevard, Singapore 637051, from the date of this Announcement until the date falling three months thereafter:

16.1.1 the Combination Framework Agreement;

16.1.2 the Sembcorp Marine Implementation Agreement; and

16.1.3 the Keppel O&M Implementation Agreement.

17. FURTHER ANNOUNCEMENTS

Sembcorp Marine will make further announcements, in compliance with the requirements of the Listing Manual, as and when there are material developments in respect of the Proposed Combination, the Sembcorp Marine Scheme, the Keppel O&M Scheme and/or other matters contemplated by this Announcement.

18. RESPONSIBILITY STATEMENT

The directors of Sembcorp Marine (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Announcement are fair and accurate and that there are no other material facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading. The directors of Sembcorp Marine jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, for the avoidance of doubt, the Keppel Announcement), the sole responsibility of the directors of Sembcorp Marine has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

Appendix A
KEPPEL O&M PRO FORMA FINANCIAL INFORMATION

Profit or Loss for the year ended 31 December (S\$'000)	FY19	FY20	FY21
Revenue	1,673,843	1,384,267	2,013,279
Raw materials and consumables used	(485,534)	(479,153)	(834,254)
Contract labour and subcontractors' costs	(410,593)	(435,887)	(673,520)
Staff costs	(533,581)	(503,629)	(443,375)
Depreciation and amortisation	(112,085)	(108,756)	(106,374)
Other operating income/(expenses) - net	(54,992)	(84,739)	(92,594)
Impairment on financial assets and contract assets	(9,108)	(17,587)	(18,233)
Dividend income	4,988	3,449	6,091
Interest income	41,006	34,096	22,068
Interest expense	(33,096)	(33,256)	(36,783)
Share of results of associated companies and joint ventures	(4,661)	(8,374)	8,135
Profit/(Loss) before taxation	76,187	(249,569)	(155,561)
Taxation	30,085	92,783	47,654
Profit/(Loss) for the year	106,272	(156,786)	(107,907)
Profit/(Loss) attributable to:			
Equity holders of the Company	14,068	(249,359)	(208,206)
Holders of perpetual securities	92,784	97,277	101,434
Non-controlling interests	(580)	(4,704)	(1,135)
Profit/(Loss) for the year	106,272	(156,786)	(107,907)

Balance Sheet as at 31 December (\$'000)	2019	2020	2021
ASSETS			
Current assets			
Cash and cash equivalents	499,646	564,866	466,402
Trade debtors	803,337	799,546	117,457
Other debtors, deposits and prepayments	190,052	191,337	129,406
Stocks	169,840	178,013	318,611
Contract assets	632,113	738,146	1,111,031
Amounts due from related companies	50,340	94,111	103,473
Financial assets, at FVOCI	27,821	10,802	2,873
Derivative assets	16,241	21,547	9,289
Tax recoverable	16,084	51,980	64,580
Assets classified as held for sale	-	-	168,434
Total current assets	2,405,474	2,650,348	2,491,556
Non-current assets			
Trade debtors	-	-	-
Other debtors, deposits and prepayments	8,020	6,007	2,701
Amounts due from related companies	23,224	39,719	27,432
Financial assets, at FVOCI	28,857	24,305	28,120
Financial assets, at FVPL	56,558	49,194	48,098
Other assets	17,753	18,039	17,900
Derivative assets	9,500	4,260	3,193
Property, plant and equipment	1,288,908	1,218,358	1,093,588
Right-of-use assets	351,910	325,318	237,728
Associated companies	206,769	180,461	171,630
Joint ventures	87,808	84,077	28,901
Intangible assets	68,754	43,675	43,236
Deferred taxation	74,115	119,109	135,089
Total non-current assets	2,222,176	2,112,522	1,837,616
Total assets	4,627,650	4,762,870	4,329,172
LIABILITIES			
Current liabilities			
Trade and other creditors	2,079,681	1,870,416	1,899,140
Contract liabilities	663,590	822,923	289,639
Provision for warranty	29,475	24,609	16,942
Amounts due to Kephinace	-	-	-
Amounts due to related companies	89,634	46,737	73,602
Derivative liabilities	3,160	3,537	5,668
Borrowings	206,888	243,715	146,392
Lease Liabilities	39,286	37,865	35,021
Provision for taxation	22,790	8,584	16,920
Total current liabilities	3,134,504	3,058,386	2,483,324
Non-current liabilities			
Borrowings	145,769	87,305	584,015
Lease Liabilities	365,086	337,112	283,748
Amounts due to Kephinace	-	-	-
Amount due to related companies	-	-	-
Deferred taxation	49,814	45,940	44,190
Deferred liabilities	1,027	919	751
Derivative liabilities	2,147	399	1,397
Accrued expenses	77,766	6,503	6,512
Total non-current liabilities	641,609	478,178	920,613
Total liabilities	3,776,113	3,536,564	3,403,937
Net Assets	851,537	1,226,306	925,235
Capital and reserves			
Share capital	2,471,459	2,568,736	2,104,085
Capital reserves	2,230	(47,127)	(38,238)
Perpetual securities	-	-	-
Foreign exchange translation reserve	(136,618)	(156,562)	(163,848)
Retained profits	524,506	(766,356)	(974,944)
Equity attributable to equity holders of the Company	2,861,577	1,598,691	927,055
Non-controlling interests	37,671	22,873	22,819
Total Equity	2,899,248	1,621,564	949,874
Merge Co impact to equity	2,047,711	395,258	24,639

Appendix B

PROPOSED COMBINATION CONDITIONS

All capitalised terms used and not defined in this Appendix B or this Announcement shall have the same meanings given to them in the Combination Framework Agreement, a copy of which is available for inspection during normal business hours at the registered office of Sembcorp Marine from the date of this Announcement until the date falling three months thereafter.

Sembcorp Marine Shareholders should note that the Sembcorp Marine Scheme is NOT conditional on the Keppel O&M Scheme. In the event that the requisite approval for the Sembcorp Marine Scheme is obtained, the Sembcorp Marine Scheme will proceed even if the Keppel O&M Scheme does not proceed. In such event, upon completion of the Sembcorp Marine Scheme, Sembcorp Marine will be delisted from SGX-ST and the Combined Entity will be listed on the Mainboard of the SGX-ST. Sembcorp Marine will become a wholly-owned subsidiary of the Combined Entity. Sembcorp Marine Shares held by Sembcorp Marine Shareholders will be exchanged for the Combined Entity Shares, which will be tradeable on the SGX-ST.

Pursuant to Clause 3.1 of the Combination Framework Agreement, the Proposed Combination is conditional upon the satisfaction (or, where applicable, the waiver) of the following conditions precedent:

1. **Sembcorp Marine Shareholders' Approval:** the approval of:
 - 1.1 the SCM Scheme by the SCM Scheme Shareholders at the SCM Scheme Meeting;
 - 1.2 the approval of the KOM Combination by Newco by the SCM Shareholders at the SCM EGM;
2. **KCL Shareholders' Approval:** the approval of the KOM Combination, the Asset Co Transaction and the KCL Distribution by the KCL Shareholders at the KCL EGM;
3. **Satisfaction of SCM Scheme Conditions:** the conditions to the SCM Scheme have been fulfilled or waived;
4. **Completion of SCM Scheme:** the completion of the SCM Scheme;
5. **Completion of Asset Co Transaction:** the completion of the Asset Co Transaction taking place immediately prior to the KOM Restructuring and the KOM Combination;
6. **Completion of KOM Restructuring:** upon completion of the Asset Co Transaction, the completion of the KOM Restructuring taking place immediately prior to the KOM Combination;
7. **Regulatory Approvals:** (1) all the Regulatory Approvals: (A) having been obtained or made on terms satisfactory to the Parties, acting reasonably; and (B) remaining in full force and effect from the date such Regulatory Approvals are obtained or granted up to the Relevant Date; (2) where relevant, all applicable waiting periods in relation to the Regulatory Approvals having expired or been terminated; (3) all conditions to which the Regulatory Approvals are subject

and required to be satisfied as at the Relevant Date having been fulfilled; and (4) no Governmental Authority having issued or provided any Party with any indication that it will not or does not intend to grant the Regulatory Approvals on terms satisfactory to the Parties, acting reasonably. The Regulatory Approvals to be obtained for the purposes of fulfilling this Condition are limited to the following:

- 7.1 SIC Confirmations.** confirmation from the SIC that Temasek Holdings (Private) Limited, KCL and parties acting in concert with them are not obliged, pursuant to or as a result of the issuance of the Newco Shares, to make an offer for SCM or Newco under Rule 14 of the Code;
- 7.2 MAS Exemption.** exemption from MAS for Newco to comply with the prospectus registration requirements under the Securities and Futures Act in relation to the allotment and issue of the Newco Shares in connection with the Proposed Combination;
- 7.3 SGX-ST Approvals.**
 - 7.3.1** in respect of the SCM Scheme only, the approval-in-principle from the SGX-ST for the SCM Scheme Document, the Transfer and the Listing, and the delisting of SCM and the approval in principle for the listing of the Newco Shares to be issued pursuant to the SCM Scheme; and
 - 7.3.2** in respect of the KOM Combination only, the approval-in-principle from the SGX-ST for the issuance by KCL of the KCL Circular to Shareholders and the issuance by SCM of the SCM Circular to Shareholders and the approval in principle for the listing of the KOM Consideration Shares;
- 7.4 No Regulatory Impediment:** no Governmental Authority having taken, or proposed and notified to any Party that the Governmental Authority may take, any steps (including the initiation of any investigation), and there being no law or ruling by any Governmental Authority, which would or the result of which may be to, prohibit, materially delay or restrict the Proposed Combination;
- 7.5 Authorisations.** any approvals, clearances, consents, authorisations, exemptions and/or waivers (“**Authorisations**”) from (and all notifications and/or filings to) each Governmental Authority which are necessary or appropriate in connection with the Proposed Combination having been obtained and remaining in full force and effect as at the Relevant Date (or any applicable waiting period thereunder having expired or been terminated). The Authorisations to be obtained for the purposes of fulfilling this Condition are:
 - 7.5.1** approval from the Administrative Council for Economic Defense (Brazil);
 - 7.5.2** approval from the Competition and Consumer Commission of Singapore; and
- 7.6** in relation to the KOM In-Scope Entities, approval from the Maritime Port Authority of Singapore (“**MPA**”) in relation to the change in effective control of FuelNG Pte. Ltd. under the licence issued by the MPA for the supply of bunker in the Port of Singapore as a result of the Proposed Combination;
- 7.7** in relation to the SCM Group:

7.7.1 approval from the MPA in relation to the change in effective control of Jurong Marine Services Private Limited under the public licence for towage services (harbour tug licence) granted under Section 81 of the Maritime and Port Authority Act 1996, as a result of the Proposed Combination; and

7.7.2 notification to the MPA in relation to the change in ownership of SCM Marine Integrated Yard Pte. Ltd. ("**SMIY**") under the letter dated 6 January 2021 from the MPA to SMIY specifying certain facilities as shipyards and/or specified offshore marine location for the purposes of port duties, as a result of the Proposed Combination; and

7.8 **Others.** such other Regulatory Approvals as may be identified and mutually agreed by the Parties within 30 days from the date of the Combination Framework Agreement;

8. SCM Warranties:

8.1 the SCM Warranties set out in the Combination Framework Agreement:

8.1.1 which are qualified as to materiality being true and correct; and

8.1.2 which are not qualified as to materiality being true and correct in all material respects,

in each case as at the date of the Combination Framework Agreement and as at the Relevant Date as though made on and as at that date except to the extent any such SCM Warranty expressly relates to an earlier date (in which case as at such earlier date); and

8.2 SCM shall have, as at the Relevant Date performed and complied in all material respects with all of its covenants, undertakings and agreements contained in the Combination Framework Agreement which SCM is required to perform or comply with, on or prior to the Relevant Date and which are material in the context of the Proposed Combination;

9. KCL Warranties:

9.1 the KCL Warranties set out in the Combination Framework Agreement:

9.1.1 which are qualified as to materiality being true and correct; and

9.1.2 which are not qualified as to materiality being true and correct in all material respects,

in each case as at the date of the Combination Framework Agreement and as at the Relevant Date as though made on and as at that date except to the extent any such KCL Warranty expressly relates to an earlier date (in which case as at such earlier date); and

9.2 KCL shall have, as at the Relevant Date performed and complied in all material respects with all of its covenants, undertakings and agreements contained in the Combination Framework Agreement which KCL is required to perform or comply with,

on or prior to the Relevant Date and which are material in the context of the Proposed Combination;

10. **No SCM Material Adverse Change:** a diminution in the net tangible asset of the SCM Group (as set out in the SCM Audited FY2021 Financial Statements) by an amount in excess of S\$600 million as at the Subsequent Financials Accounts Date, based on the Last SCM Subsequent Financials (calculated on the same basis as the calculation of the net tangible assets of the SCM Group in the SCM Audited FY2021 Financial Statements) (an “**SCM Material Adverse Change**”); and
11. **No KOM Material Adverse Change:** a diminution in the net tangible asset of the KOM In-Scope Group (based on the KOM Pro Forma Financial Statements) by an amount in excess of S\$600 million as at the Subsequent Financials Accounts Date based on the Last KOM Subsequent Financials (calculated on the same basis as the calculation of the net tangible assets of the KOM In-Scope Group in the KOM Pro Forma Financial Statements) (a “**KOM Material Adverse Change**”). For the avoidance of doubt, any financing or indebtedness to be incurred by a KOM In-Scope Entity for paying the Cash Component shall be disregarded in computing any decrease in the net tangible assets of the KOM In-Scope Group.

Appendix C

THE SEMBCORP MARINE SCHEME

All capitalised terms used and not defined in this Appendix C or this Announcement shall have the same meanings given to them in the Sembcorp Marine Implementation Agreement, a copy of which is available for inspection during normal business hours at the registered office of Sembcorp Marine from the date of this Announcement until the date falling three months thereafter. Unless otherwise defined, all references to Clauses and Schedules in this Appendix C refer to the clauses and schedules of the Sembcorp Marine Implementation Agreement.

1. THE SEMBCORP MARINE SCHEME

1.1 Pursuant to the Sembcorp Marine Implementation Agreement:

1.1.1 subject to the SCM Scheme Conditions being satisfied or waived as the case may be and the Sembcorp Marine Scheme becoming effective on its terms, all of the SCM Scheme Shares will be transferred to the Combined Entity:

- (i) fully paid up;
- (ii) free from all Encumbrances; and
- (iii) together with all rights, benefits and entitlements attaching thereto as at the Sembcorp Marine Scheme Effective Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by Sembcorp Marine to the Sembcorp Marine Shareholders on or after the Sembcorp Marine Scheme Effective Date;

1.1.2 the listing status of Sembcorp Marine on the Mainboard of the SGX-ST will be transferred to the Combined Entity resulting in the listing and admission of the Combined Entity to the Official List of the Mainboard of the SGX-ST (the **"Transfer and the Listing"**);

1.1.3 the Sembcorp Marine Shares will, in conjunction with the Transfer and the Listing, be delisted and withdrawn from the Mainboard of the SGX-ST;

1.1.4 in consideration of the transfer of the SCM Scheme Shares referred to in paragraph 1.1.1 above and the Transfer and the Listing, the Combined Entity agrees that upon the Sembcorp Marine Scheme becoming effective in accordance with its terms, it will allot and issue one new Combined Entity Share for every SCM Scheme Share held by the Sembcorp Marine Shareholders as at the Sembcorp Marine Scheme Record Date; and

upon completion of the Transfer and the Listing, all the Combined Entity Shares will be listed on the Mainboard of the SGX-ST and will be freely tradeable, upon the terms and subject to the conditions of the Combination Framework Agreement.

2. SEMBCORP MARINE SCHEME CONDITIONS

2.1 Sembcorp Marine Scheme Conditions. The Acquisition is conditional upon the satisfaction (or, where applicable, the waiver) of the following conditions precedent to the implementation of the Sembcorp Marine Scheme (“**SCM Scheme Conditions**”):

2.1.1 Approval by Scheme Shareholders: the approval of the Sembcorp Marine Scheme by a majority in number representing three-fourths in value of the SCM Scheme Shares held by SCM Scheme Shareholders present and voting either in person or by proxy at the Scheme Meeting pursuant to the requirements of Section 210(3AB) of the Companies Act;

2.1.2 Court Order: the grant of the Court Order sanctioning the Sembcorp Marine Scheme and such Court Order having become final;

2.1.3 Lodgement of Court Order with ACRA: the lodgement of the Court Order with ACRA in accordance with Section 210(5) of the Companies Act;

2.1.4 Regulatory Approvals: prior to the first application to the Court for the order to convene the Scheme Meeting, all the Regulatory Approvals having been obtained or granted and remaining in full force and effect from the date such Regulatory Approvals are obtained or granted up to the Relevant Date, and where such Regulatory Approvals are subject to conditions to be fulfilled by the Relevant Date, such conditions being satisfied on or prior to the Relevant Date; and

2.1.5 No Regulatory Impediment: between the date of the Sembcorp Marine Implementation Agreement and up to the Relevant Date no Governmental Authority having taken, or proposed and notified to any Party that the Governmental Authority may take, any steps (including the initiation of any investigation), and there being no law or ruling by any Governmental Authority, which would or the result of which may be to, prohibit, materially delay or restrict the Sembcorp Marine Scheme.

Any non-fulfilment of the SCM Scheme Condition in paragraph 2.1.5 above (in relation to there being no regulatory impediment) is capable of being waived with the consent in writing of both Parties (to the extent legally permissible).

For the avoidance of doubt, the Parties agree that the SCM Scheme Conditions in paragraph 2.1.1 above (in relation to approval of the Sembcorp Marine Scheme by the SCM Scheme Shareholders), paragraph 2.1.2 above (in relation to the grant of the Court Order), paragraph 2.1.3 above (in relation to the lodgement of the Court Order) and paragraph 2.1.4 above (in relation to Regulatory Approvals) are not capable of being waived by either Party or both Parties.

3. SEMBCORP MARINE SCHEME CONSIDERATION

3.1 In consideration of the transfer of the SCM Scheme Shares from the SCM Scheme Shareholders to the Combined Entity referred to in paragraph 1.1.1 above and the Transfer and the Listing in paragraph 1.1.2 above, the Combined Entity shall allot and issue one Combined Entity Share for each SCM Scheme Share (the “**Scheme Consideration**”) held by the SCM Scheme Shareholders as at the Record Date.

- 3.2** The new Newco Shares to be issued pursuant to the SCM Scheme will, when allotted and issued, be validly authorised, validly issued and outstanding, fully paid and non-assessable and free from Encumbrances (other than restrictions arising out of applicable securities laws), shall rank *pari passu* in all respects with all Newco Shares as at the date of their issue, and all consents, authorisations, approvals or waivers from any governmental agencies or third parties necessary for such issuance have been or will, prior to such issuance, be obtained.

4. TERMINATION OF THE SEMBCORP MARINE SCHEME

- 4.1 Notification of Failure of Sembcorp Marine Scheme Conditions.** If (i) any of the SCM Scheme Conditions is not satisfied (or duly waived); or (ii) there is an act, omission, event or occurrence that will or, as far as SCM or Newco (as the case may be) is aware, is likely to prevent any of the SCM Scheme Conditions from being satisfied, SCM or Newco (as the case may be) shall immediately notify the other Party in writing (and in any event prior to the Relevant Date).

- 4.2 Right to Terminate.** If any of the SCM Scheme Conditions set out in paragraph 2.1.1 above (in relation to approval of the SCM Scheme by the SCM Scheme Shareholders), paragraph 2.1.2 above (in relation to the grant of the Court Order), paragraph 2.1.3 above (in relation to the lodgement of the Court Order), paragraph 2.1.4 above (in relation to Regulatory Approvals) or, if the SCM Scheme has not become effective in accordance with its terms on or before 5.00 p.m. on the Long-Stop Date, the Sembcorp Marine Implementation Agreement shall terminate automatically.

- 4.3 Effect of Termination.** In the event of termination of the Sembcorp Marine Implementation Agreement pursuant to Clause 4 of the Sembcorp Marine Implementation Agreement:

4.3.1 the Sembcorp Marine Implementation Agreement (other than the Surviving Provisions which shall survive termination of the Sembcorp Marine Implementation Agreement) shall cease to have any further force or effect as between the Parties;

4.3.2 the Parties shall be released and discharged from their respective obligations under the Sembcorp Marine Implementation Agreement; and

4.3.3 no Party shall have any claim against the other Parties under the Sembcorp Marine Implementation Agreement, save in respect of the Surviving Provisions.

5. EFFECTIVE DATE OF THE SEMBCORP MARINE SCHEME

The Parties agree that, subject to the fulfilment of all SCM Scheme Conditions, the Effective Date shall be the date on which a copy of the Court Order has been delivered to ACRA for lodgement pursuant to Section 210(5) of the Companies Act.

6. THE SEMBCORP MARINE CIRCULAR

Further information on the Sembcorp Marine Scheme and the terms and conditions upon which the Sembcorp Marine Scheme will be implemented by Sembcorp Marine and the Combined

Entity will be set out in the Sembcorp Marine Circular to be issued by Sembcorp Marine to the Sembcorp Marine Shareholders containing, *inter alia*, details of the Sembcorp Marine Scheme.

7. DELISTING

Upon the Sembcorp Marine Scheme becoming effective and binding in accordance with the terms of the Sembcorp Marine Circular, the listing status of Sembcorp Marine on the Mainboard of the SGX-ST shall be transferred to the Combined Entity resulting in the listing and admission of the Combined Entity to the Official List of the Mainboard of the SGX-ST. The Sembcorp Marine Shares will, in conjunction with the Transfer and the Listing, be delisted and withdrawn from the Mainboard of the SGX-ST.

Appendix D

THE KEPPEL O&M SCHEME

All capitalised terms used and not defined in this Appendix D or this Announcement shall have the same meanings given to them in the Keppel O&M Implementation Agreement, a copy of which is available for inspection during normal business hours at the registered office of Sembcorp Marine from the date of this Announcement until the date falling three months thereafter. Unless otherwise defined, all references to Clauses and Schedules in this Appendix D refer to the clauses and schedules of the Keppel O&M Implementation Agreement.

1. THE KEPPEL O&M SCHEME

1.1 Pursuant to the Keppel O&M Implementation Agreement:

1.1.1 subject to the KOM Scheme Conditions (as defined in the KOM Implementation Agreement) being satisfied or waived as the case may be and the KOM Scheme becoming effective on its terms, all of the KOM Shares (excluding treasury Shares) will be transferred to Newco (the “**KOM Scheme**”):

- (i) fully paid up;
- (ii) free from all Encumbrances; and
- (iii) together with all rights, benefits and entitlements attaching thereto as at the KOM Scheme Effective Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by KOM to the KOM Shareholder on or after the KOM Scheme Effective Date; and

1.1.2 the consideration payable by Newco (the “**KOM Consideration**”) for the KOM Shares to be acquired pursuant to the KOM Scheme will be satisfied by the allotment and issue of the KOM Consideration Shares to KCL and such other persons as KCL may direct pursuant to the KCL Distribution.

1.2 KCL further agrees that in the event that the KOM Scheme cannot be proceeded with solely by reason of the Court not granting the KOM Scheme Court Sanction and subject to the other Conditions being fulfilled as at the Closing Date, KCL shall procure and ensure that all the KOM Shares shall be transferred to Newco in consideration for the KOM Consideration as set out in Clause 1.1.2 by way of the KOM Share Transfer to be delivered to Newco on the Closing Date.

2. KEPPEL O&M SCHEME CONDITIONS

2.1 **Keppel O&M Scheme Conditions.** The Acquisition is conditional upon the satisfaction of the following conditions precedent to the implementation of the KOM Scheme (“**KOM Scheme Conditions**”):

2.1.1 Court Order: the grant of the Court Order sanctioning the KOM Scheme and such Court Order having become final; and

- 2.1.2 **Lodgement of Court Order with ACRA:** the lodgement of the Court Order with ACRA in accordance with Section 210(5) of the Companies Act.

The KOM Scheme Conditions are not capable of being waived by any Party.

3. **KEPPEL O&M SCHEME CONSIDERATION**

- 3.1.1 In consideration of the transfer of the KOM Scheme Shares from the KOM Scheme Shareholders to Newco referred to in paragraph 1.1.1 above, Newco shall allot and issue one (1) Newco Share for each KOM Scheme Share (the "**Scheme Consideration**") held by the KOM Scheme Shareholders as at the Record Date.
- 3.1.2 The new Newco Shares to be issued pursuant to the KOM Scheme will, when allotted and issued, be validly authorised, validly issued and outstanding, fully paid and non-assessable and free from Encumbrances (other than restrictions arising out of applicable securities laws), shall rank *pari passu* in all respects with all Newco Shares as at the date of their issue, and all consents, authorisations, approvals or waivers from any governmental agencies or third parties necessary for such issuance have been or will, prior to such issuance, be obtained.

4. **TERMINATION OF THE SEMBCORP MARINE SCHEME**

4.1 **Automatic Termination**

The Keppel O&M Implementation Agreement shall automatically terminate if the Framework Agreement is terminated in accordance with the terms thereof.

4.2 **Right to Terminate.**

Subject to the necessary consent being obtained under Clause 2.3.4 of the Framework Agreement, if the KOM Scheme has not become effective in accordance with its terms on or before 5.00 p.m. on the Cut-Off Date, either Party may immediately terminate the Keppel O&M Implementation Agreement by notice in writing to the other Party. Notwithstanding any provision in the Keppel O&M Implementation Agreement, the person whose consent needs to be obtained under Clause 2.3.4 of the Framework Agreement shall have a right to enforce and/or enjoy the benefit of Clause 4.2 of the Keppel O&M Implementation Agreement.

4.3 **Effect of Termination.** In the event of termination of the Keppel O&M Implementation Agreement pursuant to Clause 4 of the Keppel O&M Implementation Agreement:

- 4.3.1 the Keppel O&M Implementation Agreement (other than the Surviving Provisions which shall survive termination of the Keppel O&M Implementation Agreement) shall cease to have any further force or effect as between the Parties;
- 4.3.2 the Parties shall be released and discharged from their respective obligations under the Keppel O&M Implementation Agreement; and

4.3.3 no Party shall have any claim against the other Parties under the Keppel O&M Implementation Agreement, save in respect of the Surviving Provisions.

5. EFFECTIVE DATE OF THE KEPPEL O&M SCHEME

The Parties agree that, subject to the fulfilment of all KOM Scheme Conditions, the Effective Date shall be the date on which a copy of the Court Order has been delivered to ACRA for lodgement pursuant to Section 210(5) of the Companies Act.

6. KEPPEL CIRCULAR

Further information on the KOM Scheme and the terms and conditions upon which the KOM Scheme will be implemented by Keppel O&M and the Combined Entity will be set out in the Keppel Circular to be issued by Keppel to the Keppel Shareholders containing, *inter alia*, details of the KOM Scheme.

Appendix E

DISCLOSURE OF INTERESTS

As at the date of this Announcement, the interests in Sembcorp Marine Shares held by the directors of Sembcorp Marine are set out below:

Director	Sembcorp Marine Shares						Awards ⁽²⁾
	Direct Interest		Deemed Interest		Total Interest		No. of Shares comprised in outstanding Awards
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	
Tan Sri Mohd Hassan Marican	9,694,126	0.031	-	-	9,694,126	0.031	-
Yap Chee Keong	897,485	0.003	-	-	897,485	0.003	-
Wong Weng Sun	25,425,714	0.081	-	-	25,425,714	0.081	-
Bob Tan Beng Hai	3,933,000	0.013	-	-	3,933,000	0.013	-
Gina Lee-Wan	2,791,800	0.009	-	-	2,791,800	0.009	-
William Tan Seng Koon	1,652,800	0.005	-	-	1,652,800	0.005	-
Patrick Daniel	1,613,800	0.005	-	-	1,613,800	0.005	-
Tan Wah Yeow	1,304,200	0.004	-	-	1,304,200	0.004	-
Koh Chiap Khiong	7,110,474	0.023	-	-	7,110,474	0.023	-

Notes:

- (1) Based on 31,389,105,375 Sembcorp Marine Shares in issue (including 6,223 treasury shares) as at the date of this Announcement.
- (2) At the Annual General Meeting of Sembcorp Marine held on 23 April 2021, the Sembcorp Marine Shareholders approved the payment of an aggregate amount of S\$1,800,000 as directors' fees for the non-executive directors of the Company for the year ending 31 December 2021. It was intended that the directors' fees for the non-executive directors for year 2021 comprise a cash component and a share component, with up to 30 per cent. being delivered in the form of restricted share awards under the RSP2020. The share component of the directors' fees for year 2021 is intended to be delivered after the 2022 AGM, which was held on 20 April 2022. The actual number of shares to be awarded to each non-executive director holding office at the time of the payment is intended to be determined by reference to the VWAP of a share on the SGX-ST over the 14 trading days immediately following the date of the 2022 AGM. The number of shares to be awarded will be rounded down to the nearest hundred and any residual balance will be settled in cash.