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**SEMBCORP ANNOUNCES DIVESTMENT OF JOINT VENTURE COMPANY
SHENZHEN CHIWAN SEMBAWANG ENGINEERING CO.**

Singapore, September 1, 2020 – Sembcorp Industries (Sembcorp) announces that it has, through its wholly-owned subsidiary CSE Holding Pte Ltd, signed a conditional agreement to divest its entire 32% stake in joint venture company Shenzhen Chiwan Sembawang Engineering Co (CSE) to Chixiao Enterprise Co, for a total gross consideration of RMB150 million (approximately S\$29.4 million¹). The consideration, net of relevant taxes, will be received in cash upon completion of the sale.

The divestment of this non-core asset is in line with Sembcorp's capital recycling efforts. The transaction is expected to be completed by the end of the year, subject to the satisfaction of certain conditions precedent, including the regulatory approval of the local Administration for Market Regulation.

CSE is in the business of fabrication and sale of offshore engineering, onshore industrial and structural engineering steel structure products. The company operates under a 30-year business licence which expires in July 2024. The consideration for the sale took into account the uncertainty of the marine industry outlook and the limited remaining operating period before the business licence expires. The Group's carrying value of this investment was S\$27 million as at June 30, 2020.

A S\$30 million impairment charge on the investment was taken in the Group's financial results for the half year ended June 30, 2020.

Upon completion of the sale, CSE will cease to be a part of the Group. The 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.

- End -

¹ Based on the exchange rate of June 15, 2020