

Chairman and CEO's Statement

As we look ahead, we remain committed to leading Asia's energy transition with best-in-class projects and sustainable urban developments, paving the way towards a low-carbon future.

Dear Shareholders,

Against a backdrop of heightened geopolitical and economic uncertainty, Sembcorp delivered resilient financial performance in 2024. Group net profit before exceptional items surpassed the S\$1 billion mark for the second consecutive year, reaching S\$1.02 billion, comparable to 2023, despite a planned major maintenance in the Gas and Related Services segment in the first half of 2024. Group net profit after exceptional items and discontinued operation grew from S\$942 million to S\$1.01 billion, a 7% year-on-year increase.

In recognition of the Group's strong performance, the Board is pleased to propose a final dividend of 17.0 cents per ordinary share, subject to shareholders' approval. Together with the interim dividend of 6.0 cents per ordinary share paid in August 2024, this brings our total dividend for the year to 23.0 cents per ordinary share. This is a 77% increase from our 2023 dividend of 13.0 cents, and implies a higher dividend payout ratio of 40%, compared to 23% in 2023. This higher payout is supported by our

portfolio which is underpinned by long-term offtake contracts, providing enhanced cash flow visibility.

Continued Execution towards 2028 Targets

Since our Investor Day in 2023, we have made significant progress in our 2024–2028 strategic plan, transforming our business to meet the evolving needs of the energy sector. We continue to actively manage our gas portfolio to support Asia's transition to a clean and responsible energy future, while growing our renewables portfolio. In August 2024, we also updated our targets for the Urban business.

Gas and Related Services Segment: Engine of Growth

Our Gas and Related Services segment delivered strong results in 2024. By optimising our integrated gas and power portfolio, we mitigated the impact of lower wholesale electricity prices in Singapore. Excluding the planned major maintenance for the Singapore cogeneration plant in the first half of 2024, earnings for the Singapore gas-fired generation portfolio remained resilient, despite a 34% decline in Singapore wholesale electricity prices.

Through our proactive contracting strategy, 98% of the Group's gas-fired generation capacity is underpinned by offtake contracts, with more than 60% secured for over five years, insulating us from merchant market volatility. In Singapore, 80% of our gas-fired generation capacity is secured under contracts with energy-intensive industries such as high-tech manufacturing companies and data centres. We are now the leading power provider to the data centre sector in Singapore, accounting for one-third of the data centres' power needs.

As Singapore's electricity demand grows, driven by electricity-intensive sectors including advanced manufacturing, digital economy, and transport, natural gas remains a cornerstone of energy security and stability. We will continue to build on our portfolio to further enhance earnings visibility. In November 2024, we successfully completed the acquisition of a 30% stake in Senoko Energy, one of the largest electricity suppliers in Singapore, to capture new growth opportunities. We believe this acquisition will enable us to further support Singapore's energy transition,

to meet the energy needs and sustainability goals of our customers and Singapore.

In line with our commitment to sustainability and the pursuit of cleaner energy solutions, we successfully divested our 49% stake in Chongqing Songzao during the year. With this divestment, our portfolio is now free of coal-fired power assets.

Renewables:

Diversification of Growth

Our renewables portfolio achieved gross installed capacity of 13.1GW in 2024, marking a significant milestone toward our 2028 target of 25GW. One of the key achievements was the early completion of the Manah II Solar Independent Power Project in the

Sultanate of Oman. This is our first renewables project in the Middle East and our largest utility-scale solar farm with a peak capacity of 588MW. The early completion of the project underscores our strong project management capabilities. It further reinforces our presence in Oman, where Sembcorp has successfully developed and operated the Salalah Independent Power and Water Plant for more than 15 years.

In 2024, we capitalised on strong momentum in India's greenfield tenders, securing significant contract wins in the renewables sector. We successfully secured over 2GW of hybrid renewable energy bids in India, demonstrating our expertise in developing and

executing projects. We also secured our first energy storage project in India through a solar-battery energy storage systems hybrid bid. Tariffs in India have improved, with our hybrid projects securing higher tariffs, underscoring our competitive edge.

However, our China portfolio faced challenges due to higher curtailment rates, resulting from a weaker macroeconomic outlook and rapid expansion in renewables new-built outpacing the development of adequate transmission infrastructure. Despite these near-term headwinds, China's renewables capacity is expected to grow, which is crucial to achieving the country's emissions reduction targets.



Sembcorp's wind assets in Tamil Nadu, India

Chairman and CEO's Statement



Rooftop solar panels installed on a tenant facility in Vietnam Singapore Industrial Park Binh Duong I, Vietnam

In January this year, we successfully launched the Nusantara Sembcorp Solar Energi Power Plant, comprising a 50MW solar farm with a 14MWh battery energy storage system. The project is the first utility-scale integrated solar and energy storage project in Indonesia and Sembcorp's inaugural venture into large-scale solar development in the country. We also signed a share purchase agreement to acquire a 96MW solar farm in the Philippines, marking our entry into the Philippines' renewable energy sector. This brings our group's gross renewables capacity to 17.0GW, a notable increase from 12.9GW a year ago.

Looking ahead, renewables growth across Southeast Asia, China, India and the Middle East is expected to remain robust, with capacity projected to double from 1,550GW currently to 3,200GW by 2028, according to GlobalData estimates. We are well-positioned to achieve our 2028 target of 25GW of gross installed renewables capacity, and will maintain a disciplined approach to pursuing opportunities in these markets.

Urban: Clear Targets and Growth

2024 was a turning point for our Urban business, which achieved a 76% year-on-year net profit growth. During the year, we unveiled our strategic plan to position ourselves as a leading low-carbon industrial park player in Asia. With a proven track record since 1994, our industrial parks have attracted over 1,000 customers, generated more than 414,000 jobs, and secured close to US\$58 billion in investments. The Urban business aims to expand its land bank from 14,000 hectares¹ to 18,000 hectares by 2028, while scaling industrial properties from 0.1 million square metres¹ to 1.5 million square metres. This growth will support increasing manufacturing demand, domestic consumption and the rise of e-commerce in Southeast Asia.

Decarbonisation Solutions: Developing Low-carbon Alternatives

As we focus on areas of competitive strengths, we are also investing in low-carbon energy solutions including renewables import, green hydrogen and ammonia. In December 2024, we signed a two-year supply agreement

with Tenaga Nasional Berhad to import 50MW of renewable energy from Peninsular Malaysia to Singapore. This is the first-ever renewable energy import with Renewable Energy Certificates into Singapore. We are also exploring further cooperation in renewable energy, including the import of electricity from Sarawak via subsea cables. These investments in renewables imports and decarbonisation solutions will help lower the carbon emissions intensity of our assets and support our customers' emissions reduction efforts. By tapping into abundant low-carbon electricity from the region, we aim to promote the development of renewable energy in the region and contribute to realising the ASEAN Power Grid vision.

Capital Recycling

As part of our regular portfolio review, we announced the proposed divestment of Sembcorp Environment for a consideration of S\$405 million, a 43% premium over the book value. This aligns with Sembcorp's strategic focus on the energy sector. The proceeds will be re-deployed into our key areas of focus, including our energy transition strategy.

We will continue to review our portfolio to ensure strategic fit and maximise shareholder value.

People and Community

As we implement our growth strategy, we recognise our responsibility to uplift the sector and support the community. We are honoured to be appointed as the first SkillsFuture Queen Bee for the Energy and Power sector. This recognition underscores our commitment to nurturing talent in the industry through skills training and mentorship, and creating a vibrant ecosystem for sustainable growth.

As part of our commitment to promote sustainability and empower local communities, we sponsored the installation of a 95kWp solar energy system on the roof of Boys' Town through the Sembcorp Energy for Good Fund's Solarisation Programme. This system is expected to reduce their annual energy consumption by 20%, allowing them to reinvest the savings into their core mission of youth development and community service.

Safety

The safety of our workforce remains our top priority. We regret the loss of three contractor staff in 2024

and have taken immediate action to address high-risk areas. To better protect our employees and contractors, we will enhance our safety training programmes and have deployed tools and technology, enabling our employees to effectively identify, report and prevent hazards.

Acknowledgments

We extend our deep appreciation to fellow directors for their dedication and wise counsel, which have enabled Sembcorp to navigate the uncertain global environment and deliver strong results. In April 2024, Ajaib Haridass stepped down from the board, and we express our heartfelt gratitude for his many contributions to Sembcorp. We would also like to express our appreciation to Nagi Hamiyeh, who will be retiring as a member of the board at the conclusion of the forthcoming Annual General Meeting. We thank Mr Hamiyeh for his experience, knowledge and dedication over the years. We are pleased to welcome Manu Bhaskaran and Prof Uwe Krueger to our board in July 2024 and October 2024 respectively. Their wealth of experience will undoubtedly further strengthen the board and guide us in our journey ahead.

As we look ahead, we remain committed to leading Asia's energy transition with best-in-class projects and sustainable urban developments, paving the way toward a low-carbon future. On behalf of the board, we would like to express our sincere gratitude to our employees, customers and partners for their hard work, loyalty and support. We are proud to have our talented and dedicated team working together to achieve our goals. We also thank our shareholders for their continued support, trust and confidence. With a solid foundation and a clear vision, we are poised to navigate the evolving energy landscape and deliver lasting and growing value to our shareholders.

Tow Heng Tan
Chairman

Wong Kim Yin
Group Chief Executive Officer

February 27, 2025



Representatives from Sembcorp, Community Foundation of Singapore and Boys' Town being briefed on the solarisation programme by Dr Roland Yeow, Executive Director of Boys' Town (far right)

¹ As at June 30, 2024