



DIVESTMENT OF COMMERCIAL CONSTRUCTION BUSINESS OF SEMBCORP DESIGN & CONSTRUCTION

Singapore, October 02, 2019 – Sembcorp Industries (the Group) announces that it has signed an agreement to divest the commercial construction business under its wholly-owned subsidiary, Sembcorp Design & Construction (SDC), to Chip Eng Seng Construction Pte Ltd, a wholly-owned subsidiary of Chip Eng Seng Corporation Ltd (CES) for gross proceeds of approximately S\$49.9 million.

The consideration for the sale was arrived at pursuant to a competitive sale process and on an arm's length willing-buyer-willing-seller basis. CES is listed on the mainboard of the Singapore Exchange and the principal activities of CES and its subsidiaries are in property development, construction, hospitality, property investment, and education.

The Group will retain SDC's defence-related construction business by transferring its stake to Sembcorp Specialised Construction (SSC), a wholly-owned subsidiary of the Group.

This divestment is in line with the Group's strategy to unlock value and recycle capital as it repositions to be a global integrated energy player. The sale of the commercial construction business is expected to be completed by the end of the year, subject to the satisfaction of certain conditions precedent, including the completion of the restructuring of the businesses in SDC. Upon completion of the sale of the commercial construction business and transfer of the defence construction business to SSC, SDC will cease to be part of the Group.

None of the directors or controlling shareholders of the Group have any interest, direct or indirect, in the divestment. This divestment is not expected to have a material impact on the earnings per share and net asset value per share of Sembcorp Industries for the financial year ending December 31, 2019.

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