



Scomi Group Bhd

News Release

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Scomi forms a joint venture to expand into hydro and wind power industries

PETALING JAYA: Scomi Group Bhd ("Scomi") through its wholly-owned subsidiary, Scomi International Private Limited ("SIPL") today entered into a Joint Venture Agreement ("JVA") with South Asia Logistics Services Limited ("SALS") and Emir Equity Sdn Bhd ("EESB"). SALS and EESB are the shareholders of Imartek Sdn Bhd ("Imartek") which owns a plant that manufactures core components of hydro turbines and generators.

Under the terms of the JVA, the joint venture company will be pursuing business opportunities specifically focusing on engineering, procurement and construction ("EPC") of hydropower plants and wind farms in Asia, including Turkey. SIPL, SALS and EESB will form a joint venture company ("JVCo") in Singapore where Scomi will hold 50 per cent equity. SALS and EESB will inject their equity in Imartek in consideration of 45 per cent and 5 per cent shareholding in the JVCo respectively. Arising from this, Imartek will become a wholly-owned subsidiary of the JVCo.

This development is Scomi's second venture into the renewable energy sector after its solar project that was secured through another joint venture for which the Power Purchase Agreement was signed on 27 March 2017. This tripartite JVCo will offer integrated solutions for power generation in wind and hydro global markets by combining the parties' expertise in project management services, design engineering, EPC and commissioning as well as operations and maintenance services of hydropower plants, wind farms and port crane systems.

This partnership further consolidates Scomi's effort in building a renewable energy portfolio as a new core business. The technology that resides within the JVCo will enable Scomi and its partners to bid for hydro and wind projects.

Both hydro and wind power sectors are projected to enjoy high growth as more countries are reducing dependency on coal and hydrocarbon as energy resources. Asia remains as the world's largest untapped hydro potential and will be the focus of countries like China, Indonesia and Pakistan due to its vast natural potential. As for the wind power, by 2030 it is projected to supply 20 per cent of global electricity and attract huge annual investments. The JVCo will focus on two big markets in the wind sector which are Australia and Turkey. Australia aims to increase its clean power sources to 23 per cent (equivalent to 33,000 gigawatt hours) by 2020 of which wind is identified as a major contributor. Turkey meanwhile is targeting to generate an additional 1,000 megawatt of wind energy.

- **Scomi partners IMPSA Malaysia to expand into hydro and wind power industries**

Scomi is a global technology enterprise mainly in the energy and transport sectors. Through its subsidiary and associate companies, it is involved in drilling, development and production services for the oil and gas industry. Additionally, it offers marine services as well as the design and manufacture of Rail and Commercial Vehicles systems.

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About Scomi Group

Scomi Group Bhd, which is listed on the Bursa Malaysia Securities Bhd, and its Group of companies are involved in the Energy Services comprising of the Oilfield Services and Marine Services; and Transport Solutions sectors. The Group offers drilling fluids & related engineering services, drilling waste management solutions, supply of industrial and production chemicals, marine vessel services, transport engineering solutions involving special purpose vehicles, rail wagons, monorail and buses. With offices in 22 countries, the Scomi Group derives most of its business from its international operations, which is backed by over 60 years of experience in the industry servicing numerous local and multinational companies.

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