

**CIRCULAR DATED 22 OCTOBER 2022**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

If you have sold or transferred all of your ordinary shares in the capital of Sembcorp Industries Ltd, you should immediately forward this Circular together with the Notice and the accompanying Proxy Form (each as defined herein) to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.



**SEMBCORP INDUSTRIES LTD**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 199802418D)

## **CIRCULAR TO SHAREHOLDERS**

**in relation to**

**THE PROPOSED SALE OF THE ENTIRE SHAREHOLDING IN  
SEMBCORP ENERGY INDIA LIMITED BY SEMBCORP UTILITIES PTE LTD**

*Sole Financial Adviser  
in respect of the Proposed Sale*



**The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch**

(Registered as a Foreign Company in the Republic of Singapore)  
(Company Registration No. S16FC0010A)

### **IMPORTANT DATES AND TIMES**

Last date and time for lodgement of Proxy Form	:	5 November 2022 at 10:00 a.m.
Date and time of Extraordinary General Meeting	:	8 November 2022 at 10:00 a.m.
Place of Extraordinary General Meeting	:	The EGM will be convened and held by way of electronic means

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## DEFINITIONS

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In this Circular, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

“ <b>1H2022</b> ”	:	The six-month period ended 30 June 2022
“ <b>Accounts Date</b> ”	:	31 March 2022
“ <b>Act</b> ” or “ <b>Companies Act</b> ”	:	The Companies Act 1967 of Singapore, as amended or modified from time to time
“ <b>Agreement Services</b> ”	:	Has the meaning given to it in <b>paragraph 4.7.3(i)</b> of the Letter to Shareholders in this Circular
“ <b>Announcement</b> ”	:	The announcement of the Proposed Sale made by SCI on the Announcement Date
“ <b>Announcement Date</b> ”	:	5 September 2022, being the date of the Announcement
“ <b>Base Purchase Price</b> ”	:	INR117,338 million, being the aggregate consideration for the SEIL Sale Shares payable by the Purchaser to SCU
“ <b>Board</b> ”	:	The board of directors of SCI for the time being
“ <b>CDP</b> ”	:	The Central Depository (Pte) Limited
“ <b>Company</b> ” or “ <b>SCI</b> ”	:	Sembcorp Industries Ltd
“ <b>Completion</b> ”	:	Completion of the Proposed Sale under the Share Purchase Agreement
“ <b>Conditions Precedent</b> ”	:	The conditions precedent to Completion, as set out in <b>Appendix B</b> to this Circular
“ <b>Confirmed Leakages</b> ”	:	Has the meaning given to it in <b>paragraph 4.2.1(ii)</b> of the Letter to Shareholders in this Circular
“ <b>Danat Investment</b> ”	:	Danat Investment LLC
“ <b>Dar Investment</b> ”	:	Dar Investment SPC
“ <b>Deed of Novation</b> ”	:	The deed of novation, amendment and restatement dated 13 October 2022 between the Seller, the Previous Purchaser and the Purchaser, in relation to the novation, amendment and restatement of the Share Purchase Agreement and the Deferred Payment Note
“ <b>Deferred Payment Note</b> ” or “ <b>DPN</b> ”	:	The deferred payment note dated 5 September 2022 between SCU and the Previous Purchaser (as amended, restated and novated to the Purchaser pursuant to the Deed of Novation), as set out in <b>paragraph 5</b> of the Letter to Shareholders in this Circular
“ <b>Directors</b> ”	:	The directors of the Company for the time being
“ <b>EBITDA</b> ”	:	Earnings before interest, tax, depreciation and amortisation
“ <b>EGM</b> ”	:	The extraordinary general meeting of SCI to be held by way of electronic means at 10:00 a.m. on 8 November 2022, notice of which is set out on pages 31 to 32 of this Circular
“ <b>EPS</b> ”	:	Earnings per share
“ <b>ESG</b> ”	:	Environmental, social and governance

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## DEFINITIONS

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<b>“Existing Corporate Guarantees”</b>	:	Has the meaning given to it in <b>paragraph 4.5.2</b> of the Letter to Shareholders in this Circular
<b>“Existing Facilities”</b>	:	Has the meaning given to it in <b>paragraph 4.5.1</b> of the Letter to Shareholders in this Circular
<b>“Existing Lenders”</b>	:	Has the meaning given to it in <b>paragraph 4.5.1</b> of the Letter to Shareholders in this Circular
<b>“Final Purchase Price”</b>	:	Has the meaning given to it in <b>paragraph 4.2.1</b> of the Letter to Shareholders in this Circular
<b>“Financial Adviser”</b>	:	HSBC, being the sole financial adviser to the Company in respect of the Proposed Sale
<b>“FY2021”</b>	:	The financial year ended 31 December 2021
<b>“GHG”</b>	:	Greenhouse gas
<b>“Guaranteed Existing Facilities”</b>	:	Has the meaning given to it in <b>paragraph 4.5.2</b> of the Letter to Shareholders in this Circular
<b>“GW”</b>	:	Gigawatt
<b>“HSBC”</b>	:	The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch
<b>“Initial Advance”</b>	:	Has the meaning given to it in <b>paragraph 5.2</b> of the Letter to Shareholders in this Circular
<b>“INR”</b>	:	Indian rupee, being the lawful currency for the time being of the Republic of India
<b>“Latest Practicable Date”</b>	:	The latest practicable date prior to the date of this Circular, being 20 October 2022
<b>“Listing Manual”</b>	:	The listing manual of the SGX-ST
<b>“Locked Box Interest”</b>	:	Has the meaning given to it in <b>paragraph 4.2.1(i)</b> of the Letter to Shareholders in this Circular
<b>“Longstop Date”</b>	:	The longstop date for the satisfaction of the Conditions Precedent
<b>“Maturity Date”</b>	:	Has the meaning given to it in <b>paragraph 5.4</b> of the Letter to Shareholders in this Circular
<b>“MODPF”</b>	:	Ministry of Defence Pension Fund, Oman
<b>“MW”</b>	:	Megawatt
<b>“NAV”</b>	:	Net asset value
<b>“New Corporate Guarantees”</b>	:	Has the meaning given to it in <b>paragraph 4.5.4</b> of the Letter to Shareholders in this Circular
<b>“Non-Guaranteed Existing Facilities”</b>	:	Has the meaning given to it in <b>paragraph 4.5.3</b> of the Letter to Shareholders in this Circular
<b>“Notice”</b>	:	The notice of the EGM dated 22 October 2022 set out on pages 31 to 32 of this Circular
<b>“NTA”</b>	:	Net tangible assets

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## DEFINITIONS

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<b>“Obligations”</b>	:	Has the meaning given to it in <b>paragraph 5.4</b> of the Letter to Shareholders in this Circular
<b>“OIC”</b>	:	Oman Investment Corporation S.A.O.C.
<b>“Ongoing Advance”</b>	:	Has the meaning given to it in <b>paragraph 5.2</b> of the Letter to Shareholders in this Circular
<b>“Parties” or “Party”</b>	:	The Seller and the Purchaser
<b>“PAT”</b>	:	Profit after tax
<b>“PATMI”</b>	:	Profit after tax and minority interest
<b>“Previous Purchaser”</b>	:	Has the meaning given to it in <b>paragraph 1.1</b> of the Letter to Shareholders in this Circular
<b>“Project”</b>	:	Has the meaning given to it in <b>paragraph 2.2</b> of the Letter to Shareholders in this Circular
<b>“Proposed Sale”</b>	:	The sale by SCU, and the purchase by the Purchaser, of all the SEIL Sale Shares, representing 100 per cent. of all the SEIL Shares
<b>“Proxy Form”</b>	:	The proxy form attached to the Notice
<b>“Purchaser”</b>	:	Has the meaning given to it in <b>paragraph 1.1</b> of the Letter to Shareholders in this Circular
<b>“Relevant Corporate Guarantees”</b>	:	Collectively, the Existing Corporate Guarantees and the New Corporate Guarantees
<b>“Relevant Exchange Rate”</b>	:	SGD:INR exchange rate of 1:57 as at the Announcement Date
<b>“ROA”</b>	:	Return on assets
<b>“ROE”</b>	:	Return on equity
<b>“Sadeem Development”</b>	:	Sadeem Development LLC
<b>“SCI Group”</b>	:	The Company and its subsidiaries
<b>“SCI Shares”</b>	:	Ordinary shares in the capital of the Company
<b>“SCU” or “Seller”</b>	:	Sembcorp Utilities Pte Ltd
<b>“Securities Accounts”</b>	:	The securities accounts maintained by Depositors with CDP, but not including securities sub-accounts maintained with a Depository Agent
<b>“SEIL”</b>	:	Sembcorp Energy India Limited
<b>“SEIL Group” or “SEIL Group Companies” or “SEIL Group Company”</b>	:	SEIL and/or TPCIL Singapore Pte. Ltd.
<b>“SEIL Sale Shares”</b>	:	Collectively (i) 5,433,668,484 SEIL Shares and (ii) the beneficial interest in respect of 90 SEIL Shares, the legal interest in which are held by certain nominees of SCU
<b>“SEIL Shares”</b>	:	Equity shares of par value INR10 each in the capital of SEIL
<b>“Seller’s Group”</b>	:	The Seller and its affiliates

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## DEFINITIONS

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“SFA”	:	The Securities and Futures Act 2001 of Singapore, as amended or modified from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Purchase Agreement”	:	A share purchase agreement dated 5 September 2022 between the Seller and the Previous Purchaser (as amended, restated and novated to the Purchaser pursuant to the Deed of Novation) in relation to the sale by the Seller, and the purchase by the Purchaser, of all the SEIL Sale Shares, on and subject to the terms and conditions therein, as the same may be amended from time to time
“Shareholders”	:	The registered holders of SCI Shares (other than the Company) except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such SCI Shares and where the context admits, mean Depositors (other than the Company) whose Securities Accounts are credited with those SCI Shares
“Substantial Shareholder”	:	A person who, in accordance with the Act, has an interest (directly or indirectly) in not less than five per cent. of the issued voting SCI Shares (excluding treasury shares and subsidiary holdings)
“S\$” and “cents”	:	Singapore dollars and cents, respectively, being the lawful currency for the time being of the Republic of Singapore
“Tanweer Consortium”	:	A consortium led by OIC, MODPF and Dar Investment
“Tanweer Development”	:	Tanweer Development LLC
“tCO <sub>2</sub> e”	:	Tonnes of carbon dioxide equivalent
“tCO <sub>2</sub> e/MWh”	:	Tonnes of carbon dioxide equivalent per megawatt hour
“Technical Advisor”	:	Sembcorp India Pvt. Ltd., a wholly-owned subsidiary of SCU incorporated in India
“TSA”	:	A technical services agreement to be entered into between the Technical Advisor and SEIL on Completion in relation to the Agreement Services
“TSA Fee”	:	Has the meaning given to it in <b>paragraph 4.7.3(iii)</b> of the Letter to Shareholders in this Circular
“US\$”	:	United States dollar, being the lawful currency for the time being of the United States of America
“Waterfall Distribution”	:	Has the meaning given to it in <b>paragraph 5.7.1</b> of the Letter to Shareholders in this Circular
“%” or “per cent.”	:	Per centum or percentage

The expressions “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the respective meanings ascribed to them in Section 81SF of the SFA.

The term “**subsidiaries**” shall have the meaning ascribed to it in the Companies Act.

Except where specifically defined, the terms “**we**”, “**us**” and “**our**” in this Circular refer to the SCI Group.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

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## DEFINITIONS

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Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA or the Listing Manual, or any modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act, the SFA or the Listing Manual, or any modification thereof, as the case may be.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any discrepancies in the figures included in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

Where applicable, certain figures and percentages used in this Circular have been rounded to one decimal place for ease of reading.

Any reference to a website or any website directly or indirectly linked to such websites in this Circular is not incorporated by reference into this Circular and should not be relied upon.

Any reference to a time of day and date in this Circular is made by reference to Singapore time and date, unless otherwise specified.

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## CAUTIONARY NOTE ON FORWARD LOOKING STATEMENTS

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All statements contained in this Circular, statements made in press releases and oral statements that may be made by the Company, the SCI Group, their directors, executive officers or employees acting on their behalf, that are not statements of historical fact, constitute "forward looking statements". Some of these statements can be identified by words that have a bias towards, or are, forward looking such as "anticipate", "believe", "could", "estimate", "expect", "forecast", "if", "intend", "may", "plan", "possible", "probable", "project", "should", "will" and "would" or similar words. However, Shareholders should note that these words are not the exclusive means of identifying forward looking statements. All statements regarding the Company's and the SCI Group's expected financial position, business strategies, plans and prospects are forward looking statements.

These forward looking statements and other matters discussed in this Circular regarding matters that are not historical facts are only predictions. These forward looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's and the SCI Group's actual future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward looking statements.

Given the risks and uncertainties that may cause the Company's and the SCI Group's actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward looking statements in this Circular, undue reliance must not be placed on these statements.

The Company, the SCI Group, their respective directors and executive officers are not representing or warranting to you that the actual future results, performance or achievements of the Company and the SCI Group will be as those discussed in those statements. The respective actual future results may differ materially from those anticipated in these forward looking statements as a result of the risks faced by us. Further, the Company and the SCI Group disclaim any responsibility for updating any of those forward looking statements or publicly announcing any revisions to those forward looking statements to reflect their future developments, events or circumstances.



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## LETTER TO SHAREHOLDERS

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### SEMBCORP INDUSTRIES LTD

(Incorporated in the Republic of Singapore)  
(Company Registration No. 199802418D)

#### Directors:

Ang Kong Hua (*Chairman*)  
Tow Heng Tan (*Deputy Chairman, Non-Executive Director*)  
Tham Kui Seng (*Independent Director*)  
Ajaib Haridass (*Independent Director*)  
Yap Chee Keong (*Independent Director*)  
Dr Josephine Kwa Lay Keng (*Independent Director*)  
Nagi Hamiyeh (*Non-Executive Director*)  
Lim Ming Yan (*Independent Director*)  
Wong Kim Yin (*Group President & CEO*)

#### Registered Office:

30 Hill Street #05-04  
Singapore 179360

22 October 2022

To: The Shareholders of Sembcorp Industries Ltd

Dear Sir/Madam

#### 1. INTRODUCTION

**1.1 Background.** On 5 September 2022, SCI announced that its wholly-owned subsidiary, SCU, had entered into the Share Purchase Agreement with Tanweer Infrastructure Pte. Ltd. (the "**Previous Purchaser**"). As disclosed in **paragraph 3.2** of the Announcement, the Share Purchase Agreement can be novated by the Previous Purchaser, with SCU's prior written consent, to a company incorporated in Oman, which is 70 per cent. beneficially owned and exclusively controlled by OIC and 20 per cent. and 10 per cent. beneficially owned by MODPF and Dar Investment, respectively. After the Announcement Date, SCU and the Previous Purchaser discussed novating the Share Purchase Agreement to Tanweer Infrastructure S.A.O.C. (the "**Purchaser**"), a new entity to be incorporated in Oman. On 13 October 2022, the Share Purchase Agreement was amended, restated and novated to the Purchaser. The Purchaser is indirectly owned by the Tanweer Consortium.

**1.2 EGM.** The Directors are convening an EGM to seek Shareholders' approval for the Proposed Sale, set out in the Notice on pages 31 to 32 of this Circular.

**1.3 Circular.** The purpose of this Circular is to provide Shareholders with information relating to, and to seek Shareholders' approval for, the Proposed Sale. The SGX-ST assumes no responsibility for the accuracy, completeness or correctness of any information, statements or opinions made, or reports contained in this Circular.

**1.4 Legal Advisers.** Sidley Austin LLP is the legal adviser to the Company in relation to the Proposed Sale. Shardul Amarchand Mangaldas & Co is the legal adviser to the Company as to Indian law in relation to the Proposed Sale. Allen & Gledhill LLP is the legal adviser to the Company as to Singapore law in relation to the Announcement and this Circular.

#### 2. INFORMATION ON SEIL

**2.1 General.** SEIL is a public limited company incorporated under the laws of India, with its registered office at 5<sup>th</sup> Floor, Tower C, Building No. 8 DLF Cybercity, Gurugram, Gurgaon Haryana 122002 India. As at the Latest Practicable Date, SEIL is 100 per cent. beneficially owned by SCU, which is in turn 100 per cent. owned by SCI.

**2.2 Project.** SEIL is one of the largest independent power producers in India, operating two supercritical coal-fired power plants<sup>1</sup> totalling 2,640MW:

**2.2.1** the coal-based coastal power generation plant of 1,320MW (comprising two power generating units of 660MW each) based on supercritical technology and other supporting facilities at Ananthavaram, Pinampuram, Varakavipudi and Sivarampuram villages; and

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<sup>1</sup> Supercritical coal-fired power plants operate at temperatures and pressures above the critical point of water (22.064 megapascal, 373.946 degrees celsius), resulting in a much higher efficiency than conventional coal-fired plants. Supercritical coal-fired power plants also utilise supercritical technology, which requires less coal per MW-hour, leading to lower emissions and higher efficiency.

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## LETTER TO SHAREHOLDERS

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**2.2.2** the coal-based coastal power generation plant of 1,320MW (comprising two power generating units of 660MW each) based on supercritical technology and other supporting facilities at Pynampuram, Ananthavaram, Edeuru Bit II, Sivarampuram, Varigonda, Krishnapatnam, and Varakavipudi villages,

in each case, in TP Gudur Mandal, Nellore District of Andhra Pradesh, India (collectively, the “**Project**”).

### **2.3 Financial Information.**

**2.3.1** The pro forma gain on the sale of the SEIL Sale Shares<sup>2</sup>:

- (a) based on the audited financial statements of SCI as at 31 December 2021, is approximately INR6,274 million (approximately S\$110 million, based on the Relevant Exchange Rate); and
- (b) based on the unaudited financial statements of SCI as at 30 June 2022, is approximately INR612 million (approximately S\$11 million, based on the Relevant Exchange Rate). The gain on the sale of the SEIL Sale Shares based on the unaudited financial statements of SCI as at 30 June 2022 is lower than the gain on the sale of the SEIL Sale Shares based on the audited financial statements of SCI as at 31 December 2021 because the SCI Group's carrying value as of 30 June 2022 included SEIL's 1H2022 net profit of S\$101 million.

**2.3.2** Based on (i) the audited<sup>3</sup> financial statements of SEIL for FY2021 and (ii) the unaudited financial statements of SEIL for 1H2022:

- (a) the NTA value of SEIL is approximately INR106,557 million and INR112,259 million, respectively (which based on the Relevant Exchange Rate is approximately S\$1,869 million and S\$1,969 million, respectively);
- (b) the book value of SEIL is approximately INR107,800 million and INR113,502 million, respectively (which based on the Relevant Exchange Rate is approximately S\$1,891 million and S\$1,991 million, respectively);
- (c) the excess of the proceeds (computed by reference to the Base Purchase Price) over the book value of SEIL (which excludes goodwill and other consolidation adjustments recognised by the SCI Group) is approximately INR9,538 million and INR3,836 million, respectively (which based on the Relevant Exchange Rate is approximately S\$167 million and S\$67 million, respectively); and
- (d) the net profits attributable to SEIL are approximately INR2,948 million and INR5,803 million, respectively (which based on the Relevant Exchange Rate is approximately S\$52 million and S\$102 million, respectively).

### **3. INFORMATION ON THE TANWEER CONSORTIUM AND THE PURCHASER**

**3.1 Tanweer Consortium.** The Tanweer Consortium is led by OIC, in partnership with MODPF and Dar Investment. OIC is a leading Omani private equity investment company with a strong track record of investments in energy and infrastructure projects, real estate, logistics, healthcare as well as asset and project management services. The directors of OIC and the Purchaser include Kalat Ghuloom Hassan Al Bulooshi and Tareq Mohamed Sultan Al Mugheiry, the Chief Executive Officer and Chief Investment Officer of OIC, respectively. MODPF is one of Oman's largest pension funds, with significant investments across power and infrastructure. Hamad Mohammad Al Wahabi, the General Manager of Investment of MODPF, is also a director of the Purchaser. Dar Investment represents the family office of H.E. Sheikh Abdullah Al Salmi, who is the Executive President of Oman's Capital Market Authority and a board member of the Oman Investment Authority.

**3.2 Purchaser.** The Purchaser is indirectly owned by the Tanweer Consortium in the proportions set out in **paragraph 1.1** of the Letter to Shareholders in this Circular above, and is a newly-incorporated entity formed for the purpose of acquiring SEIL. As at the Latest Practicable Date:

**3.1.1** Danat Investment, Tanweer Development and Sadeem Development hold 59.99 per cent., 40 per cent. and 0.01 per cent. respectively of the shares in the capital of the Purchaser; and

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<sup>2</sup> The financial results of SEIL are based on SCI Group's perspective, which were translated at the applicable exchange rate for the respective financial period.

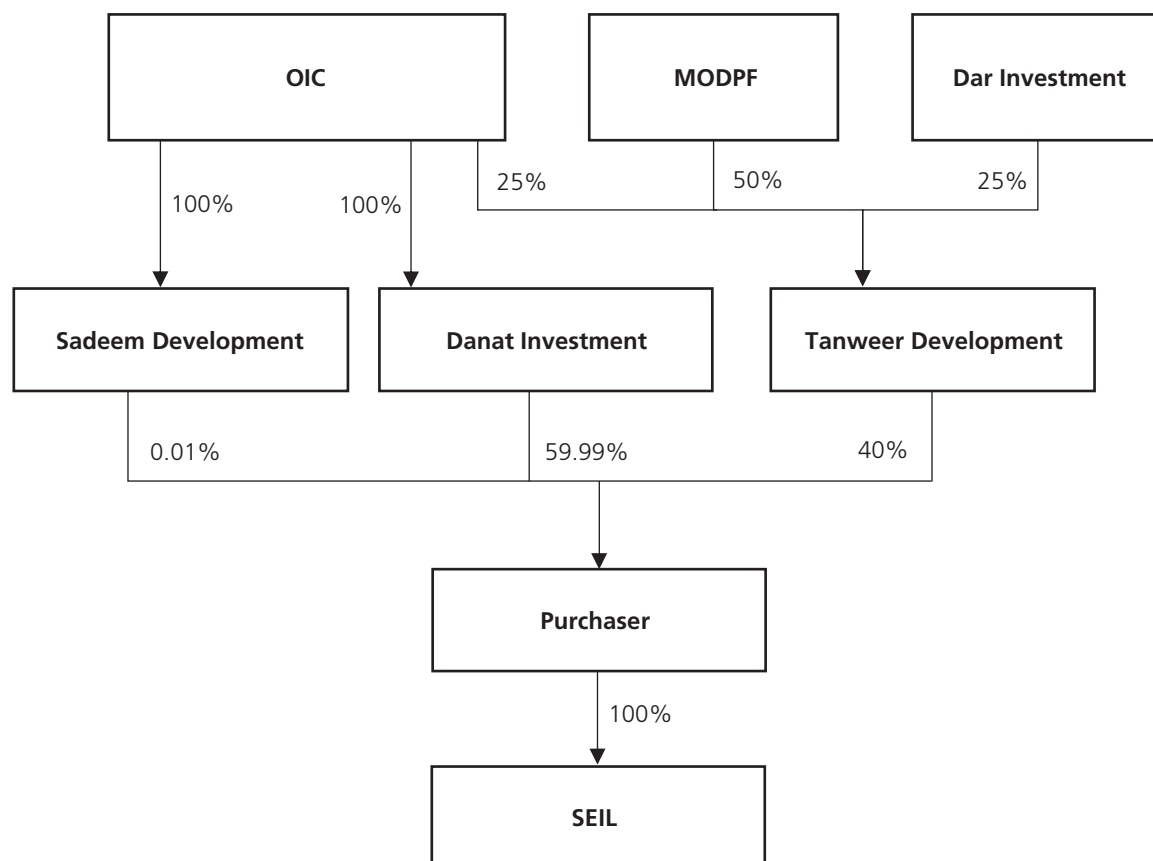
<sup>3</sup> Audited for the purposes of SCI Group's financial reporting, as SEIL's financial year-end is 31 March.

## LETTER TO SHAREHOLDERS

**3.1.2** (i) OIC holds 100 per cent. of each of Danat Investment and Sadeem Development, and (ii) OIC, the MODPF and Dar Investment hold 25 per cent., 50 per cent. and 25 per cent. respectively of Tanweer Development.

Prior to Completion, subject to SCU's prior written consent, Danat Investment may transfer all (but not some) of its legal and beneficial interest in the Purchaser to a subsidiary of OIC which is solely owned and controlled by OIC, so that such subsidiary of OIC owns 59.99% of, and controls, the Purchaser as at Completion. Such transfer by Danat Investment will not result in any change in beneficial interests in the Purchaser, as OIC holds 100 per cent. of both Danat Investment and the said subsidiary of OIC.

A diagram illustrating the corporate structure of the Purchaser and the Tanweer Consortium after the Proposed Sale is as follows:



**Note:**

(1) The figures have been rounded to two decimal places.

#### 4. TERMS AND CONDITIONS OF PROPOSED SALE

**4.1 Proposed Sale.** The Proposed Sale involves the sale by SCU (and its nominees), and the purchase by the Purchaser, of all the SEIL Sale Shares, representing 100 per cent. of all the SEIL Shares as at the date of this Circular.

#### 4.2 Final Purchase Price.

**4.2.1** The Base Purchase Price for the SEIL Sale Shares is INR117,338 million (which based on the Relevant Exchange Rate is approximately S\$2,058,561,404), subject to certain adjustments (the Base Purchase Price, as adjusted, referred to as the "**Final Purchase Price**") on and after the date of Completion including:

- (i) an upward adjustment of the Base Purchase Price in favour of SCU to be computed by reference to an amount equal to the interest that would have accrued daily at a rate of 9 per cent. per annum on the Base Purchase Price from the day immediately following the Accounts Date up to the date of Completion (the "**Locked Box Interest**"); and

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## LETTER TO SHAREHOLDERS

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- (ii) a downward adjustment of the Base Purchase Price in favour of the Purchaser in respect of certain leakages by the SEIL Group that are agreed or confirmed (the “**Confirmed Leakages**”) prior to Completion, based on the actual amount of such leakages. Such leakages include (a) any dividend or distribution by any SEIL Group Company to the Seller’s Group, (b) any payment by any SEIL Group Company to any member of the Seller’s Group in respect of any purchase, redemption or return of any share capital or in respect of any loan advanced by any member of the Seller’s Group to any SEIL Group Company in advance of any due date for payment, (c) any transfer of any asset by any SEIL Group Company to any member of the Seller’s Group (other than in the ordinary course of business), (d) any payment or assumption of liability or obligation by any SEIL Group Company for the benefit of any member of the Seller’s Group, (e) any discount, deferral, release or waiver by any SEIL Group Company of any amount or liability owed by any member of the Seller’s Group and (f) any tax incurred or paid by any SEIL Group Company in connection with any of the aforesaid matters, except for certain agreed permitted leakages.

The Purchaser can bring a claim for leakage from the date of the Share Purchase Agreement until three months after Completion. Accordingly, any Confirmed Leakages that are only agreed or confirmed during the three-month period after Completion will not adjust the Base Purchase Price as set out in **paragraph 4.2.1(ii)** of the Letter to Shareholders in this Circular, but will instead be set-off against this Ongoing Advance under the Deferred Payment Note in the manner as described in **paragraph 5.7.4** of the Letter to Shareholders in this Circular.

In the event of any material upward or downward adjustments to the Base Purchase Price, SCI will announce the same via SGXNET.

**4.2.2** The Final Purchase Price was determined in the manner as described in **paragraph 6.4** of the Letter to Shareholders in this Circular.

**4.2.3** The Final Purchase Price shall be settled entirely by way of the Deferred Payment Note in the manner as described in **paragraph 5** of the Letter to Shareholders in this Circular.

**4.3 Conditions Precedent to Completion.** Pursuant to the Share Purchase Agreement, Completion is subject to the satisfaction of the Conditions Precedent, which are set out in **Appendix B** to this Circular. Subject to the satisfaction of the Conditions Precedent, Completion is currently expected to take place approximately six months after the date of the EGM.

#### **4.4 Longstop Date.**

**4.4.1** The Longstop Date is the date falling nine months after the date of the Share Purchase Agreement (or such other date as may be agreed between the Parties).

**4.4.2** The Longstop Date will be automatically extended by an additional three months if the only Conditions Precedent that remain not satisfied (other than due to a breach by either Party) are any of the Conditions Precedent set out in **paragraph 1** or **2** of **Appendix B** to this Circular.

**4.4.3** If any of the Conditions Precedent set out in **paragraph 1** or **2** of **Appendix B** to this Circular are not satisfied on or before such extended Longstop Date (other than as a result of a breach by either Party), then the Parties may agree in writing to further extend the Longstop Date. If the Longstop Date is extended beyond such further agreed period, SCI will announce the same via SGXNET.

#### **4.5 Corporate Guarantees.**

**4.5.1** Certain international and local banks (the “**Existing Lenders**”) have extended term loans, working capital and trade facilities to SEIL (as borrower) (the “**Existing Facilities**”).

**4.5.2** SCU has issued corporate guarantees (the “**Existing Corporate Guarantees**”) in favour of some of the Existing Lenders in connection with certain Existing Facilities extended by such Existing Lenders (the “**Guaranteed Existing Facilities**”). The Guaranteed Existing Facilities have maturity dates ranging from the year 2022 to the year 2036. As at the Latest Practicable Date, the aggregate principal amount of the Guaranteed Existing Facilities is S\$618 million and the aggregate principal amount of the Guaranteed Existing Facilities drawn down is S\$534 million. As at the Latest Practicable Date, none of the Existing Corporate Guarantees has been enforced by any of the Existing Lenders.

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## LETTER TO SHAREHOLDERS

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**4.5.3** The Existing Facilities in respect of which SCU has not issued any corporate guarantee in favour of the Existing Lenders (the “**Non-Guaranteed Existing Facilities**”) have maturity dates ranging from the year 2022 to 2036. As at the Latest Practicable Date, the aggregate principal amount of the Non-Guaranteed Existing Facilities is S\$1,557 million and the aggregate principal amount of the Non-Guaranteed Existing Facilities drawn down is S\$1,264 million.

**4.5.4** As set out in **paragraph 1(i) of Appendix B** to this Circular, it is a Condition Precedent to Completion that SEIL shall have obtained written consents (on terms satisfactory to the Seller) in relation to the Proposed Sale from the Existing Lenders. As at the Latest Practicable Date, SCU is in the process of soliciting consents from the Existing Lenders in respect of the Existing Facilities, pursuant to which the Existing Lenders may request for (i) up to all of the Existing Corporate Guarantees to continue in force post-Completion and (ii) for new corporate guarantees (the “**New Corporate Guarantees**”) to be issued by SCU in respect of up to all of the Non-Guaranteed Existing Facilities, with the New Corporate Guarantees to continue in force post-Completion. Accordingly, to procure the satisfaction of the Condition Precedent set out in **paragraph 1(i) of Appendix B** to this Circular, SCU may agree (a) for up to all of the Existing Corporate Guarantees to continue in force post-Completion and (b) to provide the New Corporate Guarantees in respect of up to all of the Non-Guaranteed Existing Facilities (which shall also continue in force post-Completion).

**4.5.5** In an event of default by SEIL under the Existing Facilities, the Existing Lenders will be able to enforce the Relevant Corporate Guarantees against SCU, and in such event, SCU will have no recourse against the Purchaser in relation to such enforcement action by the Existing Lenders. However, SCI is of the view that the risk of default under the Existing Facilities leading to the Relevant Corporate Guarantees being enforced is mitigated by the following factors:

- (i) first, SCU’s understanding of the operations and cash flows of SEIL as of the Latest Practicable Date,
- (ii) second, the power purchase agreements which are in place for 85 per cent. of the Project’s operations have a weighted average duration of 11 years. SEIL’s power plants rank fourth in terms of carbon dioxide emissions intensity out of 177 coal-fired power plants in India<sup>4</sup>. Hence, SCI is of the view that the risk of non-renewal of such power purchase agreements is low, especially in light of the tight energy environment in India; and
- (iii) finally, the fact that the Technical Advisor will, pursuant to the TSA, support the Project on and from Completion to ensure that it continues to be managed and operated in the most efficient manner and achieves the highest standards of reliability. In this regard, whilst the TSA allows SEIL to unilaterally terminate the TSA by giving 30 days’ written notice, the Purchaser is prohibited under the Deferred Payment Note from permitting SEIL to terminate the TSA without SCU’s consent.

**4.6 Termination.** The Share Purchase Agreement may be terminated (i) by mutual agreement between the Parties, (ii) by the non-breaching Party, in the event of a breach by the other Party of such other Party’s obligations at Completion, (iii) by either Party, if any of the Conditions Precedent is not satisfied, (iv) by SCU, if the Purchaser breaches its change-of-control or assignment restrictions, or (v) by the Purchaser, if any matter is disclosed by SCU in a supplemental disclosure letter which has resulted in a permanent impairment to the operations of SEIL and which caused a material reduction in the value of SEIL from the value as at the Accounts Date.

### **4.7 Other Material Terms.**

**4.7.1 Employee Benefits.** Pursuant to the Share Purchase Agreement, the Purchaser shall, and shall cause the SEIL Group to, for a period of two years after Completion (i) ensure that all employees and contractors of the SEIL Group continue to receive their respective employee benefits and (ii) not decrease or adversely change any employee benefits (except as otherwise mandatorily required under applicable laws).

**4.7.2 Taxes.** SCU and the Purchaser have agreed and allocated between them the responsibility for the stamp duty, capital gains taxes, gift taxes and other taxes arising from the sale and purchase of the SEIL Sale Shares and SCU has granted an indemnity in favour of the Purchaser in respect of the capital gains taxes, subject to certain limitations.

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<sup>4</sup> Central Electricity Authority 2020-2021, India

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### 4.7.3 Technical Services Agreement.

- (i) In connection with the Proposed Sale, the Technical Advisor (being a wholly-owned subsidiary of SCU incorporated in India), will on Completion, enter into a TSA with SEIL to provide certain non-exclusive supporting and advisory services relating to technical, financial, environmental, regulatory, legal and corporate communications-related work (the “**Agreement Services**”) in order to continue the highest standards of reliability, operational efficiency and best practices in the management of the Project. The Purchaser (which will be the owner of SEIL on and from Completion) and the Technical Advisor are unrelated parties, and the terms of the TSA will be on an arms-length basis as negotiated between the Purchaser and the Technical Advisor.
- (ii) The tenure of the TSA shall be from the date of Completion until the termination of the Deferred Payment Note in accordance with the terms thereof. However, the TSA may be terminated earlier as SEIL can, subject to the terms of the Deferred Payment Note, terminate the TSA by 30 days’ notice in writing to the Technical Advisor. Either SEIL or the Technical Advisor may also terminate the TSA forthwith upon the occurrence of certain specific events including: (a) the winding-up, liquidation or dissolution of the defaulting party, (b) the defaulting party suffering an encumbrance to take possession of, or a receiver or judicial manager is appointed over, all or substantially all of its assets, (c) the defaulting party making any composition or arrangement with its creditors or is insolvent or unable to pay its debts as they fall due, (d) the defaulting party ceasing to carry on its business, or (e) the defaulting party committing a breach of its obligations under the TSA which is unremedied for 30 days or which disrupts or adversely affects or prejudices materially, the operation and maintenance of the Project.
- (iii) The TSA does not include any fixed fees or a schedule of anticipated fees. Pursuant to the TSA, SEIL shall pay to the Technical Advisor for the Agreement Services a fee to be agreed between SEIL and the Technical Advisor, which will be based on the estimated man-days anticipated to be employed to support the existing operation and asset size of SEIL at a daily charge-out rate (the “**TSA Fee**”). The TSA Fee will be paid in monthly instalments and reviewed annually. There is no fee range for the annual renegotiation of the TSA Fee and any adjustment to the TSA Fee will be agreed between the Technical Advisor and SEIL. If the amount of the TSA Fee is material in any given year, SCI will announce the salient terms (including the amount) relating to such fees via SGXNET.
- (iv) The TSA is advisory in nature and the operations and management of SEIL, post-Completion, will be directed by the board of directors of SEIL under the ownership of the Purchaser.

**4.7.4 Change of Directors.** On Completion, the existing directors of SEIL nominated by SCU will resign and individuals nominated by the Purchaser as directors on the board of SEIL shall be appointed.

## 5. DEFERRED PAYMENT NOTE

**5.1 Settlement of Final Purchase Price.** On Completion, the Purchaser will settle the entire Final Purchase Price by way of the Deferred Payment Note.

**5.2 Initial Advance and Ongoing Advance.** Pursuant to the Deferred Payment Note, the Purchaser agrees to pay to SCU an initial principal amount equal to the Final Purchase Price (the “**Initial Advance**”), together with any interest added to the principal balance (the “**Ongoing Advance**”), and all interest accruing on the Ongoing Advance. The Initial Advance will be:

- (i) increased by an amount equal to the stamp duty, tax collected at source and/or gift tax remitted on behalf of the Purchaser;
- (ii) increased by an amount equal to the Locked Box Interest;
- (iii) decreased by an amount equal to the aggregate amount of Confirmed Leakage; and
- (iv) increased by amounts in certain situations where, after an amount has previously been set-off under the Deferred Payment Note, the Purchaser or a SEIL Group Company recovers an amount from a third party or benefits from understatements, overstatements, allowances, provisions or reserves in the latest financial statements of the SEIL Group.

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**5.3 Interest Rate.** The Ongoing Advance shall bear interest at a rate per annum equal to:

- (i) 1.8%; plus
- (ii) a benchmark rate equal to the Indian government 10-year bond yield spot rate; minus
- (iii) a GHG emissions intensity reduction incentive rate which is derived from the percentage reduction of GHG emissions intensity of the Project on an ongoing basis, against a historical base measure multiplied by 9 basis points, subject to a cap of 180 basis points.

For every 1.0% reduction of the Project's GHG emissions intensity against the historical base measure, the interest rate shall be reduced by 9 basis points, subject to a minimum reduction in the Project's GHG emissions intensity of 5.0%.

If the Purchaser does not have sufficient cash to pay interest, the Purchaser can elect to pay such interest amount in kind by capitalising such interest amount and adding it to the principal amount.

**5.4 Maturity Date.** All outstanding payment obligations under the Deferred Payment Note (the "**Obligations**") shall be due and payable in full on the fifteenth anniversary date of Completion (the "**Maturity Date**"), provided that if the Obligations are not fully repaid by such fifteenth anniversary, the Maturity Date will be automatically (and consecutively) extended for a two-year period. If the Obligations remain not fully repaid on the last day of such two-year extension period, the Maturity Date shall be further extended automatically (and consecutively) for a further two-year period each. The Maturity Date will, however, not be extended beyond the twenty-fourth anniversary date of Completion.

**5.5 Security Interest.** With respect to the Obligations, the Purchaser will grant in favour of SCU a security interest over: (i) most of the Purchaser's bank accounts, and (ii) all of the Purchaser's assets (other than the SEIL Sale Shares). Whilst the Purchaser is a newly incorporated entity, it will hold all of the SEIL Shares post-Completion and therefore be an entity of substance. The Purchaser will also (a) ensure that the Obligations under the Deferred Payment Note rank at least *pari passu* with the claims of all other unsecured and unsubordinated creditors unless mandatorily preferred by law and (b) procure that its parent pledges and maintains as a first ranking security interest over all of the shares in the Purchaser in favour of SCU. Under the terms of the Deferred Payment Note, the Purchaser has given covenants not to transfer any of the SEIL Sale Shares, open any new bank accounts or undertake any other activities, and any permitted newly acquired assets will be subject to a security interest in favour of SCU.

**5.6 Waiver, Cancellation and Termination.** Pursuant to the Deferred Payment Note, SCU will waive, cancel and forgive the repayment of all Obligations by the Purchaser on the said twenty-fourth anniversary date of Completion and the Purchaser will not be liable for any Obligation thereafter. The Deferred Payment Note will terminate on the twenty-fifth anniversary date of Completion. Accordingly, any outstanding Obligations as at the twenty-fourth anniversary date of Completion will not be paid by the Purchaser to SCU, and consequently, SCU will not be able to take enforcement action in respect of the security interests granted in its favour (as set out in **paragraph 5.5** of the Letter to Shareholders in this Circular above) after such date. In such event, all outstanding Obligations owing under the Deferred Payment Note will be written-off in the books of the SCI Group.

**5.7 Payments and Prepayments.**

**5.7.1** The Purchaser is obligated to maximise available distributions from the Project under the Deferred Payment Note, and on each anniversary of Completion, such available distributions shall be applied (i) first, to pay the accrued interest, (ii) second, if additional funds are available, to pay the principal amount of the Ongoing Advance, and (iii) third, if additional funds are available, to any other Obligations. The Obligations will be serviced by (a) a portion of the available distributions from the Project, net of applicable taxes, which shall be distributed initially into a bank account held by the Purchaser and secured in favour of SCU, and thereafter applied by the Purchaser in the following order of priority: (1) first, a one-off fixed amount post-Completion of 1.5 per cent. of the Final Purchase Price to the Purchaser to cover the initial set-up and transaction costs incurred by the Purchaser and the ongoing operational costs of the Project, (2) second, payment of any applicable taxes, (3) third, 6.75 per cent. of such distributions to the Purchaser and (4) finally, the remainder of such distributions to be applied to repay the Deferred Payment Note (the application of the available distributions from the Project in the order of priority under this **paragraph 5.7.1(a)(1) to 5.7.1(a)(4)** collectively, the "**Waterfall Distribution**") and (b) any pre-payments that the Purchaser may make at its option. Failure by the Purchaser to apply the available distributions from

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the Project in accordance with the Waterfall Distribution constitutes an event of default, as set out in **paragraph 5.9** of the Letter to Shareholders in this Circular. The provisions of the Deferred Payment Note set out the terms of repayment, and the provisions do not relate to profit sharing between the Seller and Purchaser.

The following table sets out a numerical illustration of the application of the Waterfall Distribution to the available distributions from the Project and the amounts shown are presented for illustrative purposes only:

Illustrative Waterfall Distribution	Year 1 <sup>(1),(2),(3)</sup>	Year 2 onwards <sup>(1),(2),(4)</sup>
<b>Available distributions net of applicable taxes</b>	<b>100.0</b>	<b>100.0</b>
<b>Less:</b> One-off fixed amount	30.0	–
<b>Less:</b> Applicable taxes	2.0	2.0
<b>Remaining available post-tax distributions</b>	<b>68.0</b>	<b>98.0</b>
<b>Less:</b> 6.75% of remaining available post-tax distributions to the Purchaser	4.6	6.6
<b>Remaining available distributions to repay the DPN</b>	<b>63.4</b>	<b>91.4</b>

**Notes:**

- (1) The illustrative effects of the Waterfall Distribution and amounts shown in the table are not intended to reflect the actual amounts or future distributions under the DPN.
- (2) The figures reflected have been rounded to one decimal place.
- (3) Before the one-off fixed amount is fully distributed.
- (4) After the one-off fixed amount is fully distributed until the repayment or termination of the DPN.

**5.7.2** Based on SCI's assessment as of the Latest Practicable Date, the Project is expected to maintain stable cash flows and distributions due to the long-term fixed power purchaser agreements secured and a high degree of operational efficiency of the supercritical plants, given SCU's support for the Project through the Technical Advisor. Accordingly, as the Purchaser is obligated to maximise available distributions from the Project so long as there are available distributions, SCI believes that risk of non-conformance by the Purchaser of its Obligations to make payments and pre-payments is minimal and expects that the Deferred Payment Note will be fully repaid within its term.

**5.7.3** If the Obligations have not been fully repaid by the twenty-fourth anniversary date of Completion, SCU will waive, cancel and forgive the repayment of all such Obligations as described in **paragraph 5.6** of the Letter to Shareholders in this Circular above. The available distributions from the Project referred to in this **paragraph 5.7.1** of the Letter to Shareholders in this Circular include, among others, (I) dividends from the net profits and retained earnings of the Project and (II) distributions from any share buyback, capital reduction and cash account, subject to relevant taxes, laws and regulations.

**5.7.4** With five business days' prior notice, the Purchaser may prepay all or any portion of the Ongoing Advance and SCU is entitled to set-off against the Ongoing Advance and accrued interest for any valid claims the Purchaser has against SCU under the Share Purchase Agreement.

**5.8 Set-off of Claims.** SCU will set-off any claims by the Purchaser under the Share Purchase Agreement (including leakages confirmed after Completion) against the outstanding Obligations under the Deferred Payment Note.

**5.9 Covenants; Events of Default.** The Deferred Payment Note provides for customary positive and negative covenants in favour of SCU, and customary events of default, including: (i) failure to pay (subject to applicable cure period), which arises if the Purchaser does not pay the accrued interest due on each anniversary date of Completion (or chooses not to pay such accrued interest due in kind as described in **paragraph 5.3** of the Letter to Shareholders in this Circular); (ii) covenant breaches (which include (1) the amendment or termination before expiry by the Purchaser of key material contracts such as project and finance documents as well as the TSA and (2) the failure to apply the available distributions from the Project in accordance with the Waterfall Distribution), subject to applicable cure period; (iii) incorrect representation or warranty; (iv) bankruptcy events; (v) cross default under SEIL's finance documents; and (vi) invalidity of the Deferred Payment Note.



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Upon an event of default, SCU may exercise any of its remedies, including (a) declaring that all of the Obligations are immediately due and payable, and (b) enforcing its security interests (including taking over the bank account of the Purchaser that is secured to SCU under the security document). However, as described in **paragraph 5.6** of the Letter to Shareholders in this Circular above, the Purchaser will not be liable for any Obligations after the twenty-fourth anniversary date of Completion, and accordingly, SCU will cease to have any such remedies after such twenty-fourth anniversary date.

### 6. TRANSACTION BACKGROUND AND RATIONALE

**6.1 Transaction Background.** In May 2021, SCI unveiled a strategic plan to transform its portfolio from brown to green, with a vision to be a leading provider of sustainable solutions. SCI's strategic plan is underpinned by clear targets as summarised below:

#### 6.1.1 More sustainable.

By the year 2025, SCI aims for its sustainable solutions portfolio to comprise 70 per cent. of SCI Group's net profit<sup>5</sup>.

#### 6.1.2 More renewables.

By the year 2025, SCI aims to quadruple its gross installed renewable energy capacity to 10GW.

#### 6.1.3 More sustainable urban developments.

By the year 2025, SCI aims to triple its urban business' land sales to 500 hectares.

#### 6.1.4 Lower carbon emissions.

By the year 2025, SCI aims to reduce its GHG emissions intensity to 0.40 tCO<sub>2</sub>e/MWh. In addition, SCI aims to reduce absolute GHG emissions to 2.7 million tCO<sub>2</sub>e by the year 2030 and deliver net-zero emissions by the year 2050.

As part of its strategic plan, SCI regularly reviews options to maximise value for Shareholders by taking into account its long-term strategy and business environment including the strategic fit of each of its businesses.

**6.2 Assessment of the Proposed Sale.** Given the changing global energy landscape and increased focus on a low-carbon economy, SCI announced its strategic plan to transform its portfolio from brown to green, as described in **paragraph 6.1** of the Letter to Shareholders in this Circular above. Accordingly, SCI disclosed that it will manage its coal-fired power generation assets for value and explore strategic options in relation to such assets. The option of retaining SEIL was considered, however, this could lead to a step-up in interest costs for SCI's sustainability-linked financing instruments. In particular, the interest rates relating to SCI's sustainability-linked bonds, totalling S\$975 million issued in October 2021<sup>6</sup> and April 2022<sup>7</sup>, will be subject to a step-up margin of 0.25 per cent. from the first interest payment date on or after 1 April 2026 if the stated Sustainability Performance Target<sup>8</sup> is not achieved. In addition, SCI is of the view that the investor base that would be able to invest in the securities of SCI would decrease as a significant proportion of institutional funds exclude investments in companies that have coal-related exposure. This would likely result in lower liquidity and thereby an increase in cost of capital for SCI. Hence, SCI conducted a broad market sounding for a potential sale of SEIL in 2020 and followed up with a targeted market sounding exercise in 2021 with potential bidders to gauge the market's appetite for a transaction. Bidders were then invited to participate in the current sale process which culminated in the Proposed Sale.

Given the limited availability of funding for coal-related projects due to ESG considerations of financial institutions globally, bidders were given the option of vendor financing via a deferred payment note, in addition to the options of using an all-cash bid or a combination of the two. Subsequently, multiple binding offers were received, all of which included the utilisation of a deferred payment note. The Board reviewed and assessed the binding offers received, and based on a holistic assessment of such offers, the Purchaser's offer was selected.

<sup>5</sup> Before exceptional items and corporate costs.

<sup>6</sup> Announcement on the issuance of Series 002 sustainability-linked notes by Sembcorp Financial Services Pte. Ltd. under the S\$3 billion Multicurrency Debt Issuance Programme at <https://www.sembcorp.com/en/media/741993/successful-issuance-of-series-002-sustainability-linked-notes-by-sembcorp-financial-services.pdf>.

<sup>7</sup> Announcement on the issuance of Series 003 sustainability-linked notes by Sembcorp Financial Services Pte. Ltd. under the S\$3 billion Multicurrency Debt Issuance Programme at <https://www.sembcorp.com/en/media/765208/issuance-of-series-003-slb-by-sfs-under-the-s-3b-mc-debt-issuance-programme.pdf>.

<sup>8</sup> The stated "Sustainability Performance Target" means the amount of SCI Group's total greenhouse gases direct emissions (Scope 1) from its activities, indirect emissions (Scope 2) from its energy consumption and biogenic emissions from bioenergy feedstocks, divided by total energy generated and purchased, as calculated using an equity share approach for all operations in accordance with the Greenhouse Gas Protocol, is 0.40 tCO<sub>2</sub>e/MWh or lower as of 31 December 2025.

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The Board is of the view that the Proposed Sale is in the best interest of SCI in light of current market conditions and sentiments in relation to coal-related transactions.

**6.3 Rationale.** The key rationale for the Proposed Sale is as follows:

**6.3.1 Accelerate the transformation of SCI's portfolio from brown to green.**

The Proposed Sale is in line with SCI's strategic plan to transform its portfolio from brown to green, and will allow management to focus its efforts on growing its sustainable solutions portfolio.

With the Proposed Sale:

- (i) SCI's GHG emissions intensity for the year 2021 will reduce from 0.51 tCO<sub>2</sub>e/MWh to 0.32 tCO<sub>2</sub>e/MWh on a pro forma basis. SCI would have achieved its target of reducing GHG emissions intensity to 0.40 tCO<sub>2</sub>e/MWh by the year 2025 ahead of time;
- (ii) SCI's absolute GHG emissions for the year 2021 will reduce from 26.2 million tCO<sub>2</sub>e to 10.4 million tCO<sub>2</sub>e on a pro forma basis. SCI remains committed towards reducing its absolute GHG emissions to 2.7 million tCO<sub>2</sub>e by the year 2030, and delivering net-zero emissions by the year 2050; and
- (iii) 51 per cent. of SCI's energy capacity will be renewable energy. SCI will have an energy portfolio of 14.0GW, with 7.1GW of renewable energy capacity comprising solar, wind and energy storage globally. On a pro forma basis, SCI Group's share of net profit from the sustainable solutions portfolio for 1H2022 will increase from 25 per cent. to 31 per cent.

**6.3.2 Strengthen SCI's balance sheet.**

Based on the illustrative pro forma financial effects for 1H2022 as shown in **Appendix A** to this Circular, SCI's debt level is expected to be reduced. On a pro forma basis, SCI's total debt as at 30 June 2022 will decrease from S\$8.7 billion to S\$7.1 billion due to the deconsolidation of SEIL in SCI Group's balance sheet. This has resulted in an improvement of the following pro forma leverage ratios<sup>9</sup>:

- (i) **Gross debt/EBITDA**<sup>10</sup> ratio will improve from 5.0 times to 4.9 times;
- (ii) **EBITDA/Interest**<sup>11</sup> ratio will increase from 4.5 times to 5.3 times; and
- (iii) **Gross debt/Capitalisation** ratio will decrease from 66 per cent. to 62 per cent.

The Proposed Sale will result in the Ongoing Advance under the Deferred Payment Note being recognised as a financial receivable within SCI Group's non-current assets. SCI's pro forma 1H2022 NAV will reduce marginally from S\$4,222 million to S\$4,175 million, while SCI's pro forma 1H2022 NTA will increase to S\$3,478 million from S\$3,441 million<sup>12</sup>.

SCI is actively managing its portfolio and remains committed to deleveraging over time.

**6.3.3 Preserve value for Shareholders.**

SCI believes that Shareholder value will be preserved through the Proposed Sale. The Base Purchase Price represents an implied price/book value multiple of 1.0 time<sup>13</sup>, based on the unaudited financial statements of SEIL for the six-month period ended 30 June 2022. EBITDA, PATMI and NAV on a pro forma basis also remain stable.

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<sup>9</sup> Please refer to **paragraph 1 of Appendix A** to this Circular for the assumptions taken into account in the calculation of the leverage ratios.

<sup>10</sup> Please refer to **paragraph 4.2 of Appendix A** to this Circular for details on how EBITDA is calculated.

<sup>11</sup> The term "**Interest**" refers to finance cost.

<sup>12</sup> Please refer to **paragraphs 2 and 3 of Appendix A** to this Circular for details on how NAV and NTA are calculated.

<sup>13</sup> Based on (i) Base Purchase Price of INR117,338 million and (ii) SEIL's Book Value of INR114 billion as of 30 June 2022.

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### 6.3.4 Protect stakeholders' interests.

SEIL operates two of the largest and most efficient national grid-connected plants, servicing over 2.5 million households. The Proposed Sale takes into consideration the broad range of stakeholders and is structured with the best interests of all parties in mind. This includes:

- (i) fulfilling the contractual obligations with power distribution customers and energy needs of end users;
- (ii) ensuring continuity of the existing operations team at SEIL;
- (iii) ensuring timely debt servicing for lenders; and
- (iv) maintaining grid stability for the Indian power system.

Post-Completion, SCI will continue to render technical advisory services to SEIL pursuant to the TSA, which would help ensure continuity of the highest standards of reliability, operational efficiency and best practices in the management of the Project. The Proposed Sale is structured to ensure the continuation of the current mode of management and operations at SEIL.

### 6.3.5 Stable transition to a proven and trusted long-term partner.

The Purchaser is indirectly owned by the Tanweer Consortium, which is led by OIC in partnership with MODPF, one of Oman's largest pension funds with significant investments across power and infrastructure, and Dar Investment. OIC is a leading Omani private equity investment company with a strong track record of investments in energy and infrastructure projects, real estate, logistics, healthcare as well as asset and project management services. OIC is a proven and trusted long-term partner of SCI, having jointly developed and operated the US\$1 billion Salalah Independent Power and Water Plant in Oman since 2009. OIC's other investments and projects include Nafath Renewable Energy, Khazaen Economic City and Aman Healthcare, among others.

The Purchaser is committed to continuing its initiatives at SEIL to reduce its GHG emissions intensity. SCI will support this commitment through a financial incentive, where the interest rate under the DPN will reduce correspondingly with improvements in SEIL's GHG emissions intensity.

**6.4 Determination of Final Purchase Price.** The Final Purchase Price was arrived at between the Parties following a competitive sale process conducted by the Financial Adviser, on behalf of SCI and taking into consideration (i) the rationale for the Proposed Sale as set out in **paragraph 6.3** of the Letter to Shareholders in this Circular above, (ii) the book value of the SEIL Sale Shares, and (iii) the discounted cash flows of SEIL. No third party valuation was carried out for the purpose of the Proposed Sale, as the valuation of the SEIL Sale Shares was based on the foregoing factors.

**6.5 Use of Proceeds.** As described in **paragraph 5** of the Letter to Shareholders in this Circular, the Final Purchase Price shall be settled by the Purchaser entirely by way of the Deferred Payment Note. As and when payment is received from the Purchaser from time to time under the Deferred Payment Note, SCI intends to utilise such proceeds to grow its renewables portfolio.

## 7. PROPOSED SALE AS A MAJOR TRANSACTION

**7.1 Rule 1006.** The relative figures computed<sup>(1)</sup> on the bases set out in Rule 1006 of the Listing Manual are as follows:

<b>Rule 1006(a)</b>	Net asset <sup>(2)</sup> value of the assets to be disposed of, compared with the net asset value of SCI Group	46.7% <sup>(5)</sup>
<b>Rule 1006(b)</b>	Net profits <sup>(3)</sup> attributable to the assets disposed of, compared with the net profits of SCI Group	21.4% <sup>(6)</sup>
<b>Rule 1006(c)</b>	Aggregate value of the consideration given or received, compared with the Company's market capitalisation <sup>(4)</sup> based on the total number of issued shares excluding treasury shares	34.5% <sup>(7)</sup>

## LETTER TO SHAREHOLDERS

<b>Rule 1006(d)</b>	Number of equity securities issued by SCI Group as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable <sup>(8)</sup>
<b>Rule 1006(e)</b>	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of SCI Group's proved and probable reserves.	Not applicable <sup>(9)</sup>

**Notes:**

- (1) The figures computed here are based on SCI's latest announced consolidated accounts for 1H2022 and financials of SEIL based on SCI Group's perspective.
- (2) Under Rule 1002(3)(a) of the Listing Manual, "**net assets**" means total assets less total liabilities.
- (3) Under Rule 1002(3)(b) of the Listing Manual, "**net profits**" means profit or loss including discontinued operations that have not been disposed of and before income tax and non-controlling interests.
- (4) SCI's market capitalisation is based upon 1,786 million SCI Shares (excluding treasury shares) as at the Announcement Date at a weighted average price of SCI Shares transacted on the Announcement Date of S\$3.337<sup>14</sup> (rounded to 3 decimal places) for each SCI Share.
- (5) Calculated as SEIL's NAV of S\$2,080 million as of 30 June 2022, divided by SCI's net asset value of S\$4,455 million as of 30 June 2022.
- (6) Calculated as SEIL's net profits of S\$127 million for the six-month period ended 30 June 2022, divided by SCI's net profits of S\$592 million for 1H2022.
- (7) Calculated as the value of the Base Purchase Price received of INR117,338 million, divided by SCI's market capitalisation as reflected in note (4) above. Assuming the Locked Box Interest for the period up to the extended Longstop Date of twelve months is factored into this computation, the relative figure would be 39.1%, which is calculated as the value of the Base Purchase Price of INR117,338 million accreted by the Locked Box Interest for such period (and assuming no Confirmed Leakage), divided by SCI's market capitalisation as reflected in note (4) above.
- (8) This is not applicable to a disposal of assets.
- (9) This is not applicable as it is not a disposal of mineral, oil or gas assets by a mineral, oil and gas company.

As each of the relative figures calculated under Rules 1006(a), (b) and (c) of the Listing Manual is more than 20 per cent., the Proposed Sale is considered a major transaction under Chapter 10 of the Listing Manual and is therefore subject to the approval of Shareholders.

### 8. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED SALE

**8.1 Illustrations.** For illustrative purposes only, the pro forma financial effects of the Proposed Sale on the selected financial measures of the SCI Group are set out in **Appendix A** to this Circular, assuming that (i) the Final Purchase Price is paid in full under the Deferred Payment Note and (ii) the Relevant Corporate Guarantees given in respect of the Existing Facilities are not called upon by the Existing Lenders.

**8.2 Caution. The pro forma financial effects are for illustrative purposes only and do not reflect the actual financial position of the SCI Group after the Proposed Sale.**

### 9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

**9.1 Interests of Directors and Substantial Shareholders of SCI.** None of the Directors or Substantial Shareholders has any interest, direct or indirect, in the Proposed Sale, other than in his/her capacity as Directors or Shareholders, as the case may be.

**9.2 Directors' Service Contracts.** No person is proposed to be appointed as a director of SCI in connection with the Proposed Sale. Accordingly, no service contract is proposed to be entered into between SCI and any such person.

**9.3 Interested Person Transaction.** The Proposed Sale is not an interested person transaction for the purposes of Chapter 9 of the Listing Manual.

<sup>14</sup> Source: FactSet as of 5 September 2022.

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## LETTER TO SHAREHOLDERS

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### 10. DIRECTORS' RECOMMENDATION

**10.1 Recommendation.** The Directors, having considered, *inter alia*, the terms and the rationale of the Proposed Sale as well as the financial effects of the Proposed Sale, are of the opinion that the Proposed Sale is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolution set out in the Notice.

**10.2 No Regard to Specific Objectives.** In giving the above recommendation, the Directors have not had regard to the general or specific investment objectives, financial situation, tax position, risk profile or unique needs and constraints of any individual Shareholder. As each Shareholder would have different investment portfolios and objectives, the Directors recommend that any individual Shareholder who may require specific advice in relation to his or her investment portfolio should consult his or her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser.

### 11. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 31 to 32 of this Circular, will be convened and held by way of electronic means on 8 November 2022 at 10:00 a.m., for the purpose of considering, and if thought fit, passing with or without any modifications, the ordinary resolution set out in the Notice.

### 12. ACTION TO BE TAKEN BY SHAREHOLDERS

**12.1 EGM to be Convened by way of Electronic Means.** The EGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Circular will not be sent to Shareholders. Instead, this Circular will be sent to Shareholders by electronic means via publication on the Company's website at the URL <https://www.sembcorp.com/en/investor-relations/extraordinary-general-meeting/>. This Circular will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

**12.2 Alternative Arrangements relating to Attendance at the EGM.** Alternative arrangements relating to:

**12.2.1** attendance at the EGM via electronic means (including arrangements by which the EGM can be electronically accessed via live audio-visual webcast or live audio-only stream);

**12.2.2** submission of questions to the Chairman of the EGM in advance of, or "live" through the audio-visual webcast platform at, the EGM; and

**12.2.3** voting at the EGM (i) "live" by Shareholders or his/its duly appointed proxy(ies) (other than the Chairman of the EGM) via electronic means or (ii) by appointing the Chairman of the EGM as proxy to vote on Shareholders' behalf at the EGM,

are set out in the accompanying Company's announcement dated 22 October 2022. This announcement may be accessed at the Company's website at the URL <https://www.sembcorp.com/en/investor-relations/sgx-announcements/>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

**12.3 Voting "Live" or Appointment of Proxy(ies).** To keep physical interactions and COVID-19 transmission risk to a minimum, the Company is not providing for physical attendance by Shareholders at the EGM. A Shareholder who wishes to exercise his/its voting rights at the EGM may:

**12.3.1** (where the Shareholder is an individual) vote "live" via electronic means at the EGM, or (whether the Shareholder is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the EGM) to vote "live" via electronic means at the EGM on his/its behalf; or

**12.3.2** (whether the Shareholder is an individual or a corporate) appoint the Chairman of the EGM as his/its proxy to vote on his/its behalf at the EGM.

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## LETTER TO SHAREHOLDERS

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The Notice and the Proxy Form may be accessed at the Company's website at the URL <https://www.sembcorp.com/en/investor-relations/extraordinary-general-meeting/> and is also available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

**12.4 Submission of Proxy Forms.** The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

**12.4.1** if submitted by post, be lodged at the office of Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902; or

**12.4.2** if submitted electronically, be submitted (i) via email to the Company's Share Registrar at [gpe@mncsingapore.com](mailto:gpe@mncsingapore.com) or (ii) via the pre-registration website at the URL <https://www.sembcorp.com/en/investor-relations/extraordinary-general-meeting/>,

in each case not less than 72 hours before the time appointed for the EGM.

A Shareholder who wishes to submit a Proxy Form by post or via email must first download (where necessary), complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. In the alternative, a Shareholder may download, complete and authorise the Proxy Form by way of the affixation of an electronic signature, before sending it by email to the email address provided above.

### 13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Sale and the SCI Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

### 14. FINANCIAL ADVISER'S RESPONSIBILITY STATEMENT

To the best of the Financial Adviser's knowledge and belief, save for the information set out in **paragraphs 6, 7, 8, 9, 10 and 13** of the Letter to Shareholders in this Circular and **Appendix A** to this Circular, this Circular constitutes full and true disclosure of all material facts about the Proposed Sale and the SCI Group, and the Financial Adviser is not aware of any facts the omission of which would make any statement in this Circular misleading.

### 15. CONSENTS

**15.1 Consent by the Financial Adviser.** The Financial Adviser has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and all references to itself in the form and context in which they appear in this Circular.

**15.2 Consent by Sidley Austin LLP.** Sidley Austin LLP has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and all references to itself in the form and context in which they appear in this Circular.

**15.3 Consent by Shardul Amarchand Mangaldas & Co.** Shardul Amarchand Mangaldas & Co has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and all references to itself in the form and context in which they appear in this Circular.

**15.4 Consent by Allen & Gledhill LLP.** Allen & Gledhill LLP has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and all references to itself in the form and context in which they appear in this Circular.

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## LETTER TO SHAREHOLDERS

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### 16. DISCLOSURE OF INTERESTS

**16.1 Interests of the Financial Adviser.** As at the Latest Practicable Date, and in the reasonable opinion of the Directors, the team members of the Financial Adviser directly advising in relation to the Proposed Sale do not have a material relationship with the Purchaser and its ultimate beneficial owners, or the SCI Group, other than in their respective professional capacity as financial advisers.

**16.2 Interests of Sidley Austin LLP.** As at the Latest Practicable Date, and in the reasonable opinion of the Directors, the team members of Sidley Austin LLP directly advising in relation to the Proposed Sale do not have a material relationship with the Purchaser and its ultimate beneficial owners, or the SCI Group, other than in their respective professional capacity as legal advisers.

**16.3 Interests of Shardul Amarchand Mangaldas & Co.** As at the Latest Practicable Date, and in the reasonable opinion of the Directors, the team members of Shardul Amarchand Mangaldas & Co directly advising in relation to the Proposed Sale do not have a material relationship with the Purchaser and its ultimate beneficial owners, or the SCI Group, other than in their respective professional capacity as legal advisers.

**16.4 Interests of Allen & Gledhill LLP.** As at the Latest Practicable Date, and in the reasonable opinion of the Directors, the team members of Allen & Gledhill LLP directly advising in relation to the Proposed Sale do not have a material relationship with the Purchaser and its ultimate beneficial owners, or the SCI Group, other than in their respective professional capacity as legal advisers.

### 17. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 30 Hill Street #05-04, Singapore 179360, during normal business hours from the Announcement Date and for a period of three months thereafter. Prior appointment by email to [investorrelations@sembcorp.com](mailto:investorrelations@sembcorp.com) is required for the inspection of the following documents:

- (i) the Share Purchase Agreement;
- (ii) the Deferred Payment Note;
- (iii) the TSA; and
- (iv) the letters of consent referred to in **paragraph 15** above.

Yours faithfully  
For and on behalf of  
the Board of Directors of  
**Sembcorp Industries Ltd**

**Ang Kong Hua**  
Chairman

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## APPENDIX A – PRO FORMA FINANCIAL EFFECTS

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### Appendix A Pro Forma Financial Effects

1. **Assumptions.** For illustrative purposes only, the pro forma financial effects of the Proposed Sale on selected financial measures of the SCI Group have been prepared based on the audited consolidated financial statements of the SCI Group for FY2021 and the unaudited consolidated financial statements of the SCI Group for 1H2022. The pro forma financial effects are prepared based on, and take into account, the following assumptions:
- (a) the fair value of the DPN on Completion approximates the Final Purchase Price which has been computed by accreting the Base Purchase Price by the pro rata Locked Box Interest for the 3-month period of 1 April 2022 to 30 June 2022;
  - (b) the Final Purchase Price is paid in full under the Deferred Payment Note;
  - (c) the benchmark rate under the Deferred Payment Note is 7.2%, being the Indian government 10-year bond yield spot rate as at the date of the Deferred Payment Note;
  - (d) the Relevant Corporate Guarantees given in respect of the Existing Facilities are not called upon by the relevant Existing Lenders;
  - (e) the NAV and NTA of SCI Group as at 31 December 2021 and 30 June 2022 have been prepared on a pro forma basis on the assumption that the Proposed Sale had been completed on 31 December 2021 and 30 June 2022, respectively;
  - (f) the (I) revenue, (II) DPN income, (III) finance cost, (IV) EBITDA, (V) PAT, (VI) PATMI and (VII) EPS of the SCI Group for FY2021 and 1H2022 have been prepared on a pro forma basis on the assumption that the Proposed Sale had been completed on 1 January 2021 and 1 January 2022, respectively, except that these pro forma financial effects have excluded the net gains or losses recognised at the Completion of the Proposed Sale;
  - (g) the (I) gross debt, (II) cash and cash equivalents, (III) debt-to-EBITDA and (IV) debt-to-capitalisation of the SCI Group as at 31 December 2021 and 30 June 2022 have been prepared on a pro forma basis on the assumption that the Proposed Sale had been completed on 31 December 2021 and 30 June 2022, respectively;
  - (h) the financials of SEIL used in computing these pro forma financial effects are based on SCI Group's perspective, which were translated at the applicable exchange rate for the respective financial period;
  - (i) no outstanding performance shares and restricted shares pursuant to the SCI's performance share plan and SCI's restricted share plan are exercised or released prior to the record date of the Proposed Sale;
  - (j) the Relevant Exchange Rate; and
  - (k) any discrepancies presented in the tables of this **Appendix A** is due to rounding. Accordingly, totals and percentages presented may not be a precise reflection of the figures that precede them.

**The pro forma financial effects are for illustrative purposes only and do not reflect the actual financial position of the SCI Group after the Proposed Sale.**



## APPENDIX A – PRO FORMA FINANCIAL EFFECTS

### 2. Impact on NAV and NAV per SCI Share.

2.1 The pro forma financial effects of the Proposed Sale on the NAV and NAV per SCI Share of the SCI Group as of 31 December 2021 are as follows:

	Before the Proposed Sale	After the Proposed Sale
NAV <sup>(1)</sup> (S\$ million)	3,767	3,800 <sup>(3),(4)</sup>
NAV per SCI Share <sup>(2)</sup> (S\$)	2.11	2.13 <sup>(3),(4)</sup>

**Notes:**

- (1) Computed as total assets less total liabilities and non-controlling interests.
- (2) The figures are based on 1,783 million SCI Shares (excluding treasury shares) as at the Latest Practicable Date.
- (3) Excludes S\$2,069 million, which comprises SEIL's book value, goodwill, other consolidation adjustments and costs arising out of the Proposed Sale, as of 31 December 2021.
- (4) Includes Ongoing Advance of S\$2,103 million, calculated as the Base Purchase Price of INR117,338 million accreted by the pro rata Locked Box Interest for the three-month period of 1 April 2022 to 30 June 2022 (and assuming no Confirmed Leakage).

2.2 The pro forma financial effects of the Proposed Sale on the NAV and NAV per SCI Share of the SCI Group as of 30 June 2022 are as follows:

	Before the Proposed Sale	After the Proposed Sale
NAV <sup>(1)</sup> (S\$ million)	4,222	4,175 <sup>(3),(4)</sup>
NAV per SCI Share <sup>(2)</sup> (S\$)	2.37	2.34 <sup>(3),(4)</sup>

**Notes:**

- (1) Computed as total assets less total liabilities and non-controlling interests.
- (2) The figures are based on 1,783 million SCI Shares (excluding treasury shares) as at the Latest Practicable Date.
- (3) Excludes S\$2,150 million, which comprises SEIL's book value, goodwill, other consolidation adjustments and costs arising out of the Proposed Sale, as of 30 June 2022.
- (4) Includes Ongoing Advance of S\$2,103 million, calculated as the Base Purchase Price of INR117,338 million accreted by the pro rata Locked Box Interest for the three-month period of 1 April 2022 to 30 June 2022 (and assuming no Confirmed Leakage).

### 3. Impact on NTA and NTA per SCI Share.

3.1 The pro forma financial effects of the Proposed Sale on the NTA and NTA per SCI Share of the SCI Group as of 31 December 2021 are as follows:

	Before the Proposed Sale	After the Proposed Sale
NTA <sup>(1)</sup> (S\$ million)	3,377	3,495 <sup>(3),(4)</sup>
NTA per SCI Share <sup>(2)</sup> (S\$)	1.89	1.96 <sup>(3),(4)</sup>

**Notes:**

- (1) Computed as total assets less total liabilities, goodwill, intangible assets and non-controlling interests.
- (2) The figures are based on 1,783 million SCI Shares (excluding treasury shares) as at the Latest Practicable Date.
- (3) Excludes SEIL's NTA of S\$1,913 million as of 31 December 2021.
- (4) Includes Ongoing Advance of S\$2,103 million, calculated as the Base Purchase Price of INR117,338 million accreted by the pro rata Locked Box Interest for the three-month period of 1 April 2022 to 30 June 2022 (and assuming no Confirmed Leakage).

## APPENDIX A – PRO FORMA FINANCIAL EFFECTS

3.2 The pro forma financial effects of the Proposed Sale on the NTA and NTA per SCI Share of the SCI Group as of 30 June 2022 are as follows:

	Before the Proposed Sale	After the Proposed Sale
NTA <sup>(1)</sup> (S\$ million)	3,441	3,478 <sup>(3),(4)</sup>
NTA per SCI Share <sup>(2)</sup> (S\$)	1.93	1.95 <sup>(3),(4)</sup>

**Notes:**

- (1) Computed as total assets less total liabilities, goodwill, intangible assets and non-controlling interests.
- (2) The figures are based on 1,783 million SCI Shares (excluding treasury shares) as at the Latest Practicable Date.
- (3) Excludes SEIL's NTA of S\$1,996 million as of 30 June 2022.
- (4) Includes Ongoing Advance of S\$2,103 million, calculated as the Base Purchase Price of INR117,338 million accreted by the pro rata Locked Box Interest for the three-month period of 1 April 2022 to 30 June 2022 (and assuming no Confirmed Leakage).

#### 4. Impact on Revenue, EBITDA, PATMI and Earnings.

4.1 The pro forma financial effects of the Proposed Sale on the revenue, EBITDA, PATMI and earnings of the SCI Group for FY2021 are as follows:

	Before the Proposed Sale	After the Proposed Sale
Revenue (S\$ million)	7,795	6,407 <sup>(4)</sup>
EBITDA <sup>(1)</sup> (S\$ million)	1,288	1,166 <sup>(5),(7),(8)</sup>
Adjusted EBITDA <sup>(1),(2)</sup> (S\$ million)	1,494	1,373 <sup>(5),(7),(8)</sup>
PATMI (S\$ million)	279	379 <sup>(6),(7),(8)</sup>
EPS <sup>(3)</sup> (cents)	15.63	21.25 <sup>(6),(7),(8)</sup>

**Notes:**

- (1) Excludes major non-cash items such as the effects of fair value adjustments, re-measurements, impairments and write-offs.
- (2) Adjusted to include share of results of associates and joint ventures (net of tax).
- (3) Computed as PATMI divided by the weighted average number of 1,785 million SCI Shares (excluding treasury shares) for the twelve-month period ended 31 December 2021.
- (4) Excludes SEIL's revenue of S\$1,387 million for the twelve-month period ended 31 December 2021.
- (5) Excludes SEIL's EBITDA of S\$311 million for the twelve-month period ended 31 December 2021.
- (6) Excludes SEIL's PATMI of S\$57 million for the twelve-month period ended 31 December 2021.
- (7) Includes S\$189 million (pre-tax) or S\$157 million (post-tax) of DPN income for the twelve-month period ended 31 December 2021. Assumes (i) an Ongoing Advance of S\$2,103 million, calculated as the Base Purchase Price of INR117,338 million accreted by the pro rata Locked Box Interest for the three-month period of 1 April 2022 to 30 June 2022 (and assuming no Confirmed Leakage) and (ii) the Ongoing Advance bears interest at a rate per annum equal to 1.8% plus a benchmark rate equal to the Indian government 10-year bond yield spot rate at the time of signing of the DPN.
- (8) Assumes no change in fair value of the DPN for the twelve-month period ended 31 December 2021.

4.2 The pro forma financial effects of the Proposed Sale on the revenue, EBITDA, PATMI and earnings of the SCI Group for 1H2022 are as follows:

	Before the Proposed Sale	After the Proposed Sale
Revenue (S\$ million)	4,755	3,901 <sup>(4)</sup>
EBITDA <sup>(1)</sup> (S\$ million)	865	721 <sup>(5),(7),(8)</sup>
Adjusted EBITDA <sup>(1),(2)</sup> (S\$ million)	998	854 <sup>(5),(7),(8)</sup>
PATMI (S\$ million)	490	468 <sup>(6),(7),(8)</sup>
EPS <sup>(3)</sup> (cents)	27.48	26.24 <sup>(6),(7),(8)</sup>

## APPENDIX A – PRO FORMA FINANCIAL EFFECTS

**Notes:**

- (1) Excludes major non-cash items such as the effects of fair value adjustments, re-measurements, impairments and write-offs.
- (2) Adjusted to include share of results of associates and joint ventures (net of tax).
- (3) Computed as PATMI divided by the weighted average number of 1,783 million SCI Shares (excluding treasury shares) for the six-month period ended 30 June 2022.
- (4) Excludes SEIL's revenue of S\$853 million for the six-month period ended 30 June 2022.
- (5) Excludes SEIL's EBITDA of S\$238 million for the six-month period ended 30 June 2022.
- (6) Excludes SEIL's PATMI of S\$101 million for the six-month period ended 30 June 2022.
- (7) Includes S\$95 million (pre-tax) or S\$79 million (post-tax) of DPN income for the six-month period ended 30 June 2022. Assumes (i) an Ongoing Advance of S\$2,103 million, calculated as the Base Purchase Price of INR117,338 million accreted by the pro rata Locked Box Interest for the three-month period of 1 April 2022 to 30 June 2022 (and assuming no Confirmed Leakage) and (ii) the Ongoing Advance bears interest at a rate per annum equal to 1.8% plus a benchmark rate equal to the Indian government 10-year bond yield spot rate at the time of signing of the DPN.
- (8) Assumes no change in fair value of the DPN for the six-month period ended 30 June 2022.

### 5. Impact on Leverage.

- 5.1 The pro forma financial effects of the Proposed Sale on the leverage of the SCI Group as of 31 December 2021 are as follows:

	Before the Proposed Sale	After the Proposed Sale
Gross debt (S\$ million)	7,391	5,884 <sup>(1)</sup>
Finance cost (S\$ million)	423	295 <sup>(2)</sup>
Gross debt/EBITDA <sup>(3),(4)</sup> (times)	5.7	5.0 <sup>(1),(10)</sup>
Gross debt/Adjusted EBITDA <sup>(3),(5)</sup> (times)	4.9	4.3 <sup>(1),(10)</sup>
Gross debt/Capitalisation <sup>(6)</sup> (%)	65	60 <sup>(1),(11)</sup>
EBITDA/Interest <sup>(3),(7),(8)</sup> (times)	3.0	3.9 <sup>(2),(10)</sup>
Adjusted EBITDA/Interest <sup>(3),(7),(9)</sup> (times)	3.5	4.6 <sup>(2),(10)</sup>

**Notes:**

- (1) Excludes SEIL's gross debt of S\$1,507 million as of 31 December 2021.
- (2) Excludes SEIL's finance cost of S\$128 million (net of finance cost that SEIL pays to SCI) for the twelve-month period ended 31 December 2021.
- (3) Please refer to **paragraph 4.1** of this **Appendix A** for the assumptions on EBITDA and Adjusted EBITDA.
- (4) Computed as gross debt as of 31 December 2021, divided by the EBITDA for the twelve-month period ended 31 December 2021.
- (5) Computed as gross debt as of 31 December 2021, divided by the adjusted EBITDA for the twelve-month period ended 31 December 2021.
- (6) Capitalisation is computed as gross debt, equity attributable to owners of the Company and non-controlling interests, as of 31 December 2021.
- (7) The term "**Interest**" refers to finance cost.
- (8) Computed as EBITDA for the twelve-month period ended 31 December 2021, divided by the finance cost for the twelve-month period ended 31 December 2021.
- (9) Computed as Adjusted EBITDA for the twelve-month period ended 31 December 2021, divided by the finance cost for the twelve-month period ended 31 December 2021.
- (10) Excludes SEIL's EBITDA for the twelve-month period ended 31 December 2021. Includes DPN income for the twelve-month period ended 31 December 2021. Assumes (i) an Ongoing Advance of S\$2,103 million, calculated as the Base Purchase Price of INR117,338 million accreted by the pro rata Locked Box Interest for the three-month period of 1 April 2022 to 30 June 2022 (and assuming no Confirmed Leakage) and (ii) the Ongoing Advance bears interest at a rate per annum equal to 1.8% plus a benchmark rate equal to the Indian government 10-year bond yield spot rate at the time of signing of the DPN.
- (11) Excludes SEIL's equity attributable to owners of the Company of S\$1,999 million as of 31 December 2021.

## APPENDIX A – PRO FORMA FINANCIAL EFFECTS

5.2 The pro forma financial effects of the Proposed Sale on the leverage of the SCI Group as of 30 June 2022 are as follows:

	Before the Proposed Sale	After the Proposed Sale
Gross debt (S\$ million)	8,667	7,102 <sup>(1)</sup>
Finance cost (S\$ million)	194	135 <sup>(2)</sup>
Gross debt/EBITDA <sup>(3),(4)</sup> (times)	5.0	4.9 <sup>(1),(10)</sup>
Gross debt/Adjusted EBITDA <sup>(3),(5)</sup> (times)	4.3	4.2 <sup>(1),(10)</sup>
Gross debt/Capitalisation <sup>(6)</sup> (%)	66	62 <sup>(1),(11)</sup>
EBITDA/Interest <sup>(3),(7),(8)</sup> (times)	4.5	5.3 <sup>(2),(10)</sup>
Adjusted EBITDA/Interest <sup>(3),(7),(9)</sup> (times)	5.1	6.3 <sup>(2),(10)</sup>

**Notes:**

- (1) Excludes SEIL's gross debt of S\$1,565 million as of 30 June 2022.
- (2) Excludes SEIL's finance cost of S\$59 million (net of finance cost that SEIL pays to SCI) for the six-month period ended 30 June 2022.
- (3) Please refer to **paragraph 4.2** of this **Appendix A** for the assumptions on EBITDA and Adjusted EBITDA.
- (4) Computed as gross debt as of 30 June 2022, divided by the EBITDA for the six-month period ended 30 June 2022 (annualised).
- (5) Computed as gross debt as of 30 June 2022, divided by the adjusted EBITDA for the six-month period ended 30 June 2022 (annualised).
- (6) Capitalisation is computed as gross debt, equity attributable to owners of the Company and non-controlling interests, as of 30 June 2022.
- (7) The term "Interest" refers to finance cost.
- (8) Computed as EBITDA for the six-month period ended 30 June 2022 (annualised), divided by the finance cost for the six-month period ended 30 June 2022 (annualised).
- (9) Computed as Adjusted EBITDA for the six-month period ended 30 June 2022 (annualised), divided by the finance cost for the six-month period ended 30 June 2022 (annualised).
- (10) Excludes SEIL's EBITDA for the six-month period ended 30 June 2022 (annualised). Includes DPN income for the six-month period ended 30 June 2022 (annualised). Assumes (i) an Ongoing Advance of S\$2,103 million, calculated as the Base Purchase Price of INR117,338 million accreted by the pro rata Locked Box Interest for the three-month period of 1 April 2022 to 30 June 2022 (and assuming no Confirmed Leakage) and (ii) the Ongoing Advance bears interest at a rate per annum equal to 1.8% plus a benchmark rate equal to the Indian government 10-year bond yield spot rate at the time of signing of the DPN.
- (11) Excludes SEIL's equity attributable to owners of the Company of S\$2,080 million as of 30 June 2022.

### 6. Impact on Returns.

6.1 The pro forma financial effects of the Proposed Sale on the ROE and ROA ratios of the SCI Group for FY2021 are as follows:

	Before the Proposed Sale	After the Proposed Sale
ROE <sup>(1)</sup> (%)	7.4	10.0 <sup>(3),(4)</sup>
ROA <sup>(2)</sup> (%)	5.0	5.5 <sup>(3),(4),(5)</sup>

**Notes:**

- (1) Computed as PATMI for the twelve-month period ended 31 December 2021, divided by equity attributable to owners of the Company as of 31 December 2021.
- (2) Computed as PAT adjusted to add back finance cost, for the twelve-month period ended 31 December 2021, divided by total assets as of 31 December 2021.
- (3) Excludes SEIL's PAT and finance cost for the twelve-month period ended 31 December 2021.
- (4) Includes DPN income for the twelve-month period ended 31 December 2021. Assumes (i) an Ongoing Advance of S\$2,103 million, calculated as the Base Purchase Price of INR117,338 million accreted by the pro rata Locked Box Interest for the three-month period of 1 April 2022 to 30 June 2022 (and assuming no Confirmed Leakage) and (ii) the Ongoing Advance bears interest at a rate per annum equal to 1.8% plus a benchmark rate equal to the Indian government 10-year bond yield spot rate at the time of signing of the DPN.
- (5) Excludes SEIL's total assets of S\$3,825 million as at 31 December 2021. Includes an Ongoing Advance of S\$2,103 million, calculated as the Base Purchase Price of INR117,338 million accreted by the pro rata Locked Box Interest for the three-month period of 1 April 2022 to 30 June 2022 (and assuming no Confirmed Leakage).

## APPENDIX A – PRO FORMA FINANCIAL EFFECTS

6.2 The pro forma financial effects of the Proposed Sale on the ROE and ROA ratios of the SCI Group for 1H2022 (annualised) are as follows:

	Before the Proposed Sale	After the Proposed Sale
ROE <sup>(1)</sup> (%)	23.2	22.4 <sup>(3),(4)</sup>
ROA <sup>(2)</sup> (%)	8.2	8.3 <sup>(3),(4),(5)</sup>

**Notes:**

- (1) Computed as PATMI for the six-month period ended 30 June 2022 (annualised), divided by equity attributable to owners of the Company as of 30 June 2022.
- (2) Computed as PAT adjusted to add back finance cost, for the six-month period ended 30 June 2022 (annualised), divided by total assets as of 30 June 2022.
- (3) Excludes SEIL's PAT and finance cost for the six-month period ended 30 June 2022 (annualised).
- (4) Includes DPN income for the six-month period ended 30 June 2022 (annualised). Assumes (i) an Ongoing Advance of S\$2,103 million, calculated as the Base Purchase Price of INR117,338 million accreted by the pro rata Locked Box Interest for the three-month period of 1 April 2022 to 30 June 2022 (and assuming no Confirmed Leakage) and (ii) the Ongoing Advance bears interest at a rate per annum equal to 1.8% plus a benchmark rate equal to the Indian government 10-year bond yield spot rate at the time of signing of the DPN.
- (5) Excludes SEIL's total assets of S\$4,061 million as at 30 June 2022. Includes an Ongoing Advance of S\$2,103 million, calculated as the Base Purchase Price of INR117,338 million accreted by the pro rata Locked Box Interest for the three-month period of 1 April 2022 to 30 June 2022 (and assuming no Confirmed Leakage).

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## APPENDIX B – CONDITIONS PRECEDENT

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### Appendix B Conditions Precedent

1. SEIL shall have obtained written consents (on terms satisfactory to the Seller) in relation to the transactions contemplated in the Share Purchase Agreement from:
  - (i) the Existing Lenders; and
  - (ii) the counterparties under the following power purchase agreements entered into by SEIL:
    - (a) Southern Power Distribution Company of Telangana Limited and Northern Power Distribution Company of Telangana Limited under the power supply agreement dated 18 February 2016;
    - (b) Andhra Pradesh Southern Power Distribution Corporation Limited, Eastern Power Distribution Company of Andhra Pradesh Limited and Andhra Pradesh Central Power Distribution Corporation Limited under the power supply agreement dated 31 December 2021; and
    - (c) Gujarat Urja Vikas Nigam Limited under the agreement for procurement of power dated 9 September 2021.
2. To the extent required under applicable law, the Purchaser shall have obtained the written approval (or deemed approval) of the Competition Commission of India under (i) the (Indian) Competition Act, 2002 and (ii) the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, in respect of the transactions contemplated in the Share Purchase Agreement.
3. A certificate (to be agreed between the Seller and the Purchaser) signed by a big 4 accounting firm addressed to the Seller, on a reliance basis, containing the screenshots from the website of the Income Tax Authority, Government of India confirming the status of tax proceedings or demands pending against the Seller, if any, under the (Indian) Income Tax Act, 1961 that may render the transaction as contemplated under the Share Purchase Agreement in respect of the SEIL Sale Shares void under Section 281 of the (Indian) Income Tax Act, 1961, as on the date of Completion.
4. The shareholders of the Seller and the shareholders of the Seller's parent company (i.e., SCI) shall have approved the transactions contemplated in the Share Purchase Agreement.
5. The warranties which are designated as fundamental under the Share Purchase Agreement (namely, the incorporation of the Seller and SEIL, the authority of the Seller, the Seller's title to the SEIL Sale Shares and the solvency of the Seller and the SEIL Group Companies) shall be true and correct.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### SEMBCORP INDUSTRIES LTD

(Incorporated in the Republic of Singapore)  
(Company Registration No. 199802418D)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting (“**EGM**”) of Sembcorp Industries Ltd (the “**Company**”) will be convened and held by way of electronic means on 8 November 2022 at 10:00 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution which will be proposed as an ordinary resolution. All terms used in this Notice which are not defined herein shall have the meanings ascribed to them in the Company’s circular to shareholders dated 22 October 2022 in relation to the Proposed Sale (the “**Circular**”):

### ORDINARY RESOLUTION: PROPOSED SALE

RESOLVED THAT:

- (a) the proposed sale by Sembcorp Utilities Pte Ltd (“**SCU**”) to Tanweer Infrastructure S.A.O.C. (the “**Purchaser**”) of (i) 5,433,668,484 equity shares of par value INR10 each (“**SEIL Shares**”) in the capital of Sembcorp Energy India Limited, and (ii) the beneficial interest in respect of 90 SEIL Shares, the legal interest in which are held by certain nominees of SCU, representing in aggregate 100 per cent. of all SEIL Shares (the “**Proposed Sale**”), on and subject to the terms and conditions set out in (A) the share purchase agreement dated 5 September 2022 between SCU and Tanweer Infrastructure Pte. Ltd. (the “**Previous Purchaser**”), as amended, restated and novated to the Purchaser (the “**Share Purchase Agreement**”) and (B) the deferred payment note dated 5 September 2022 between SCU and the Previous Purchaser, as amended, restated and novated to the Purchaser (the “**Deferred Payment Note**”), be and is hereby approved; and
- (b) the Directors and each of them be and are hereby severally authorised to complete and do all such acts and things (including, without limitation, executing such documents as may be required pursuant to or in connection with the Share Purchase Agreement and/or the Deferred Payment Note and to make such amendments to the Share Purchase Agreement, the Deferred Payment Note and/or such other documents as the Directors may consider necessary, desirable and expedient) as they or he or she may consider necessary, desirable or expedient or in the interests of the Company to give effect to the Proposed Sale.

BY ORDER OF THE BOARD

Tan Yen Hui  
Company Secretary

Singapore  
22 October 2022

### NOTES:

1. The EGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice will not be sent to members. Instead, this Notice will be made available by electronic means via publication on the Company’s website at the URL <https://www.sembcorp.com/en/investor-relations/extraordinary-general-meeting/>. This Notice will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
2. Alternative arrangements relating to:
  - (i) attendance at the EGM via electronic means (including arrangements by which the EGM can be electronically accessed via live audio-visual webcast or live audio-only stream);
  - (ii) submission of questions to the Chairman of the EGM in advance of, or “live” through the audio-visual webcast platform at, the EGM; and
  - (iii) voting at the EGM (a) “live” by the member or his/its duly appointed proxy(ies) (other than the Chairman of the EGM) via electronic means or (b) by appointing the Chairman of the EGM as proxy to vote on the member’s behalf at the EGM,

are set out in the accompanying Company’s announcement dated 22 October 2022. This announcement may be accessed at the Company’s website at the URL <https://www.sembcorp.com/en/investor-relations/sgx-announcements/> and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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3. To keep physical interactions and COVID-19 transmission risk to a minimum, the Company is not providing for physical attendance by members at the EGM. A member who wishes to exercise his/its voting rights at the EGM may:

- (i) (where the member is an individual) vote "live" via electronic means at the EGM, or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the EGM) to vote "live" via electronic means at the EGM on his/its behalf; or
- (ii) (whether the member is an individual or a corporate) appoint the Chairman of the EGM as his/its proxy to vote on his/its behalf at the EGM.

The accompanying proxy form may be accessed at the Company's website at the URL <https://www.sembcorp.com/en/investor-relations/extraordinary-general-meeting/>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

4. (i) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the EGM. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.
- (ii) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

"Relevant intermediary" has the meaning given to it in Section 181 of the Companies Act 1967.

5. A proxy need not be a member of the Company.
6. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
- (i) if submitted by post, be lodged at the office of the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road #05-01, Singapore 068902; or
  - (ii) if submitted electronically, be submitted (a) via email to the Company's Share Registrar at [gpe@mncsingapore.com](mailto:gpe@mncsingapore.com) or (b) via the pre-registration website at the URL <https://www.sembcorp.com/en/investor-relations/extraordinary-general-meeting/>,

in each case, by 10:00 a.m. on 5 November 2022 (being not less than 72 hours before the time appointed for the EGM).

A member who wishes to submit an instrument appointing a proxy(ies) by post or via email must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. Alternatively, a member may download, complete and authorise the proxy form by way of the affixation of an electronic signature, before sending it by email to the email address provided above.

**Due to the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed instruments appointing a proxy(ies) electronically via email or via the pre-registration website at the URL <https://www.sembcorp.com/en/investor-relations/extraordinary-general-meeting/>.**

7. Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("SRS") investors:
- (i) may vote "live" via electronic means at the EGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
  - (ii) may appoint the Chairman of the EGM as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5:00 p.m. on 27 October 2022.

### Personal data privacy:

By submitting an instrument appointing a proxy(ies) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxy(ies) appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (the "Purposes"); (b) warrants that where the member discloses the personal data of the member's proxy(ies) to the Company (or its agents or service providers) the member has obtained the prior consent of such proxy(ies) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) for the Purposes; and (c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



# Proxy Form

**Sembcorp Industries Ltd**  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 199802418D)

## IMPORTANT

- The Extraordinary General Meeting ("EGM") is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of EGM will not be sent to members. Instead, the Notice of EGM will be sent to members by electronic means via publication on the Company's website at the URL <https://www.sembcorp.com/en/investor-relations/extraordinary-general-meeting/>. The Notice of EGM will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
- Alternative arrangements relating to (i) attendance at the EGM via electronic means (including arrangements by which the EGM can be electronically accessed via live audio-visual webcast or live audio-only stream), (ii) submission of questions to the Chairman of the EGM in advance of, or "live" through the audio-visual webcast platform at, the EGM and (iii) voting at the EGM (a) "live" by the member or his/its duly appointed proxy(ies) (other than the Chairman of the EGM) via electronic means or (b) by appointing the Chairman of the EGM as proxy to vote on the member's behalf at the EGM, are set out in the accompanying Company's announcement dated 22 October 2022. This announcement may be accessed at the Company's website at the URL <https://www.sembcorp.com/en/investor-relations/sgx-announcements/>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
- To keep physical interactions and COVID-19 transmission risk to a minimum, the Company is not providing for physical attendance by members at the EGM. A member who wishes to exercise his/its voting rights at the EGM may: (i) (where the member is an individual) vote "live" via electronic means at the EGM or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the EGM) to vote "live" via electronic means at the EGM on his/its behalf; or (ii) (whether the member is an individual or a corporate) appoint the Chairman of the EGM as his/its proxy to vote on his/its behalf at the EGM.**
- This proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF or SRS investors. CPF and SRS investors: (i) may vote "live" via electronic means at the EGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or (ii) may appoint the Chairman of the EGM as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5:00 p.m. on 27 October 2022.
- By submitting an instrument appointing a proxy(ies), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 22 October 2022.
- Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy(ies).**

## Extraordinary General Meeting

I / We \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC / Passport / Co Regn No.)

of \_\_\_\_\_ (Address)

being a member / members of SEMBCORP INDUSTRIES LTD (the "Company") hereby appoint:

Name	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email Address^		

and/or (delete as appropriate)

Name	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email Address^		

^ Appointed proxy(ies) will be prompted via email (within 2 business days after the Company's receipt of a validly completed and submitted instrument appointing a proxy(ies)) to pre-register at the pre-registration website at the URL <https://www.sembcorp.com/en/investor-relations/extraordinary-general-meeting/>, in order to access the live audio-visual webcast or live audio-only stream of the EGM proceedings.

or if no proxy is named, the Chairman of the EGM as my / our proxy / proxies to attend, speak and vote for me / us on my / our behalf at the EGM of the Company to be convened and held by way of electronic means on **Tuesday, 8 November 2022** at **10:00 a.m.** (Singapore time) and at any adjournment thereof in the following manner:

Ordinary Resolution	For	Against	Abstain
To approve the Proposed Sale			

*Voting will be conducted by poll. If you wish your proxy / proxies to cast all your votes "For" or "Against" the resolution, please indicate with an "X" in the "For" or "Against" box provided in respect of the resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of the resolution. If you wish your proxy / proxies to abstain from voting on the resolution, please indicate with an "X" in the "Abstain" box provided in respect of the resolution. Alternatively, please indicate the number of shares your proxy / proxies is directed to abstain from voting in the "Abstain" box provided in respect of the resolution. In any other case, the proxy / proxies may vote or abstain as the proxy / proxies deem(s) fit on the resolution if no voting instruction is specified.*

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2022.

**Total Number of Shares Held**

Signature(s) or Common Seal of Member(s)

Contact Number /  
Email Address of Member(s)



Glue all sides firmly. Stapling & spot sealing is disallowed.

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
2. **To keep physical interactions and COVID-19 transmission risk to a minimum, the Company is not providing for physical attendance by members at the EGM. A member who wishes to exercise his/its voting rights at the EGM may: (i) (where the member is an individual) vote "live" via electronic means at the EGM or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the EGM) to vote "live" via electronic means at the EGM on his/its behalf; or (ii) (whether the member is an individual or a corporate) appoint the Chairman of the EGM as his/its proxy to vote on his/its behalf at the EGM.** This proxy form may be accessed at the Company's website at the URL <https://www.semcorp.com/en/investor-relations/extraordinary-general-meeting/>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
3. (i) A member who is not a relevant intermediary is entitled to appoint not more than two proxies. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.  
(ii) A member who is a relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.  
"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.
4. A proxy need not be a member of the Company.
5. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
  - (i) if submitted by post, be lodged at the office of the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902; or
  - (ii) if submitted electronically, be submitted (i) via email to the Company's Share Registrar at [gpe@mncsingapore.com](mailto:gpe@mncsingapore.com) or (ii) via the pre-registration website at the URL <https://www.semcorp.com/en/investor-relations/extraordinary-general-meeting/>.in each case, not less than 72 hours before the time appointed for holding the EGM.  
A member who wishes to submit an instrument appointing a proxy(ies) by post or via email must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. Alternatively, a member may download, complete and authorise the proxy form by way of the affixation of an electronic signature, before sending it by email to the email address provided above.  
**Due to the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed instruments appointing a proxy(ies) electronically via email or via the pre-registration website at the URL <https://www.semcorp.com/en/investor-relations/extraordinary-general-meeting/>.**
6. Completion and return of the instrument appointing a proxy(ies) does not preclude a member from attending, speaking and voting at the EGM. A member who accesses the live audio-visual webcast or live audio-only stream of the EGM proceedings may revoke the appointment of a proxy(ies) at any time before voting commences and in such an event, the Company reserves the right to terminate the proxy(ies)' access to the live audio-visual webcast and live audio-only stream of the EGM proceedings.
7. The instrument appointing a proxy(ies) must, if submitted by post or electronically via email, be signed under the hand of the appointor or of his attorney duly authorised in writing, or if submitted electronically via the pre-registration website at the URL <https://www.semcorp.com/en/investor-relations/extraordinary-general-meeting/>, be authorised by the appointor via the website. Where the instrument appointing a proxy(ies) is executed by a corporation, it must, if submitted by post or electronically via email, be executed either under its seal or under the hand of an officer or attorney duly authorised, or if submitted electronically via the pre-registration website at the URL <https://www.semcorp.com/en/investor-relations/extraordinary-general-meeting/>, be authorised by the appointor via the website. Where an instrument appointing a proxy(ies) is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument is submitted by post, be lodged with the instrument or, if the instrument is submitted electronically via email, be emailed with the instrument, failing which the instrument may be treated as invalid.
8. The Company shall be entitled to reject the instrument appointing a proxy(ies) if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the proxy(ies) (including any related attachment). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy(ies) lodged or submitted if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the EGM as certified by The Central Depository (Pte) Limited to the Company.

Fold along this line



Postage will be  
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For posting in  
Singapore only.

**BUSINESS REPLY SERVICE  
PERMIT NO. 06735**



The Company Secretary

**Semcorp Industries Ltd**

c/o M & C Services Private Limited

112 Robinson Road #05-01

Singapore 068902

Glue all sides firmly. Stapling & spot sealing is disallowed.