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SEMBCORP ANNOUNCES DIVESTMENT COMPLETION OF WATER BUSINESS IN PANAMA

Singapore, November 2, 2020 – Sembcorp Industries (Sembcorp) announces that it has, through its wholly-owned UK subsidiary Sembcorp Holdings Ltd, signed and completed a sale and purchase agreement to divest 100% of its stake in Sembcorp Investments Ltd (SIL), which owns 100% of Aguas de Panama S.A. (APSA), to an affiliate of Seven Seas Water Corporation (SSW). The gross consideration for the sale of equity shares was US\$47 million (approximately S\$64 million¹), and the consideration for assignment of the shareholder's loan was US\$1.8million (approximately S\$2.4 million¹). The consideration, net of relevant taxes, was received in cash upon completion. SSW is a portfolio company owned by investment funds managed by Morgan Stanley Infrastructure Partners.

APSA is a municipal water asset serving the Arraiján District in Panama under a 30-year concession (Concession) that commenced in 2002. The consideration for the sale took into account the remaining tenure of the Concession. The net asset value of SIL and APSA was S\$38 million as at October 30, 2020 and the divestment resulted in a net gain of approximately S\$21 million.

The divestment of this asset is in line with the Group's capital recycling efforts. With the completion of the sale, SIL and APSA have ceased to be a part of the Sembcorp Group and Sembcorp has exited the Panama market.

The above divestment is not expected to have any material impact on the earnings per share and net asset value per share of Sembcorp for the financial year ending December 31, 2020.

¹Based on the exchange rate of US\$1= S\$1.36 as of October 1, 2020