



INCORPORATION OF ASSOCIATE COMPANY IN BATAM, INDONESIA

Batam, September 10, 2018 – Sembcorp Industries' associate company Batamindo Shipping & Warehousing (BSW) has signed a joint venture agreement with PT Tunaskarya Indoswata and incorporated a Batam registered company known as PT Batamindo Services Sinindo (PT BSS).

PT BSS was incorporated with an initial issued and paid up capital of US\$250,000. BSW holds the controlling stake of 67% in PT BSS with PT Tunaskarya Indoswata holding the remaining 33% stake. PT BSS will undertake warehousing and distribution activities as the Indonesian service provider and agent of BSW. BSW provides warehousing & logistics services between Batam and Singapore. Sembcorp Industries' effective shareholding in PT BSS is 25.1%.

BSW's capital contribution into PT BSS will be funded internally and the incorporation of PT BSS is not expected to have material impact on the earnings per share and net asset value per share of Sembcorp Industries for the financial year ending December 31, 2018.