



Company Registration Number: 196300098Z

ANNOUNCEMENT

IN-PRINCIPLE SETTLEMENT AGREEMENTS WITH BRAZILIAN AUTHORITIES

Singapore, 26 February 2024 - Seatrium Limited (the “**Company**”) refers to its previous announcements concerning the ongoing investigations related to “Operacao Lava Jato” (Operation Car Wash) in Brazil, with the latest being the announcement dated 26 December 2023.¹

The Company wishes to inform that it has reached in-principle settlement agreements with the authorities in Brazil, namely the Brazilian Attorney-General’s Office (the “**AGU**”), Comptroller General of the Union (“**CGU**”), and Public Prosecutor’s Office in Brazil (the “**MPF**”) (collectively, “**Brazilian Authorities**”), in relation to the Brazilian Authorities’ Operation Car Wash investigations.

The in-principle settlement agreements reached with the Brazilian Authorities result from the Company’s cooperation with their investigations.

Under the terms of the in-principle settlement agreements, the Company has agreed to a settlement payment totalling R\$670,699,731.73 (equivalent to approximately S\$182.4 million²). After the conclusion of the relevant agreements, the Company will agree to certain post-closing compliance obligations. The Company has also committed to continuing cooperation with the Brazilian Authorities.

The CGU and AGU will forward a communication of the in-principle settlement agreement to the Federal Court of Accounts (“**TCU**”), which has 90 days to consider it, to be followed by a Ministerial approval process.

The in-principle settlement agreement with the MPF is subject to ratification by the Fifth Chamber for Coordination and Review of the MPF, which has no statutory period by which it must complete its process.

Upon the formal signing of the leniency agreements, the Company does not expect there to be any further grounds for liability to the Brazilian Authorities in relation to the matters that are the subject of the leniency agreements. According to Brazilian legislation, the execution of the leniency agreements shall guarantee that the Company may participate in future public bidding processes and execute contracts in Brazil.

Pursuant to the combination of the businesses of Sembcorp Marine Ltd (“**SCM**”) and Keppel Offshore & Marine Ltd in February 2023, the parties had agreed that for a period of up to 24 months from the completion of the proposed combination, SCM would indemnify Keppel Corporation Ltd (“**KCL**”) for claims against SCM in respect of certain other identified contingent liabilities. These relate to SCM’s discussions with the Brazilian Authorities on the Operation Car Wash investigations. Such claims by KCL against SCM can only be made if they exceed certain agreed minimum amounts and are subject to a maximum of S\$100 million.

¹ More announcements relating to this matter are available on the Company’s website at <https://www.seatrium.com>.
² The settlement amount is subject to both inflation and currency adjustment until the date of the Company’s payment of the settlement amount. Conversion to S\$ is based on FY2023 December book closing rate of 0.272.

In view of the above, for the financial year ended 31 December 2023 (“FY2023”), the Company has made provisions of S\$182.4 million and S\$82.4 million for the agreed Brazilian settlement and the KCL indemnity, respectively. These provisions relate to a one-off historical event with material impact on the latest unaudited financial statements of the Company for FY2023, which is:

- (a) 12% of earnings per share as at 31 December 2023; and
- (b) 10% of net tangible assets per share as at 31 December 2023.

These provisions which have been made for FY2023 will have no impact on the net earnings and net tangible assets per share of the Group for the financial year ending 31 December 2024.

The Company wishes to highlight that the Company continues to assist the authorities in Singapore in their investigations and will make appropriate announcements in the event of any material developments. The Company is unable to comment further at this stage as the Singapore investigations are still ongoing.

Shareholders of the Company are advised to exercise caution when dealing with their shares or other securities of the Company. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

The Company also wishes to emphasise that it remains committed to the highest standards of compliance with all applicable laws, rules and regulations, including in particular zero tolerance for bribery and corruption. Accordingly, the Company has implemented a robust compliance program designed to detect and prevent corruption, including procedures for anti-corruption risk assessments, mandatory compliance training for employees, third-party due diligence, internal and external anti-corruption audits, and a commitment to continuously monitor and improve its policies and procedures.

-End-

For more information, please contact:

Ms Judy Tan
Head, Investor Relations and Corporate Communications
Tel No: +65 97109784
Email: judy.tan@seatrium.com

Ms Clarissa Ho
Senior Manager, Investor Relations and Corporate Communications
Tel No: +65 96321253
Email: shufang.ho@seatrium.com