

DISPOSAL OF 70% INTEREST IN SHANGHAI GUOFENG MARINE ENGINEERING AND TECHNOLOGY CO., LTD

Singapore, April 7, 2017: The Board of Directors of Sembcorp Marine Limited (the "**Company**", and the Company and its subsidiaries, the "**Group**") wishes to announce that it had disposed of its 70% equity interest (the "**Disposal**") in Shanghai Guofeng Marine Engineering and Technology Co., Ltd ("SGMET") (the "Disposal") to the existing shareholder of SGMET.

Following completion of the Disposal, the Company will cease to have any interest in SGMET and SGMET will cease to be a subsidiary of the Company.

Rationale and Details of the Disposal

SGMET is a company incorporated in the People's Republic of China and its principal activity is in research and development of technologies for civil ships and equipment for oceanics industries and provision of related technical consultation services.

The aggregate consideration of RMB5,800,000 (approximately S\$1,300,000) was arrived at after arm's length negotiations, on a "willing buyer and willing seller" basis taking into account the net tangible asset value of SGMET.

The Disposal is being undertaken by the Group to realise its investment in non-core business and in line with the Group's commitment to optimise profitability and operations. The Group intends to apply the net proceeds towards its working capital.

Relative Figures under Chapter 10 of the Listing Manual

As each of the relative figures for the Disposal computed on the bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("Listing Manual") is less than 5.0%, the Disposal constitutes a non-disclosable transaction for purposes of Chapter 10 of the Listing Manual.

Financial Impact

The Disposal is not expected to have a material impact on the Company's consolidated net tangible assets or earnings per share for the financial year ending 31 December 2017.

Interests of Directors and Controlling Shareholders

Save for their respective shareholdings in the Company, none of the directors or the controlling shareholder of the Company have any interest, direct or indirect, in the Disposal.

By Order of the Board

Tan Yah Sze and Chay Suet Yee
Joint Company Secretaries

For further information, please contact:

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About Sembcorp Marine

Sembcorp Marine provides innovative engineering solutions to the global offshore and marine industry, drawing upon more than 50 years of track record. We focus on four key capabilities, namely, Rigs & Floaters; Repairs & Upgrades; Offshore Platforms; and Specialised Shipbuilding.

Our customers include major oil companies, drilling contractors, shipping companies as well as owners and operators of floating production units.

We operate shipyards strategically located in Singapore, India, Indonesia, the United Kingdom and Brazil.

Discover more at www.sembmarine.com.