

Consolidated Financial Statements



Sembcorp and SDIC's wind energy assets in Yunnan, China

Directors' Statement	112
Independent Auditors' Report	118
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Financial Statements	
• Balance Sheets	124
• Consolidated Statement of Profit or Loss	126
• Consolidated Statement of Comprehensive Income	127
• Consolidated Statement of Changes in Equity	128
• Consolidated Statement of Cash Flows	132
• Notes to the Financial Statements	135

Directors' Statement

Year ended December 31, 2025

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended December 31, 2025.

In our opinion:

- the financial statements set out on pages 124 to 251 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at December 31, 2025 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date are in accordance with the provisions of the Companies Act 1967, Singapore Financial Reporting Standards (International) and International Financial Reporting Standards; and
- at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has on the date of this statement, authorised these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

Tow Heng Tan
Lim Ming Yan
Yap Chee Keong
Dr Josephine Kwa Lay Keng
Kunnasagaran Chinniah
Marina Chin Li Yuen
Ong Chao Choon
Manu Bhaskaran
Prof Uwe Krueger
Wong Kim Yin

Directors' Interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (the Act), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, warrants and share options in the Company and in related corporations are as follows:

Name of director and corporation in which interests held	Direct interest			Deemed interest		
	At beginning of the year	At end of the year	At 21/01/2026	At beginning of the year	At end of the year	At 21/01/2026
Ordinary shares of the Company						
Tow Heng Tan ¹	55,600	89,800	89,800	22,715	22,715	22,715
Lim Ming Yan	48,900	61,200	61,200	–	–	–
Yap Chee Keong ²	143,600	153,500	153,500	–	–	–
Dr Josephine Kwa Lay Keng	78,100	86,800	86,800	–	–	–
Kunnasagaran Chinniah	3,500	14,100	14,100	–	–	–
Marina Chin Li Yuen	1,600	10,300	10,300	–	–	–
Ong Chao Choon	1,600	11,500	11,500	–	–	–
Manu Bhaskaran	–	2,600	2,600	–	–	–
Wong Kim Yin	6,387,697	7,729,197	7,729,197	–	–	–

¹ Deemed interest in the shares registered in the name of his wife

² All shares are registered in the name of DBS Nominees Pte Ltd

Name of director and corporation in which interests held	Direct interest			Deemed interest		
	At beginning of the year	At end of the year	At 21/01/2026	At beginning of the year	At end of the year	At 21/01/2026
S\$300,000,000 3.735 per cent. sustainability-linked notes due 2029 comprising Series 003, issued under the S\$3,000,000,000 Multicurrency Debt Issuance Programme						
Kunnasagaran Chinniah	S\$250,000	S\$250,000	S\$250,000	–	–	–
S\$350,000,000 4.6 per cent. notes due 2030 comprising Series 004 ("Series 004 Notes"), issued under the S\$3,000,000,000 Multicurrency Debt Issuance Programme						
Yap Chee Keong ³	S\$250,000	S\$250,000	S\$250,000	–	–	–
S\$350,000,000 3.65 per cent. fixed rate guaranteed notes due 2036 comprising Series 001 ("Series 001 Notes"), issued under the S\$5,000,000,000 Euro Medium Term Note Programme						
Yap Chee Keong ³	S\$250,000	S\$250,000	S\$250,000	–	–	–

³ The Series 004 Notes and Series 001 Notes are registered in the name of DBS Nominees Pte Ltd

	Direct interest		Deemed interest	
	At beginning of the year	At end of the year	At beginning of the year	At end of the year
Conditional share award				
Wong Kim Yin				
PSP 2022-2024 (Note 1a)	521,300	–	–	–
PSP 2023-2025 (Note 1b)	335,900	335,900	–	–
PSP 2024-2026 (Note 1c)	254,600	254,600	–	–
PSP 2025-2027 (Note 1d)	–	334,400	–	–
PSP-TI 2021-2025 (Note 1e)	852,700	729,600	–	–
PSP-TI 2022-2025 (Note 1f)	525,000	–	–	–
PSP-TI 2023-2025 (Note 1g)	740,850	666,765	–	–
RSP 2022 (Note 2a)	357,400	–	–	–
RSP 2023 (Note 2b)	215,800	107,900	–	–
RSP 2024 (Note 2c)	–	181,000	–	–

Directors' Statement

Year ended December 31, 2025

Directors' Interests *(cont'd)*

Note 1: In accordance with the rules of the Sembcorp Industries Performance Share Plan 2020 (the PSP), the actual number of SCI shares delivered will depend on, inter alia, the achievement of set targets over the performance period as indicated below. No performance shares will be delivered if achievement of targets is below threshold level. Based on the achievement of performance targets:

- Period from 2022 to 2024 (PSP 2022-2024)**
In FY2025, 1,042,600 SCI shares were vested on April 1, 2025 (out of which payment in cash* in lieu of shares equivalent to the value of 729,800 SCI shares was made)
- Period from 2023 to 2025 (PSP 2023-2025)**
For this period, 0% to 200% of the conditional performance shares awarded may be delivered
- Period from 2024 to 2026 (PSP 2024-2026)**
For this period, 0% to 200% of the conditional performance shares awarded may be delivered
- Period from 2025 to 2027 (PSP 2025-2027)**
For this period, 0% to 200% of the conditional performance shares awarded may be delivered
- Period from 2021 to 2025 (PSP-TI 2021-2025)**
In FY2025, 68,400 SCI shares were vested on June 23, 2025 and 654,700 SCI shares were vested on December 30, 2025 (out of which payment in cash* in lieu of shares equivalent to the value of 327,400 SCI shares was made). The remaining conditional performance shares awarded may vest in 2026, subject to the achievement of performance targets and vesting conditions
- Period from 2022 to 2025 (PSP-TI 2022-2025)**
In FY2025, 525,000 SCI shares were vested on December 30, 2025 (out of which payment in cash* in lieu of shares equivalent to the value of 262,500 SCI shares was made)
- Period from 2023 to 2025 (PSP-TI 2023-2025)**
In FY2025, 55,600 SCI shares were vested on June 23, 2025 and 18,500 SCI shares were vested on December 30, 2025 (out of which payment in cash* in lieu of shares equivalent to the value of 9,200 SCI shares was made). The remaining conditional performance shares awarded may vest in 2026, subject to the achievement of performance targets and vesting conditions

Note 2: With effect from FY2019, restricted shares were granted based on the financial performance and corporate objectives achieved in the preceding year. The vesting of share awards under the Sembcorp Industries Restricted Share Plan 2020 (the RSP) is subject to fulfilment of service conditions at vesting and may be settled in accordance with the rules of the RSP.

- RSP 2022**
In FY2025, 357,400 SCI shares were vested on April 1, 2025 (out of which payment in cash* in lieu of shares equivalent to the value of 250,200 SCI shares was made).
- RSP 2023**
In FY2025, 107,900 SCI shares were vested on April 1, 2025. The remaining shares will be vested in Year 2026.
- RSP 2024**
In FY2025, 90,500 SCI shares were vested on April 1, 2025. The remaining shares will be vested in Year 2026 and 2027.

* Vested share awards under the PSP and RSP can be settled by the Company in shares or cash or a combination of both, in accordance with the PSP and RSP plan rules and subject to the discretion and approval of the Executive Resource & Compensation Committee of the Company (ERCC).

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

Except as disclosed under the "Share-based Incentive Plans" section of this statement, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Except as disclosed in Notes B4(a) and G4(d) to the financial statements, since the end of the last financial year, no director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he / she is a member, or with a company in which he / she has a substantial financial interest.

Share-based Incentive Plans

The Company's PSP and RSP (collectively, the 2020 Share Plans) were approved and adopted by the shareholders at an Annual General Meeting of the Company held on May 21, 2020.

The ERCC has been designated by the Board as the Committee responsible for the administration of the 2020 Share Plans. The ERCC comprises the following members, all of whom are directors:

Lim Ming Yan (*Chairman*)
Tow Heng Tan
Kunnasagaran Chinniah

The 2020 Share Plans aim to strengthen the Company's competitiveness in attracting, retaining and motivating talented key senior management and senior executives, to incentivise superior performance and sustainable growth, and to align the interests of participants and shareholders. Under the 2020 Share Plans, the Group CEO and top management are required to hold shares equivalent to a multiple of the individual participant's annual base salaries.

Details of 2020 Share Plans are disclosed in Note B6 to the financial statements.

a. Performance Share Plan (PSP)

The details of the performance shares of Sembcorp Industries Ltd awarded during the financial year since commencement of the PSP (aggregate) are as follows:

Performance shares participants	At January 1	Movements during the year			At December 31
		Conditional performance shares awarded	Conditional performance shares lapsed	Performance shares awarded due to achievement of targets	
2025					
Key executives of the Group ¹	12,082,650	1,031,900	(596,000)	3,788,365	(8,444,450) 7,862,465

¹ Includes PSP for Group CEO of Sembcorp Industries Ltd

The total number of performance shares granted conditionally but not released as at December 31, 2025, was 7,862,465 (2024: 12,082,650). Based on the achievement factor, the actual release of the awards could range from zero to a maximum of 15,724,930 (2024: 24,165,300) performance shares.

Directors' Statement

Year ended December 31, 2025

Share-based Incentive Plans *(cont'd)*

b. Restricted Share Plan (RSP)

The details of the restricted shares of Sembcorp Industries Ltd awarded during the year are as follows:

Restricted shares participants	Movements during the year				At December 31
	At January 1	Conditional restricted shares awarded	Conditional restricted shares released	Conditional restricted shares lapsed	
2025					
Non-executive directors of the Company:					
Tow Heng Tan	–	34,200	(34,200)	–	–
Lim Ming Yan	–	12,300	(12,300)	–	–
Yap Chee Keong	–	9,900	(9,900)	–	–
Dr Josephine Kwa Lay Keng	–	8,700	(8,700)	–	–
Kunnasagaran Chinniah	–	10,600	(10,600)	–	–
Marina Chin Li Yuen	–	8,700	(8,700)	–	–
Ong Chao Choon	–	9,900	(9,900)	–	–
Manu Bhaskaran	–	2,600	(2,600)	–	–
Prof Uwe Krueger	–	–	–	–	–
Employees of the Group¹	2,007,400	1,499,900	(2,041,900)	(70,600)	1,394,800
	2,007,400	1,596,800	(2,138,800)	(70,600)	1,394,800

¹ Includes RSP for Group CEO of Sembcorp Industries Ltd

The total number of restricted shares outstanding, including award(s) achieved but not released, as at end 2025, was 1,394,800 (2024: 2,007,400). With the change in the remuneration structure, with effect from 2019 award, the RSP balances represent 100% of targets achieved, but not released subject to fulfilment of service conditions at vesting. The actual release of the awards is a maximum of 1,394,800 (2024: 2,007,400) restricted shares.

c. Maximum Number of Shares Issuable

The maximum number of performance shares and restricted shares which could be delivered, when aggregated with the number of new shares issued and issuable in respect of all options granted, is within the 15% limit of the share capital of the Company on the day preceding the relevant date of the grant.

Audit Committee

The members of the Audit Committee during the year and at the date of this statement are:

Yap Chee Keong (*Chairman*)
Dr Josephine Kwa Lay Keng
Marina Chin Li Yuen
Ong Chao Choon

The Audit Committee held four meetings since the last directors' statement. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, and the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee performed the functions specified in Section 201B of the Companies Act 1967, the Listing Manual of the SGX, and the Code of Corporate Governance.

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the external and internal auditors;
- interim financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming AGM of the Company.

In appointing our auditors for the Company, subsidiaries and significant associated companies, we have complied with Rules 712 and 715 of the SGX Listing Manual.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors



Tow Heng Tan
Chairman



Wong Kim Yin
Director

Singapore
February 24, 2026

Independent Auditors' Report

Members of the Company Semcorp Industries Ltd

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Semcorp Industries Ltd (the Company) and its subsidiaries (the Group), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at December 31, 2025, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information as set out on pages 124 to 251.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act), Singapore Financial Reporting Standards (International) (SFRS(I)s) and International Financial Reporting Standards (IFRSs) as issued by International Accounting Standards Board (IFRS Accounting Standards) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at December 31, 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment assessment of property, plant and equipment, intangible assets and interests in associates and joint ventures (collectively, the Group's non-financial assets)

(Refer to Note D1, D3 and G3 to the financial statements: Property, plant and equipment of S\$8,714,000,000, intangible assets of S\$952,000,000 and associates and joint ventures of S\$3,027,000,000)

Each Cash Generating Unit (CGU) was tested for presence of indicators of impairment. When impairment indicators exist, management determines the recoverable amount of the relevant CGU, being the higher of the fair value less cost of disposal and value in use.

Management performs annual impairment assessment for material CGUs with goodwill in Singapore, India and China for impairment as well as CGUs in China and United Kingdom. In particular, certain CGUs in India and China were identified for further assessment due to challenging business and regulatory environment.

The determination of the recoverable amounts involves significant estimation uncertainties as small changes in these key assumptions applied can have a material impact on the recoverable amount, particularly relating to:

- Gross margin forecasts which depend on customer demand and tariff rates that are subject to political and regulatory developments; and
- Discount rates which reflect the risks specific to each CGU and current market assessments of the time value of money.

Our response:

Our procedures included evaluating the Group's process for identifying CGUs subject to impairment testing.

We assessed the key significant assumptions used in the impairment model as follows:

- Compared gross margin forecasts against historical performance, contracted power price agreements (PPAs), approved generation capacity and, where relevant, reports prepared by management's experts; and
- Compared the discount rates used with market observable data of peer companies and applicable risk premiums.

We evaluated the independence, objectivity and competency of management's expert engaged to support the development of key assumptions. We also assessed the methodology applied by the expert and reasonableness of the assumptions used.

We performed sensitivity analysis on key assumptions to determine whether a reasonable possible change would result in impairment.

We also assessed the adequacy of Group's disclosures relating to impairment, including the description of estimation uncertainties and key assumptions in the financial statements.

Our findings:

We found that the Group has an established process for identifying the CGUs requiring impairment testing. The key assumptions used in determining recoverable amounts were reasonable and within supportable range. The disclosures relating to impairment and the estimation uncertainties were appropriate.

Valuation of trade and service concession receivables

(Refer to Note E1 to the financial statements: Trade and other receivables of S\$2,229,000,000)

Risk:

Management estimates loss allowance based on ageing of overdue balances, repayment histories of individual debtors, existing customer-specific, market conditions and forward-looking information. This assessment of expected credit losses is inherently subjective and involves estimation uncertainty.

In particular, determination of expected credit losses of certain overseas subsidiaries involves significant estimation uncertainties as (1) these subsidiaries may be operating in jurisdiction facing political instability; or (2) the receivables are subject to regulatory review and approval.

Our response:

We evaluated the Group's process for estimation the loss allowance on these receivables.

We assessed the collection history of trade and other receivables to evaluate the identification of credit-impaired balances and reviewed the expected credit loss (ECL) methodology applied to non-credit-impaired balances.

We reviewed credit ratings reports issued by rating agencies, which incorporated macro-economic conditions, to assess the appropriateness of the probabilities of default rate to be applied.

We evaluated adjustments made for forward-looking information, including current economic conditions, forecasts of future economic developments and relevant government policies and regulations available as at the reporting date, to determine whether such adjustments were reasonable and supportable.

We also assessed the adequacy of disclosures in the financial statements related to management's evaluation of recoverability of these receivables.

Our findings:

The Group has an established process for assessing credit risk and determining loss allowance for trade and service concession receivables.

Management incorporated both qualitative and quantitative factors, including reasonable forward-looking information, in determining the appropriate loss allowance.

The disclosures relating to credit risk assessment and estimation uncertainty were found to be adequate.

Independent Auditors' Report

Report on the audit of the financial statements *(cont'd)*

Key audit matters *(cont'd)*

Fair valuation of Deferred Payment Note (DPN) receivable

(Refer to Note H1 to the financial statements: DPN receivable of S\$1,291,000,000)

Risk:

As part of the Group's divestment of Sembcorp Energy India Limited and its subsidiaries, now known as SEIL Energy India Limited (SEIL EIL), the Group provided vendor financing to the purchaser (Tanweer Infrastructure Pte. Ltd.) (Tanweer) through a deferred payment note (DPN). The DPN is accounted as financial asset measured at fair value through profit or loss, as it does not satisfy the solely payment of principal and interest (SPPI) criteria under SFRS(I) 9 Financial Instruments.

The fair value of DPN is determined based on expected repayments by Tanweer from distributions (including dividends) received from SEIL EIL. Any outstanding balances that remain unpaid at the end of repayment period will be waived off. Management performed a discounted cashflow valuation using the forecasted distributable reserves of SEIL EIL, which takes into account (i) secured cash flows from existing power purchase agreements (PPA) and (ii) unsecured cash flows from contract renewals and / or new contracts.

The valuation incorporates a discount rate reflecting risks associated with the underlying cash flow and the credit-default risk of the purchaser.

Determining the fair value of DPN involves significant estimation.

Our response:

We evaluated the forecast cash flows used by management by performing a retrospective review of collections during the year to assess the reasonableness of assumptions used in the valuation model.

We engaged our valuation specialist to review the valuation methodology and benchmark discount rate against market-observable data, including credit ratings of bonds issued by Indian public energy companies and other relevant market information.

We assessed the adequacy of financial statement disclosures relating to the DPN, including the key assumptions and estimation uncertainties.

Our findings:

Amounts received by the Group during the year were in line with management's forecast and the assumptions used in the valuation model appears to be reasonable.

The discount rate applied by management appropriately reflected the risks associated with the cash flows and credit risk under prevailing market conditions. Any changes in market conditions and circumstances could impact the subsequent measurement value of DPN, affecting future periods' profit or loss.

We found the disclosures relating to the DPN to be adequate.

Other Information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained the following items prior to the date of this auditors' report:

- Investor Relations
- Corporate Information
- Group FY2025 Highlights
- Chairman and CEO's Statement
- Business Review – Performance Scorecard
- Gas and Related Services Review
- Renewables Review

- Integrated Urban Solutions Review
- Decarbonisation Solutions Review
- Directors' Statement

The following items (the Reports) are expected to be made available to us after that date:

- Our Leadership
- Group Financial Review
- Environmental, Social and Governance Review
- Shareholding Statistics
- Additional Information on Directors Seeking Re-election

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, SFRS(I)s and IFRS Accounting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditors' Report

Report on the audit of the financial statements *(cont'd)*

Auditors' responsibilities for the audit of the financial statements *(cont'd)*

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Chiang Yong Torng.



KPMG LLP

Public Accountants and
Chartered Accountants

Singapore
February 24, 2026

Table of Contents

Consolidated Financial Statements

Balance Sheets as at December 31, 2025	124
Consolidated Statement of Profit or Loss for the year ended December 31, 2025	126
Consolidated Statement of Comprehensive Income for the year ended December 31, 2025	127
Consolidated Statement of Changes in Equity for the year ended December 31, 2025	128
Consolidated Statement of Cash Flows for the year ended December 31, 2025	132

Notes to the Financial Statements

A. About These Financial Statements		F. Our Financial Instruments and Risks Management	
A1. Basis of Preparation	135	F1. Market Risk	203
A2. Change in Accounting Policy	135	F2. Hedges	207
A3. Material Accounting Policy Information	138	F3. Liquidity Risk	214
		F4. Credit Risk	217
B. Our Performance		F5. Financial Instruments	221
B1. Segments Information	141		
B2. Turnover	147	G. Our Group Structure	
B3. Taxation	154	G1. Subsidiaries	225
B4. Profit for the Year	160	G2. Non-controlling Interests	226
B5. Earnings Per Share	162	G3. Associates and Joint Ventures	226
B6. Share-based Incentive Plans	163	G4. Related Party Information	234
		G5. Acquisition of Subsidiaries	237
C. Our Funding		G6. Disposal Group Held for Sale and Discontinued Operations	242
C1. Capital Structure	166		
C2. Share Capital and Treasury Shares	167	H. Other Disclosures	
C3. Other Reserves	168	H1. DPN Receivable, Other Investments and Derivatives	243
C4. Dividends	169	H2. Provisions	248
C5. Loans and Borrowings	170	H3. Performance Guarantees	251
C6. Finance Income and Finance Costs	176	H4. Subsequent Events	251
C7. Contingent Liabilities	177	H5. New or Revised Accounting Standards and Interpretations Not Yet Effective	251
C8. Commitments	177		
		I. Supplementary Information	
D. Our Assets		I1. Interested Person Transactions	252
D1. Property, Plant and Equipment	178	I2. List of Properties	253
D2. Investment Properties	188		
D3. Intangible Assets	190		
E. Our Working Capital			
E1. Trade and Other Receivables	197		
E2. Inventories	199		
E3. Trade and Other Payables	200		
E4. Cash and Cash Equivalents	202		

Balance Sheets

As at December 31, 2025

Following the revision of the Group's accounting policy on the subsequent measurement of investment properties, the comparative figures for prior periods have been restated (see Note A2i).

(\$ million)	Note	Group			Company	
		2025	2024 Restated	Jan 1, 2024 Restated	2025	2024
Property, plant and equipment	D1	8,714	8,304	6,465	427	389
Investment properties	D2	356	260	197	–	–
Intangible assets	D3	952	977	952	30	33
Investments in subsidiaries	G1	–	–	–	2,238	2,234
Associates and joint ventures	G3	3,027	2,789	2,444	–	–
Trade and other receivables	E1	785	802	811	*	*
DPN receivable	H1	1,291	1,581	1,816	–	–
Other investments and derivative assets	H1	133	136	132	*	*
Deferred tax assets	B3c	82	69	66	–	–
Non-current assets		15,340	14,918	12,883	2,695	2,656
Inventories	E2	130	135	135	6	6
Trade and other receivables	E1	1,689	1,813	1,675	165	133
Contract assets	B2(c)	31	37	15	–	–
Other investments and derivative assets	H1	113	114	114	3	*
Cash and cash equivalents	E4	1,109	871	767	164	201
Current assets		3,072	2,970	2,706	338	340
Assets held for sale	G6	17	392	–	–	268
Total assets		18,429	18,280	15,589	3,033	3,264
Trade and other payables	E3	1,411	1,585	1,630	144	172
Contract liabilities	B2c	161	197	171	2	2
Derivative liabilities	H1	53	36	63	*	1
Provisions	H2	62	65	77	38	39
Current tax payable		149	182	236	26	19
Lease liabilities	D1.1	59	27	18	6	5
Loans and borrowings	C5	1,057	671	1,281	–	–
Current liabilities		2,952	2,763	3,476	216	238
Liabilities held for sale	G6	2	148	–	–	–
Net current assets / (liabilities)		135	451	(770)	122	370

The accompanying notes form an integral part of these financial statements.

(\$ million)	Note	Group			Company	
		2025	2024 Restated	Jan 1, 2024 Restated	2025	2024
Other long-term payables	E3	97	99	121	1,375	1,416
Contract liabilities	B2c	78	79	80	32	35
Derivative liabilities	H1	117	30	20	–	–
Provisions	H2	75	69	65	20	16
Deferred tax liabilities	B3c	655	639	607	23	24
Lease liabilities	D1.1	688	702	292	107	103
Loans and borrowings	C5	7,899	8,000	5,973	–	–
Non-current liabilities		9,609	9,618	7,158	1,557	1,594
Total liabilities		12,563	12,529	10,634	1,773	1,832
Net assets		5,866	5,751	4,955	1,260	1,432
Equity attributable to owners of the Company:						
Share capital	C2	566	566	566	566	566
Reserve for own shares	C3	(56)	(24)	(40)	(56)	(24)
Other reserves	C3	(934)	(651)	(665)	(62)	(32)
Revenue reserve		5,967	5,550	4,800	812	922
Total		5,543	5,441	4,661	1,260	1,432
Non-controlling interests	G2	323	310	294	–	–
Total equity		5,866	5,751	4,955	1,260	1,432

Consolidated Statement of Profit or Loss

Year ended December 31, 2025

(\$ million)	Note	Group	
		2025	2024 Restated
Continuing operations			
Turnover	B1, B2	5,799	6,417
Cost of sales		(4,501)	(4,908)
Gross profit		1,298	1,509
General and administrative expenses		(443)	(476)
Other operating income, net		105	82
Non-operating income		119	186
Non-operating expenses		(35)	(13)
Finance income	C6	28	27
Finance costs	C6	(392)	(372)
Share of results of associates and joint ventures, net of tax		496	316
Profit before tax		1,176	1,259
Tax expense	B3	(156)	(207)
Profit from continuing operations	B4	1,020	1,052
Discontinued operation			
Loss from discontinued operation, net of tax	G6	–	(9)
Profit for the year		1,020	1,043
Profit attributable to:			
Owners of the Company		984	1,016
Non-controlling interests		36	27
Profit for the year		1,020	1,043
Earnings per share (cents):			
	B5		
Basic		55.33	57.00
Diluted		54.71	56.10
Earnings per share (cents) – Continuing operations:			
	B5		
Basic		55.33	57.51
Diluted		54.71	56.60

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

Year ended December 31, 2025

(\$ million)	Note	Group	
		2025	2024 Restated
Profit for the year		1,020	1,043
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation differences for foreign operations		(301)	35
Exchange differences on monetary items forming part of net investment in foreign operation		1	1
Net change in fair value of cash flow hedges		(85)	13
Net change in fair value of cash flow hedges reclassified to profit or loss		(16)	(35)
Realisation of reserves upon disposal / liquidation of investments and assets held for sale		20	(2)
Share of other comprehensive income of associates and joint ventures		(18)	18
Net change in fair value of cash flow hedges reclassified to cost of investment of / loan to a subsidiary	F2	–	5
Income tax relating to these items	B3d	15	4
		(384)	39
<i>Items that may not be reclassified subsequently to profit or loss:</i>			
Defined benefit plan actuarial gains and losses		3	(9)
Change in fair value of financial assets at fair value through other comprehensive income		5	1
Income tax relating to these items	B3d	*	2
		8	(6)
Other comprehensive income for the year, net of tax		(376)	33
Total comprehensive income for the year		644	1,076
Total comprehensive income attributable to:			
Owners of the Company		629	1,046
Non-controlling interests		15	30
Total comprehensive income for the year		644	1,076
Total comprehensive income attributable to owners of the Company:			
Continuing operations		629	1,046
Discontinued operation		–	–
		629	1,046

Consolidated Statement of Changes in Equity

Year ended December 31, 2025

	Attributable to owners of the Company										Non-controlling interests	Total equity
	Share capital	Reserve for own shares	Foreign currency translation reserve	Capital reserve	Merger reserve	Share-based payments reserve	Fair value reserve	Hedging reserve	Revenue reserve	Total		
<i>(\$ million)</i>												
Group												
At January 1, 2025, as previously stated	566	(24)	(634)	(97)	29	(37)	37	50	5,471	5,361	298	5,659
Impact of change in accounting policy	–	–	1	–	–	–	–	–	79	80	12	92
At January 1, 2025, as restated	566	(24)	(633)	(97)	29	(37)	37	50	5,550	5,441	310	5,751
Total comprehensive income for the year												
Profit for the year	–	–	–	–	–	–	–	–	984	984	36	1,020
Other comprehensive income												
Foreign currency translation differences for foreign operations	–	–	(284)	–	–	–	–	–	–	(284)	(17)	(301)
Exchange differences on monetary items forming part of net investment in foreign operations	–	–	1	–	–	–	–	–	–	1	–	1
Net change in fair value of cash flow hedges	–	–	–	–	–	–	–	(69)	–	(69)	(2)	(71)
Net change in fair value of cash flow hedges reclassified to profit or loss	–	–	–	–	–	–	–	(15)	–	(15)	–	(15)
Net change in fair value of financial assets at fair value through other comprehensive income	–	–	–	–	–	–	5	–	–	5	–	5
Realisation of reserves upon disposal / liquidation of investments	–	–	21	112	–	(1)	–	–	(110)	22	(2)	20
Transfer of reserves	–	–	–	(1)	–	1	–	–	*	–	–	–
Defined benefit plan actuarial gains and losses	–	–	–	–	–	–	–	–	3	3	*	3
Share of other comprehensive income of associates and joint ventures	–	–	–	*	–	–	*	(18)	–	(18)	–	(18)
Total other comprehensive income for the year	–	–	(262)	111	–	–	5	(102)	(107)	(355)	(21)	(376)
Total comprehensive income for the year	–	–	(262)	111	–	–	5	(102)	877	629	15	644
Transactions with owners of the Company, recognised directly in equity												
Share issuance	–	–	–	–	–	–	–	–	–	–	5	5
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	–	9	9
Acquisition of non-controlling interests	–	–	*	1	–	–	–	*	2	3	(3)	–
Share-based payments	–	–	–	–	–	26	–	–	–	26	–	26
Purchase of treasury shares	–	(70)	–	–	–	–	–	–	–	(70)	–	(70)
Treasury shares transferred to employees	–	38	–	–	–	(38)	–	–	–	–	–	–
Cash settlement of PSP and RSP (Note B6) at the discretion of the Company	–	–	–	–	–	(24)	–	–	–	(24)	–	(24)
Dividend paid / payable to owners (Note C4)	–	–	–	–	–	–	–	–	(462)	(462)	–	(462)
Dividend paid / payable to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(13)	(13)
Total transactions with owners	–	(32)	*	1	–	(36)	–	–	(460)	(527)	(2)	(529)
At December 31, 2025	566	(56)	(895)	15	29	(73)	42	(52)	5,967	5,543	323	5,866

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

Year ended December 31, 2025

(\$ million)	Attributable to owners of the Company									Non-controlling interests	Total equity	
	Share capital	Reserve for own shares	Foreign currency translation reserve	Capital reserve	Merger reserve	Share-based payments reserve	Fair value reserve	Hedging reserve	Revenue reserve			Total
Group												
At January 1, 2024, as previously stated	566	(40)	(672)	(93)	29	(9)	36	45	4,726	4,588	284	4,872
Impact of change in accounting policy	–	–	(1)	–	–	–	–	–	74	73	10	83
At January 1, 2024, as restated	566	(40)	(673)	(93)	29	(9)	36	45	4,800	4,661	294	4,955
Total comprehensive income for the year												
Profit for the year, restated	–	–	–	–	–	–	–	–	1,016	1,016	27	1,043
Other comprehensive income												
Foreign currency translation differences for foreign operations	–	–	32	–	–	–	–	–	–	32	3	35
Exchange differences on monetary items forming part of net investment in foreign operations	–	–	1	–	–	–	–	–	–	1	–	1
Net change in fair value of cash flow hedges	–	–	–	–	–	–	–	12	–	12	*	12
Net change in fair value of cash flow hedges reclassified to profit or loss	–	–	–	–	–	–	–	(30)	–	(30)	–	(30)
Net change in fair value of financial assets at fair value through other comprehensive income	–	–	–	–	–	–	1	–	–	1	–	1
Realisation of reserves upon disposal of associates	–	–	7	(1)	–	–	–	–	(8)	(2)	–	(2)
Transfer of reserves	–	–	–	(1)	–	–	–	–	1	–	–	–
Net change in fair value of cash flow hedges reclassified to cost of investment of / loan to a subsidiary	–	–	–	–	–	–	–	5	–	5	–	5
Defined benefit plan actuarial gains and losses	–	–	–	–	–	–	–	–	(7)	(7)	–	(7)
Share of other comprehensive income of associates and joint ventures	–	–	–	*	–	–	*	18	–	18	–	18
Total other comprehensive income for the year	–	–	40	(2)	–	–	1	5	(14)	30	3	33
Total comprehensive income for the year, restated	–	–	40	(2)	–	–	1	5	1,002	1,046	30	1,076
Transactions with owners of the Company, recognised directly in equity												
Share issuance	–	–	–	–	–	–	–	–	–	–	9	9
Share-based payments	–	–	–	–	–	24	–	–	–	24	–	24
Purchase of treasury shares	–	(19)	–	–	–	–	–	–	–	(19)	–	(19)
Treasury shares transferred to employees	–	35	–	–	–	(35)	–	–	–	–	–	–
Cash settlement of PSP and RSP (Note B6) at the discretion of the Company	–	–	–	–	–	(17)	–	–	–	(17)	–	(17)
Acquisition of non-controlling interests	–	–	–	(2)	–	–	–	–	(2)	(4)	(6)	(10)
Dividend paid / payable to owners (Note C4)	–	–	–	–	–	–	–	–	(250)	(250)	–	(250)
Dividend paid / payable to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(17)	(17)
Total transactions with owners	–	16	–	(2)	–	(28)	–	–	(252)	(266)	(14)	(280)
At December 31, 2024, as restated	566	(24)	(633)	(97)	29	(37)	37	50	5,550	5,441	310	5,751

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

Year ended December 31, 2025

(\$ million)	Group	
	2025	2024
Cash flows from operating activities		
Profit for the year:		
– Continuing operations	1,020	1,052
– Discontinued operation	–	(9)
Adjustments for:		
Dividend income	(1)	(1)
Finance income	(28)	(27)
Finance costs	392	372
DPN expense / (income)	35	(169)
Depreciation and amortisation	476	446
Share of results of associates and joint ventures, net of tax	(496)	(316)
Gain on disposal of:		
– property, plant and equipment, intangible assets and other financial assets	(5)	(5)
– subsidiaries, associate and joint ventures	(143)	(1)
– assets held for sale	(1)	–
Loss / (Gain) on liquidation of subsidiaries and joint venture	19	(2)
Changes in fair value of investment properties	(5)	(5)
Equity settled share-based compensation expenses	26	24
Allowance for inventory obsolescence, net	5	2
Impairment and write-off of assets	25	7
Gain on bargain purchase	(2)	(8)
Write-down of other investments	11	2
Impairment of joint ventures	2	4
Tax expense	156	207
Operating profit before working capital changes	1,486	1,573
Changes in:		
– Inventories	(12)	(7)
– Receivables	77	(97)
– Payables	(185)	140
– Contract assets	5	(22)
– Contract liabilities	(36)	25
	1,335	1,612
Tax paid	(165)	(200)
Net cash from operating activities	1,170	1,412

The accompanying notes form an integral part of these financial statements.

(\$ million)	Group	
	2025	2024
Cash flows from investing activities		
Dividend received	307	173
Interest received	29	29
Proceeds from:		
– capital repatriation / disposal of joint ventures and associates [#]	86	39
– disposal group held for sale	383	–
– disposal of interest in subsidiaries	23	(6)
– sale of property, plant and equipment	6	17
– sale of intangible assets	*	*
– disposal of other financial assets and business	728	660
Proceeds from deferred payment note	255	404
Repayment of loans by joint venture	61	–
Acquisition of subsidiaries, net of cash acquired	(116)	(244)
Acquisition of investments in joint ventures and associates [#]	(207)	(229)
Acquisition of other financial assets	(750)	(673)
Acquisition of long-term assets	(29)	–
Purchase of property, plant and equipment and investment properties	(956)	(1,592)
Purchase of intangible assets	(6)	(16)
Net cash used in investing activities	(186)	(1,438)
Cash flows from financing activities		
Proceeds from share issued to non-controlling interests of subsidiaries	5	9
Purchase of treasury shares	(70)	(19)
Repayment of lease liabilities	(58)	(25)
Proceeds from borrowings	2,640	5,259
Repayment of borrowings	(2,318)	(4,310)
Dividends paid to owners of the Company	(462)	(250)
Dividends paid to non-controlling interests of subsidiaries	(13)	(17)
Receipts in restricted cash held as collateral	3	14
Payment on deferred and contingent considerations	(54)	(152)
Acquisition of non-controlling interest	–	(10)
Interest paid	(402)	(345)
Net cash (used in) / from financing activities	(729)	154

[#] The acquisition of investments in joint ventures and associates includes the additional interest acquired in Senoko, amounting to S\$72 million, before deducting the S\$3 million capital repatriation, which is presented under "Proceeds from capital repatriation" in the Statement of Cash Flows (Note G3).

Consolidated Statement of Cash Flows

Year ended December 31, 2025

(\$ million)	Note	Group	
		2025	2024
Net increase in cash and cash equivalents		255	128
Cash and cash equivalents at beginning of the year		850	732
Cash balance transferred from held for sale at beginning of the period		24	–
Effect of exchange rate changes on balances held in foreign currency		(38)	14
Cash and cash equivalents at end of the year, including held for sale (less pledge for security)		1,091	874
Cash balance transferred to held for sale		–	(24)
Cash and cash equivalents at end of the year	E4	1,091	850

Significant non-cash transactions

During the year, the Group entered new lease arrangements recognising right-of-use assets of S\$77 million (Note D1.1), with a corresponding increase in lease liabilities.

During the year, the Group acquired an associate and a joint venture. The unpaid portion of the purchase consideration, amounting to S\$19 million, was recognised as trade and other payables.

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

A. About These Financial Statements

Sembcorp Industries Ltd (the Company) is domiciled and incorporated in Singapore and is listed on the Singapore Exchange Securities Trading Limited. The address of its registered office is at 30 Hill Street, #05-04, Singapore 179360.

The Company's immediate and ultimate holding company is Temasek Holdings (Private) Limited, a company incorporated in Singapore which holds a 49.61% ownership stake in the Company.

The financial statements of the Group as at and for the year ended December 31, 2025 comprise the Company and its subsidiaries (together referred to as the Group and individually as Group entities) and the Group's interests in associates and joint ventures.

The financial statements were authorised for issue by the Board of Directors on February 24, 2026.

A1. Basis of Preparation

The financial statements have been prepared in accordance with the provisions of the Companies Act 1967, Singapore Financial Reporting Standards (International) (SFRS(I)) and International Financial Reporting Standards (IFRS). SFRS(I) comprises standards and interpretations that are equivalent to IFRS. All references to SFRS(I) and IFRS are subsequently referred to as SFRS(I) in these financial statements unless otherwise specified.

The financial statements have been prepared on a historical cost basis except as otherwise described in the accounting policies.

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions, which are based on historical experience and various other factors believed to be reasonable under the circumstances, form the basis of judgement about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about key management judgements and estimates that are considered material to the financial statements is incorporated in respective notes to the financial statements.

The financial statements are presented in Singapore dollar which is the Company's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest million unless otherwise stated. '**' denotes financial value that is less than S\$1 million.

Information is only being included in the financial report to the extent it is considered material and relevant to the understanding of the financial statements. A disclosure is considered material and relevant if:

- dollar amount is significant in value
- dollar amount is significant by nature
- financial results cannot be understood without specific disclosure
- critical to allow user to understand significant changes in group businesses

A2. Change in Accounting Policy

(i) Accounting for investment properties

In June 2025, the Group changed its accounting policy relating to the subsequent measurement of investment properties from the cost model to the fair value model, with changes in fair value recognised in profit or loss. The Group believes that subsequent measurement using the fair value model provides more relevant information about the financial performance of these assets, assists users to better understand the risks associated with these assets and is consistent with industry practice in relation to these types of assets. This change in accounting policy was applied retrospectively.

The Group has restated the balance sheets as at January 1, 2024, and December 31, 2024, along with the comparative figures for the statements of profit or loss, changes in equity, and cash flows for the year ended December 31, 2024.

Notes to the Financial Statements

A. About These Financial Statements (cont'd)

A2. Change in Accounting Policy (cont'd)

(i) Accounting for investment properties (cont'd)

Summary of quantitative impact

The tables summarise the material impacts on the Group's financial statements, primarily from the Integrated Urban Solutions segment. There is no material impact on the Group's basic or diluted earnings per share, net assets value and no impact on the total operating, investing, or financing cash flows for the year ended December 31, 2025, and December 31, 2024.

Balance Sheets As at January 1, 2024	Impact of change in accounting policy		
	As previously reported	Adjustments	As restated
<i>(\$ million)</i>			
Investment properties	153	44	197
Associates and joint ventures*	2,396	48	2,444
Other assets	12,948	–	12,948
Total assets	15,497	92	15,589
Deferred tax liabilities	598	9	607
Other liabilities	10,027	–	10,027
Total liabilities	10,625	9	10,634
Share capital	566	–	566
Other reserves	(704)	(1)	(705)
Revenue reserve	4,726	74	4,800
Non-controlling interests	284	10	294
Total equity	4,872	83	4,955
Balance Sheets As at December 31, 2024			
	Impact of change in accounting policy		
	As previously reported	Adjustments	As restated
<i>(\$ million)</i>			
Investment properties	207	53	260
Associates and joint ventures*	2,740	49	2,789
Other assets	15,231	–	15,231
Total assets	18,178	102	18,280
Deferred tax liabilities	629	10	639
Other liabilities	11,890	–	11,890
Total liabilities	12,519	10	12,529
Share capital	566	–	566
Other reserves	(676)	1	(675)
Revenue reserve	5,471	79	5,550
Non-controlling interests	298	12	310
Total equity	5,659	92	5,751

* Includes the share of fair value changes in the investment properties of the associates and joint ventures

Balance Sheets As at December 31, 2025	Impact of change in accounting policy
<i>(\$ million)</i>	
Investment properties	61
Associates and joint ventures*	77
Other assets	–
Total assets	138
Deferred tax liabilities	11
Other liabilities	–
Total liabilities	11
Share capital	–
Other reserves	(3)
Revenue reserve	116
Non-controlling interests	14
Total equity	127

* Includes the share of fair value changes in the investment properties of the associates and joint ventures

Consolidated Statement of Profit or Loss Year ended December 31, 2024	Impact of change in accounting policy		
	As previously reported	Adjustments	As restated
<i>(\$ million)</i>			
Cost of sales	(4,912)	4	(4,908)
Other operating income, net	77	5	82
Share of results of associates and joint ventures, net of tax	317	(1)	316
Tax expense	(206)	(1)	(207)
Others	5,760	–	5,760
Profit for the period	1,036	7	1,043
Profit attributable to:			
– Owners of the Company	1,011	5	1,016
– Non-controlling interests	25	2	27
Profit for the period	1,036	7	1,043

Consolidated Statement of Profit or Loss Year ended December 31, 2025	Impact of change in accounting policy
<i>(\$ million)</i>	
Decrease in cost of sales	4
Increase in other operating income, net	5
Increase in share of results of associates and joint ventures, net of tax	31
Increase in tax expense	(1)
Increase in profit for the period	39
Increase in profit attributable to owners of the Company	36

Notes to the Financial Statements

A. About These Financial Statements *(cont'd)*

A3. Material Accounting Policy Information

In addition to the accounting policies described below, other material accounting policies are included in the respective notes to the financial statements.

(i) Foreign currencies

Foreign currency transactions and balances

Transactions in foreign currencies are translated into the respective functional currencies of Group entities using exchange rates at the dates of the transactions. At each balance sheet date, foreign currency monetary assets and liabilities are translated to the functional currency using foreign exchange rates at that date.

Non-monetary assets and liabilities in a foreign currency that are measured in terms of historical cost are translated using exchange rates at the date of the transaction while those measured at fair value are translated to the functional currency using exchange rates at the date the fair value was determined.

Foreign currency differences are recognised in profit or loss, except when arising from the translation of the following items, in which case the differences are recognised in other comprehensive income:

- Equity instruments designated as fair value through other comprehensive income (FVOCI). (However, upon impairment, the foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss);
- A financial liability designated as a hedge of a net investment in a foreign operation to the extent that the hedge is effective; or
- Qualifying cash flow hedges to the extent the hedge is effective.

Foreign operations

For the purpose of presenting consolidated financial statements, the assets and liabilities of entities with a functional currency other than Singapore dollar are expressed in Singapore dollar using exchange rates prevailing at the balance sheet date. Income and expense items and cash flows are translated at the average exchange rates for each month and exchange differences arising are recognised directly in other comprehensive income.

On disposal of a foreign entity, the cumulative amount previously recognised in the consolidated statement of comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated accordingly.

Net investment in a foreign operation

Exchange differences arising from monetary items that in substance form part of the Company's net investment in a foreign operation are recognised in the Company's profit or loss. Such exchange differences are reclassified to the foreign currency translation reserve in the consolidated statement of comprehensive income and are released to the consolidated statement of profit or loss upon disposal of the investment as part of the gain or loss on disposal.

(ii) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

The financial statements of subsidiaries acquired or disposed during the financial year are included or excluded from the consolidated financial statements from their respective dates of obtaining control or ceasing control. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group. All intercompany transactions, balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset.

Acquisition of subsidiaries is accounted for using the acquisition method. The cost of an acquisition includes fair values of any contingent or deferred consideration arrangement and any pre-existing equity interest in the subsidiary. Subsequent changes to the fair value of the contingent consideration are recognised in profit or loss. From January 1, 2017, acquisition related costs are recognised in the profit or loss as incurred whereas prior to this date, acquisition related costs formed part of the cost of acquisition. The unwinding of any interest element of deferred consideration is recognised in profit or loss.

Any excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised in the profit or loss as gain on bargain purchase on the date of acquisition.

Business combinations that involve entities under common control are excluded from the scope of SFRS(I) 3. Such combinations are accounted at historical costs in a manner similar to the pooling-of-interest method, in the preparation of the consolidated financial statements. Under this method of accounting, the difference between the value of the share capital issued and the value of shares received is taken to the merger reserve.

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interest and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or financial assets at FVOCI depending on the level of influence retained.

From January 1, 2010, changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. The difference between the change in the carrying amounts of the non-controlling interests (NCI) and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company. Prior to January 1, 2010, any excess of the cost of acquisition of NCI over the carrying amount of the interest in the net assets acquired at the date of acquisition was recognised as goodwill.

On a transaction-by-transaction basis, the measurement of NCI is either at fair value or at the NCI's share of the fair value of the identifiable net assets of the acquiree.

Notes to the Financial Statements

A. About These Financial Statements *(cont'd)*

A3. Material Accounting Policy Information *(cont'd)*

(ii) Basis of consolidation *(cont'd)*

Non-controlling interest

NCI comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the owners of the Company. They are shown separately in the consolidated statements of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the NCI based on their respective interest in a subsidiary, even if this results in the NCI having a deficit balance.

Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of net assets of the subsidiary.

Associates and joint ventures

Associates and joint ventures are accounted for using the equity method of accounting from the date that significant influence commences until the date that significant influence ceases and are recognised initially at cost. The cost of investments includes transaction costs. When the Group's share of losses exceeds its interest in the associate or joint venture, the carrying amount of the investment (including any other unsecured receivables, that in substance, form part of the Group's net investment) is reduced to zero, and the recognition of further losses is discontinued unless it has legal or constructive obligations to make, or has made, payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is credited to profit or loss in the period of the acquisition. Where the audited financial statements are not yet available for the purpose of statutory filing, the share of results is arrived at from management financial statements.

Impairment for associates and joint ventures

An impairment loss in respect of an associate or joint venture shall be recognised if, and only if, the recoverable amount of the investment is less than the carrying amount. An impairment loss is recognised in the profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

New standards and amendments

The Group has applied Amendments to SFRS(I) 1-21 *Lack of Exchangeability* for the first time for the annual period beginning on January 1, 2025. The adoption of these amendments to accounting standards and interpretations does not have a material effect on the financial statements.

B. OUR PERFORMANCE

B1. Segments Information

The Group has categorised its business segments based on the internal reports that are reviewed and used by the executive management team in determining the allocation of resources and in assessing performance of the operating segments. The Group's businesses are categorised into the five main segments, namely Gas and Related Services, Renewables, Integrated Urban Solutions, Decarbonisation Solutions, and Other Businesses and Corporate.

The principal activities of key subsidiaries under the five main segments are as follows:

i. Gas and Related Services

The Gas and Related Services segment's principal activities include the sale of energy molecules (including natural gas, steam and electricity from a diversity of fossil fuels such as natural gas). This segment also includes sale of water products from its integrated assets.

ii. Renewables

The Renewables segment's principal activities are the provision of self-generated electricity from solar and wind resources, energy storage, as well as provision of system services that support integration of renewables into grid. This segment also includes the development and provision of installation, operation and maintenance of solar, wind and energy storage assets.

iii. Integrated Urban Solutions

The Integrated Urban Solutions segment supports sustainable development through its suite of urban, water as well as waste and waste-to-resource solutions. The segment's businesses comprise the development of large-scale integrated urban developments and integrated townships such as industrial parks, business, commercial and residential spaces, production and reclamation of water and industrial wastewater treatment as well as solid waste management and waste-to-resource solutions.

iv. Decarbonisation Solutions

The Decarbonisation Solutions segment includes the trading of Environmental Attributes, low-carbon feedstock (green hydrogen and ammonia), power imports and carbon capture, utilisation and storage (CCUS) business.

v. Other Businesses and Corporate

The Other Businesses and Corporate segment comprise businesses mainly relating to specialised construction, minting, the Group's captive insurance and financial services, as well as corporate costs.

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B1. Segments Information *(cont'd)*

a. Operating Segments

Information regarding the continuing operations' results of each reportable segment is included below.

<i>(\$ million)</i>	Continuing operations					Elimination	Total
	Gas and Related Services	Renewables	Integrated Urban Solutions	Decarbonisation Solutions	Other Businesses and Corporate		
2025							
Turnover							
External sales	4,088	856	242	42	571	–	5,799
Inter-segment sales	13	76	7	26	15	(137)	–
Total	4,101	932	249	68	586	(137)	5,799
Results							
Earnings before interest, taxes, depreciation and amortisation ¹ (EBITDA)	719	673	88	(25)	73	(8)	1,520
Share of results of associates and joint ventures, net of tax	287	50	159	*	–	–	496
Adjusted EBITDA	1,006	723	247	(25)	73	(8)	2,016
Depreciation and amortisation	(133)	(303)	(27)	*	(13)	–	(476)
Finance income	24	13	11	*	47	(67)	28
Finance costs	(60)	(204)	(11)	*	(184)	67	(392)
Profit / (Loss) before tax	837	229	220	(25)	(77)	(8)	1,176
Tax (expense) / credit	(86)	(46)	(21)	2	(5)	–	(156)
Non-controlling interests	(13)	(9)	(14)	–	*	–	(36)
Profit / (Loss) attributable to owners of the Company	738	174	185	(23)	(82)	(8)	984
Assets							
Segment assets	4,946	8,502	1,374	89	3,664	(3,331)	15,244
Associates and joint ventures	744	1,167	1,115	1	–	–	3,027
Tax assets	22	74	17	*	28	–	141
	5,712	9,743	2,506	90	3,692	(3,331)	18,412
Assets held for sale	–	17	–	–	–	–	17
Total assets	5,712	9,760	2,506	90	3,692	(3,331)	18,429
Liabilities							
Segment liabilities	2,480	6,466	506	72	5,556	(3,323)	11,757
Tax liabilities	321	398	14	*	71	–	804
	2,801	6,864	520	72	5,627	(3,323)	12,561
Liabilities held for sale	–	2	–	–	–	–	2
Total liabilities	2,801	6,866	520	72	5,627	(3,323)	12,563
Capital expenditure²	373	466	14	8	8	–	869

¹ EBITDA refers to earnings before net interest expense, tax, depreciation and amortisation.

² Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill and carbon allowances.

The EBITDA elimination amount relates to unrealised profits on the sale of Environmental Attributes across the segments with corresponding adjustment in segment assets.

Other Businesses and Corporate's segment assets include DPN receivable (Note H1).

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B1. Segments Information *(cont'd)*

a. Operating Segments *(cont'd)*

<i>(S\$ million)</i>	Continuing operations					Elimination	Total
	Gas and Related Services	Renewables	Integrated Urban Solutions	Decarbonisation Solutions	Other Businesses and Corporate		
2024 (Restated)							
Turnover							
External sales	4,637	746	431	53	550	–	6,417
Inter-segment sales	57	18	44	8	12	(139)	–
Total	4,694	764	475	61	562	(139)	6,417
Results							
EBITDA	911	568	143	(19)	136	(5)	1,734
Share of results of associates and joint ventures, net of tax	132	58	126	*	*	–	316
Adjusted EBITDA	1,043	626	269	(19)	136	(5)	2,050
Depreciation and amortisation	(142)	(235)	(57)	*	(12)	–	(446)
Finance income	39	9	17	1	53	(92)	27
Finance costs	(73)	(174)	(11)	*	(206)	92	(372)
Profit / (Loss) before tax	867	226	218	(18)	(29)	(5)	1,259
Tax (expense) / credit	(127)	(36)	(31)	2	(15)	–	(207)
Non-controlling interests	(12)	(4)	(11)	–	*	–	(27)
Profit / (Loss) from continuing operations attributable to owners of the Company	728	186	176	(16)	(44)	(5)	1,025
Loss from discontinued operation, net of tax	–	–	–	–	–	–	(9)
Profit attributable to owners of the Company	–	–	–	–	–	–	1,016
Assets							
Segment assets	4,549	8,237	1,405	48	3,908	(3,188)	14,959
Associates and joint ventures	648	1,160	981	*	–	–	2,789
Tax assets	33	67	19	*	21	–	140
	5,230	9,464	2,405	48	3,929	(3,188)	17,888
Assets held for sale	–	3	389	–	–	–	392
Total assets	5,230	9,467	2,794	48	3,929	(3,188)	18,280
Liabilities							
Segment liabilities	2,495	6,614	372	18	5,244	(3,183)	11,560
Tax liabilities	343	367	18	*	93	–	821
	2,838	6,981	390	18	5,337	(3,183)	12,381
Liabilities held for sale	–	–	148	–	–	–	148
Total liabilities	2,838	6,981	538	18	5,337	(3,183)	12,529
Capital expenditure	384	1,072	21	3	11	–	1,491

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B1. Segments Information *(cont'd)*

b. Geographical Segments

The Group's geographical segments comprise eight principal areas: Singapore, China, India, Vietnam, United Kingdom (UK), Oman, Rest of Middle East and Rest of Asia. In presenting these segments, segment revenue is based on the geographical location of customers, while segment assets and total assets are based on the geographical location of the assets.

Continuing operations

<i>(\$ million)</i>	Turnover		Capital Expenditure	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Singapore	4,122	4,754	511	533
UK	496	561	47	82
India	391	366	243	586
China ¹	377	383	17	18
Vietnam	60	44	2	*
Oman	67	34	45	266
Rest of Middle East	15	14	–	–
Rest of Asia	262	243	4	6
Other Countries	9	18	–	–
Total	5,799	6,417	869	1,491

<i>(\$ million)</i>	Non-current Assets		Total Assets	
	December 31, 2025	December 31, 2024 Restated	December 31, 2025	December 31, 2024 Restated
Singapore	4,824	4,523	5,868	6,043
China ¹	3,728	3,709	4,632	4,609
India	3,181	3,143	3,531	3,397
Vietnam	1,239	1,124	1,359	1,219
UK	836	833	1,023	988
Oman	703	696	745	729
Rest of Middle East	123	127	133	136
Rest of Asia	688	744	1,059	1,137
Other Countries	18	19	79	22
Total	15,340	14,918	18,429	18,280

¹ The China businesses within the Renewables and Integrated Urban Solutions segments consist of associates and joint ventures accounted for under the equity method.

Majority of the Group's revenue from continuing operations is from Singapore and UK which contributed to 71% (2024: 74%) and 9% (2024: 9%) respectively.

B2. Turnover

This note explains how the Group's revenue from contracts with customers are measured and recognised.

Accounting policies

Revenue is measured based on consideration specified in a contract with customer. The Group recognises revenue when it transfers control over a good or service to a customer.

For all revenue contracts with customers, the Group accounts for modifications to the scope or price (or both) of a contract, as separate contracts, if the modifications add distinct goods or services at their stand-alone selling prices. For contract modifications that add distinct goods or services but not at their stand-alone selling prices, the Group applies a new transaction price, combining the remaining consideration with the consideration promised on the modification, to all remaining performance obligations. For contract modifications that do not add distinct goods or services, the Group accounts for the modification as continuation of the original contract and recognises a cumulative adjustment to revenue at the date of the modification.

Revenue from Contracts with Customers

a. Sale of Electricity, Utilities and Gas and Related Services

The sale of electricity, utilities and gas and related services are determined to be a series of distinct goods satisfied over time. This is because the customers simultaneously receive and consume the benefits provided by the Group. Invoices are generated monthly based on the output delivered to the customers. No significant element of financing is deemed present as the sales are typically made with a credit term of 30 days, consistent with market practice.

Revenue from these sales is recognised based on price (including variable considerations) specified in the contracts. Variable considerations such as off specification delivery are reviewed and estimated monthly. A refund liability is recognised in provisions for off specification delivery and outage, if any.

When the period between the satisfaction of a performance obligation and payment by the customer exceeds one year, the Group adjusts the consideration for time value of money and recognises a financing component.

b. Service Concession Revenue

The Group has entered into service concession contracts with local governments or governing agencies (the grantor) to design, build and operate (including maintenance) water treatment plants or power generation plants over an agreed period ranging from 22 to 30 years. At the end of the concession period, these assets are to be transferred to the grantor and any extension will be based on mutual agreements. These contractual arrangements fall within the scope of SFRS(I) INT 12.

The Group recognises and measures revenue for building (construction services) and operating these assets as specified in the contracts in accordance with SFRS(I) 15 for the services performed. Revenue relating to construction services under a service concession arrangement is recognised over time when the performance obligations are satisfied.

Operation or service revenue is recognised in the period in which the services are provided by the Group, consistent with the Group's accounting policy on recognising revenue on sale of electricity, utilities and gas and related services (see Note B2(a) above). When the Group provides more than one service in a service concession arrangement, the consideration received is allocated with reference to the relative stand-alone selling prices of the services delivered.

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B2. Turnover *(cont'd)*

Accounting policies *(cont'd)*

Revenue from Contracts with Customers *(cont'd)*

c. Construction of Infrastructure and Related Engineering Services

The Group builds specialised assets for customers for which the Group does not have an alternative use. Revenue is recognised when control over the specialised asset has been transferred to customers.

Contracts with Enforceable Right to Payment

For contracts where the Group has contractual enforceable rights to payment, revenue is recognised over time with reference to the Group's progress towards completing the construction of the specialised asset. The stage of completion is typically assessed either by surveys of work performed (output method), or the cost incurred to date relative to total estimated cost (input method), depending on which method commensurate with the pattern of transfer of control to customers. Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

The Group recognises a financing component using discount rates at contract inception if the delivery of goods and payment by customers exceed one year. If the period between the delivery and payment is one year or less, the Group applies the practical expedient not to adjust for significant financing component.

For contracts with standard warranty terms on the performance of the asset, a warranty provision is estimated based on historical data, from known and expected warranty work as well as contractual obligations to be performed after completion. The warranty expense incurred could be higher or lower than the provision made.

d. Sales of Development Properties

The Group develops and sells residential projects to customers through fixed price contracts. For such contracts, the Group does not have enforceable rights to payment in accordance with the contractual terms. Revenue is recognised at a point in time when the control over the residential project has been transferred to customers and customers' acceptance has been obtained, which is also when the rights to payment become enforceable.

e. Sales of Other Goods

Revenue is recognised at a point in time when the goods are transferred to customers and the criteria for acceptance have been satisfied.

Rental Income

Rental income receivable under operating lease is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of total rental income, over the term of the lease.

Contingent rentals are recognised as income in the accounting period in which they are earned.

Key estimates and judgements

The Group has applied judgement and estimates in recognising revenue from long-term contracts. Any increases or decreases in estimated revenue or costs due to change in circumstances are reflected in the profit or loss in the period in which the changes become known to management. The key estimates and judgements applied are:

Performance Obligation

Significant judgement is required in determining whether the performance obligations are distinct. The Group's assessment includes considerations of whether customers can benefit from the good or service either on its own or together with other resources that are readily available to the customers and whether the Group's promise to transfer the good or service to the customers is separately identifiable from other promises in the contracts. The Group has assessed that long-term contracts with customers have a single performance obligation in view that the services in the contracts are not distinct.

Variable Considerations

For contracts with variable considerations (i.e. liquidated damages, or where customers can contractually rescind the delivery of utilities and gas which do not meet the specifications), the Group has applied judgement in determining the transaction price, based on evaluation of any potential risks and factors which may affect the completion or delivery of the contracts, in accordance with the contractual obligations.

Percentage of Completion

For revenue recognised over time, the percentage of completion for certain contracts is assessed by reference to the contract costs incurred to date in proportion to the total estimated contract costs for each contract. In making these estimates, the Group has relied on the expertise of surveying engineers and management's past experiences from completed projects. The estimated total costs are reviewed every reporting period and adjusted where necessary, with the corresponding effect of change being recognised prospectively from the date of change.

Onerous Contracts

The Group conducts critical review of all its long-term construction contracts regularly. Allowance is made to account for onerous contracts. The Group monitors and reviews the progress of all long-term land development and construction contracts, taking into consideration inputs from internal project managers and external customers in estimating the total contract costs to complete as well as evaluating any potential risks and factors which may affect contract prices, costs and timely completion of these contracts. The review also encompasses the cost analysis process whereby both actual costs incurred and future costs to complete are critically examined.

Cost Allocation Method on Long-term Land Development Contracts

Land development costs incurred are capitalised as work-in-progress and allocated to the respective parcels of land based on the relative sales method.

Fulfilment Costs

Significant judgement is required to determine if the contract costs recognised are expected to be recovered. Such judgement includes assessment of any potential risks and factors which may affect customers' ability to take delivery of the construction. The assessment also encompasses the analysis of the industry outlook and customers' financial health.

Information regarding the turnover for continuing operations is included below:

<i>(S\$ million)</i>	Note	2025	2024
Revenue from contracts with customers	a	5,789	6,408
Rental income		10	9
		<u>5,799</u>	<u>6,417</u>

There was no revenue from performance obligations satisfied or partially satisfied in previous periods due to change in estimate of the transaction price in 2025 and 2024.

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B2. Turnover *(cont'd)*

Revenue from Contracts with Customers

a. Disaggregation of Revenue from Contracts with Customers

The table below disaggregates revenue from contracts with customers by primary geographical markets, major product / service lines, and timing of revenue recognition. It also provides a reconciliation of the disaggregated revenue with the Group's reportable segments.

	Reportable segments					Total
	Gas and Related Services	Renewables	Integrated Urban Solutions	Decarbonisation Solutions	Other Businesses and Corporate	
<i>(\$ million)</i>						
2025						
Primary geographical markets						
Singapore	3,355	170	47	5	545	4,122
UK	448	17	–	31	*	496
China	–	190	184	*	*	374
India	–	389	–	*	2	391
Vietnam	–	53	–	*	–	53
Oman	31	36	–	–	–	67
Rest of Middle East	15	–	–	–	–	15
Rest of Asia	239	1	1	1	20	262
Other countries	–	–	–	5	4	9
Total	4,088	856	232	42	571	5,789
Major product / service lines						
Provision of energy products and related services (including electricity, gas and steam)	3,605	833	–	–	*	4,438
Provision of water products, reclamation of water and industrial wastewater treatment	133	1	175	–	–	309
Solid waste management	8	–	33	–	–	41
Service concession revenue	239	–	10	–	–	249
Construction and engineering related activities	–	–	2	–	505	507
Sale of environmental attributes	–	22	–	42	–	64
Others	103	*	12	–	66	181
Total	4,088	856	232	42	571	5,789
Timing of revenue recognition						
Over time	4,088	834	229	–	507	5,658
At a point in time	–	22	3	42	64	131
Total	4,088	856	232	42	571	5,789

	Reportable segments					Total
	Gas and Related Services	Renewables	Integrated Urban Solutions	Decarbonisation Solutions	Other Businesses and Corporate	
<i>(\$ million)</i>						
2024						
Primary geographical markets						
Singapore	3,842	148	225	6	533	4,754
UK	518	15	–	28	*	561
China	–	183	196	–	*	379
India	–	359	–	*	7	366
Vietnam	–	38	1	*	*	39
Oman	31	3	–	–	–	34
Rest of Middle East	14	–	–	–	–	14
Rest of Asia	232	*	*	3	8	243
Other countries	–	–	–	16	2	18
Total	4,637	746	422	53	550	6,408
Major product / service lines						
Provision of energy products and related services (including electricity, gas and steam)	4,150	740	–	–	*	4,890
Provision of water products, reclamation of water and industrial wastewater treatment	136	–	182	–	–	318
Solid waste management	5	–	211	–	–	216
Service concession revenue	232	–	10	–	–	242
Construction and engineering related activities	–	–	–	–	511	511
Sale of environmental attributes	–	5	–	53	–	58
Others	114	1	19	–	39	173
Total	4,637	746	422	53	550	6,408
Timing of revenue recognition						
Over time	4,634	741	409	–	518	6,302
At a point in time	3	5	13	53	32	106
Total	4,637	746	422	53	550	6,408

- Service concession revenue included interest revenue of S\$50 million (2024: S\$56 million).
- The lower turnover in FY2025 was mainly attributed to lower contributions from the Gas and Related Services segment due to lower offtake of electricity, lower gas price and pool price in Singapore, as well as lower availability due to major outage in UK. Lower revenue was recognised in Integrated Urban Solutions due to the absence of contribution from Sembcorp Environment and its subsidiaries (SembEnviro) following its divestment. The decline in turnover was partially offset by higher revenue, driven mainly by new capacity additions in the Renewables segment in Singapore and India, as well as a full-year contribution from the Oman plant and the acquisition completed in Vietnam in 2024.

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B2. Turnover *(cont'd)*

Revenue from Contracts with Customers *(cont'd)*

b. Transaction Price Allocated to Remaining Performance Obligations

Accounting policies

The Group has elected to apply the practical expedient, in paragraph 121 of SFRS(I) 15, and does not disclose information about its remaining performance obligations if:

- the performance obligation is part of a contract that has an original expected duration of one year or less; or
- the Group has a right to invoice a customer in an amount that corresponds directly with its performance to date, then it recognises revenue in that amount.

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at balance sheet date. This is estimated based on the expected progress of the projects or expected energy output. Estimated amounts of considerations which are variable in nature are not included in the table below.

<i>(S\$ million)</i>	Note	Within the next 1 year	Between 1 to 5 years	More than 5 years	Total
2025					
Segment					
Gas and Related Services		1,007	1,305	768	3,080
Renewables	i	–	–	–	–
Integrated Urban Solutions		48	146	74	268
Decarbonisation Solutions		1	–	–	1
Other Businesses and Corporate		650	819	150	1,619
Total		1,706	2,270	992	4,968
2024					
Segment					
Gas and Related Services		915	1,802	768	3,485
Renewables	i	–	–	–	–
Integrated Urban Solutions		88	167	92	347
Decarbonisation Solutions		–	–	–	–
Other Businesses and Corporate		653	1,153	182	1,988
Total		1,656	3,122	1,042	5,820

- i. The Group does not disclose information about its remaining performance obligations as the Renewables' energy output is variable in nature, and the Group has a right to invoice the customers amounts that corresponds directly with its actual energy output.

c. Assets and Liabilities Related to Contracts with Customers

Contract Assets and Contract Liabilities

The Group and the Company have recognised the following assets and liabilities related to contracts with customers:

<i>(S\$ million)</i>	Group		Company	
	2025	2024	2025	2024
Contract assets	31	37	–	–
Contract liabilities				
Current	161	197	2	2
Non-current	78	79	32	35
Total	239	276	34	37

Contract Assets

Accounting policies

Contract asset is recognised when the value of goods transferred, or services rendered for the contract exceeds payments received from customers. The contract assets are transferred to trade receivables when the rights become unconditional.

The contract assets relate to the Group's conditional rights to consideration in the sale of the renewable obligation certificates.

Changes in the Group's contract assets balances during the period are as follows:

<i>(S\$ million)</i>	Note	2025	2024
Transfer of contract assets recognised at the beginning of the year to trade receivables		(32)	(9)
Recognition of revenue, net of transfer to trade receivables during the year		25	31
Loss allowance on contract assets	F4	(1)	–
Currency translation changes		*	*
Cumulative catch-up adjustments arising from:			
– Changes in measurement of progress		*	*
– Contract modifications		2	*

There are no movements in the Company's contract assets balances in 2024 and 2025.

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B2. Turnover *(cont'd)*

Revenue from Contracts with Customers *(cont'd)*

c. Assets and Liabilities Related to Contracts with Customers *(cont'd)*

Contract Assets and Contract Liabilities *(cont'd)*

Contract Liabilities

Accounting policies

Contract liability is recognised when payments received or receivable from customers exceed the revenue recognised. Contract liabilities are recognised as revenues, either over time or at a point in time, when services are provided to customers. For revenue recognised over time, the balance at year end will be recognised over the remaining period stipulated in the contracts.

Contract liabilities for the Group include advance received for connection and capacity charges used for delivery of utilities. The changes in the contract liabilities balances during the year are:

<i>(\$ million)</i>	Group		Company	
	2025	2024	2025	2024
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	(183)	(142)	(3)	(3)
Increases due to cash received, excluding amounts recognised as revenue during the year	160	171	–	–
Currency translation changes	(1)	*	–	–
Cumulative catch-up adjustments arising from:				
– Changes in measurement of progress	(6)	(2)	–	–
– Contract modifications	(7)	(2)	–	–

B3. Taxation

This note explains how the Group's tax charge arises. The deferred tax section of the note also provides information on expected future tax charges recognised as tax liabilities and sets out the tax assets held across the Group whether they are expected to be recoverable in future.

a. Tax Expenses

Accounting policies

Tax expense comprises current and deferred tax, using tax rates enacted or substantively enacted at the balance sheet date. Tax expense is recognised in profit or loss except if it relates to (i) business combinations and is recognised in equity or (ii) other items recognised directly in equity or in other comprehensive income.

Current tax is the expected taxable income (payable) or tax loss (recoverable) for the year and includes adjustments to tax payable in respect of previous years. Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for accounting purposes and for taxation purposes.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is not recognised for the following temporary differences:

- (i) the initial recognition of goodwill.
- (ii) the initial recognition of assets or liabilities in a transaction that is not a business combination and at the time of the transaction (a) affects neither accounting nor taxable profit or loss; and (b) does not give rise to equal taxable and deductible temporary differences; and
- (iii) differences relating to investments in subsidiaries, joint ventures and associates to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax liabilities and assets on a net basis.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets.

The Group recognises separately deferred tax asset and deferred tax liability, for the deductible and taxable temporary differences on its lease liabilities and right-of-use assets respectively, see Note B3(c).

The Group is subject to the global minimum top-up tax under the Pillar Two tax legislation and has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and will account for it as a current tax when it is incurred.

Key estimates and judgements

The Group is subjected to taxes in numerous jurisdictions. Significant judgement is involved in determining the group-wide provision for taxes. In determining the amount of current and deferred taxes, the Group considers current understanding and interpretations of existing tax laws and applies judgement as to whether the tax balances will be utilised and / or reversed in foreseeable future. The eventual taxes paid or received may vary, for which the differences will be charged to profit or loss in the period when determination is made.

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B3. Taxation *(cont'd)*

a. Tax Expenses *(cont'd)*

<i>(S\$ million)</i>	Note	Group	
		2025	2024 Restated
Current tax expense			
Current year		164	170
Over provided in prior years	i	(35)	(28)
Foreign withholding tax		2	3
		131	145
Deferred tax expense			
Movements in temporary differences		(4)	35
Under provided in prior years	i	24	21
		20	56
Land appreciation tax expense			
Current year		–	6
Global minimum tax expense			
Pillar Two tax expense – Qualified IIR	b	4	–
Pillar Two tax expense – Qualified QDMTT	b	1	–
		5	–
Tax expense on continuing operations		156	207
Reconciliation of effective tax rate			
Profit from continuing operations		1,020	1,052
Tax expense		156	207
Share of results of associates and joint ventures, net of tax		(496)	(316)
Profit before tax and share of results of associates and joint ventures from continuing operations		680	943
Tax using Singapore tax rate of 17% (2024: 17%)		116	160
Effect of changes in tax rates		*	*
Effect of different tax rates in foreign jurisdictions		21	16
Current tax expense related to global minimum top-up tax		5	–
Tax incentives and income not subject to tax		(29)	(63)
Expenses not deductible for tax purposes		67	85
Utilisation of deferred tax benefits not previously recognised		*	(4)
Over provided in prior years		(11)	(7)
Deferred tax benefits not recognised		2	5
Foreign withholding tax		2	3
Others		(17)	12
Tax expense on continuing operations		156	207

- i. The overprovision of current tax was mainly attributable to the utilisation of Group Tax Relief, as well as the write-back of tax provisions including those that were time-barred.

b. International Tax Reform – Pillar Two

The Group is within scope of the OECD Pillar Two (“Pillar Two”) tax legislation.

Singapore, where the Company’s ultimate holding company is incorporated, will implement the Qualifying Domestic Minimum Top-Up Tax (QDMTT) and Income Inclusion Rule (IIR) under Pillar Two model rules with effect from January 1, 2025.

As at December 31, 2025, the Group has recognised an estimated current tax expense related to Pillar Two amounting to S\$5 million (2024: S\$3 million from a joint venture) arising from jurisdictions that the Group operates in. As provided under SFRS(I) 1-12 Income Taxes, the Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Group continues to monitor legislative developments and refine its calculations as more definitive guidance becomes available.

c. Deferred Tax Assets and Liabilities

As at December 31, 2025, after applying the legal right to offset, deferred tax assets were S\$82 million (2024: S\$69 million) and deferred tax liabilities were S\$655 million (2024: S\$639 million).

Movements in deferred tax assets and liabilities (prior to offsetting of balances) during the year are as follows:

<i>(S\$ million)</i>	Group					
	At January 1 Restated	Recognised in profit or loss – continuing operations (Note a)	Recognised in equity (Note d)	Acquisition of subsidiaries (Note G5)	Translation adjustments	At December 31
2025						
Deferred tax liabilities						
Property, plant and equipment	703	66	–	12	(41)	740
Right-of-use assets	105	15	–	–	(2)	118
Other financial assets	34	(2)	(2)	–	*	30
Trade and other receivables	25	(12)	–	–	–	13
Intangible assets	135	(6)	–	4	(2)	131
Retirement benefit obligations	6	1	*	–	*	7
Investment properties	10	1	–	–	*	11
Other items	*	(3)	–	–	*	(3)
Total	1,018	60	(2)	16	(45)	1,047
Deferred tax assets						
Property, plant and equipment	(91)	(5)	–	–	*	(96)
Inventories	*	*	–	–	*	*
Trade receivables	(7)	(10)	–	–	*	(17)
Trade and other payables	(16)	*	–	–	1	(15)
Tax losses	(131)	(27)	–	–	21	(137)
Provisions	(52)	(1)	–	–	2	(51)
Lease liabilities	(111)	3	–	–	1	(107)
Other financial liabilities	(24)	*	(13)	–	*	(37)
Other items	(16)	*	*	–	2	(14)
Total	(448)	(40)	(13)	–	27	(474)

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B3. Taxation *(cont'd)*

c. Deferred Tax Assets and Liabilities *(cont'd)*

	Group						
	At January 1 Restated	Recognised in profit or loss – continuing operations (Note a) Restated	Recognised in equity (Note d)	Acquisition of subsidiaries (Note G5)	Transfer to held for sale (Note G6)	Translation adjustments	At December 31
<i>(S\$ million)</i>							
2024							
Deferred tax liabilities							
Property, plant and equipment	584	131	–	20	(34)	2	703
Right-of-use assets	40	75	–	–	(10)	*	105
Other financial assets	40	(3)	(3)	–	–	*	34
Trade and other receivables	23	2	–	–	–	–	25
Intangible assets	170	(44)	–	8	–	1	135
Retirement benefit obligations	6	*	*	*	*	*	6
Investment properties	9	1	–	–	–	*	10
Other items	8	(5)	(2)	*	(1)	*	*
Total	880	157	(5)	28	(45)	3	1,018
Deferred tax assets							
Property, plant and equipment	(79)	(12)	–	–	–	*	(91)
Right-of-use assets	(2)	2	–	–	–	*	–
Inventories	*	*	–	–	–	*	*
Trade receivables	(7)	1	–	(1)	*	*	(7)
Trade and other payables	(16)	*	–	–	–	*	(16)
Tax losses	(110)	(5)	–	(16)	–	*	(131)
Provisions	(49)	(2)	–	(1)	1	(1)	(52)
Lease liabilities	(37)	(85)	–	*	11	*	(111)
Other financial liabilities	(24)	1	(1)	–	–	*	(24)
Other items	(15)	(1)	–	–	–	*	(16)
Total	(339)	(101)	(1)	(18)	12	(1)	(448)
Company							
	At January 1, 2024	Recognised in profit or loss	Recognised in equity	At December 31, 2024	Recognised in profit or loss	Recognised in equity	At December 31, 2025
<i>(S\$ million)</i>							
Deferred tax liabilities							
Property, plant and equipment	32	4	–	36	(2)	–	34
Right-of-use assets	14	*	–	14	1	–	15
Other financial assets	*	–	*	*	–	1	1
Other items	*	*	–	–	–	–	–
Total	46	4	*	50	(1)	1	50
Deferred tax assets							
Lease liabilities	(18)	*	–	(18)	(1)	–	(19)
Provisions	(8)	*	–	(8)	–	–	(8)
Total	(26)	*	–	(26)	(1)	–	(27)

The deferred tax liabilities and assets amounts determined after appropriate offsetting included in the balance sheet are as follows:

	Group		Company	
	December 31, 2025	December 31, 2024 Restated	December 31, 2025	December 31, 2024
<i>(S\$ million)</i>				
Deferred tax liabilities	655	639	23	24
Deferred tax assets	(82)	(69)	–	–
	573	570	23	24

Unrecognised deferred tax liabilities

As at December 31, 2025, a deferred tax liability of S\$2 million (2024: S\$2 million) for potential taxable temporary differences arising from undistributed retained earnings related to investment in subsidiaries and joint ventures was not recognised.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised where:

- they qualify for offset against the tax liabilities of member companies within the Group under the loss transfer system of group relief, but the terms of the transfer have not been ascertained as at year end; or
- it is uncertain that future taxable profit will be available against which the Group entities can utilise the benefits.

The deferred tax assets that have not been recognised, which are available to be set off against future taxable income subject to the tax provisions and agreement by the relevant tax authorities of the various jurisdictions, are disclosed below:

	Group	
	December 31, 2025	December 31, 2024
<i>(S\$ million)</i>		
Deductible temporary differences	40	38
Tax losses	74	66
Capital allowances	31	29
	145	133

Tax losses of the Group amounting to S\$70 million (2024: S\$58 million) will predominantly expire between 2026 and 2030 (2024: 2025 and 2033). The remaining tax losses, capital allowances and deductible temporary differences do not expire under current tax legislation.

The unrecognised tax losses are reported to the extent that the taxable temporary differences arising from deferred tax liabilities have been set off against the unused tax losses. There were no unrecognised tax losses for 2024 and 2025.

d. Other Comprehensive Income

There are no income tax relating to each component of other comprehensive income, except as tabled below:

	Group					
	2025			2024		
	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
<i>(S\$ million)</i>						
Cash flow hedges:						
net movement in hedging reserves	(101)	15	(86)	(17)	4	(13)
Defined benefit plan actuarial gains and losses	3	*	3	(9)	2	(7)
	(98)	15	(83)	(26)	6	(20)

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B4. Profit for the Year

Accounting policies

Dividend Income

Dividend income is recognised in profit or loss on the date the Group's right to receive payment is established, when it is probable that the economic benefits associated with the dividend will flow to the Group, and when the amount of the dividend can be reliably measured.

Grant Income

Government grants relating to asset are credited to a deferred asset grant account at fair value when there is reasonable assurance that the grants will be received and the Group will comply with the conditions attached. These grants are then recognised in profit or loss as other operating income on a straight-line basis over the estimated useful lives of the relevant assets.

Non-monetary government grants and assets received are valued at fair value or nominal amounts.

Grants that compensate the Group for expenses already incurred are recognised in profit or loss as other operating income on a systematic basis in the same periods in which the expenses are recognised.

The following items have been included in arriving at profit for the year:

(\$ million)	Note	Group	
		2025	2024 Restated
a. Expenses			
Materials	i	3,003	3,309
Staff costs:			
– salaries, bonuses and other personnel related costs		447	507
– contributions to defined contribution plan		39	36
– equity-settled share-based payments	B6	26	24
– contributions to defined benefit plan		*	*
Depreciation of property, plant and equipment	D1	428	399
Sub-contract cost		413	465
Repair and maintenance		71	84
Carbon tax allowance	ii	87	85
Write-back of provision for remediation of legacy sites	H2	–	(7)
Amortisation of intangible assets	D3	48	47
Allowance for impairment losses (net):			
– receivables and contract assets	F4	4	7
– property, plant and equipment	D1	13	1
– assets held for sale	G6a	3	–
Write-off of:			
– receivables and contract assets		1	*
– property, plant and equipment	D1, iii	8	6
– intangible assets	D3	*	*
Allowance for / (Write-back of) inventory obsolescence, net	E2	5	(2)
Audit fees paid / payable to:			
– auditors of the Company		2	2
– other member firms of KPMG International		2	2
– other auditors		1	1

(\$ million)	Note	Group	
		2025	2024 Restated
Non-audit fees paid / payable to:			
– auditors of the Company		*	*
– other member firms of KPMG International		*	*
– other auditors		*	1
b. Other operating income			
Contractor-related liquidated damages		33	19
Insurance compensation		16	5
Changes in fair value of investment properties	D2	5	5
Foreign exchange loss, net		(10)	(16)
Net change in fair value of financial instruments at FVTPL (mandatorily measured)	iv	(4)	19
Grants received		8	3
Other income	v	57	47
c. Non-operating income / (expenses)			
DPN (expense) / income	vi	(35)	169
(Loss) / Gain on liquidation of subsidiaries and joint venture		(19)	2
Gain on disposal of subsidiaries, joint venture and associate		143	1
Gain on disposal of assets held for sale		1	–
Gain on disposal of other financial assets		5	5
Gross dividend income from financial assets at FVOCI		1	1
Gain on bargain purchase	G5	2	8
Net change in fair value of financial assets at FVTPL (designated on initial recognition)		(1)	(3)
Change in fair value of contingent consideration	vii	*	(4)
Impairment of joint ventures		(2)	(4)
Write-down of other investments	viii	(11)	(2)

- i. Materials cost decreased mainly due to lower generation within the Gas and Related Services segment in the UK and Singapore, as well as lower gas and power costs in Singapore.
- ii. The amount relates to the cost of compliance under Singapore's carbon tax, UK Emissions Trading Scheme (UK ETS) and UK Carbon Price Support (CPS) mechanism.
- iii. Write-off of property, plant and equipment includes S\$5 million relating to assets in India and the UK that were damaged by extreme weather events.
- iv. Changes in the fair value of financial instruments were mainly from forward foreign exchange contracts and non-deliverable forwards used for managing the Group's foreign currency exposures. The corresponding net effects from the revaluation of assets and liabilities in foreign currencies were recorded under foreign exchange gain / (loss), net.
- v. Other income in 2025 primarily comprised one-off settlements and compensation receipts. These included settlement proceeds from customers, and dispute resolutions amounting to S\$41 million from the Gas and Related Services, Renewables and Corporate segment. Other income also included rental income. In 2024, other income mainly included a one-off settlement with vendors, corporate guarantee fee and rental income totaling S\$36 million.

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B4. Profit for the Year *(cont'd)*

- vi. DPN expense (2024: income) represents the change in fair value of the DPN which included income of S\$119 million (2024: S\$159 million), and a foreign exchange loss of S\$154 million (2024: gain of S\$10 million).
- vii. Change in the fair value of contingent consideration for past acquisitions in China and India arising from certain higher costs and the collection of certain receivables.
- viii. The 2025 amount related to the write down of an investment in a company in Vietnam undertaking renewable energy projects. The carrying amount of the investment has been reduced to its net recoverable amount.

B5. Earnings Per Share

	Group	
	2025	2024 Restated
<i>(S\$ million)</i>		
a. Profit attributable to owners of the Company:		
Continuing operations:		
Profit attributable to equity holders of the Company	984	1,025
Discontinued operation:		
Loss from discontinued operation, net of tax attributable to owners of the Company	–	(9)
Profit for the year attributable to owners of the Company	984	1,016
b. Weighted average number of ordinary shares (in millions)		
Issued ordinary shares at January 1	1,783	1,779
Effect of performance shares and restricted shares released	3	4
Effect of own shares held	(8)	(1)
Weighted average number of ordinary shares	1,778	1,782
Adjustment for dilutive potential ordinary shares		
– performance shares	19	27
– restricted shares	2	2
Weighted average number of ordinary shares adjusted for all dilutive potential shares	1,799	1,811
c. Earnings per ordinary share (cents)		
– basic ¹	55.33	57.00
– diluted ²	54.71	56.10
Earnings per ordinary share (cents) – Continuing operations		
– basic ¹	55.33	57.51
– diluted ²	54.71	56.60

¹ Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

² Diluted earnings per ordinary share is calculated by dividing the weighted average number of ordinary shares outstanding adjusted for the effects of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: performance shares and restricted shares.

B6. Share-based Incentive Plans

This section sets out details of the Group's share-based remuneration arrangements, including details of the Company's PSP and RSP, collectively known as Share Plans. The Company's 2020 Share Plans was approved and adopted by the shareholders at an Annual General Meeting of the Company held on May 21, 2020.

Accounting policies

Equity settled share-based incentive plan

The fair value of the compensation cost is charged to the profit or loss with a corresponding increase directly in equity. The fair value is measured at grant date and amortised over the service period to which the performance criteria relates and during which the employees become unconditionally entitled to the shares.

For awards granted with market-based performance conditions, market-based performance conditions are considered in estimating the fair value. For awards granted with non-market-based performance conditions, the compensation cost is estimated on a basis that the amount fairly reflects the way the benefits will accrue to the employee over the service period to which the performance period relates.

At the balance sheet date, the Group revises its estimates of the number of performance-based shares that the employees are expected to receive based on the achievement of non-market performance conditions and the number of shares ultimately given. It recognises the impact of the revision of the original estimates in employee expense, with a corresponding adjustment to equity over the remaining vesting period.

The share-based payments reserve relating to the performance shares released is transferred to share capital when new shares are issued. When treasury shares are issued, the cost of treasury shares is transferred to share-based payments reserve.

In the Company's separate financial statements, the fair value of performance shares and restricted shares granted to employees of its subsidiaries is recognised as an increase in the cost of the Company's investment in subsidiaries, with a corresponding increase in equity over the vesting period.

The settlement of these shares can be in the form of shares or cash or a mixture of both cash and shares at the discretion of the Company.

Cash settled share-based incentive plan

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the share price of the Company. The Group recognises a provision when contractually obliged to pay or where there is a past practice that has created a constructive obligation to pay. The liability considers the performance achieved for the year and the probability of achieving the performance conditions in the future.

Until the liability is settled, the Group will re-measure the fair value of the liability at each balance sheet date and at the date of settlement with any changes in fair value recognised in profit or loss for the period.

Key estimates and judgements

The fair value of equity-related compensation is measured using the Monte Carlo simulation method as at the date of the grant. The method involves projecting future outcomes using statistical distributions of key random variables including the share prices and volatility of returns. This model considers the probability of achieving the performance conditions in the future.

In 2025, equity-settled share-based expense of S\$26 million (2024: S\$24 million) was recognised.

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B6. Share-based Incentive Plans *(cont'd)*

a. Equity-settled share-based incentive

Performance Share Plan (PSP)

One of the primary objectives of the SCI PSP 2020 is to further motivate key senior management, who has the responsibility and can drive the growth of the Company, to strive for superior performance and to deliver long-term shareholder value.

Awards granted under the SCI PSP 2020 are performance-based. Performance targets set under the SCI PSP 2020 are intended to be based on medium-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. The performance targets are stretched targets aimed at sustaining long-term growth.

The ERCC grants an initial number of shares (initial award) which are conditional on targets set for a performance period. A specified number of shares will only be released by the ERCC to the participants at the end of the qualifying performance period, provided the threshold targets are achieved. The final number of shares to be released will depend on the achievement of pre-determined targets over the performance period. No share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award could be delivered. The ERCC has the discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors.

For grants made in 2025, the performance conditions and number of shares to be released subject to the achievement of performance targets are as follows:

3-Year PSP Performance Conditions	Final Number of Shares to be Released
1. Absolute Total Shareholders' Return (ATSR)	0% to 200% of initial grant
2. Relative Total Shareholders' Return (RTSR)	
3. Average Return on Equity (ROE)	

Restricted Share Plan (RSP)

The number of the restricted share awards granted was based on the achievement of stretched financial and non-financial targets for the preceding financial year, with emphasis on organisational transformation to meet future challenges and adherence to environment, health and safety standards.

For the grant awarded in 2025, a third of the SCI RSP awards granted will vest immediately with the remaining two-thirds of the awards vesting over the following two years in equal tranches.

To align the interests of the non-executive directors with the interests of shareholders, up to 30% of the aggregate directors' fees approved by shareholders for a particular financial year may be paid out in the form of restricted share awards under the SCI RSP 2020. Non-executive directors were not awarded any shares except as part of their directors' fees (except for Wong Kim Yin, who is the Group CEO, and who does not receive any directors' fees). The awards granted comprised fully paid shares outright with no performance and vesting conditions attached, but with a selling moratorium. Non-executive directors are required to hold shares (including shares obtained by other means) worth the value of their annual base retainer; any excess may be sold as desired, subject to SGX-ST listing rules. A non-executive director may only dispose of all his shares one year after leaving the board.

The actual number of shares awarded to each non-executive director will be calculated based on the volume-weighted average price of a share on SGX-ST over 14 trading days. This period begins from (and includes) the day the shares are first quoted ex-dividend after the Annual General Meeting (AGM) or, if the final dividend resolution is not passed, over the 14 trading days immediately following the date of the AGM. The number of shares to be awarded will be rounded down to the nearest hundred and any residual balance will be settled in cash. A non-executive director who steps down before the payment of the share component will receive all his director's fees for the year (calculated on a pro-rated basis, where applicable) in cash.

Movement in the number of shares under the Company's PSP and RSP are as follows:

	2025		2024	
	PSP	RSP	PSP	RSP
At January 1	12,082,650	2,007,400	16,407,846	3,063,689
Shares awarded	1,031,900	1,596,800	782,200	1,504,643
Performance shares adjusted due to outperformance of targets	3,788,365	–	4,290,354	–
Shares released	(8,444,450)	(2,138,800)	(8,558,150)	(2,465,166)
Shares lapsed	(596,000)	(70,600)	(839,600)	(95,766)
At December 31	7,862,465	1,394,800	12,082,650	2,007,400

SCI PSP

PSP awards granted have both market-based and non-market-based performance conditions. The Committee reviews achievement of the performance targets annually. In 2025, 3,788,365 (2024: 4,290,354) performance shares were awarded due to outperformance of targets for the performance period 2021 to 2025 (2024: 2021 to 2024).

The total number of performance shares in awards granted conditionally but not released as at December 31, 2025, was 7,862,465 (2024: 12,082,650). Based on the achievement factor, the actual release of the awards could range from zero to a maximum of 15,724,930 (2024: 24,165,300) performance shares.

SCI RSP

The total number of restricted shares outstanding, including award(s) achieved but not released, as at December 31, 2025, was 1,394,800 (2024: 2,007,400). The RSP balances represent 100% of targets achieved, but not released subject to fulfilment of service conditions at vesting. The actual release of the awards is a maximum of 1,394,800 (2024: 2,007,400) restricted shares.

Awards for the performance and corporate objectives achieved in 2025 will be granted in 2026 (2024: achieved in 2024 will be granted in 2025).

Notes to the Financial Statements

B. Our Performance *(cont'd)*

B6. Share-based Incentive Plans *(cont'd)*

a. Equity-settled share-based incentive *(cont'd)*

The fair values of the performance and restricted shares are estimated using a Monte Carlo simulation methodology at the grant dates.

	PSP Date of Grant	
	May 30, 2025	May 24, 2024
Fair value at measurement date	S\$6.04	S\$5.27
Assumptions under the Monte Carlo model		
Share price	S\$6.62	S\$5.07
Expected volatility	26.6%	27.0%
Risk-free interest rate	2.1%	3.3%
Expected dividend	4.8%	2.6%

	RSP Date of Grant	
	April 1, 2025	April 2, 2024
Fair value at measurement date	S\$6.12	S\$5.26
Assumptions under the Monte Carlo model		
Share price	S\$6.42	S\$5.40
Expected volatility	26.7%	27.2%
Risk-free interest rate	2.4%	3.3%
Expected dividend	4.9%	2.6%

C. Our Funding

In July 2025, the Group issued a 20.5-year S\$300 million bond at 3.55% maturing in 2046, thereby improving the Group Debt Weighted Average Debt Maturity while keeping cost of debt stable.

As at December 31, 2025, the Group's total credit facilities, including its Multicurrency Debt Issuance Programmes and EMTN Programme, amounted to S\$18.9 billion (2024: S\$18.6 billion). This comprised borrowing facilities of S\$17.1 billion (2024: S\$16.8 billion) and trade-related facilities of S\$1.8 billion (2024: S\$1.8 billion), including but not limited to bank guarantees, letters of credit, bid bonds and performance bonds. Please refer to Note C5 for further details.

C1. Capital Structure

Capital management

The Group maintains a disciplined approach to capital management. The Group seeks to optimise the overall portfolio, maintain investor, creditor and market confidence, fund future developments and growth, while at the same time maintain an appropriate dividend policy.

The Group's policy is to borrow centrally using a mixture of long-term and short-term capital market issues and borrowing facilities to meet anticipated funding requirements. These borrowings, together with cash generated from operations, are loaned internally or contributed as equity to certain Group entities.

Capital is defined as equity attributable to the equity holders.

The Group's net debt-to-capitalisation ratio as at the balance sheet date was as follows:

(\$ million)	Note	Group	
		2025	2024 Restated
Net debt		7,847	7,800
Cash and cash equivalents	E4	1,109	871
Gross debt	C5, i	8,956	8,671
Total equity		5,866	5,751
Total gross debt and equity		14,822	14,422
Net debt-to-capitalisation ratio		0.53	0.54

i. There were no changes in the Group's approach to capital management during the year.

Some of the Group entities are required to maintain a certain ratio of net borrowings to net assets and level of leverage under their respective loan arrangements with banks. These externally imposed capital requirements have been complied with as at the respective balance sheet dates.

C2. Share Capital and Treasury Shares

Accounting policies

Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issuance of new ordinary shares and share options are deducted against the share capital account, net of any tax effects.

Repurchase, disposal and re-issue of share capital (treasury shares)

When the ordinary shares are reacquired by the Company, the consideration paid is recognised as deduction from equity, presented as reserve for own shares (Note C3). Reacquired shares are classified as treasury shares.

When the treasury shares are subsequently sold or re-issued, the cost of the treasury shares is reversed from reserve for own shares account and the realised gain or loss on the transaction is presented as a change in equity of the Company. No gain or loss is recognised in profit or loss.

	Number of shares	
	Issued Share Capital	Treasury Shares
At January 1, 2024	1,787,547,732	8,289,983
Treasury shares purchased	–	3,820,000
Treasury shares transferred pursuant to performance share plan	–	(5,919,550)
Treasury shares transferred pursuant to restricted share plan	–	(1,387,009)
At December 31, 2024	1,787,547,732	4,803,424
Treasury shares purchased	–	11,480,300
Treasury shares transferred pursuant to performance share plan	–	(5,196,350)
Treasury shares transferred pursuant to restricted share plan	–	(1,539,700)
At December 31, 2025	1,787,547,732	9,547,674

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally regarding the Company's residual assets.

Notes to the Financial Statements

C. Our Funding *(cont'd)*

C2. Share Capital and Treasury Shares *(cont'd)*

Issued and paid-up capital

As at December 31, 2025, the Company's issued and paid-up capital excluding treasury shares comprised 1,778,000,058 (2024: 1,782,744,308) ordinary shares.

Treasury shares

During the year, the Company acquired 11,480,300 (2024: 3,820,000) ordinary shares in the Company by way of on-market purchases. A total of 6,736,050 (2024: 7,306,559) treasury shares were re-issued pursuant to the Performance Share Plan (PSP) and Restricted Share Plan (RSP).

As at December 31, 2025, the Company held 9,547,674 (2024: 4,803,424) of its own uncanceled shares as treasury shares that may be re-issued upon the vesting of performance shares and restricted shares under the PSP and RSP respectively.

C3. Other Reserves

	Note	Group		Company	
		December 31, 2025	December 31, 2024 Restated	December 31, 2025	December 31, 2024
<i>(\$ million)</i>					
Distributable					
Reserve for own shares		(56)	(24)	(56)	(24)
Non-distributable					
Foreign currency translation reserve (FCTR)	a	(895)	(633)	–	–
Capital reserve	b	15	(97)	–	–
Merger reserve	c	29	29	–	–
Share-based payments reserve	d	(73)	(37)	(65)	(32)
Fair value reserve	e	42	37	–	–
Hedging reserve	f	(52)	50	3	*
		(934)	(651)	(62)	(32)
Total		(990)	(675)	(118)	(56)

In 2025, a decrease in currency translation reserve resulting from the depreciation of USD and INR against SGD. In addition, the hedging reserve also declined during the year, mainly due to fair value losses on derivatives used to hedge foreign currency and interest rate risk, as well as commodity risk.

Following the disposal of SembEnviro during the year, the Group transferred a capital reserve (net of goodwill) of S\$97 million to the revenue reserve.

Type of other reserve	Nature
a. Foreign currency translation reserve (FCTR)	Comprises: <ol style="list-style-type: none"> foreign exchange differences arising from translation of the financial statements of foreign entities, effective portion of the hedging instrument which is used to hedge against the Group's net investment in foreign entities, and translation of foreign currency loan used to hedge or form part of the Group's net investments in foreign entities.

b. Capital reserve	Comprises: <ol style="list-style-type: none"> acquisitions and disposals with non-controlling interests that do not result in a change of control, capitalisation of accumulated profits for the issue of bonus shares, capital reserve (net of goodwill) on consolidation and equity accounting, asset revaluation reserve, capital redemption reserve, convertible loan stock reserve, transfer from revenue reserve in accordance with the regulations of the foreign jurisdiction in which the Group's subsidiaries, associates and joint ventures operate, and treasury shares of a subsidiary, and recognition of call options issued to non-controlling interests of subsidiaries.
c. Merger reserve	The difference between the values of shares issued by the Company in exchange for the value of shares acquired in respect of the acquisition of subsidiaries accounted for under the pooling-of-interest method.
d. Share-based payments reserve	Represents the cumulative value of services received from employees recorded on grant of equity-settled share options, performance shares and performance-based restricted shares.
e. Fair value reserve	Includes the cumulative net change in the fair value of equity investments designated at FVOCI until the investments are derecognised. This does not include impairment losses recognised in profit or loss prior to January 1, 2018.
f. Hedging reserve	The effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

C4. Dividends

Accounting policies

Dividends

Dividends on ordinary shares are recognised when they are approved for payments. Dividends on ordinary shares and redeemable preference shares classified as equity are accounted for as movements in revenue reserve.

A liability to distribute non-cash assets as dividend to its owners is measured at the fair value of the assets to be distributed. The differences between the carrying amount of the assets distributed and the carrying amount of the dividend payable is recognised in profit or loss.

Dividend Paid / Payable

	Group and Company	
<i>(\$ million)</i>	2025	2024
Interim one-tier tax-exempt dividend of 9 cents per share in respect of year 2025 (2024: 6 cents per share in respect of year 2024)	160	107
Final one-tier tax-exempt dividend of 17 cents per share in respect of year 2024 (2024: 8 cents per share in respect of year 2023)	302	143
	462	250

Subject to the approval by the shareholders at the next Annual General Meeting, the directors have proposed a final ordinary one-tier tax-exempt dividend of 16 cents per share (2024: 17 cents per share). This amounts to an estimated net dividend of S\$284 million (2024: S\$303 million) in respect of the year ended December 31, 2025, based on the number of issued shares as at December 31, 2025.

The total proposed dividend of 16 cents per share (2024: 17 cents per share) has not been included as a liability in the financial statements.

Notes to the Financial Statements

C. Our Funding (cont'd)

C5. Loans and Borrowings

The total loans and borrowings increased from S\$8,671 million to S\$8,956 million. The increase in borrowing was mainly for financing of the acquisitions made, capital expenditures incurred during the year and the consolidation of underlying borrowings from the acquired subsidiaries.

(\$ million)	Note	Group	
		December 31, 2025	December 31, 2024
Current liabilities			
Secured term loans	a	283	214
Unsecured term loans	b	774	457
Bank overdraft		*	–
Total		1,057	671
Non-current liabilities			
Secured term loans	a	1,890	2,038
Unsecured term loans	b	6,009	5,962
Total		7,899	8,000
Total loans and borrowings (measured at amortised cost)		8,956	8,671

Included in loans and borrowings were S\$585 million (2024: S\$616 million) of loans taken with a related corporation.

Effective Interest Rates and Maturity of Liabilities

	Group	
	Effective interest rate %	
	2025	2024
Floating rate loans	1.76 – 10.00	1.60 – 10.65
Fixed rate loans	1.50 – 10.00	1.92 – 10.10
Bonds and notes	2.45 – 4.60	2.45 – 4.60

(\$ million)	Group	
	2025	2024
In one year or less, or on demand	1,057	671
Between one to five years	4,100	4,073
After five years	3,799	3,927
Total loans and borrowings (measured at amortised cost)	8,956	8,671

a. Secured Term Loans

The secured term loans are collateralised by the following assets:

(\$ million)	Note	Group Net Book Value	
		December 31, 2025	December 31, 2024 Restated
Property, plant and equipment (PPE)	D1i	1,491	952
Investment properties	D2	177	49
Intangible assets	D3	*	1
Trade and other receivables	E1	250	263
Inventories	E2	18	30
Cash and cash equivalents	E4	139	99
Mutual funds	H1ii	11	14
Equity shares of a subsidiary		592	597
Underlying PPE in a service concession arrangement		294	325

b. Unsecured Term Loans

Included in the unsecured term loans of the Group are bonds which the Company has jointly established with Sembcorp Financial Services Pte Ltd (SFS), a wholly-owned subsidiary of the Company, issued under Multicurrency Debt Issuance Programmes and the Euro Medium Term Note (EMTN) Programme (collectively the Programmes). Under the Programmes, the Company, together with SFS and certain other Group entities (the Issuing Subsidiaries), may from time-to-time issue bonds under the Programmes subject to availability of funds from the market. The obligations of the Issuing Subsidiaries under the Programme are fully guaranteed by the Company.

As at December 31, 2025 and December 31, 2024, the Group has the following outstanding bonds issued under the Programme:

(\$ million)	Nominal interest rate	Year of issue	Year of maturity	Principal amount	
				December 31, 2025	December 31, 2024
SGD issuance					
Fixed Rate	4.25%	2010	2025	–	100
Fixed Rate	3.59%	2014	2026	150	150
Fixed Rate	3.55%	2025	2046	300	–
Green bonds					
Fixed Rate	2.45%	2021	2031	400	400
Fixed Rate	4.60%	2023	2030	350	350
Fixed Rate	3.65%	2024	2036	350	350
Sustainability-linked bonds					
Fixed Rate	2.66%	2021	2032	675	675
Fixed Rate	3.74%	2022	2029	300	300
				2,525	2,325

In 2025, the Group issued a 20.5-year S\$300 million bond under the EMTN Programme.

As at December 31, 2025, S\$1,100 million, representing 100% of the total S\$1,100 million green bonds issued, has been deployed to eligible green projects under the Sembcorp Green Financing Frameworks (2021) and Sembcorp Green Financing Framework (2024).

Notes to the Financial Statements

C. Our Funding *(cont'd)*

C5. Loans and Borrowings *(cont'd)*

b. Unsecured Term Loans *(cont'd)*

The Group expects its interest cost for the sustainability-linked bonds to maintain as disclosed. As at December 31, 2025, the Group's gross installed renewable energy capacity was 15GW (2025 target – 10GW) and GHG emissions intensity was 0.21 tCO₂e/MWh (2025 target – 0.40 tCO₂e/MWh). Both our targets have been met in 2025.

As at December 31, 2025, an amount of S\$465 million (2024: S\$474 million) bonds were held by a related corporation.

The Group through its wholly-owned subsidiary, Sembcorp Energy (Shanghai) Holding Co. Ltd (SESH), secured a dual currency denominated revolving credit facility (RCF) of CNH400 million or an equivalent amount in Hong Kong Dollars (approximately S\$74 million) and as at December 31, 2025, CNH305 million (2024: CNH305 million) has been drawn down. This facility will provide SESH with access to offshore funding for an initial tenure of three years with a two-year extension option. This RCF is guaranteed by its parent, Sembcorp Utilities Pte Ltd.

	Nominal interest rate	Year of issue	Year of maturity	Principal amount	
				December 31, 2025	December 31, 2024
<i>(S\$ million)</i>					
Dual Currency denominated Revolving Credit Facility (RCF)					
RCF	2.39%	2024	2027	74	74

c. Financial Guarantees

Accounting policies

Financial guarantees are financial instruments issued by the Group and Company that require the issuer to make specified payments to reimburse the holder for the loss it incurs in accordance with the original or modified terms of a debt instrument. These financial guarantee contracts are accounted for as insurance contracts. With the transition of SFRS(I) 4 on Insurance Contract to SFRS(I) 17, the Group has elected to apply SFRS(I) 9, on a contract-by-contract basis, to account for its financial guarantees issued.

At inception, the Group and Company recognise the financial guarantee at its fair value. Subsequently, it is measured at the higher of (i) amount initially recognised less the cumulative amount of income recognised in accordance with SFRS(I) 15; and (ii) the amount of expected loss allowance in accordance with SFRS(I) 9. Where there are any premium receivables at inception, the Group adopts a net approach, recognising a single net amount, to account for its financial guarantee contracts and premium receivables.

Liabilities arising from financial guarantees contracts are included within "loans and borrowings".

Key estimates and judgements

ECLs are a probability-weighted estimate of credit losses. ECLs are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Group expects to recover.

Significant judgements are used in estimating the loss allowance of the Group's and Company's obligations under the financial guaranteed contracts which may be affected by future events that cannot be predicted with certainty. These assumptions made may vary from actual experience and consequently the actual liability may also vary considerably from the best estimates.

Group

The Group has provided guarantees to banks to secure banking facilities provided to joint ventures. There are no terms and conditions attached to the guaranteed contracts that would have a material effect on the amount, timing and uncertainty of the Group's and Company's future cash flows.

The Group, prior to the disposal of its subsidiary, Sembcorp Energy India Limited (SEIL) in FY2023, now known as SEIL Energy India Limited (SEIL EIL), had extended corporate guarantees in favour of some of its lenders. To facilitate SEIL EIL in obtaining its lenders' consent for the change in its shareholders, these corporate guarantees, amounting to S\$2,175 million per letters to shareholders for the approval of the disposal of SEIL, are extended at a fee pegged to market, post divestment. The fair value of the financial guarantee contract is determined using the interest rate differential approach. As such, the guarantee fees receivable approximate the financial guarantee liability. The guarantee fees are payable quarterly in arrears. Applying the net approach, the fair value of the financial guarantee contract is negligible.

For other financial guarantees given, the Group determines the fair value of those financial guarantees using the discounted cash flow approach. The Group believes the joint venture has sufficient resources to fulfil its obligations and the Group does not consider it probable that a claim will be made against the Group under the guarantee. As such, the fair values of these financial guarantee contracts are negligible.

The details of the financial guarantees given at balance sheet date were:

	Note	Group	
		December 31, 2025	December 31, 2024
<i>(S\$ million)</i>			
Guarantees given to banks to secure banking facilities provided to:			
– Joint ventures		41	47
– SEIL EIL	i	624	1,187
		665	1,234

i. The decrease was due to the depreciation of INR against SGD as at year end, as well as regular repayments and refinancing of the underlying facilities.

The periods in which the financial guarantees expire are as follows:

	Group	
	December 31, 2025	December 31, 2024
<i>(S\$ million)</i>		
Less than 1 year	–	348
Between 1 to 5 years	132	492
More than 5 years	533	394
	665	1,234

Notes to the Financial Statements

C. Our Funding (cont'd)

C5. Loans and Borrowings (cont'd)

c. Financial Guarantees (cont'd)

Company

The Company has provided guarantees to banks to secure banking facilities provided to a wholly-owned subsidiary, Sembcorp Financial Services Pte Ltd. The intra-group financial guarantees granted by the Company amount to S\$11,987 million (2024: S\$11,830 million), with S\$4,639 million (2024: S\$4,326 million) drawn down as at balance sheet date. The amount represents the maximum payment which the guarantees could be called upon within the next financial year. The Company uses the interest rate differential approach to determine the fair value of these financial guarantees and has deemed them to be not significant. The periods in which the financial guarantees expire are as follows:

	Company	
	December 31, 2025	December 31, 2024
(S\$ million)		
Less than 1 year	250	281
Between 1 to 5 years	3,634	1,948
More than 5 years	8,103	9,601
	11,987	11,830

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	2025				2024			
	Accrued interest payable (Note E3)	Loans and borrowings (Note C5)	Lease liabilities (Note D1.1)	Total	Accrued interest payable (Note E3)	Loans and borrowings (Note C5)	Lease liabilities (Note D1.1)	Total
(S\$ million)								
At January 1	32	8,671	729	9,432	32	7,254	310	7,596
Cash flows								
Cash payments	–	(2,318)	(58)	(2,376)	–	(4,310)	(25)	(4,335)
Cash proceeds	–	2,640	–	2,640	–	5,259	–	5,259
Interest paid	(359)	–	(26)	(385)	(341)	–	(15)	(356)
Non-cash items								
Acquisition of subsidiaries	7	260	5	272	2	435	–	437
Disposal of subsidiaries	–	–	(2)	(2)	–	–	–	–
Transfer to liabilities held for sale	–	–	(4)	(4)	–	–	(62)	(62)
Interest expenses, including amortisation of capitalised transaction costs	352	10	24	386	339	12	13	364
Interest capitalised	–	–	4	4	–	–	14	14
New leases	–	–	77	77	–	–	494	494
Write-off of lease liabilities	–	–	(1)	(1)	–	–	(6)	(6)
Remeasurement of lease liabilities / Adjustment to upfront fees	–	–	4	4	–	–	2	2
Foreign exchange movement	–	(307)	(5)	(312)	–	21	4	25
	359	(37)	102	424	341	468	459	1,268
At December 31	32	8,956	747	9,735	32	8,671	729	9,432

Notes to the Financial Statements

C. Our Funding *(cont'd)*

C6. Finance Income and Finance Costs

Accounting policies

Finance income is recognised in profit or loss as it accrues, using the effective interest method. It includes interest income from non-current receivables.

Finance costs include interest expense on borrowings and lease liabilities, unwinding of discounts on provision, amortisation of capitalised transaction costs, transaction costs written off and termination of interest rate swaps. Finance costs are expensed in profit or loss using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of a qualifying asset.

In calculating the interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired after initial recognition, interest income is calculated by applying the effective interest rate to the impaired financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to gross basis.

<i>(\$ million)</i>	Note	Group	
		2025	2024
Finance income			
Finance income from financial assets measured at amortised cost			
– associates and joint ventures		5	6
– banks and others		23	21
Significant financing component from contracts with customers		*	*
		28	27
Finance costs			
Interest paid and payable to, measured at amortised cost			
– banks and others		360	348
Amortisation of capitalised transaction costs		10	9
Unwind of accretion on restoration costs	H2	2	3
Significant financing component from contracts with customers		4	4
Interest rate swaps			
– reclassified from OCI		(8)	(5)
– changes in fair value through profit or loss		*	*
Interest expense on amortisation of lease liabilities	D1.1	24	13
		392	372

The higher interest expenses in 2025 were driven by a higher average principal arising from funding growth, albeit at a lower average cost of borrowing.

The Group used interest rate swaps and cross-currency swaps for managing the Group's interest costs.

C7. Contingent Liabilities

Key estimates and judgements

A contingent liability is:

- i. a potential obligation arising from past events, which will only be confirmed by the occurrence (or non-occurrence) of one or more uncertain future events that are not completely within the Group's control, or
- ii. a present obligation arising from past events that is not recognised in the financial statements because an outflow of resources representing economic benefits is unlikely to be necessary to extinguish the obligation, or because the amount of the obligation cannot be measured reliably.

Group

In 2025, the Group's subsidiaries are involved in certain tax disputes, where the amount of potential exposure is estimated to be S\$5 million (2024: S\$3 million).

C8. Commitments

A commitment is a contractual obligation to make a payment in the future. These amounts are not recorded in the consolidated balance sheet since the Group has not yet received the goods or services from the supplier. The amounts below are the minimum amounts that the Group is committed to pay.

Commitments not provided for in the financial statements are as follows:

<i>(\$ million)</i>	Note	Group	
		2025	2024
Commitments in respect of contracts placed for property, plant and equipment	a	613	948
Uncalled commitments to subscribe for additional shares in joint ventures and other investments		20	3
Commitments in respect of purchase of investment properties		116	48
		749	999

- a. The amounts in 2025 and 2024 are mainly for the fulfilment of solar projects in Singapore, various wind-solar hybrid power projects secured in India, as well as for the construction of a new multi-utilities centre on Jurong Island.

Notes to the Financial Statements

D. Our Assets

In line with the Group's strategic plan on energy transition and sustainable development, the Group has continued to invest in renewable power equipment to enhance its energy sustainability portfolio.

D1. Property, Plant and Equipment

Accounting policies

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and impairment losses. The cost initially recognised includes acquisition costs, costs directly attributable to bringing the assets to the location and working condition for their intended use and capitalised borrowing costs. Costs also include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of PPE and estimated costs to be incurred for restoring the asset upon expiry of the lease agreement.

i. Subsequent Expenditure

Subsequent expenditure is recognised in the carrying amount of the asset when it is probable that future economic benefits will flow to the Group and its costs can be measured reliably. The costs of day-to-day servicing of PPE are expensed to profit or loss when incurred. For items subject to regular overhauls, the overhaul costs incurred are capitalised and the carrying amounts of replaced components are written off to profit or loss.

ii. Depreciation

Depreciation is based on the cost of an asset less its residual value (i.e. the estimated net amount to be obtained from disposal). Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each major component of an item of PPE as follows:

Leasehold land	Lease period of 5 to 60 years
Buildings	3 to 50 years
Quays and dry docks	9 to 28 years
Plant and machinery	3 to 56 years
Tools and workshop equipment	3 to 10 years
Furniture, fittings, and office equipment	1 to 10 years
Motor vehicles	2 to 10 years

No depreciation is provided on freehold land and capital work-in-progress.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

iii. Impairment

At the end of each reporting period, assessment is performed to identify whether there is any indication that an asset may be impaired. Impairment occurs when the carrying value of assets or its smallest identifiable, independent asset group that generates cash flows (cash-generating unit (CGU)) is greater than their recoverable amount. The recoverable amount is the higher of the assets' fair value less cost to sell and their value-in-use (VIU) (i.e. present value of the net cash flows they are expected to generate). The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

iv. Reversals of impairment

Impairment losses recognised in prior periods are assessed at each balance sheet date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of impairment loss for an asset is recognised in profit or loss.

v. Disposals

Gains or losses arising from the retirement or disposal of PPE are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss on the date of retirement or disposal.

Key estimates and judgements

Judgements are used in estimating the recoverable amount of an asset, i.e. in determining an asset's fair value and in assessing its VIU (the future cash flows expected to be generated by the asset and the pre-tax discount rate in bringing them to present value). In making these estimates, the Group considers the market value of the asset, changes to the technological, market, economic or legal environment in which the Group operates, market interest rates, evidence of obsolescence or physical damage to the PPE and changes to the expected usage of the asset.

The Group also applies judgement in determining an asset's depreciation methods, estimated useful lives and residual values. These are reviewed annually, taking into consideration factors such as changes in the expected level of usage and technological developments, and adjusted prospectively where appropriate.

Notes to the Financial Statements

D. Our Assets (cont'd)

D1. Property, Plant and Equipment (cont'd)

(\$ million)	Note	Leasehold and freehold land and buildings	Quays and dry docks	Plant and machinery	Furniture, fittings and office equipment	Motor vehicles	Capital work- in-progress	Right-of-use assets (Note D1.1)	Total
Group									
Carrying amounts									
At January 1, 2025		329	2	5,351	15	9	1,873	725	8,304
Translation adjustments		(12)	–	(260)	(1)	(1)	(77)	(8)	(359)
Additions		12	–	49	5	1	796	83	946
Acquisition of subsidiaries	iii	31	–	181	*	*	118	5	335
Disposal of subsidiaries		*	–	(3)	*	*	*	(2)	(5)
Disposals		*	–	(6)	*	*	*	*	(6)
Write-offs	iv	*	–	(8)	*	*	–	–	(8)
Depreciation for the year	B4a	(16)	(1)	(362)	(7)	(2)	*	(45)	(433)
Reclassification		44	–	1,334	3	*	(1,381)	*	–
Transfer from / (to) other asset categories		–	–	8	–	–	(36)	*	(28)
Transfer to assets held for sale		*	–	(5)	*	*	(11)	(7)	(23)
Remeasurement adjustments for right-of-use assets		–	–	–	–	–	–	5	5
Termination of contract		–	–	–	–	–	–	(1)	(1)
Impairment losses	B4a, v	–	–	(8)	–	–	(4)	(1)	(13)
At December 31, 2025		388	1	6,271	15	7	1,278	754	8,714
Cost / Valuation at December 31, 2025		529	12	9,649	62	15	1,282	939	12,488
Accumulated depreciation and impairment losses at December 31, 2025		(141)	(11)	(3,378)	(47)	(8)	(4)	(185)	(3,774)
Carrying amounts at December 31, 2025		388	1	6,271	15	7	1,278	754	8,714
Carrying amounts									
At January 1, 2024		314	2	4,870	15	37	906	321	6,465
Translation adjustments		1	–	16	1	*	10	1	29
Additions		12	*	34	4	3	1,422	514	1,989
Acquisition of subsidiaries	iii	22	–	393	*	6	160	12	593
Disposals		(4)	–	(1)	–	(2)	(10)	–	(17)
Write-offs		*	–	(5)	–	–	(1)	–	(6)
Depreciation for the year	B4a	(12)	*	(344)	(8)	(7)	–	(47)	(418)
Reclassification		3	–	601	4	–	(608)	–	–
Transfer to intangible assets	D3	–	–	–	–	–	(2)	–	(2)
Transfer to assets held for sale		(11)	–	(212)	(1)	(28)	(4)	(71)	(327)
Remeasurement adjustments for right-of-use assets		–	–	–	–	–	–	1	1
Termination of contract		–	–	–	–	–	–	(6)	(6)
Impairment losses	B4a	4	–	(1)	*	–	–	–	3
At December 31, 2024		329	2	5,351	15	9	1,873	725	8,304
Cost / Valuation at December 31, 2024		461	12	8,507	60	15	1,878	875	11,808
Accumulated depreciation and impairment losses at December 31, 2024		(132)	(10)	(3,156)	(45)	(6)	(5)	(150)	(3,504)
Carrying amounts at December 31, 2024		329	2	5,351	15	9	1,873	725	8,304

Notes to the Financial Statements

D. Our Assets (cont'd)

D1. Property, Plant and Equipment (cont'd)

(\$ million)	Leasehold land and building	Quays and dry docks	Plant and machinery	Furniture, fittings and office equipment	Motor vehicles	Capital work- in-progress	Right-of-use assets (Note D1.1)	Total
Company								
Carrying amounts								
At January 1, 2025	3	2	224	1	1	70	88	389
Additions	*	–	11	*	*	50	11	72
Disposals / Write-offs	1	–	–	–	–	–	*	1
Depreciation for the year	(2)	(1)	(25)	(1)	*	–	(6)	(35)
Reclassification	*	–	31	–	–	(31)	–	–
Remeasurement adjustments for right-of-use assets	–	–	–	–	–	–	*	*
At December 31, 2025	2	1	241	*	1	89	93	427
Cost at December 31, 2025	26	8	783	18	2	89	165	1,091
Less: Accumulated depreciation and impairment losses at December 31, 2025	(24)	(7)	(542)	(18)	(1)	–	(72)	(664)
Net carrying amounts at December 31, 2025	2	1	241	*	1	89	93	427
Carrying amounts								
At January 1, 2024	4	2	209	2	1	37	95	350
Additions	–	*	11	*	*	68	4	83
Disposals / Write-offs	*	*	(2)	*	*	–	–	(2)
Depreciation for the year	(1)	*	(29)	(1)	*	–	(7)	(38)
Reclassification	*	–	35	*	–	(35)	–	–
Remeasurement adjustments for right-of-use assets	–	–	–	–	–	–	*	*
Termination of contract	–	–	–	–	–	–	(4)	(4)
At December 31, 2024	3	2	224	1	1	70	88	389
Cost at December 31, 2024	26	8	754	19	2	70	154	1,033
Accumulated depreciation and impairment losses at December 31, 2024	(23)	(6)	(530)	(18)	(1)	–	(66)	(644)
Net carrying amounts at December 31, 2024	3	2	224	1	1	70	88	389

Notes to the Financial Statements

D. Our Assets *(cont'd)*

D1. Property, Plant and Equipment *(cont'd)*

Group

- i. PPE with the following net book values have been pledged to secure loan facilities granted to subsidiaries. The PPE of the disposal group and the corresponding amount pledged are presented under assets held for sale (Note G6).

<i>(S\$ million)</i>	Note	Group	
		December 31, 2025	December 31, 2024
Freehold land and buildings		4	4
Leasehold land and buildings including right-of-use assets		19	21
Plant and machinery		1,347	925
Capital work-in-progress		119	*
Other assets		2	2
	C5a	1,491	952

- ii. During the year, interest and direct staff costs amounting to S\$35 million (2024: S\$28 million) and S\$6 million (2024: S\$5 million), respectively were capitalised as capital work-in-progress. The capitalised interest costs are calculated using a rate from 1.82% to 8.70% (2024: 2.60% to 10.10%).
- iii. PPE arising from the acquisition of subsidiaries were stated at fair value at the acquisition date (Note G5).
- iv. The amount written off in 2025 includes approximately S\$5 million relating to damaged assets in India and UK from extreme weather events.
- v. In connection with the Group's decision to exit the C&I RTS business in Southeast Asia, certain rooftop solar assets were written down to their net recoverable amount. Consequently, an impairment loss totalling S\$11 million was recognised predominantly within cost of sales.
- vi. In 2025, the provision for restoration costs capitalised in PPE amounted to S\$15 million (2024: S\$15 million) (Note H2).

D1.1 Right-of-use Assets and Leases

This note provides information for leases where the Group is a lessee. For leases where the Group is a lessor, please refer to Note D2 Investment Properties and Note B2 under Rental Income.

Accounting policies

The Group determines whether an arrangement is or contains a lease at inception. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Leases are recognised as a right-of-use asset and a corresponding liability at the date which the leased asset is available for use by the Group.

Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets. These right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The policy on impairment and reversal of impairment is consistent with property, plant and equipment as disclosed in Note D1.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially used at the commencement date
- the extension option if the Group is reasonably certain to exercise that option
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option
- amounts expected to be payable by the Group under residual value guarantees, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Notes to the Financial Statements

D. Our Assets (cont'd)

D1.1 Right-of-use Assets and Leases (cont'd)

Accounting policies (cont'd)

These lease payments are discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the lessee's incremental borrowing rate. The resulting finance cost is charged to profit or loss over the lease period.

Lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments, with a corresponding adjustment to the right-of-use asset or in profit or loss if the carrying amount of the asset has been reduced to zero.

Payment associated with short-term leases (i.e. leases with a lease term of 12 months or less) and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Key estimates and judgements

The Group considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. If the Group should exercise the extension option, the potential future lease payments would result in an increase in lease liability.

a. Amounts recognised in the balance sheets

(S\$ million)	Group	
	December 31, 2025	December 31, 2024
Right-of-use assets		
Leasehold land and buildings	748	719
Plant and machinery	5	6
Motor vehicles	1	*
Furniture, fittings and office equipment	*	*
Total	754	725
Lease liabilities		
Current	59	27
Non-current	688	702
Total	747	729
<i>Maturity analysis</i>		
Within 1 year	59	27
After 1 year but within 5 years	44	119
After 5 years	644	583
Total	747	729

In 2025, the addition to the right-of-use assets amounted to S\$83 million (2024: S\$514 million), primarily arising from the leasing of land, including reservoir component, at the Pandan Reservoir, with a lease term of 29 years for solar deployment in Singapore, as well as land leases for renewable projects in India with a lease term of 29 years. This amount also included land lease payments for India's hydrogen business.

(S\$ million)	Company	
	December 31, 2025	December 31, 2024
Right-of-use assets		
Leasehold land and buildings	74	67
Plant and machinery	19	21
Total	93	88
Lease liabilities		
Current	6	5
Non-current	107	103
Total	113	108
<i>Maturity analysis</i>		
Within 1 year	6	5
After 1 year but within 5 years	23	20
After 5 years	84	83
Total	113	108

b. Amounts recognised in profit or loss

(S\$ million)	Note	Group	
		2025	2024
Depreciation charge of right-of-use assets:			
– Leasehold land and buildings		44	41
– Plant and machinery		1	1
– Motor vehicles		*	5
– Furniture, fittings and office equipment		*	*
		45	47
Interest expense on lease liabilities (included in finance cost)	C6	24	13
Expense relating to short-term leases (included in cost of goods sold and administrative expenses)		1	*
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in cost of goods sold and administrative expenses)		7	10
Expense relating to variable lease payments not included in lease liabilities (included in cost of goods sold and administrative expenses)		*	*

- The total cash outflow for leases in 2025 was S\$84 million (2024: S\$40 million).
- During the year, depreciation amount of S\$5 million (2024: S\$19 million) was capitalised as capital work-in-progress.

Notes to the Financial Statements

D. Our Assets (cont'd)

D2. Investment Properties

The Group holds certain properties to earn rental income and for capital appreciation.

Accounting policies

Investment properties are initially recognised at cost, including transaction costs and directly attributable expenditure on preparing the asset for its intended use. After initial recognition, all investment properties are measured at fair value, with any gain or loss arising from changes in fair value being recognised in profit or loss in the period in which it arises.

The cost of self-constructed investment properties includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

The fair value is determined based on internal valuation or independent external valuation.

Transfer to, or from investment properties are made where there is a change in intent and use of the investment properties.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss.

Key estimates and judgements

The Group applies critical accounting judgements in valuing its investment properties. In determining fair value, the valuers have used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties may also include unobservable input on market-corroborated capitalisation rate, terminal yield rate, discount rate and comparable market price.

(\$ million)	Group	
	2025	2024 Restated
At January 1	260	197
Additions	107	59
Disposal of subsidiaries	(3)	–
Net change in fair value	5	5
Transfer to assets held for sale	–	(1)
Translation adjustments	(13)	*
At December 31	356	260

At December 31, 2025, investment properties of the Group with carrying amount of S\$177 million (2024: S\$49 million) are pledged as security to secure a bank loan (Note C5a).

Amounts recognised in profit or loss

(\$ million)	Group	
	2025	2024
Rental income	13	22
Operating expenses incurred	8	11

The Group leases out its investment properties. The lease agreement provides for additional lease payments annually based on changes to a price index. Non-cancellable operating lease rentals receivable are as follows:

(\$ million)	Group	
	2025	2024
Lease receivable:		
Within 1 year	10	10
1 to 2 years	7	7
2 to 3 years	4	4
3 to 4 years	2	2
4 to 5 years	1	1
More than 5 years	2	2
	26	26

Fair Value Measurements

The fair values are based on a combination of investment income method and direct or market comparison techniques, including adjustments to reflect the specific use of the investment properties. Such valuation is derived from observable market data from an active and transparent market.

Valuation techniques and key unobservable inputs

The following table presents the valuation techniques and key unobservable inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy:

Geographical region	Property segment	Valuation techniques	Key unobservable inputs
Vietnam	Industrial and Logistics	Income capitalisation	Capitalisation rate 2025: 8.00% to 8.50% (2024: 8.00% to 8.50%)
		Discounted cash flow	Pre-tax discount rate 2025: 12.00% to 12.50% (2024: 12.00% to 12.50%)
			Terminal yield rate 2025: 8.25% to 8.75% (2024: 8.25% to 8.75%)
		Direct comparison	Adjusted price per square metre 2025: VND 1,812,485 to VND 4,465,542 (2024: VND 1,776,903 to VND 4,188,414)
		Depreciated replacement cost	Gross replacement cost per square metre 2025: VND 6,698,313 to VND 11,820,552 (2024: VND 6,473,004 to VND 7,615,299)
Vietnam	Construction Work-in-progress	Income capitalisation	Capitalisation rate 2025: 8.00% to 8.25% (2024: 8.00%)
		Discounted cash flow	Pre-tax discount rate 2025: 12.00% to 15.00% (2024: 12.00% to 15.00%)
			Terminal yield rate 2025: 8.25% to 8.50% (2024: 8.25%)
		Direct comparison	Adjusted price per square metre 2025: VND 2,626,789 to VND 4,675,685 (2024: VND 2,614,586 to VND 4,442,257)
		Depreciated replacement cost	Gross replacement cost per square metre 2025: VND 6,698,313 to VND 8,116,779 (2024: VND 6,473,004 to VND 11,422,948)

Notes to the Financial Statements

D. Our Assets *(cont'd)*

D2. Investment Properties *(cont'd)*

Valuation techniques and key unobservable inputs *(cont'd)*

Geographical region	Property segment	Valuation techniques	Key unobservable inputs
China	Retail and Commercial	Discounted cash flow	Pre-tax discount rate 2025: 6.00% (2024: 6.00%) Terminal yield rate 2025: 2.00% to 3.00% (2024: 2.00%)
UK	Freehold Land	Direct comparison	Adjusted price per square metre 2025: GBP 1.22 to GBP 24.64 (2024: GBP 1.22 to GBP 23.62)

D3. Intangible Assets

The balance sheet contains significant intangible assets, mainly in relation to goodwill, intellectual property rights and long-term contracts.

Accounting policies

a. Goodwill

Goodwill is measured at cost less accumulated impairment losses. The goodwill cost represents the excess of:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net amount recognised (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the fair value of the net assets acquired exceeds the consideration paid for the acquisition, a bargain purchase gain is recognised immediately in profit or loss.

Goodwill is not amortised but is tested for impairment on an annual basis. An impairment loss on goodwill is recognised as an expense in profit or loss and is not reversed in a subsequent period.

Goodwill that has previously been taken to reserves is not taken to profit or loss when (i) the business is disposed of or discontinued or (ii) the goodwill is impaired. Similarly, gain on bargain purchase that has previously been taken to reserves is not taken to profit or loss when the business is disposed of or discontinued.

b. Service Concession Arrangements

The Group recognises an intangible asset arising from a service concession arrangement when it has a right to charge for usage of the concession infrastructure. This intangible asset is measured at fair value upon initial recognition by reference to the fair value of the services provided. After initial recognition, the intangible asset is measured at cost, which includes capitalised borrowing costs, less accumulated amortisation and accumulated impairment losses.

The estimated useful life of an intangible asset in a service concession arrangement is the period when the Group has a right to charge the public for the usage of the infrastructure to the end of the concession period.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of 25 to 30 years.

c. Long-term Contracts

Long-term revenue and supplier contracts are fair valued using cash flow projections over the contractual period of 1 to 30 years. Amortisation is recognised in profit or loss on a straight-line basis over the contractual period.

d. Power Generation Permits

Power generation permits are fair valued using cash flow projections over the tenure of the permits, ranging from 20 to 25 years. Amortisation is recognised in profit or loss on a straight-line basis over the tenure of the permits.

e. Carbon Allowances

Carbon allowances received are accounted for using the 'net liability' method. Any quantities of allowances above those forecast to be required for the Group's own use are accounted for as an intangible asset together with a related deferred income balance in the balance sheet at their estimated recoverable value. A liability would only crystallise when emissions are greater than the allowances granted.

f. Other Intangible Assets

Other intangible assets comprise software, development rights and golf club membership.

Other intangible assets with a finite life are measured at cost less accumulated amortisation and accumulated impairment losses. Expenditure on internally generated goodwill is recognised in profit or loss as an expense as incurred. Other intangible assets are amortised on a straight-line basis from the date the asset is available for use and over its estimated useful lives ranging from 3 to 30 years.

Subsequent Expenditure

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and its costs can be measured reliably. All other expenditures are expensed as incurred.

Impairment (except for Goodwill, separately disclosed in (a))

Intangible assets that have indefinite useful lives or that are not yet available for use are tested for impairment annually. For intangible assets with finite useful lives, the policy on impairment is consistent with property, plant and equipment as disclosed in Note D1.

Reversal of Impairment (except for Goodwill, separately disclosed in (a))

The policy on reversal of impairment is consistent with property, plant and equipment as disclosed in Note D1.

Key estimates and judgements

The determination of the recoverable amounts of goodwill and other intangible assets involves judgement and is subject to significant estimation uncertainties, principally, the discount rates, gross margin forecasts and plant load factors. The gross margin forecasts and plant load factors consider expected customer demand, forecasted tariff rates and future carbon taxes for the non-renewable investments. These are inherently subject to estimation uncertainties as well as political and regulatory developments.

Notes to the Financial Statements

D. Our Assets (cont'd)

D3. Intangible Assets (cont'd)

(\$ million)	Note	Group						Total
		Goodwill	Service concession arrangements	Long-term contracts	Power generation permits	Carbon allowances	Others	
Carrying amounts								
At January 1, 2025		226	20	200	480	22	29	977
Translation adjustments		(14)	(1)	(16)	(9)	1	1	(38)
Additions	i	–	–	–	–	15	6	21
Acquisition of subsidiaries	G5, a,iv	48	–	15	(2)	–	–	61
Disposal of subsidiaries		*	–	–	*	–	*	*
Disposals	i	–	*	–	–	(22)	*	(22)
Amortisation charge for the year	B4a	–	(3)	(14)	(22)	–	(9)	(48)
Transfer from property, plant and equipment		–	–	–	–	–	1	1
Write-off	B4a	–	*	–	–	–	*	*
At December 31, 2025		260	16	185	447	16	28	952
Cost at December 31, 2025		376	48	338	515	16	98	1,391
Accumulated amortisation and impairment losses at December 31, 2025		(116)	(32)	(153)	(68)	*	(70)	(439)
Net carrying amounts at December 31, 2025		260	16	185	447	16	28	952

During the provisional one-year period from the date of acquisition of a subsidiary in December 2024, the consideration has decreased, and a reduction in power generation permits by S\$2 million was recognised.

(\$ million)	Note	Group						Total
		Goodwill	Service concession arrangements	Long-term contracts	Power generation permits	Carbon allowances	Others	
Carrying amounts								
At January 1, 2024		216	23	212	441	41	19	952
Translation adjustments		–	*	2	*	1	*	3
Additions	i	–	*	–	*	15	16	31
Acquisition of subsidiaries	G5, a,iv	10	–	1	60	–	*	71
Disposal of subsidiaries		*	–	–	–	–	*	*
Disposals	i	–	*	–	*	(35)	*	(35)
Amortisation charge for the year	B4a	–	(3)	(15)	(21)	–	(8)	(47)
Transfer from property, plant and equipment	D1	–	–	–	–	–	2	2
Transfer to assets held for sale		–	–	*	*	–	*	*
Write-off	B4a	–	*	–	–	–	*	*
At December 31, 2024		226	20	200	480	22	29	977
Cost at December 31, 2024		341	49	342	526	22	91	1,371
Accumulated amortisation and impairment losses at December 31, 2024		(115)	(29)	(142)	(46)	–	(62)	(394)
Net carrying amounts at December 31, 2024		226	20	200	480	22	29	977

- The additions during the year mainly related to the increase in carbon allowances and the disposal was for the settling of the Group's carbon obligation.
- Intangible assets of less than S\$1 million (2024: less than S\$1 million) have been pledged to secure loan facilities.
- The amortisation of intangible assets is analysed as follows:

(\$ million)	Group	
	2025	2024
Cost of sales	41	41
Administrative expenses	7	6
Total	48	47

Notes to the Financial Statements

D. Our Assets (cont'd)

D3. Intangible Assets (cont'd)

a. Goodwill

Impairment Testing

Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination. Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes.

The aggregate carrying amounts of goodwill allocated to each unit are as follows:

(\$ million)	Note	Group	
		December 31, 2025	December 31, 2024
Cash-generating Unit (CGU)			
SUT Division		19	19
Sembcorp Gas Pte Ltd / Sembcorp Fuels (Singapore) Pte Ltd	i	43	43
Sembcorp Green Infra Private Limited and its subsidiaries (SGIPL)	ii	161	127
Sembcorp Huiyang New Energy (Nanjing) Co., Ltd and its subsidiaries (HYNE)	iii	26	26
GELEX Group Joint Stock Company and its subsidiaries (Gelex)	iv	10	10
Multiple units with insignificant goodwill		1	1
		260	226

- Sembcorp Gas Pte Ltd and Sembcorp Fuels (Singapore) Pte Ltd are considered a single CGU as both have the same customer bases for natural gas, pricing is set by the same management team and cash inflows are not generated largely independently.
- In December 2025, SGIPL has acquired 100% interest in Renew Sun Bright Private Limited (Renew Sun Bright), which owns solar wind assets. The increase in goodwill predominantly arose from this acquisition. The identified assets acquired, and liabilities are measured at their fair value determined on provisional basis as at December 31, 2025 (see Note G5).
- Sembcorp Huiyang New Energy (Shenzhen) Co., Ltd was renamed to Sembcorp Huiyang New Energy (Nanjing) Co., Ltd (HYNE) in 2025.
- In May and June 2024, the Group completed the acquisitions of majority interests in three out of four subsidiaries of Gelex in Vietnam, which consists of a portfolio of solar and wind assets. The increase in goodwill predominantly arose from this acquisition. The identified assets acquired, and liabilities assumed for the CGU are measured at their fair values and there has been no change to the goodwill determined on provisional basis as at December 31, 2024.

In December 2025, the Group completed the acquisition of 73.16% interest in the last remaining Gelex subsidiary, which owns a hydropower asset (see Note G5).

The recoverable amounts for CGUs with goodwill were determined using value-in-use calculations. Cash flow projections used in the value-in-use calculations were prepared based on management's experience in operating the business and forward market outlook over the long-term nature of the utilities and power business. Pre-tax discount rates between 5.00% and 9.60% (2024: 5.71% and 9.76%) had been used.

At the balance sheet date, based on the key assumptions below, the recoverable amounts of the respective CGUs exceeded their carrying amounts.

Key assumptions on recoverable amounts of respective CGUs

	SUT Division	Sembcorp Gas Pte Ltd / Sembcorp Fuels (Singapore) Pte Ltd	Sembcorp Green Infra Private Limited and its subsidiaries (SGIPL)	Sembcorp Huiyang New Energy (Nanjing) Co., Ltd and its subsidiaries (HYNE)	GELEX Group Joint Stock Company and its subsidiaries (Gelex)
Cash flow projections period	Remaining useful life of plants assumed 16 years (2024: 17 years)	Remaining contractual period of existing contracts	Remaining useful life of plants assumed 30 years from Commercial Operations Date (COD)	Remaining useful life of plants assumed 19 to 22 years	Remaining useful life of plants assumed 2 to 19 years
Revenue and margins	Based on contracts secured along with likely renewals and forecasted demand for industrial utilities and services; as well as forecasted margins	Based on estimated sales and purchases of gas quantities derived from the contractual period of existing contracts	Based on long-term contracts secured at contracted tariffs. New contracts and contract renewals are assumed based on estimated demand and supply as well as margin	Based on mechanism tariff, mid-long term annual contract tariff and expected market-traded tariff	Based on long-term contracts secured at contracted tariffs
Carbon tax / Costs	Carbon taxes will be borne by customers	Carbon taxes will be borne by customers	NA	NA	NA
Expected capital expenditure	In accordance with plant maintenance programme	In accordance with plant maintenance programme and pipeline servicing	In accordance with plant maintenance programme	In accordance with plant maintenance programme	In accordance with plant maintenance programme
Terminal value	Nil (2024: Nil)	Nil (2024: Nil)	Nil (2024: Nil)	5% of original cost	Nil
Inflation rate assumptions used to project overheads and other general expenses	1.5% – 2.0% (2024: 2.0% – 2.5%)	1.5% – 2.0% (2024: 2.0% – 2.5%)	3.0% – 5.0% (2024: 3.0% – 5.0%)	0% (2024: 0%)	4.0%
Others	NA	Forward USD / SGD exchange rate and High Sulphur Fuel Oil (HSFO) prices with reference to forward quotes were assumed in the forecast performance	NA	NA	NA

No sensitivity analysis was disclosed for the CGUs as the Group believes that any reasonable possible change in the key assumptions is unlikely to result in any material impairment to the CGUs.

Notes to the Financial Statements

D. Our Assets (cont'd)

D3. Intangible Assets (cont'd)

b. Service Concession Arrangements

The subsidiaries in Fuzhou and Yanjiao in People's Republic of China have service concession agreements with the local municipalities to supply drinking water to the local communities.

Under these arrangements, the charges for use of these assets are adjusted regularly according to agreed cost reference and escalation formula in the concession agreement as approved by respective local authorities.

c. Long-term Contracts

India

The subsidiaries in the renewables sector in India have long-term contracts with India's State Electricity Boards in Rajasthan, Gujarat, Karnataka, Maharashtra, Madhya Pradesh, Punjab, and Telangana with tenures ranging from 20 to 30 years. These subsidiaries also sell electricity to commercial customers with tenures ranging from 10 to 25 years.

United Kingdom (UK)

The subsidiaries in the UK acquired in 2018, have contracted with the National Grid of the UK to generate electricity through a portfolio of diesel and gas generators in multiple sites across the UK and supplier contracts with tenures ranging from 1 to 15 years. The majority of these contracts provide fixed rate cash flows relating to plant availability (Capacity Market contracts).

d. Power Generation Permits

The subsidiaries in China own power generation permits to operate solar and wind power plants in various locations of China, with tenures ranging from 20 to 25 years.

e. Carbon Allowances

These are allowances, received from the UK government and purchased from the carbon market, to settle the emission obligation from its gas-fired power plants in UK.

f. Other Intangible Assets

Other intangible assets comprise water rights, software, development rights and golf club membership.

(\$ million)	Company		
	Goodwill	Others	Total
Carrying Amounts			
At January 1, 2025	19	14	33
Additions	–	2	2
Amortisation charge for the year	–	(5)	(5)
At December 31, 2025	19	11	30
Cost at December 31, 2025	19	49	68
Accumulated amortisation and impairment losses at December 31, 2025	–	(38)	(38)
Net carrying amounts at December 31, 2025	19	11	30
Carrying Amounts			
At January 1, 2024	19	10	29
Additions	–	8	8
Amortisation charge for the year	–	(4)	(4)
Transfer from property, plant and equipment	–	*	*
At December 31, 2024	19	14	33
Cost at December 31, 2024	19	47	66
Accumulated amortisation and impairment losses at December 31, 2024	–	(33)	(33)
Net carrying amounts at December 31, 2024	19	14	33

The Company's goodwill relates to goodwill on the acquisition of the SUT Division in 2008.

E. Our Working Capital

E1. Trade and Other Receivables

Trade and other receivables mainly consist of amounts owed to the Group by customers and amounts paid to the Group's suppliers in advance.

Accounting policies

Trade and other receivables are initially recognised at the amount of consideration receivable that is unconditional, unless they contain significant financing components, whereby they will be recognised at fair value.

Subsequently, trade and other receivables are measured at amortised cost only if (i) the asset is held within a business model whose objective is to collect the contractual cash flows and (ii) the contractual terms give rise to cash flows that are solely payments of principal and interest. The carrying value of trade and other receivables is reduced by appropriate allowances for estimated irrecoverable amounts. The estimated irrecoverable amounts and calculation of loss allowances are based on policies set out in Note F4. Interest income, foreign exchange gains or losses, impairment losses and gains or losses on derecognition relating to these receivables are recognised in profit or loss.

In the service concession arrangements, the Group recognises a financial asset arising from its construction services when it has an unconditional contractual right to receive fixed and determinable amounts of payments irrespective of the output produced. The consideration receivable is initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Notes to the Financial Statements

E. Our Working Capital (cont'd)

E1. Trade and Other Receivables (cont'd)

(\$ million)	Note	December 31, 2025			December 31, 2024		
		Non-current	Current	Total	Non-current	Current	Total
Group							
Trade receivables	i	*	896	896	*	902	902
Unbilled receivables	ii	–	302	302	–	324	324
Service concession receivables	iii	704	32	736	778	49	827
Amounts due from related parties	G4	7	136	143	5	232	237
Sundry receivables	iv	5	72	77	5	88	93
Indirect tax receivable		–	81	81	–	71	71
Contingent receivable	v	12	–	12	12	–	12
Deposits	vi	4	35	39	4	32	36
Recoverables		2	18	20	2	26	28
Interest receivables		–	4	4	–	4	4
Grant receivables		–	–	–	–	4	4
Finance lease receivables		4	–	4	4	–	4
		738	1,576	2,314	810	1,732	2,542
Loss allowance	F4	(127)	(74)	(201)	(136)	(71)	(207)
Financial assets at amortised cost	F4, vii	611	1,502	2,113	674	1,661	2,335
Prepayments	viii	115	49	164	65	33	98
Employee defined benefit asset		8	*	8	4	*	4
Advances to suppliers	ix	–	130	130	–	108	108
Tax recoverable		51	8	59	59	11	70
		785	1,689	2,474	802	1,813	2,615

- Trade receivables include subsidies on energy production received by renewables companies in China. As at December 31, 2025, certain receipts of these receivables are still pending final verification results from the regulators and the loss allowance for these receivables was S\$43 million (2024: S\$23 million) (see Note F4(iv)).
- Unbilled receivables represent revenue accrued for sale of utilities commodities and services.
- The Group has service concession agreements with the local governments and governing agencies through its subsidiaries. The arrangements in Singapore relate to the supply of treated water, while the arrangements in Myanmar and Bangladesh relate to the supply of electricity.

The guaranteed sum receivables from the grantors for the construction of the underlying assets are discounted at interest rates ranging from 3.6% to 8.5% (2024: 3.6% to 8.5%).
- Sundry receivables represent mainly loan receivables and miscellaneous receivables.
- Contingent receivable of S\$12 million recognised on acquisition of Gelex in 2024 (see Note G5(ii)).
- Deposits include cash collateral placed on deposits in margin accounts.
- Trade and other receivables of S\$250 million (2024: S\$263 million) have been pledged to secure loan facilities.

viii. Prepayments are charged to profit or loss on a straight-line basis over the service period. They relate primarily to:

- Connection fees prepaid under the Generation Connection and Use of System Agreement for the use of the transmission lines to a related corporation amounted to S\$56 million (2024: S\$30 million).
- Service fees prepaid under the Gasoil Supply and Storage Agreement for the usage of tank; and
- Capacity charges prepaid for the use of gas delivery pipelines, prepaid insurance premium, transport tariff recoverable and maintenance of plant.

ix. Advance to suppliers in 2025 includes an amount of S\$37 million (2024: Nil) paid in relation to import power.

(\$ million)	Note	December 31, 2025			December 31, 2024		
		Non-current	Current	Total	Non-current	Current	Total
Company							
Trade receivables		–	21	21	–	22	22
Amounts due from related parties	G4	–	90	90	–	47	47
Deposits		–	*	*	–	*	*
Unbilled receivables	i	–	52	52	–	48	48
Recoverables		–	1	1	–	–	–
Sundry receivables		–	3	3	–	10	10
Grant receivables		–	–	–	–	4	4
		–	167	167	–	131	131
Loss allowance	F4	–	(3)	(3)	–	(1)	(1)
Financial assets at amortised cost	F4	–	164	164	–	130	130
Prepayments	ii	*	1	1	*	1	1
Advance to suppliers		–	*	*	–	2	2
		*	165	165	*	133	133

- Included in the Company's unbilled receivables are amounts of S\$28 million (2024: S\$24 million) due from related companies.
- Connection and capacity charges prepaid for the use of pipelines and pipe racks.

E2. Inventories

Accounting policies

a. Inventories

Finished goods, consumable materials, spares, and environmental attributes are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

Environmental attributes (EA) include renewable energy certificates and renewable obligation certificates. They are held for sale in the ordinary course of business and / or are self-generated. The recognition of the self-generated EA as inventory will be only at the completion of the certification process when these certificates become a resource controlled by the generating entity.

b. Development Properties

Properties held for sale are stated at the lower of cost and net realisable value. Cost includes land and construction costs, related expenditure and financing charges incurred during the period of development. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

Notes to the Financial Statements

E. Our Working Capital (cont'd)

E2. Inventories (cont'd)

Key estimates and judgements

The Group applies critical accounting judgements in classifying development properties. In assessing the classification of development properties, management considers its intention with regards to the use of the properties (i.e. held with the intention of development and sale in the ordinary course of business or for rental and capital appreciation). Where there is a change in intended use, a change in classification may be required.

(\$ million)	Group		Company	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Raw materials and consumables	115	125	2	2
Finished goods	32	28	5	5
Environmental attributes	3	*	–	–
	150	153	7	7
Allowance for inventory obsolescence	(21)	(19)	(1)	(1)
	129	134	6	6
Properties under development	1	1	–	–
	130	135	6	6

S\$18 million (2024: S\$30 million) of the Group's inventories were pledged to secure loan facilities.

Amounts recognised in profit or loss

(\$ million)	Note	Group	
		2025	2024
Inventories recognised as an expense in cost of sales		321	298
Allowance (written down to lower realisable value)	B4a	5	–
Write-back of allowance for inventory obsolescence	B4a	(1)	(2)
Write-off of inventory	B4a	1	*

E3. Trade and Other Payables

Trade and other payables mainly consist of amounts the Group owes to its suppliers. They also include taxes and social security amounts payable relating to the Group's workforce.

Accounting policies

Trade and other payables (excluding advance payments from customers, deferred grants, deferred income and retirement benefit obligations) are classified as financial liabilities measured at amortised cost using the effective interest method. Trade payables are not interest-bearing and are stated at their nominal value.

(\$ million)	Note	Group		Company	
		December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Current liabilities					
Trade payables		266	303	18	3
Accrued capital and operating expenditure	i	637	742	115	156
Advance payments from customers		22	28	1	*
Amounts due to related parties	G4	28	20	8	6
Deposits		21	20	*	*
Accrued interest payable		32	32	–	–
Other creditors	ii	308	297	2	7
Deferred grants		1	1	–	–
Deferred consideration		16	45	–	–
Contingent consideration		80	97	–	–
		1,411	1,585	144	172
Non-current liabilities					
Deferred grants	iii	2	2	–	–
Amounts due to related parties	G4	–	–	1,353	1,393
Other long-term payables	iv	43	41	21	21
Deferred income		44	49	1	2
Retirement benefit obligation		8	7	–	–
		97	99	1,375	1,416

- Included in the Group's and Company's accrued operating expenses are amounts of S\$42 million and S\$37 million (2024: S\$9 million and S\$60 million) due to related companies respectively.
- Included in the Group's other creditors is an amount owing in the margin account as a result of withdrawal against net unrealised gain, driven by the high oil commodity forward price.
- Non-current deferred grants related to government grants for capital assets.
- Other long-term payables included retention monies of subsidiaries, long-term employee benefits and accrued operating and maintenance services which will be billed only after the initial payment-free period, which is more than one year.

Notes to the Financial Statements

E. Our Working Capital *(cont'd)*

E4. Cash and Cash Equivalents

Accounting policies

Cash and cash equivalents which comprise cash balances and bank deposits are classified as financial assets measured at amortised cost. For the purpose of the consolidated statement of cash flows, cash and cash equivalents are presented net of bank overdrafts which are repayable on demand. Bank overdrafts are shown within loans and borrowings in current liabilities on the balance sheet.

The majority of the Group's cash is held in bank deposits or money market funds which have a maturity of three months or less to enable short-term liquidity requirements to be met.

	Group		Company	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
<i>(S\$ million)</i>				
Fixed deposits with banks	569	298	–	–
Cash and bank balances	540	573	164	201
Cash and cash equivalents in the balance sheets	1,109	871	164	201
Restricted bank balances	(18)	(21)	–	–
Cash and cash equivalents in the consolidated statement of cash flows	1,091	850	164	201
Cash and cash equivalents placed with				
– A subsidiary	–	–	162	199
– A related corporation	124	32	2	2

Fixed deposits with banks of the Group earn interest at rates ranging from 0.20% to 5.30% (2024: 1.30% to 7.10%) per annum.

Included in the Group's cash and cash equivalents is an amount of S\$139 million (2024: S\$99 million) over which banks have a first charge in the event that the respective subsidiaries do not meet the debt servicing requirements.

F. Our Financial Instruments and Risks Management

This note details the Group's exposure to treasury and financial risks including credit, liquidity, interest and foreign exchange risks, and the objectives and policies in place to monitor and manage these risks.

The Group has implemented the Integrated Assurance Framework (IAF) which is based on a multi-level lines of defense (LOD) model. Through the IAF structure, the respective LODs work together to ensure that key financial, operational, compliance and IT risks are reviewed and tested using a robust assurance process. Under the IAF, a pragmatic and collaborative approach to risk and controls assessment has been established, with common and consistent criteria applied to assess the risks and adequacy and effectiveness of internal controls.

Under the IAF, the Group's key markets, being the first LOD, are required to work with the second LOD comprising business lines, subject matter experts and corporate functions, to perform a thorough review and assessment of their risks and internal controls.

Clear escalation procedures and key risk indicators have been established and aligned with the Group's risk appetite.

The proactive management of key risks and controls strengthens not only the Group's reporting and monitoring capabilities, but also cultivates a risk culture of accountability and ownership.

Key themes of the IAF include cyber security, plant availability and reliability, health and safety, regulatory and compliance, people and talent management, fraud risk management and governance.

Financial Risk Management Objectives and Policies

The Group's day-to-day operations, new investment opportunities and funding activities introduce financial risks, which are actively managed by management with Board oversight. These risks are grouped into the following categories:

- **Market:** The risk that fluctuations in commodity prices, foreign exchange and interest rates adversely impact the Group's results.
- **Liquidity:** The risk that the Group will not be able to meet the financial obligations as they fall due.
- **Credit:** The risk that a counterparty will not fulfil its financial obligations under a contract or other arrangement.

The Board has adopted the Group Treasury policies and financial authority limits to manage these risks. The Group Treasury policies set out the parameters for financing structure, liquidity, counterparty risk management, foreign exchange risk management and use of derivative transactions. Derivative transactions are permitted only if it involves underlying assets or liabilities.

F1. Market Risk

Market risk is the possibility that changes in interest rates, foreign exchange rates, equity securities and commodities will adversely affect the value of the Group's assets, liabilities or expected future cash flows. The objective of market risk management is to manage and reduce the above exposures within acceptable parameters.

a. Interest Rate Risk

The Group's interest rate exposure is primarily in relation to its fixed rate borrowings (fair value risk), variable-rate borrowings and cash and cash equivalents (cash flow risk).

The Group's policy is to target at least 50% of its debt portfolio with fixed interest rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at variable rates while using interest rate swaps and cross currency swaps to hedge the variability in cash flows attributable to floating interest rates.

Based on the variable rate net debt position (both issued and hedged) at balance sheet date, assuming other factors (principally foreign exchange rates and commodity prices) remained constant and that no further interest rate management action was taken, an increase in interest rate of 1% would have decreased the Group's profit before tax (PBT) by S\$18 million (2024: decreased by S\$13 million) with no impact to equity (2024: increased by S\$3 million). At Company level, PBT would have decreased by S\$9 million (2024: decreased by S\$12 million) without any impact to equity (2024: no impact). A 1% decrease in interest rates would have the opposite effect for both Group and Company.

b. Foreign Currency Risk

The Group is exposed to currency risk on foreign currency denominated borrowings, investments and commercial transactions.

The Group limits its exposure to changes in foreign exchange rates through forward foreign exchange contracts and cross currency interest rate swaps. In certain circumstances, borrowings are left in a foreign currency, or swapped from one foreign currency to another, to hedge expected future business cash flows in that currency. Significant foreign currency denominated transactions undertaken in the normal course of operations are managed on a case-by-case basis.

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management (cont'd)

F1. Market Risk (cont'd)

b. Foreign Currency Risk (cont'd)

The Group's exposure to foreign currency risk (excluding the Group's net investment hedges in its subsidiaries in China (2024: China) based on its risk management policy is summarised as follows:

(\$ million)	Group							
	SGD	USD	EURO	GBP	RMB	INR	BDT	Others
2025								
Financial assets								
Cash and cash equivalents	85	102	3	1	*	–	10	12
Loan to an associate	–	–	–	48	–	–	–	–
Trade and other receivables	7	180	1	1	8	6	93	20
DPN receivable	–	–	–	–	–	1,291	–	–
Other financial assets	*	26	–	–	–	–	–	*
	92	308	4	50	8	1,297	103	32
Financial liabilities								
Trade and other payables	15	37	4	*	*	6	85	2
Loans and borrowings	–	1,103	106	–	–	–	–	100
Lease liabilities	4	–	–	–	–	–	*	–
	19	1,140	110	*	*	6	85	102
Net financial assets / (liabilities)	73	(832)	(106)	50	8	1,291	18	(70)
Add: Firm commitments and highly probable forecast transactions in foreign currencies	–	(373)	–	–	86	(14)	(1)	(45)
Less: Cross currency swap / Foreign exchange forward contracts	–	1,069	106	238	–	–	–	138
Net currency exposure	73	(136)	*	288	94	1,277	17	23

(\$ million)	Group							
	SGD	USD	EURO	GBP	RMB	INR	BDT	Others
2024								
Financial assets								
Cash and cash equivalents	29	124	2	1	1	–	25	4
Loan to an associate	–	–	–	53	–	–	–	–
Trade and other receivables	10	205	1	54	20	1	117	15
DPN receivable	–	–	–	–	–	1,581	–	–
Other financial assets	*	25	–	–	–	–	–	*
	39	354	3	108	21	1,582	142	19
Financial liabilities								
Trade and other payables	17	76	3	*	1	*	99	2
Loans and borrowings	–	1,230	99	–	–	–	–	–
Lease liabilities	4	–	–	–	–	–	*	–
	21	1,306	102	*	1	*	99	2
Net financial assets / (liabilities)	18	(952)	(99)	108	20	1,582	43	17
Add: Firm commitments and highly probable forecast transactions in foreign currencies	(28)	(340)	(6)	–	–	–	–	(194)
Less: Cross currency swap / Foreign exchange forward contracts	28	1,127	105	211	–	–	–	194
Net currency exposure	18	(165)	–	319	20	1,582	43	17

The Company's gross exposure to foreign currencies is as follows:

(\$ million)	Company
	USD
2025	
Financial assets	
Cash and cash equivalents	6
Trade and other receivables	63
	69
Financial liabilities	
Trade and other payables	16
Net financial liabilities	53
Less: Foreign exchange forward contracts	(51)
Net currency exposure	2
2024	
Financial assets	
Cash and cash equivalents	6
Trade and other receivables	15
	21
Financial liabilities	
Trade and other payables	22
Net financial (liabilities)	(1)
Net currency exposure	(1)

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F1. Market Risk *(cont'd)*

b. Foreign Currency Risk *(cont'd)*

Sensitivity Analysis

A 10% strengthening of the following currencies against the functional currencies of the Group and Company at balance sheet date would have increased / (decreased) equity and PBT by the amounts shown below. The analysis assumed that all other variables, in particular interest rates, remain constant, ignoring any impact of firm commitments in foreign currencies and with no further foreign exchange risk management action taken.

<i>(S\$ million)</i>	Group				Company	
	Equity		Profit before tax		Profit before tax	
	2025	2024	2025	2024	2025	2024
SGD	–	2	7	2	–	–
USD	19	28	1	(16)	*	*
EURO	–	1	*	*	*	*
GBP	4	4	24	26	*	*
RMB	–	–	1	2	*	*
INR	–	–	129	158	*	–
BDT	–	–	2	4	–	–
Others	3	16	3	2	*	–

A 10% weakening of the above currencies against the functional currencies of the Group and Company at the balance sheet date would have had an equal but opposite effect to the amounts shown above.

c. Price Risk

Mutual Funds and Equity Securities Price Risk

The Group is exposed to price risk from mutual funds and equity securities designated as FVTPL or FVOCI respectively.

If prices for mutual funds and equity securities increased by 10% with all other variables held constant, equity and PBT would have increased by S\$5 million and S\$12 million, respectively (2024: increased by S\$5 million and S\$11 million, respectively). Conversely, if prices decreased by 10%, equity and PBT would have had an equal but opposite effect.

Commodity Risk

The Group hedges against fluctuations in commodity prices that affect revenue and cost. Exposures are managed via swaps and contracts for differences (CFDs).

CFDs are entered into with counterparties at a strike price, with or without fixing the quantity upfront, to hedge against adverse price movements from sale of electricity. Exposure to price fluctuations from purchases of fuel is managed via fuel oil swaps where fuel price is indexed to a benchmark index, for example Singapore High Sulphur Fuel Oil 180 CST fuel oil and Dated Brent.

The Group designates fuel oil swaps and electricity futures in their entirety in cash flow hedges to hedge its commodity risk and applies a hedge ratio of 1:1.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference index of Singapore High Sulphur Fuel Oil 180 CST fuel oil and Dated Brent, tenors, repricing dates and maturities. The Group assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item by looking at the critical terms.

The Group did not identify any significant sources of ineffectiveness in these hedges.

Sensitivity Analysis

If prices for commodities increased by 10% with all other variables held constant, the increase in equity as a result of fair value changes on cash flow hedges would be:

<i>(S\$ million)</i>	Group	
	2025	2024
Equity	25	17

A 10% decrease in the prices for commodities would have had an equal but opposite effect to the equity. The analysis assumed that all other variables remain constant.

F2. Hedges

The Group uses derivative instruments (derivatives) (as disclosed in Note H1) to hedge financial risks as described above. Derivatives are contracts whose value is derived from an underlying price index (or other variable) that require little or no initial net investment and are settled at a future date.

The Group designates certain derivatives as either:

- Hedges of fair value of recognised assets, liabilities or firm commitments (fair value hedge)
- Hedges of a particular cash flow risk associated with a recognised asset, liability or highly probable forecast transaction (cash flow hedge)
- Hedges of a net investment in a foreign operation (net investment hedge)

Accounting policies

Derivatives are carried on balance sheet at fair value. Movements in price of the underlying variables, which causes the value of contract to fluctuate, are reflected in the fair value of derivative. The method of recognising changes in fair value depends on whether the derivative is designated in an accounting hedge relationship. Derivatives not designated as accounting hedges are referred to as economic hedges subject to fair value through profit or loss.

Fair value gains and losses attributable to economic hedges are recognised in statement of profit or loss while recognition of fair value gains and losses of those attributable to accounting hedges depends on the nature of item being hedged.

The effective portion of changes in fair value of derivatives designated as fair value hedge are recognised in profit or loss at the same time when all changes in fair value of the underlying item relating to the hedged risks are recognised in profit or loss. The effective portion of changes in fair value of derivatives designated as cash flow hedges are recognised in hedging reserve (in equity).

Certain determinants of fair value included in derivatives or mismatches between the timing of the instrument and the underlying item in any hedge relationship can cause hedge ineffectiveness. Any ineffectiveness is recognised immediately in profit or loss as change in fair value of derivatives.

When the underlying hedged item is sold or repaid, the unamortised fair value adjustments of a fair value hedge or the amounts accumulated in hedging reserve for a cash flow hedge, is recognised immediately in profit or loss.

When the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting, the unamortised fair value adjustments of a fair value hedge or the amounts accumulated in hedging reserve for a cash flow hedge, is recognised in profit or loss when the hedged item is recognised in profit or loss, which may occur over time.

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F2. Hedges *(cont'd)*

Key estimates and judgements

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities. The Group considers the critical terms in assessing if each designated derivative is expected to be and has been effective in offsetting changes in cash flows of the hedged item.

In these hedge relationships, the main sources of ineffectiveness are due to:

- effects of the counterparties' and the Group's own credit risk on fair value of the swaps, which is not reflected in the change in fair value of the hedged cash flows attributable to change in interest rates; and
- changes in timing of hedged transactions.

The Group designates only the change in fair value of the spot element of forward exchange contract for funding purposes as the hedging instrument in a cash flow hedging relationship. The change in fair value of the forward element of the forward exchange contracts (forward points) is separately accounted for as a cost of hedging and recognised in hedging reserve within equity.

Cash Flow Hedges

The Group designates certain forward foreign exchange contracts, interest rate swaps, cross currency interest rate swaps and fuel oil swaps in various cash flow hedges.

At December 31, 2025, the Group held the following instruments to hedge exposures to fluctuations in foreign currencies, interest rates and commodity prices:

	Rate (\$)	Interest rate (%)	Maturity		
			Within 1 year	Between 1 and 5 years	More than 5 years
<i>(\$ million)</i>					
2025					
Foreign currency risk					
Forward foreign exchange contracts (Buy / Sell)					
– SGD / USD	0.77 – 0.78	–	64	–	–
– USD / SGD	1.17 – 1.36	–	556	163	17
– JPY / SGD	0.0101 – 0.0110	–	34	5	–
– MYR / SGD	0.30 – 0.32	–	29	–	–
Forex swap contracts (Buy / Sell)					
– USD / VND	25,354 – 26,268	–	8	30	23
Interest rate risk					
Interest rate swap (IRS)					
– Float-to-fixed	–	2.17 – 4.80	122	1,254	361
Foreign currency and interest rate risk					
Cross currency swaps					
– USD / SGD	1.34 – 1.36	2.84 – 3.78	52	–	703
– EUR / SGD	1.41	3.49	–	99	–
Commodity risk					
Fuel oil swaps					
– Fuel oil swap (\$ per MT)	346.00 – 464.50	–	337	28	–
– Fuel oil swap (\$ per BBL)	59.33 – 74.87	–	288	128	16

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F2. Hedges *(cont'd)*

Cash Flow Hedges *(cont'd)*

<i>(S\$ million)</i>	Rate (\$)	Interest rate (%)	Maturity		
			Within 1 year	Between 1 and 5 years	More than 5 years
2024					
Foreign currency risk					
Forward foreign exchange contracts (Buy / Sell)					
- USD / SGD	1.26 – 1.42	–	316	92	–
- EUR / SGD	1.42	–	6	–	–
- USD / INR	84.44 – 86.94	–	117	–	–
- JPY / SGD	0.0101 – 0.0109	–	64	38	–
- MYR / SGD	0.30	–	100	10	–
- USD / VND	24,118 – 26,527	–	3	13	16
Forex swap contracts (Buy / Sell)					
- USD / VND	25,350 – 26,175	–	32	19	17
Interest rate risk					
Interest rate swap (IRS)					
- Float-to-fixed	–	1.05 – 5.54	560	1,935	307
Foreign currency and interest rate risk					
Cross currency swaps					
- USD / SGD	1.35 – 1.36	3.55 – 3.78	–	703	–
- EUR / SGD	1.41	3.49	–	99	–
Commodity risk					
Fuel oil swaps					
- Fuel oil swap (\$ per MT)	385.25 – 492.75	–	514	107	–
- Fuel oil swap (\$ per BBL)	69.19 – 82.85	–	623	49	22
- Fuel oil swap (\$ per MMBTU)	13.30 – 13.35	–	22	–	–

The amounts at the balance sheet date relating to items designated as hedged items are as follows:

<i>(S\$ million)</i>	Cash flow hedge reserve for continuing hedges	
	2025	2024
Foreign currency risk		
Highly probable purchases	(7)	(8)
Highly probable equity injection	–	(1)
Highly probable capital expenditures	(2)	–
Payments	–	2
Interest rate risk		
Variable rate borrowings	1	18
Other financial assets	(59)	(23)
Commodity risk		
Highly probable purchases	(26)	5
Highly probable sales	(1)	–
Fuel oil price	–	*

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F2. Hedges *(cont'd)*

Cash Flow Hedges *(cont'd)*

The amounts related to items designated as hedging instruments and hedge ineffectiveness are as follows:

	Foreign currency risk	Interest rate risk	Foreign currency risk and interest rate risk	Commodity risk	Total
	Forward foreign exchange contracts / Forex swap contracts	Interest rate swaps	Cross currency swaps	Fuel oil swaps	
2025					
Nominal amount – S\$ million	929	1,737	854	797	4,317
Quantity	–	–	–	728,813 MT, 5,159,194 BBL	728,813 MT, 5,159,194 BBL
Carrying amount – S\$ million					
Other financial assets	–	9	5	16	30
Other financial liabilities	–	30	75	43	148
Fair value increase / (decrease) – S\$ million					
Hedging instruments	(7)	(31)	(23)	(24)	(85)
Hedged items	7	31	23	24	85
Hedge ineffectiveness	–	–	–	–	–
Reconciliation of hedging reserve – S\$ million					
Changes in fair value	(7)	(31)	(23)	(24)	(85)
Amounts reclassified to profit or loss:					
– Cost of goods sold	(1)	–	–	(7)	(8)
– Finance costs	–	(8)	–	–	(8)
	(8)	(39)	(23)	(31)	(101)
Tax on above items					15
Change in hedging reserve					(86)
Share of other comprehensive income of associates and joint ventures					(18)
Movement during the year					(104)

	Foreign currency risk	Interest rate risk	Foreign currency risk and interest rate risk	Commodity risk	Total
	Forward foreign exchange contracts / Forex swap contracts	Interest rate swaps	Cross currency swaps	Fuel oil swaps	
2024					
Nominal amount – S\$ million	843	2,802	802	1,337	5,784
Quantity	–	–	–	1,063,867 MT, 6,725,654 BBL and 1,230,000 MMBTU	1,063,867 MT, 6,725,654 BBL and 1,230,000 MMBTU
Carrying amount – S\$ million					
Other financial assets	2	27	–	28	57
Other financial liabilities	–	8	13	27	48
Fair value increase / (decrease) – S\$ million					
Hedging instruments	7	(14)	(14)	34	13
Hedged items	(7)	14	14	(34)	(13)
Hedge ineffectiveness	*	–	–	–	*
Reconciliation of hedging reserve – S\$ million					
Changes in fair value	7	(14)	(14)	34	13
Amounts reclassified to profit or loss:					
– Cost of goods sold	(1)	*	–	(29)	(30)
– Finance costs	–	(5)	–	–	(5)
Amount reclassified to cost of investment in a subsidiary	5	–	–	–	5
	11	(19)	(14)	5	(17)
Tax on above items					4
Change in hedging reserve					(13)
Share of other comprehensive income of associates and joint ventures					18
Movement during the year					5

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management (cont'd)

F2. Hedges (cont'd)

The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting:

	Cash flow hedge reserve	
	2025	2024
(\$ million)		
At January 1	50	45
Movement during the year		
Changes in fair value:		
– Foreign currency risk	(7)	7
– Interest rate risk	(31)	(14)
– Foreign currency and interest rate risk	(23)	(14)
– Commodity risk	(24)	34
Amount reclassified to profit or loss:		
– Foreign currency risk	(1)	(1)
– Commodity risk	(7)	(29)
– Interest rate risk	(8)	(5)
Amount reclassified to cost of investment in a subsidiary	–	5
Tax on movements on reserves during the year	15	4
Share of other comprehensive income of associates and joint ventures	(18)	18
	(104)	5
Share of non-controlling interests	2	–
At December 31	(52)	50

Net Investment Hedges

The Group's investments in its China (2024: China) subsidiaries are hedged by CNH / SGD (2024: CNH / SGD) forward foreign exchange contracts (hedging instrument) respectively, which mitigate the currency risks arising from the subsidiaries' net assets. The carrying amounts of the hedging instruments of S\$3 million (2024: S\$1 million) are included in other financial assets.

The notional amount of the contracts is S\$143 million (2024: S\$186 million). During the financial year, net hedging loss of S\$10 million (2024: hedging gain of S\$4 million) was recognised in other comprehensive income. As at December 31, 2025, the balance of foreign currency translation reserve for continuing hedges is a loss of S\$107 million (2024: loss of S\$97 million).

F3. Liquidity Risk

The Group manages its liquidity risk with a view to maintaining healthy level of cash and cash equivalents that corresponds with its operating environment and expected cash flows. Liquidity requirements are maintained within the credit facilities established and are adequate to meet the Group's obligations.

Maturity Profile of the Group's and Company's Financial Liabilities

The cash flows associated with the cash flow hedges of the Group are expected to occur within 1 year and between 1 and 5 years. Correspondingly, the cash flows related to the hedging instruments (foreign exchange contracts, fuel oil swaps, interest rate swaps, cross currency swaps and electricity futures) that are designated as cash flow hedges are expected to impact profit or loss within 1 year to 5 years and upon disposal, should it arise, of its investment in subsidiaries.

Approximately S\$1,057 million (2024: S\$700 million) of loans and borrowings are due within 12 months. The Group has at least S\$2,009 million (2024: S\$2,307 million) in committed credit facilities with final maturity dates beyond 2025 that can be drawn down.

The table below analyses the maturity profile of the Group's and the Company's financial assets and liabilities (including derivative financial assets and liabilities) based on contractual undiscounted cash inflows / (outflows), including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount	Contractual cash flow	Cash flows		
			Less than 1 year	Between 1 and 5 years	Over 5 years
(\$ million)					
Group					
2025					
Derivatives					
Derivative financial liabilities	170				
– inflow		607	518	73	16
– outflow		(777)	(573)	(91)	(113)
Derivative financial assets	(43)				
– inflow		654	554	100	–
– outflow		(612)	(520)	(92)	–
Non-derivative financial liabilities					
Trade and other payables ¹	1,384	(1,384)	(1,341)	(43)	*
Lease liabilities	747	(1,099)	(86)	(226)	(787)
Loans and borrowings	8,956	(10,620)	(2,091)	(4,452)	(4,077)
	11,214	(13,231)	(3,539)	(4,731)	(4,961)
2024					
Derivatives					
Derivative financial liabilities	66				
– inflow		4,045	391	3,654	–
– outflow		(4,110)	(427)	(3,683)	–
Derivative financial assets	(72)				
– inflow		798	710	84	4
– outflow		(730)	(654)	(76)	–
Non-derivative financial liabilities					
Trade and other payables ¹	1,551	(1,586)	(1,545)	(41)	–
Lease liabilities	729	(1,067)	(53)	(215)	(799)
Loans and borrowings	8,671	(9,754)	(947)	(4,603)	(4,204)
	10,945	(12,404)	(2,525)	(4,880)	(4,999)

¹ Excludes advance payments, deferred income, Goods and Services Tax and employee benefits

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F3. Liquidity Risk *(cont'd)*

Maturity Profile of the Group's and Company's Financial Liabilities *(cont'd)*

<i>(S\$ million)</i>	Carrying amount	Contractual cash flow	Cash flows		
			Less than 1 year	Between 1 and 5 years	Over 5 years
Company					
2025					
Non-derivative financial liabilities					
Trade and other payables ¹	1,516	(1,816)	(179)	(1,167)	(470)
Lease liabilities	113	(177)	(10)	(38)	(129)
	1,629	(1,993)	(189)	(1,205)	(599)
2024					
Non-derivative financial liabilities					
Trade and other payables ¹	1,588	(1,734)	(282)	(1,452)	–
Lease liabilities	108	(173)	(8)	(33)	(132)
	1,696	(1,907)	(290)	(1,485)	(132)

¹ Excludes advance payments, deferred income, Goods and Services Tax and employee benefits

The following table indicates the periods in which the cash flows associated with derivatives that are cash flow hedges are expected to impact profit or loss and fair value of the related hedging instruments:

<i>(S\$ million)</i>	Carrying amount	Contractual cash flow	Cash flows		
			Less than 1 year	Between 1 and 5 years	Over 5 years
Group					
2025					
Derivative financial liabilities	148				
– inflow		607	518	73	16
– outflow		(772)	(568)	(91)	(113)
Derivative financial assets	(30)				
– inflow		655	555	100	–
– outflow		(612)	(520)	(92)	–
	118	(122)	(15)	(10)	(97)
2024					
Derivative financial liabilities	48				
– inflow		4,045	391	3,654	–
– outflow		(4,110)	(427)	(3,683)	–
Derivative financial assets	(57)				
– inflow		794	710	82	2
– outflow		(730)	(654)	(76)	–
	(9)	(1)	20	(23)	2

F4. Credit Risk

The Group only deals with pre-approved customers and financial institutions with good credit rating. To minimise the Group's counterparty risk, the Group enters derivative transactions only with creditworthy institutions. Cash and fixed deposits are placed in banks and financial institutions with good credit rating. For some customers, the Group may also obtain security in the form of deposits, guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty defaults.

For the Company's amounts due from subsidiaries, the Company considers the financial assets to have a low credit risk by taking into consideration the Group's financial ability to settle the amounts, after estimating risk of default.

Accounting policies

The Group applies the simplified approach to provide ECL on trade and unbilled receivables as well as contract assets without significant financing component. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs. To measure expected lifetime ECLs, these balances have been grouped based on common credit risk characteristics and ageing profiles.

The loss allowance for service concession receivables is measured at 12-month ECL. When credit risk has increased significantly since initial recognition, loss allowance is measured at lifetime ECL.

A receivable balance is written-off to the extent that there is no realistic prospect of recovery.

For customers with credit ratings (or equivalent), the ECL rate is calculated based on probabilities of default and loss given default obtained from Standards and Poor's and Moody's. The Group monitors changes in credit risk by tracking published external credit ratings.

Customers with no credit ratings (or equivalent) are group based on shared credit risk characteristics and days past due, with ECL rates calculated using historical loss rates for each category of customers, adjusted to reflect current and forward-looking macroeconomic factors affecting the ability of customers to settle the receivables.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of financial asset have occurred. These events include probability of insolvency, significant financial difficulties of the customer and default or significant delay in payments.

When the Group determines whether the credit risk has increased significantly, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment, taking into account forward-looking information. Customer collectability is assessed on an ongoing basis and any resulting impairment losses are recognised in profit or loss.

The maximum exposure to credit risk is the carrying amount of each financial asset (including derivatives) in the balance sheet, before taking into account any collateral held. The Group does not hold any collateral in respect of its financial assets, except for balances with customers where guarantees or security deposits are obtained.

The Group and Company have issued financial guarantees to certain banks in respect of credit facilities on behalf of the obligors (see Note C5(c)). These guarantees are subject to the impairment assessment under SFRS(I) 9.

The Group has assessed that the obligors have strong financial capacities to meet the contractual cash flow obligation in the near future and hence, does not expect significant credit losses from their guarantees. The Group's assessment is based on qualitative and quantitative factors that are indicative of the risk of default (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections, if available, and applying experienced credit judgment).

The Company has not recognised any additional ECL provision as the Company believes the subsidiaries have sufficient resources to fulfil its obligations and the Company does not consider it probable that a claim will be made against the Company under the guarantee.

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management (cont'd)

F4. Credit Risk (cont'd)

ECL assessment for customers with credit ratings (or equivalent)

The Group allocates exposure to credit risk by segmenting customers based on geographic region and industry classification.

<i>(\$ million)</i>	Equivalent to external credit rating	Credit impaired	Gross carrying amount	Loss allowance	Net carrying amount
Group					
2025					
Receivables and contract assets measured at lifetime ECL					
Trade and other receivables and contract assets					
– Industrial	AAA – B-	No	545	(4)	541
– Government	AAA – B	No	156	*	156
– Retail	AA+ – B-	No	23	*	23
– Others	A+ – B-	No	5	*	5
Service concession and related trade receivables (Note ii)	CC	No	304	(128)	176
			1,033	(132)	901
Receivables measured at 12-month ECL					
Service concession and related trade receivables	AAA – B2	No	432	(6)	426
Total			1,465	(138)	1,327
2024					
Receivables and contract assets measured at lifetime ECL					
Trade and other receivables and contract assets					
– Industrial	AAA – BBB-	No	514	(3)	511
– Government	AAA – B2	No	246	(2)	244
– Retail	BBB+ – B2	No	54	(1)	53
– Others	AAA – B+	No	16	(2)	14
Service concession and related trade receivables (Note ii)	CC	No	338	(135)	203
			1,168	(143)	1,025
Receivables measured at 12-month ECL					
Service concession and related trade receivables	AAA – B2	No	488	(7)	481
Total			1,656	(150)	1,506

<i>(\$ million)</i>	Equivalent to external credit rating	Credit impaired	Gross carrying amount	Loss allowance	Net carrying amount
Company					
2025					
Receivables measured at lifetime ECL					
Trade and other receivables					
– Industrial	AA+ – B	No	48	(2)	46
– Government	AAA	No	*	–	*
			48	(2)	46
2024					
Receivables measured at lifetime ECL					
Trade and other receivables					
– Industrial	AAA – BBB-	No	48	(1)	47
– Government	AAA	No	2	*	2
			50	(1)	49

- As at December 31, 2025, 85% (2024: 85%) of service concession receivables relate to two major customers of the Group.
- The lower allowance is attributable to translation losses arising from the depreciation of the USD against the SGD.
- In 2025, there were no trade and other receivables and contract assets with significant increase in credit risk. There were also no credit impaired receivables at balance sheet date.

ECL assessment for customers without credit ratings (or equivalent)

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets for customers with no credit rating or no representative credit rating or equivalent:

<i>(\$ million)</i>	Credit impaired	Weighted average loss rate (Note iv)	Gross carrying amount	Loss allowance (Note iv)	Net carrying amount
Group					
2025					
Not past due	No	2.9%	171	(5)	166
Past due 0 to 3 months	No	2.1%	47	(1)	46
Past due 3 to 6 months	No	5.3%	38	(2)	36
Past due 6 to 12 months	No	9.4%	53	(5)	48
More than 1 year	No	14.9%	336	(50)	286
Total			645	(63)	582
2024					
Not past due	No	2.7%	111	(3)	108
Past due 0 to 3 months	No	0.5%	75	*	75
Past due 3 to 6 months	No	0.7%	47	*	47
Past due 6 to 12 months	No	2.0%	50	(1)	49
More than 1 year	No	17.1%	298	(51)	247
Total			581	(55)	526

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F4. Credit Risk *(cont'd)*

ECL assessment for customers without credit ratings (or equivalent) *(cont'd)*

- iv. In 2025, the Group made a S\$20 million (2024: S\$22 million) ECL allowance for the subsidy receivables of renewables assets in China, bringing the total allowance as at December 31, 2025 to S\$43 million (2024: S\$23 million). As certain receipts of the subsidy receivables are still pending final verification results from the regulators, the allowance reflects the present value of the outstanding subsidy receivables, based on management's best estimate of the expected timing of receipt. This loss allowance had an impact on the weighted average loss rate.

The loss allowance was partially offset by a S\$12 million write-back for the water business in China upon reaching a settlement with a customer.

For the remaining financial assets at amortised cost amounting to S\$236 million (2024: S\$304 million) which include deposits in margin accounts, long-term fixed deposits with financial institutions, convertible loan, dividends receivables and GST receivables, the Group considered the risk that a credit loss may occur, and recognised a loss allowance of S\$1 million (2024: S\$2 million).

ECL assessment for customers Movements in loss allowances

<i>(S\$ million)</i>	Note	2025			2024		
		12-month ECL	Lifetime ECL	Total	12-month ECL	Lifetime ECL	Total
Group							
At January 1		7	200	207	5	191	196
Currency translation difference		*	(9)	(9)	*	4	4
Impairment loss recognised		–	30	30	2	30	32
Allowance written back		(1)	(25)	(26)	–	(23)	(23)
Acquisition of subsidiaries		–	*	*	–	2	2
Transfer to assets held for sale		–	*	*	–	(2)	(2)
Disposal of subsidiary		–	*	*	–	(1)	(1)
Loss allowance utilised		–	*	*	–	(1)	(1)
At December 31	B2c, E1	6	196	202	7	200	207
Company							
At January 1		–	1	1	–	1	1
Impairment loss recognised		–	2	2	–	*	*
Allowance written back		–	*	*	–	–	–
At December 31	E1	–	3	3	–	1	1

F5. Financial Instruments

Accounting policies

SFRS(I) 13 establishes a fair value hierarchy that prioritises the inputs used to measure fair value. The three levels of the fair value input hierarchy defined by SFRS(I) 13 are as follows:

- Level 1 – Using quoted prices (unadjusted) from active markets for identical financial instruments.
- Level 2 – Using inputs, other than those used for Level 1, that are observable for the financial instruments either directly (prices) or indirectly (derived from prices).
- Level 3 – Using inputs not based on observable market data (unobservable input).

Securities

The fair value of financial assets is based on quoted market prices (bid price) in an active market at the balance sheet date without any deduction for transaction costs. If the market for a quoted financial asset is not active, and for unquoted financial assets, the Group establishes fair value by using other valuation techniques.

Derivatives

Derivatives are used by the Group for hedging. These derivatives are mainly foreign exchange contracts, foreign exchange swaps, interest rate swaps, cross currency swaps, fuel oil swaps and electricity futures.

1. The fair value of foreign exchange contracts and foreign exchange swaps are accounted for based on the difference between the contractual price and the current forward market price.
2. The fair values of interest rate swaps and cross currency swaps are the indicative amounts that the Group is expected to receive or pay to terminate the swap with the swap counterparties at the balance sheet date.
3. The fair value of fuel oil swaps and electricity futures is accounted for based on difference between the contractual strike price with the counterparty and the current forward market price.
4. CFDs are accounted for based on the difference between the contracted price entered into with the counterparty and the reference price. The fair value of the CFDs would need to be adjusted to reflect the illiquidity. However, there have been minimal trades made in the electricity future market. There is also no fixed quantity stated in the agreement. As such, the fair value of the CFDs cannot be measured reliably. Upon settlement, the gains and losses for CFDs are taken to profit or loss.

Non-derivative non-current financial assets and liabilities

Carrying amount of non-derivative non-current financial assets and liabilities on floating interest rate terms are assumed to approximate their fair value because of the short period to repricing. Fair values for the remaining non-derivative non-current financial assets and liabilities are calculated using discounted expected future principal and interest cash flows at the market rate of interest at the balance sheet date.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price, which is the fair value of the consideration given or received. When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

For financial instruments not actively traded in the market, fair value is determined by independent third party or by various valuation techniques, with assumptions based on existing market conditions at each balance sheet date.

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F5. Financial Instruments *(cont'd)*

a. Fair Value Hierarchy

Financial assets and financial liabilities carried at fair value

<i>(S\$ million)</i>	Fair value measurement			Total
	Level 1	Level 2	Level 3	
Group				
At December 31, 2025				
Financial assets at FVOCI	–	–	52	52
DPN receivable	–	–	1,291	1,291
Other financial assets at FVTPL	89	–	47	136
Derivative financial assets	–	43	–	43
	89	43	1,390	1,522
Financial liabilities at FVTPL	–	–	(80)	(80)
Derivative financial liabilities	–	(170)	–	(170)
	–	(170)	(80)	(250)
	89	(127)	1,310	1,272
At December 31, 2024				
Financial assets at FVOCI	–	–	47	47
DPN receivable	–	–	1,581	1,581
Other financial assets at FVTPL	77	–	46	123
Derivative financial assets	–	72	–	72
	77	72	1,674	1,823
Financial liabilities at FVTPL	–	–	(97)	(97)
Derivative financial liabilities	–	(66)	–	(66)
	–	(66)	(97)	(163)
	77	6	1,577	1,660

There have been no transfers between the different levels of the fair value hierarchy at December 31, 2025 and December 31, 2024.

Level 3 fair values

The following table shows a reconciliation from the beginning balances to the ending balances of Level 3 financial instruments measured at FVOCI and FVTPL:

<i>(S\$ million)</i>	Group			
	Financial assets at FVOCI	DPN receivable	Other financial assets at FVTPL	Financial liabilities at FVTPL
At January 1, 2025	47	1,581	46	(97)
Addition	–	–	3	–
Translation adjustment	–	–	(1)	1
Net change in fair value	5	(35)	(1)	(2)
(Receipt) / Payment	–	(255)	–	18
At December 31, 2025	52	1,291	47	(80)
At January 1, 2024	46	1,816	31	(133)
Addition	–	–	5	(4)
Acquisition of subsidiaries	–	–	12	(3)
Translation adjustment	–	–	–	*
Net change in fair value	1	169	(2)	–
(Receipt) / Payment	–	(404)	–	43
At December 31, 2024	47	1,581	46	(97)

Level 3 financial assets at FVOCI includes unquoted equity shares. The fair value of the unquoted equity shares is determined by reference to the investment's adjusted net asset values as stated in the unaudited financial statements. The estimated fair value would increase / decrease if the net asset values for unquoted equity shares were higher / lower.

The DPN receivable was recognised in January 2023 at the completion of the sale of SEIL. DPN is measured at fair value based on the contractual terms of the sale (Note H1).

Level 3 other financial assets at FVTPL includes unquoted funds. The fair value of the unquoted funds is based on the latest available unaudited net asset values of the underlying funds provided by the administrator of those funds on the basis that their net asset values approximate their fair value at balance sheet date. The key unobservable inputs include net asset value for fund investments and / or recent transaction price among investors. The estimated fair value would increase / decrease if the net asset values for fund investments were higher / lower, or if the recent transaction prices were higher / lower.

Financial liabilities at FVTPL in Level 3 relate to the contingent consideration for 2022 acquisition in China (HYNE), 2023 acquisition in India and 2024 acquisition in Vietnam.

Financial assets at FVTPL under Level 3 included contingent receivable of S\$12 million related to the 2024 acquisition in Vietnam.

Notes to the Financial Statements

F. Our Financial Instruments and Risks Management *(cont'd)*

F5. Financial Instruments *(cont'd)*

a. Fair Value Hierarchy *(cont'd)*

Assets and liabilities not carried at fair value

The following table shows assets and liabilities not carried at fair value but for which fair values are disclosed, except financial assets and financial liabilities whose carrying amounts measured at amortised cost approximate their fair values due to their short-term nature and where the effect of discounting is immaterial.

(\$ million)	Fair value measurement			Total
	Level 1	Level 2	Level 3	
Group				
At December 31, 2025				
Associate	264	–	–	264
Service concession receivables	–	1,580	–	1,580
Non-current loans and borrowings	–	(7,977)	–	(7,977)
At December 31, 2024				
Associate	135	–	–	135
Service concession receivables	–	1,573	–	1,573
Non-current loans and borrowings	–	(7,990)	–	(7,990)
Company				
At December 31, 2025				
Amounts due to related parties	–	(1,357)	–	(1,357)
At December 31, 2024				
Amounts due to related parties	–	(1,393)	–	(1,393)

b. Fair Value versus Carrying Amount

The fair value of financial assets and financial liabilities measured at amortised cost approximate their carrying amounts, except for the following:

(\$ million)	Financial assets at amortised cost	Other financial liabilities	Total carrying amount	Fair value
	Group			
At December 31, 2025				
Service concession receivables	736	–	736	1,580
Non-current loans and borrowings	–	(7,899)	(7,899)	(7,977)
At December 31, 2024				
Service concession receivables	827	–	827	1,573
Non-current loans and borrowings	–	(8,000)	(8,000)	(7,990)
Company				
At December 31, 2025				
Amounts due to related parties	–	(1,353)	(1,353)	(1,357)
At December 31, 2024				
Amounts due to related parties	–	(1,393)	(1,393)	(1,393)

G. Our Group Structure

This section provides key information on the Group's interests in joint arrangements, controlled entities and transactions with non-controlling interests. It also provides information on business acquisitions and disposals made during the year as well as information relating to Group's related parties, including related party transactions.

During the year, the Group made three significant acquisitions, requiring the purchase price to be allocated to the fair value of the identifiable assets (including intangible assets) acquired and liabilities assumed.

Judgement is required in determining the classification of the acquisitions as asset acquisitions or business combinations. There is judgement and inherent uncertainty involved in the valuation of the assets and liabilities as well as settlement of any existing litigations between the parties.

The Group has used provisional amounts of purchase price allocation for the accounting of these acquisitions and has a one-year measurement period from the acquisition date to complete the accounting for the acquisitions. Fair value adjustments may arise on the completion of respective final purchase price allocations due to the estimation uncertainty involved.

G1. Subsidiaries

Accounting policies

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less accumulated impairment losses.

Investment in Subsidiaries

(\$ million)	Company	
	December 31, 2025	December 31, 2024
At cost and carrying value:		
Unquoted equity shares	1,949	1,949
Preference shares	288	288
Share-based payments reserve	1	(3)
	2,238	2,234

Notes to the Financial Statements

G. Our Group Structure (cont'd)

G1. Subsidiaries (cont'd)

Subsidiaries

Details of key subsidiaries of the Group are as follows:

Name of key subsidiary	Country of incorporation	Effective equity held by the Group	
		2025 %	2024 %
Sembcorp Utilities Pte Ltd ¹	Singapore	100.00	100.00
Sembcorp Cogen Pte Ltd ¹	Singapore	100.00	100.00
Sembcorp Gas Pte Ltd ¹	Singapore	100.00	100.00
Sembcorp Development Ltd ¹	Singapore	100.00	100.00
Sembcorp Solar Singapore Pte Ltd ¹	Singapore	100.00	100.00
Sembcorp Energy Vietnam Pte Ltd ¹	Singapore	100.00	100.00
Sembcorp Renewable Energy Vietnam Pte Ltd ¹	Singapore	100.00	100.00
Sembcorp Energy UK Limited ²	United Kingdom	100.00	100.00
Sembcorp Utilities (UK) Limited ²	United Kingdom	100.00	100.00
UK Capacity Reserve Limited ²	United Kingdom	100.00	100.00
Sembcorp North-West Power Company Ltd. ³	Bangladesh	71.00	71.00
Sembcorp Energy (Shanghai) Holding Co., Ltd ³	China	100.00	100.00
Sembcorp Huiyang New Energy (Nanjing) Co., Ltd ³	China	100.00	100.00
Sembcorp (China) Holding Co., Ltd ³	China	100.00	100.00
Sembcorp Green Infra Private Limited ⁴	India	100.00	100.00
TWMB Holdings B.V. ⁵	Netherlands	100.00	100.00

¹ Audited by KPMG LLP, Singapore

² Audited by UNW LLP, UK

³ Audited by member firms of KPMG International

⁴ Audited by PricewaterhouseCoopers, India

⁵ No requirement for statutory audit

G2. Non-controlling Interests

There are no subsidiaries with material NCI for financial year ended December 31, 2025 and December 31, 2024.

G3. Associates and Joint Ventures

Accounting policies

Associates are those entities in which the Group has significant influence, but no control or joint control, over the financial and operating policies of these entities.

The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Group has significant influence over another entity. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Group has joint control over the entity.

(\$ million)	Note	Group	
		December 31, 2025	December 31, 2024 Restated
Associates and joint ventures	i	3,064	2,821
Loan to associate	ii	48	53
		3,112	2,874
Less: Allowance for impairment		(85)	(85)
	a, b	3,027	2,789

i. In 2024, the Group acquired 30% equity stake in Senoko Energy Pte Ltd (SNK) for S\$96 million. Based on the fair value of the identifiable assets (excluding SNK's intangibles) acquired and liabilities assumed, determined on provisional basis, the goodwill acquired was S\$44 million. During the provisional one-year period from November 2024, the goodwill has been reduced by S\$3 million.

In 2025, the Group has completed the acquisition of an additional interest in SNK of S\$72 million, increasing its effective shareholding to 50.02%. Based on the incremental share of net assets at fair value, determined on a provisional basis, a bargain purchase gain of S\$37 million was recognised within the share of results of associates and joint ventures. The gain includes the share of the fair value of the electricity licenses.

ii. The loan to an associate is unsecured, bears interest at 8.5% per annum and has no fixed terms of repayment. The settlement of the amount is neither planned nor likely to occur in the foreseeable future and hence the loan is recognised within investment in associate. Allowance for impairment on this loan is insignificant.

iii. In 2025, the Group received dividends of S\$290 million (2024: S\$186 million) from its investments in associates and joint ventures.

iv. The carrying value includes goodwill on acquisition as follows:

(\$ million)	Group	
	2025	2024
At January 1	49	2
Addition	–	47
Finalisation of PPA	(3)	–
At December 31	46	49

v. The Group's carrying value of a joint venture potentially affected by recent policy changes relating to renewable energy tariff in Vietnam was S\$33 million. The Group's maximum additional potential exposure to this investment was assessed to be approximately S\$30 million as at December 31, 2025.

Notes to the Financial Statements

G. Our Group Structure (cont'd)

G3. Associates and Joint Ventures (cont'd)

a. Associates

Details of the Group's key associates are as follows:

Name of key associate	Nature of relationship with the Group	Country of incorporation	Effective equity held by the Group	
			2025 %	2024 %
Gas and Related Services				
Sembcorp Salalah Power and Water Company SAOG ¹	Generation of electric energy	Oman	40.00	40.00
Renewables				
SDIC New Energy Investment Co., Ltd ²	Project investment; investment management; technology development, transfer, training and promotion; technical, economic and trade consultation and services; and renewable power generation	China	35.11	35.11
Hunan Xingling New Energy Co., Ltd. ³	Renewable power generation, power transmission and distribution businesses	China	45.30	45.30
Integrated Urban Solutions				
Sino-Singapore Nanjing Eco Hi-tech Island Development Co., Ltd ⁴	First-grade land development including building infrastructure and public amenities	China	21.50	21.50

¹ Audited by Ernst & Young LLP

² Audited by BDO China Shu Lun Pan Certified Public Accountant LLP

³ Audited by Baker Tilly Certified Public Accountants Co., Ltd, China

⁴ Audited by Jiangsu Gongzheng Tianye Certified Public Accountants Co., Ltd, China

There is one (2024: one) associate that is considered to be material to the Group as at December 31, 2025. Summarised financial information of the associate is presented as follows:

(\$ million)	SDIC New Energy Investment Co., Ltd	
	2025	2024
Revenue	366	376
Profit for the year	54	91
Other comprehensive income	*	*
Total comprehensive income	54	91
Attributable to non-controlling interests	2	4
Attributable to investee's shareholders	52	87

(\$ million)	SDIC New Energy Investment Co., Ltd	
	December 31, 2025	December 31, 2024
Non-current assets	3,005	3,143
Current assets	619	637
Non-current liabilities	(1,623)	(1,776)
Current liabilities	(556)	(537)
Net assets	1,445	1,467
Attributable to non-controlling interests	24	26
Attributable to investee's shareholders	1,421	1,441

(\$ million)	SDIC New Energy Investment Co., Ltd	Individually immaterial associates	Total
Impact of change in accounting policy	–	3	3
At January 1, 2025 restated	506	795	1,301
Group's share of:			
Profit from continuing operations	18	54	72
Other comprehensive income	*	(1)	(1)
Total comprehensive income	18	53	71
Dividends received during the year	(19)	(14)	(33)
Translation during the year	(6)	(25)	(31)
Addition during the year, net of disposal	–	7	7
Carrying amount of interest in investees at December 31, 2025	499	816	1,315

Group's interest in net assets of investees at January 1, 2024, as previously stated	450	752	1,202
Impact of change in accounting policy	–	5	5
At January 1, 2024 restated	450	757	1,207
Group's share of:			
Profit from continuing operations	31	43	74
Other comprehensive income	*	4	4
Total comprehensive income	31	47	78
Dividends received during the year	(13)	(39)	(52)
Translation during the year	(1)	10	9
Addition during the year, net of disposal	39	20	59
Carrying amount of interest in investees at December 31, 2024	506	795	1,301

The fair value of the equity interest of a listed associate amounted to S\$264 million (2024: S\$135 million) based on the last transacted market price on the last transaction day of the year.

Notes to the Financial Statements

G. Our Group Structure *(cont'd)*

G3. Associates and Joint Ventures *(cont'd)*

b. Joint Ventures

Details of the Group's key joint ventures are as follows:

Name of key joint venture	Nature of relationship with the Group	Country of incorporation	Effective equity held by the Group	
			2025 %	2024 %
Gas and Related Services				
Shanghai Cao Jing Co-generation Co. Ltd ¹	Production of electricity and steam, supply of steam to customers, supply of electricity to the power grid and production and sale of other relevant products	China	30.00	30.00
Emirates Sembcorp Water & Power Company P.J.S.C ²	Development, possession, operation and maintenance of production, power generation and water desalination projects	United Arab Emirates	40.00	40.00
Senoko Energy Pte. Ltd. (SNK) ³	Generation and sale of electricity	Singapore	50.02	30.00
Renewables				
Guohua AES (Huanghua) Wind Power Co., Ltd. ⁴ (HH)	Development, construction and operation of wind farms as well as provision of wind power technical consultation and services, training and research, development and engineering support services	China	49.00	49.00
Integrated Urban Solutions				
Vietnam-Singapore Industrial Park J.V. Co., Ltd. ⁵ (VSIP)	Development of industrial parks, residential areas and commercial areas for sale and lease	Vietnam	49.26	49.26

¹ Audited by PricewaterhouseCoopers Zhong Tian CPAs Limited Company

² Audited by Deloitte & Touche (M.E.)

³ Audited by Ernst & Young LLP, Singapore

⁴ Audited by Baker Tilly Certified Public Accountants Co., Ltd, China

⁵ Audited by member firms of KPMG International

The Group has three (2024: three) joint ventures that are material and a number of joint ventures that are individually immaterial to the Group. All are equity accounted. Summarised financial information of the joint ventures is presented as follows:

(\$ million)	Senoko Energy Pte. Ltd.		Vietnam-Singapore Industrial Park JV Co., Ltd.		Guohua AES (Huanghua) Wind Power Co., Ltd.	
	2025	2024 [^]	2025	2024	2025	2024
Revenue	3,070	568	756	701	109	108
Profit for the year ¹	379	70	209	173	40	39
Other comprehensive income	(20)	40	(71)	(17)	–	–
Total comprehensive income	359	110	138	156	40	39
Attributable to non-controlling interests	–	–	19	14	–	–
Attributable to investee's shareholders	359	110	119	142	40	39
¹ Included in profit for the year:						
Depreciation and amortisation	146	136	4	13	37	38
Finance income	6	10	21	9	*	*
Finance cost	53	87	12	11	4	6
Income tax expense	79	111	52	46	13	14

[^] 2024 represents two months of post-acquisition results.

(\$ million)	Senoko Energy Pte. Ltd.		Vietnam-Singapore Industrial Park JV Co., Ltd.		Guohua AES (Huanghua) Wind Power Co., Ltd.	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Non-current assets	1,786	1,757	587	228	420	462
Current assets ¹	720	973	1,842	1,950	183	184
Non-current liabilities ²	(1,441)	(1,729)	(799)	(758)	(160)	(163)
Current liabilities ³	(483)	(574)	(510)	(440)	(48)	(46)
Net assets	582	427	1,120	980	395	437
Attributable to non-controlling interests	–	–	152	221	–	–
Attributable to investee's shareholders	582	427	968	759	395	437
¹ Includes cash and cash equivalents	310	385	421	475	6	10
² Includes non-current financial liabilities [#]	1,300	1,519	658	636	115	135
³ Includes current financial liabilities [#]	123	140	198	203	37	32

[#] excludes trade and other payables and provisions

SNK's non-current assets and net assets (including those attributable to the investee's shareholders) include S\$335 million (2024: S\$317 million) of intangible assets, right-of-use assets net of lease liabilities, asset retirement obligations and deferred tax liabilities, which were determined on a provisional basis. During the provisional one-year measurement period for the 2024 acquisition (commencing November 2024), goodwill was reduced by S\$3 million (see G3(i)).

Notes to the Financial Statements

G. Our Group Structure (cont'd)

G3. Associates and Joint Ventures (cont'd)

b. Joint Ventures (cont'd)

<i>(\$ million)</i>	Senoko Energy Pte. Ltd.	Vietnam- Singapore Industrial Park JV Co., Ltd.	Guohua AES (Huanghua) Wind Power Co., Ltd.	Individually immaterial joint ventures	Total
Group's interest in net assets of investees at January 1, 2025, as previously stated	128	381	214	719	1,442
Impact of change in accounting policy	–	46	–	–	46
At January 1, 2025 restated	128	427	214	719	1,488
Group's share of:					
Profit from continuing operations	199 [^]	95	20	110	424
Other comprehensive income	(9)	–	–	(8)	(17)
Total comprehensive income	190	95	20	102	407
Dividends received during the year	(96)	(38)	(38)	(85)	(257)
Translation during the year	–	(34)	*	(38)	(72)
Addition during the year, net of capital reduction, disposal and impairment	69 ^{^^}	38	–	39	146
Carrying amount of interest in investees at December 31, 2025	291	488	196	737	1,712

[^] include bargain purchase gain of S\$37 million recognised.

^{^^} include capital reduction of S\$3 million.

<i>(\$ million)</i>	Senoko Energy Pte. Ltd.	Vietnam- Singapore Industrial Park JV Co., Ltd.	Guohua AES (Huanghua) Wind Power Co., Ltd.	Individually immaterial joint ventures	Total
Group's interest in net assets of investees at January 1, 2024, as previously stated	–	323	199	672	1,194
Impact of change in accounting policy	–	44	–	–	44
At January 1, 2024 restated	–	367	199	672	1,238
Group's share of:					
Profit from continuing operations	20	79	19	124	242
Other comprehensive income	12	–	–	2	14
Total comprehensive income	32	79	19	126	256
Dividends received during the year	–	(40)	–	(94)	(134)
Translation during the year	–	(5)	(4)	20	11
Elimination of unrealised profit	–	(3)	–	–	(3)
Addition during the year, net of disposal and impairment	96	29	–	(5)	120
Carrying amount of interest in investees at December 31, 2024	128	427	214	719	1,488

- i. The Group's share of the capital commitments of the joint ventures at the balance sheet date amounted to S\$61 million (2024: S\$62 million).
- ii. The Group's interest in joint ventures with total carrying amount of S\$123 million (2024: S\$127 million) as at balance sheet date has been pledged to banks to secure credit facilities granted to the joint venture entities.

Notes to the Financial Statements

G. Our Group Structure (cont'd)

G4. Related Party Information

a. Amounts Due from Related Parties

(\$ million)	Note	Associates		Joint ventures		Related companies		Total	
		December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Group									
Trade		6	4	14	4	73	104	93	112
Non-trade		2	2	10	5	3	5	15	12
Dividends		–	5	34	46	–	–	34	51
Loans		*	*	1	62	–	–	1	62
	E1	8	11	59	117	76	109	143	237
Loss allowance		(1)	*	*	*	*	(1)	(1)	(1)
		7	11	59	117	76	108	142	236
Amount due within 1 year		7	11	52	112	76	108	135	231
Amount due more than 1 year		–	–	7	5	–	–	7	5
		7	11	59	117	76	108	142	236

The non-trade amounts due from related parties are unsecured, repayable on demand and interest-free.

(\$ million)	Note	Subsidiaries	
		December 31, 2025	December 31, 2024
Company			
Current:			
– Trade			90
	E1		47
			90
			47

b. Amounts Due to Related Parties

(\$ million)	Note	Associates		Joint ventures		Related companies		Total	
		December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Group									
Current:									
– Trade		1	6	*	*	1	8	2	14
– Non-trade		10	*	10	*	6	6	26	6
	E3	11	6	10	*	7	14	28	20

The non-trade amounts due to related parties are unsecured, repayable on demand and interest-free.

Notes to the Financial Statements

G. Our Group Structure (cont'd)

G4. Related Party Information (cont'd)

b. Amounts Due to Related Parties (cont'd)

(\$ million)	Note	Subsidiaries	
		December 31, 2025	December 31, 2024
Company			
Current:			
– Trade		*	2
– Non-trade		8	4
	E3	8	6
Non-current:			
– Loans	E3	1,353	1,393
		1,361	1,399

The non-trade amounts due to related parties are unsecured, repayable on demand and interest-free.

The loans from a related party of S\$1,353 million (2024: S\$1,393 million) bear interest rates ranging from 2.22% to 3.65% (2024: 3.70% to 4.06%) per annum and are secured.

c. Related Party Transactions

In addition to the above, the Group had the following significant outstanding balances and transactions with related parties during the year:

(\$ million)	Outstanding balances		Transactions	
	December 31, 2025	December 31, 2024	2025	2024
Related Corporations				
Sales	73	104	363	577
Purchases including rental	1	8	355	352
Finance income	3	5	1	*
Finance expense	6	6	23	7
Associates and Joint Ventures				
Sales	20	8	64	32
Purchases including rental	1	6	1	*
Finance income	12	7	5	6
Payment on behalf	–	–	3	1
Loans receivable	1	61	–	–

d. Compensation of Key Management Personnel

The Group considers the Directors of the Company (including the Group CEO of the Company) and other personnel who have the authority and responsibility for planning, directing and controlling the activities of the Group to be key management personnel in accordance with SFRS(I) 1-24 Related Party Disclosures.

The compensation of the six (2024: six) key management personnel is included in the table below:

(\$ million)	Group	
	2025	2024
Directors		
Directors' fees paid / payable	2	2
Key Management Personnel		
Short-term employee benefits ¹	17	18
Employer's contributions to defined contribution plans	*	*
Share-based compensation expenses	17	18

¹ Short-term employee benefits comprise of base salary, bonus and other benefits, excluding the fair value of shares vested during the year.

The Group adopts an incentive compensation plan, which is tied to the creation of Economic Value Added (EVA), as well as attainment of individual and Group performance goals for its key executives. "A bonus bank" is used to hold incentive compensation credited in any year. Typically, one-third of the available balance is paid out in cash each year, with the balance being carried forward to the following year. The balances of the bonus bank will increase or decrease by the yearly EVA performance achieved and the pay-outs made from the bonus bank.

G5. Acquisition of Subsidiaries

Acquisition of Significant Subsidiaries 2025

During the year, the Group completed the acquisition of subsidiaries in the renewable business in India, Vietnam and China.

Acquisition of subsidiary in India

On December 24, 2025, the Group completed the acquisition of a 100% interest in ReNew Sun Bright Private Limited. This subsidiary's contributions to the Group's turnover and profit for the year is not material.

Acquisition of subsidiary in Vietnam

On December 10, 2025, the Group completed the acquisition of a 73.16% interest in the last of the four subsidiaries from Gelex. This acquisition contributed turnover of S\$1.6 million and profit of S\$0.4 million to the Group's results.

Acquisition of subsidiary in China

On December 26, 2025, the Group completed the acquisition of a 100% interest in Lianzhou Yangfeng Wind Power Co., Ltd. This subsidiary's contributions to the Group's turnover and profit for the year is not material.

(\$ million)	India (Note i)	Vietnam (Note ii)	China (Note iii)	Total
Purchase consideration				
Cash paid	105	22	18	145
Contingent and deferred consideration payable	–	*	10	10
Consideration transferred for the businesses	105	22	28	155
Effect on cash flows of the Group				
Cash paid	105	22	18	145
Less: Cash and cash equivalents in subsidiaries acquired	(23)	(3)	(3)	(29)
Cash outflow on acquisition	82	19	15	116

Notes to the Financial Statements

G. Our Group Structure (cont'd)

G5. Acquisition of Subsidiaries (cont'd)

Acquisition of Significant Subsidiaries (cont'd)

2025 (cont'd)

(S\$ million)	India (Note i)	Vietnam (Note ii)	China (Note iii)	Total
<i>Identifiable assets acquired and liabilities assumed</i>				
Property, plant and equipment	173	42	120	335
Intangible assets	15	–	–	15
Trade and other receivables	25	6	10	41
Cash and cash equivalents	23	3	3	29
Total assets	236	51	133	420
Trade and other payables	8	1	11	20
Provisions	1	–	–	1
Borrowings	150	16	94	260
Lease liabilities	4	1	–	5
Deferred tax liabilities	16	–	–	16
Total liabilities	179	18	105	302
Identifiable net assets acquired	57	33	28	118
Less: NCI measured on proportionate basis	–	(9)	–	(9)
Identifiable net assets acquired	57	24	28	109
Add: Goodwill acquired	48	–	–	48
Less: Gain on bargain purchase	–	(2)	–	(2)
Considerations transferred for the business	105	22	28	155

During the provisional one-year period from the date of acquisition of a subsidiary in December 2024, the consideration has decreased, and a reduction in power generation permits by S\$2 million was recognised (see Note D3).

i. Acquisition of subsidiary in India

- The Group has ascertained the fair value of assets and liabilities acquired and fair value adjustments have been made to such assets and liabilities as at December 31, 2025.
- The goodwill recognised is not expected to be deductible for tax purposes.

ii. Acquisition of subsidiary in Vietnam

- The Group has ascertained the fair value of assets and liabilities acquired and fair value adjustments have been made to such assets and liabilities as at December 31, 2025.
- The gain on bargain purchase relating to the acquisition is presented within non-operating income in the income statement in FY2025.

iii. Acquisition of subsidiary in China

- The Group has ascertained the fair value of assets and liabilities acquired and fair value adjustments have been made to such assets and liabilities as at December 31, 2025.

iv. Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation technique	Key assumptions
Property, plant and equipment	India Depreciated replacement cost method	Estimate of current cost for asset with a similar nature of asset having similar service potential, capacity and function.
	Vietnam Replacement cost method	Replacement cost could be obtained or estimated using the quote of similar assets or inflation-adjusted historical cost of subject assets.
	China Replacement cost method	The valuation model considers market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.
Intangible assets	Multi-period excess earnings method	Cash flows attributed to the power purchase agreements from date of acquisition to the end of the useful life of the respective generation plants of each project.
		Discount rate India: 9.2%

2024

In 2024, the Group completed the acquisition of subsidiaries in the renewable business in India, Vietnam and China.

Acquisition of subsidiaries in India

On February 13, 2024, the Group completed the acquisition of a 100% interest in two SPVs of Leap Green. The SPVs contributed turnover of S\$22 million and loss of S\$3 million to the Group's results.

Acquisition of subsidiaries in Vietnam

In May and June 2024, the Group completed the acquisitions of majority interests in three out of four subsidiaries of Gelex. These acquisitions contributed turnover of S\$32 million and profit of S\$9 million to the Group's results.

Acquisition of subsidiaries in China

During December 2024, the Group completed the acquisition of a 100% interest in Hechishi Yizhouqu Xinyang New Energy Co. Ltd. and Qinzhou Fengmushan Wind Power Co., Ltd (collectively China subsidiaries) respectively. These subsidiaries' contributions to the Group's turnover and profit for the year are not material.

Notes to the Financial Statements

G. Our Group Structure (cont'd)

G5. Acquisition of Subsidiaries (cont'd)

Acquisition of Significant Subsidiaries (cont'd)

2024 (cont'd)

(S\$ million)	Note	India (Note i)	Vietnam (Note ii)	China (Note iii)	Total
<i>Purchase consideration</i>					
Cash paid		46	174	51	271
Contingent and deferred consideration payable		–	3	–	3
Contingent receivable	ii	–	(12)	–	(12)
Consideration transferred for the businesses		46	165	51	262
<i>Effect on cash flows of the Group</i>					
Cash paid		46	174	51	271
Less: Cash and cash equivalents in subsidiaries acquired		(9)	(11)	(7)	(27)
Cash outflow on acquisition		37	163	44	244
<i>Identifiable assets acquired and liabilities assumed</i>					
Property, plant and equipment		146	282	165	593
Intangible assets		1	44	16	61
Trade and other receivables		9	17	19	45
Deferred tax assets		–	*	–	*
Cash and cash equivalents		9	11	7	27
Total assets		165	354	207	726
Trade and other payables		3	1	11	15
Provisions		2	–	–	2
Borrowings		104	189	142	435
Lease liabilities		*	*	*	*
Deferred tax liabilities		2	5	3	10
Total liabilities		111	195	156	462
Identifiable net assets acquired		54	159	51	264
Less: NCI measured on proportionate basis		–	(4)	–	(4)
Identifiable net assets acquired		54	155	51	260
Add: Goodwill acquired		–	10	–	10
Less: Gain on bargain purchase		(8)	–	–	(8)
Considerations transferred for the business		46	165	51	262

i. Acquisition of subsidiaries in India

- The Group has ascertained the fair value of assets and liabilities acquired and fair value adjustments have been made to such assets and liabilities as at December 31, 2024.
- The gain on bargain purchase relating to the acquisition is presented within non-operating income in the income statement in FY2024.

ii. Acquisition of subsidiaries in Vietnam

- The Group has ascertained the fair value of assets and liabilities acquired and fair value adjustments have been made to such assets and liabilities as at December 31, 2024.
- The goodwill recognised is not expected to be deductible for tax purposes.
- Contingent consideration includes both contingent receivables and contingent consideration payable. The receivable is due when the agreed energy production level is not met within two years after the acquisition, while the payable is for the payment of a defined amount upon obtaining the necessary permits for the operation of certain projects. The receivable and payable are presented at gross amounts within trade and other receivables and trade and other payables, respectively, on the balance sheet as of December 31, 2024.

In determining the fair value of the contingent consideration, the Group has applied estimates to evaluate the probability and timing of fulfillment, considering past experiences and changes in the market, economic, or legal environment in Vietnam.

iii. Acquisition of subsidiaries in China

- Acquisition-related costs amounting to S\$1 million have been excluded from the consideration transferred and have been recognised within general & administrative expenses in profit or loss.

iv. Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation technique	Key assumptions
Property, plant and equipment	<u>India</u> Depreciated replacement cost method	Estimate of current cost for asset with a similar nature of asset having similar service potential, capacity and function.
	<u>Vietnam</u> Replacement cost method	Replacement cost could be obtained or estimated using the quote of similar assets or inflation-adjusted historical cost of subject assets.
	<u>China</u> Replacement cost method	The valuation model considers market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.
Intangible assets	Multi-period excess earnings method	Cash flows attributed to the power purchase agreements from date of acquisition to the end of the useful life of the respective generation plants of each project. Discount rate India: 11.22% – 11.33% Vietnam: 9.45% – 11.14% China: 6.60%

Notes to the Financial Statements

G. Our Group Structure *(cont'd)*

G6. Disposal Group Held for Sale and Discontinued Operations

Accounting policies

Non-current assets or disposal groups are classified as assets held for sale and measured at the lower of carrying amount and fair value less costs to sell if they are expected to be recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale shall continue to be recognised.

Any impairment losses on initial classification and subsequent re-measurement are recognised in profit or loss. Subsequent increases in fair value less costs to sell are recognised in profit or loss but not exceeding the accumulated impairment loss that has been previously recognised.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale and:

- represents a separate major line of business or geographical area of operations; or
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations;

Key estimates and judgements

The assessment on whether the Group has lost control of a subsidiary takes into consideration the terms of the sales, including the transaction structure. Judgements are applied in determining if there is a loss of control or influence of the subsidiary. Factors considered in the assessment for disposal during the year are described in the note.

The Group will continue to reassess whether it has control over the entity when relevant facts and circumstances change to such an extent that there is a change in one or more of the three elements of control or the overall relationship between the Group and the entity per SFRS(I) 10.

a. Assets and Liabilities Held for Sale

As at December 31, 2025, the Group's assets and liabilities held for sale, totaling a net of S\$15 million, comprised property, plant and equipment in India.

As at December 31, 2024, the Group's and the Company's disposal group held for sale mainly related to SembEnviro, which was divested on March 18, 2025. The Group's assets held for sale also included S\$3 million of property, plant and equipment located in Vietnam, which were subsequently written down to its net recoverable amount in 2025, with S\$3 million charged to general & administrative expenses.

b. Discontinued Operations

2024

On December 19, 2024, the Group completed the sale of Chongqing Songzao Sembcorp Electric Power Co., Ltd. (CSZ). The loss on disposal of S\$9 million relates mainly to the realisation of the accumulated currency translation loss recognised in the foreign currency translation reserve.

In May 2021, SCI announced its strategy to reduce its carbon emission, and in 2022, the Group announced the divestment of SEIL, which was completed in 2023, and to exit its coal business. The exit of the coal business, being a major line of business under the Conventional Energy business segment then, was classified as discontinued operation.

In 2024, the Group completed its divestment of CSZ, the Group's remaining coal-fired power generation assets. Being part of the Group's plan to exit its coal business, the loss on disposal was reported under discontinued operation.

The financial effects arising from the divestment of the discontinued operation are as follows:

	Group 2024
<i>(S\$ million)</i>	
Net assets derecognised	–
Less: Realisation of currency translation, capital and other reserves upon disposal	9
Less: Transaction costs	*
Loss on disposal	(9)
Consideration received	*
Add: Stamp duties and tax	*
Net cash inflow	*

H. Other Disclosures

H1. DPN Receivable, Other Investments and Derivatives

Accounting policies

Classification and Measurement

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group initially recognises financial liabilities on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group classifies financial liabilities as measured at amortised cost or FVTPL.

Equity Investments at FVOCI

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. The Group's equity investments are classified as FVOCI. These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets and liabilities at FVTPL

All other financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVOCI, as FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. A financial liability is classified as FVTPL if it is held for trading, it is a derivative or it is designated as such on initial recognition. Financial assets and financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest income and expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Notes to the Financial Statements

H. Other Disclosures (cont'd)

H1. DPN Receivable, Other Investments and Derivatives (cont'd)

Accounting policies (cont'd)

Derecognition

The Group derecognises a financial asset when a) the contractual rights to the cash flows from the financial asset expire, or b) when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or if the Group neither transfers nor retains substantially all of the risks and rewards of ownership, it does not retain control of the financial asset.

The Group enters transactions whereby it transfers assets recognised in its balance sheet but retains either all or substantially all of its risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled, or expired. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantively different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including non-cash transferred or liabilities assumed) is recognised in profit or loss.

Deferred Payment Note receivable (DPN)

Arising from the completion of the sale of 100% of the shares in Sembcorp Energy India Limited (SEIL) by Sembcorp Utilities Pte Ltd (SCU) to Tanweer Infrastructure SAOC (the Purchaser) on January 19, 2023, the consideration for the sale was settled through a deferred payment note receivable amounting to approximately S\$2,038 million. The DPN, measured at fair value, is classified as a financial asset at fair value through profit and loss, as it does not meet the criteria for the SPPI (Solely Payments of Principal and Interest) test based on its terms.

Key estimates and judgements

The determination of the fair value of the DPN requires significant judgements and estimates, which are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, and in any future periods affected.

The Group has derived the fair value of DPN by performing a discounted cashflow using the forecasted distributable reserves available from SEIL Energy India Limited (SEIL EIL), considering secured cash flows from various power purchase agreements and unsecured cash flows from contract renewals and / or new contracts.

The fair value of DPN assumed that the Group will receive interest payments in accordance with a pre-agreed interest rate and principal repayment according to SEIL EIL's a cash distribution waterfall agreed in the DPN agreement.

A discount rate is applied to the DPN to reflect the cash flow risks associated with the forecasted distributable dividends from SEIL EIL and credit default risk of the Purchaser[^]. This discount rate was derived from the yields of comparable INR bonds in India in the same industry with similar credit ratings, adjusted for maturity and subordinated structure of the DPN and cross referenced with Indian company INR perps and comparable Indian company loans.

An increase in 10 basis points on the discount rate would have reduced the fair value by S\$6 million. Conversely, a 10 basis points decrease would have increased the fair value by S\$6 million (Note H1(i)).

[^] Tanweer Infrastructure SAOC

(S\$ million)	Note	Assets		Liabilities	
		Current	Non-current	Current	Non-current
2025					
DPN receivable	i	–	1,291		
Other Investments and Derivatives					
At FVOCI:					
– Equity shares		–	52		
At FVTPL:					
– Mutual funds	ii	89	35	–	–
– Cross currency swaps		1	1	5	–
– Interest rate swaps		–	2	–	5
– Forward foreign exchange contracts		5	1	12	–
		95	39	17	5
Hedge of net investment in foreign operations:					
– Forward foreign exchange contracts		3	–	*	–
		3	–	*	–
Cash flow hedges:					
– Fuel oil swaps		15	1	31	12
– Interest rate swaps		–	9	3	27
– Cross currency swaps		–	5	2	73
		15	15	36	112
At amortised cost:					
– Long-term fixed deposits		–	21		
– Redeemable preference shares		–	6		
		–	27		
Total		113	133	53	117

Notes to the Financial Statements

H. Other Disclosures (cont'd)

H1. DPN Receivable, Other Investments and Derivatives (cont'd)

(S\$ million)	Note	Assets		Liabilities	
		Current	Non-current	Current	Non-current
2024					
DPN receivable	i	–	1,581		
Other Investments and Derivatives					
At FVOCI:					
– Equity shares		–	47		
At FVTPL:					
– Mutual funds	ii	76	34	–	–
– Cross currency swaps		–	2	–	–
– Interest rate swaps		–	2	–	–
– Forward foreign exchange contracts		8	2	11	7
		84	40	11	7
Hedge of net investment in foreign operations:					
– Forward foreign exchange contracts		1	–	–	–
		1	–	–	–
Cash flow hedges:					
– Forward foreign exchange contracts		2	–	–	–
– Fuel oil swaps		27	1	23	4
– Interest rate swaps		–	27	2	6
– Cross currency swaps		–	–	–	13
		29	28	25	23
At amortised cost:					
– Long-term fixed deposits		–	14		
– Redeemable preference shares		–	7		
		–	21		
Total		114	136	36	30

i. DPN Receivable

The DPN was entered into by SCU, a wholly owned subsidiary of the Company, as part of the sale of SEIL in January 2023 as a means of providing financing to the Purchaser[^]. The DPN receivable is now classified as a financial asset at fair value through profit and loss, as it does not pass the SPPI (Solely Payments of Principal and Interest) test. A Technical Services Agreement (“TSA”) was also entered into by SCU to provide technical advisory services to SEIL EIL as part of transition arrangements, pursuant to which SCU is paid fees which are mutually agreed annually based on estimated man-days. Under the terms of the DPN, the TSA cannot be terminated without SCU’s consent.

The DPN receivable was initially measured at fair value as at the date of sale. Subsequent changes in fair value are recognised in profit or loss as DPN (expense) / income (Note B4).

The DPN 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, minus a greenhouse gas emissions intensity reduction incentive rate.

SCU has put in place a mechanism to monitor and manage the credit exposure via the rights provided in the DPN. A summary of the terms of the DPN are set out below and can also be found in Circular to Shareholders dated October 22, 2022:

- Under the DPN, SCU receives payment from the borrower (Tanweer Infrastructure SAOC);
- SCU has protective rights as a lender by way of covenants in the DPN (affirmative, negative and information) in line with common financing terms provided by project lenders;
- These covenants ensure that the borrower and the underlying project’s funding and operational activities do not negatively affect payments under the DPN and also impose obligations on the borrower to ensure that SEIL EIL continues to operate in accordance with the annual operating budget, contractual obligations and in compliance with applicable laws and standards.

The Group has continued to assess that it has no control over SEIL EIL and only retain risks as lender through the DPN provided to the Purchaser and corporate guarantee given over SEIL EIL’s borrowing facilities. The Group also assessed that the services provided as part of the TSA did not give rise to power to direct the relevant activities of SEIL EIL that result in the Group having control or any significant influence over the operating and financial decisions of SEIL EIL.

The balance as at December 31, 2025 of S\$1,291 million (2024: S\$1,581 million) included a fair value loss of S\$35 million (2024: gain of S\$169 million) for the period, net of receipts of S\$255 million (2024: S\$404 million) consisting of principal and interest repayments.

- Included in mutual funds are amounts of S\$11 million (2024: S\$14 million) pledged to secure loan facilities.

Notes to the Financial Statements

H. Other Disclosures (cont'd)

H2. Provisions

Accounting policies

A provision is an amount set aside based on reliable estimate to settle a probable legal or constructive obligation from a past event.

Key estimates and judgements

Estimates of the Group's obligations arising from contracts or regulations that exist as at balance sheet date may be affected by future events, which cannot be predicted with any certainty. The assumptions and estimates are made based on management's knowledge and experience and may vary from actual experience so that the actual liability may vary considerably from the best estimates.

Certain of the Group's subsidiaries are involved in claims, litigations, land disputes and other regulatory matters in certain countries at year end. Due to the nature of these disputes and matters, and in view of the uncertainty of the outcome, the Group believes that the amount of exposure cannot currently be reliably determined. Therefore, no provision has been recorded for these.

Provision for restoration cost

The provision recognised represents management's best estimate of the present value of the future costs required. Significant estimates and assumptions are made in determining the amount of restoration provisions. Those estimates and assumptions deal with uncertainties such as: changes to the relevant legal and regulatory framework; the timing, extent and costs required. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provisions recognised are periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs are recognised in the balance sheet by adjusting both the asset and provision. Such changes give rise to a change in future depreciation and interest charges.

Movements in provisions are as follows:

(\$ million)	Note	Restoration costs (i)	Maintenance obligations (ii)	Claims (iii)	Others (iv)	Total
Group						
2025						
At January 1		102	15	7	10	134
Translation adjustments		(2)	(1)	*	*	(3)
Provisions made during the year		16	7	2	4	29
Provisions reversed during the year		(1)	–	(4)	(1)	(6)
Provisions utilised during the year		(5)	(9)	–	(5)	(19)
Acquisition of subsidiaries		1	–	–	–	1
Disposal of subsidiaries		(1)	–	–	–	(1)
Transfer to liabilities held for sale		*	–	–	–	*
Unwind of accretion on restoration costs	C6	2	–	–	–	2
At December 31		112	12	5	8	137
Provisions due:						
– within 1 year		47	6	5	4	62
– after 1 year but within 5 years		11	6	–	–	17
– after 5 years		54	–	–	4	58
		112	12	5	8	137
2024						
At January 1		89	23	6	24	142
Translation adjustments		*	–	*	*	*
Provisions made during the year		15	3	8	*	26
Provisions reversed during the year		–	–	*	(9)	(9)
Provisions utilised during the year		(5)	(11)	(7)	(5)	(28)
Acquisition of subsidiaries		2	–	–	–	2
Transfer to liabilities held for sale		(2)	–	–	–	(2)
Unwind of accretion on restoration costs	C6	3	–	–	–	3
At December 31		102	15	7	10	134
Provisions due:						
– within 1 year		49	3	7	6	65
– after 1 year but within 5 years		2	12	–	–	14
– after 5 years		51	–	–	4	55
		102	15	7	10	134

Notes to the Financial Statements

H. Other Disclosures (cont'd)

H2. Provisions (cont'd)

(\$ million)	Restoration costs (i)	Claims (iii)	Total
Company			
2025			
At January 1	54	1	55
Provisions made during the year	5	–	5
Provisions reversed during the year	(1)	–	(1)
Provisions utilised during the year	(2)	–	(2)
Unwind of accretion on restoration costs	1	–	1
At December 31	57	1	58
Provisions due:			
– within 1 year	37	1	38
– after 5 years	20	–	20
	57	1	58
2024			
At January 1	51	1	52
Provisions made during the year	6	–	6
Provisions utilised during the year	(4)	*	(4)
Unwind of accretion on restoration costs	1	–	1
At December 31	54	1	55
Provisions due:			
– within 1 year	38	1	39
– after 5 years	16	–	16
	54	1	55

- i. Restoration costs relate to cost of dismantling and removing assets and restoring the premises to its original condition as stipulated in the agreements. The liability is expected to be incurred upon fulfilment of restoration obligation or termination of the lease.
- ii. Provision for maintenance obligation based on contractual obligations to maintain the infrastructure and equipment to specified levels of serviceability under the service concession agreements. These provisions are measured at the best estimate of the expenditure required and timing of outflows, to settle the present obligation at the end of each reporting period.
- iii. Provision for claims relates to the obligations arising from contractual and commercial arrangements in the Group's and the Company's operations, based on the best estimate of the possible outflow considering both contractual and commercial factors.
- iv. Others for the Group include remediation obligations of certain legacy sites in the UK, which are expected to be utilised within one to three years. This provision has been determined with reference to external quotes from suppliers as well as management's best estimate of the costs to complete the remediation works. During the year, S\$5 million (2024: S\$5 million) of the provision was utilised, resulting in a remaining provision of S\$2 million as at December 31, 2025 (2024: S\$7 million).

H3. Performance Guarantees

As at December 31, 2024, the Company has provided performance guarantees of S\$75 million on behalf of a subsidiary, Sembcorp Cogen Pte Ltd (SembCogen) for a long-term agreement entered in Year 2010 for the purchase of a total of 20 BBtud (Billion British thermal units per day) of liquefied natural gas (LNG) from Shell Gas Marketing Pte Ltd (Shell).

The agreement has a start date on September 1, 2015 and a term of 10 years. SembCogen has an option to extend the term by two successive periods of five years each, subject to fulfilment of conditions set in the agreement. The Company believes that the subsidiary has sufficient resources to fulfil its contractual obligations and does not consider it probable that a claim will be made against the Company under these guarantees, as such there were no liabilities recognised.

As at December 31, 2025, the contract was not renewed and the Company's obligations under this contract have been discharged.

H4. Subsequent Events

On January 30, 2026, at the Company's Extraordinary General Meeting held, the shareholders approved the proposed acquisition of certain shares in the issued share capital of Pioneer Sail Holdings Pty Limited and Latrobe Valley Power (Holdings) Pty Ltd, pursuant to a share sale agreement dated December 11, 2025. The proposed acquisition comprises a portfolio of energy businesses in Australia and New Zealand. Details of the proposed acquisition is set in the circular dated January 15, 2026. The acquisition is subject to regulatory approvals from the Australia's Foreign Investment Review Board and the Australian Competition and Consumer Commission.

H5. New or Revised Accounting Standards and Interpretations Not Yet Effective

The following new SFRS(I)s, amendments to and interpretations of SFRS(I)s are effective for annual periods beginning after January 1, 2025.

a. SFRS(I) 18: Presentation and Disclosure in Financial Statements

SFRS(I) 18 will replace SFRS(I) 1-1 Presentation of Financial Statements and applies for annual periods beginning on or after January 1, 2027. The new accounting standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

The Group is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosure required for MPMs.

b. Other accounting standards

Applicable to 2026 financial statements

- *Amendments to SFRS(I) 9 and SFRS(I) 7: Classification and Measurement of Financial Instrument*
- *Annual Improvements to SFRS(I)s — Volume 11*
- *Amendments to SFRS(I) 9 and SFRS(I) 7: Contracts Referencing Nature-dependent Electricity*

Applicable to 2027 financial statements

- *SFRS(I) 19: Subsidiaries without Public Accountability: Disclosures*

Mandatory effective date deferred

- *Amendments to SFRS(I) 10 Consolidated Financial Statements and SFRS(I) 1-28 Investments in Associates and Joint Ventures (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)*

The Group is still in the process of assessing the impact of the new SFRS(I)s, amendments to and interpretations of SFRS(I)s on the financial statements. The Group does not expect significant impact on the financial statements upon the adoption of these new SFRS(I)s.

Notes to the Financial Statements

I. Supplementary Information

11. Interested Person Transactions

(Under SGX-ST Listing Manual requirements)

For the purposes of Chapter 9 of the SGX-ST Listing Manual, shareholders' approval is required for any interested person transaction of a value equal to, or more than 5% of the Group's latest audited consolidated net tangible assets (NTA) or when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than 5% of the Group's latest NTA. For FY2025, the 5% Group's consolidated NTA as at December 31, 2024 was S\$217 million.

Chapter 9 however permits the Company to obtain a shareholders' mandate for recurrent transaction of a revenue or trading nature or those necessary for its day-to-day operations. At the Annual General Meeting held on April 2025, the Company obtained approval for such shareholders' mandate.

Transactions under shareholders' mandate

(\$ million)	Nature of relationship	Aggregate value of all interested person transactions under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than S\$100,000) 2025
Sale of Goods and Services		
Singapore Telecommunications Ltd and its Associates	Associate of	420.0
PSA International Pte Ltd and its Associates	Temasek Holdings	6.1
Olam International Ltd and its Associates	(Private) Limited,	5.5
Singapore Power Limited and its Associates	the controlling	3.0
SMRT Corporation Ltd and its Associates	shareholder of	0.6
Temasek Trust Ltd	the Company	0.2
SATS Ltd and its Associates	↓	0.1
		435.5
Purchase of Goods and Services		
Singapore Technologies Engineering Ltd and its Associates	Associate of	47.0
Starhub Ltd and its Associates	Temasek Holdings	7.9
Singapore Power Limited and its Associates	(Private) Limited,	1.9
PSA International Pte Ltd and its Associates	the controlling	1.5
Surbana-Jurong Private Limited and its Associates	shareholder of	1.1
SATS Ltd and its Associates	the Company	0.8
Constellar Holdings Pte Ltd	↓	0.6
Singapore Telecommunications Ltd and its Associates		0.1
SMRT Corporation Ltd and its Associates	↓	0.1
		61.0
Total		496.5

There are no interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920).

12. List of Properties

Urban

Description	Type	Land tenure	Gross floor area (sq m)	Group's effective interest	Status
China					
<i>Industrial & Business Properties</i>					
1. Global Sustainability Hub, Nanjing	Office & exhibition centre	Leasehold 50 years from 2015	36,489 ¹	100%	Completed development
2. Jiangdao Intelligent Cube, Nanjing	Office & business park	Leasehold 50 years from 2012	72,035	21.5%	Completed development
3. Jiangdao Technology Innovation Centre, Nanjing	Office & exhibition centre	Leasehold 50 years from 2012	49,340	21.5%	Completed development
4. Wuxi-Singapore Industrial Park	Ready-built factories	Leasehold 50 years from 1995	535,853	45.4%	Completed development
5. Wuxi-Singapore Industrial Park	Built-to-specs factories	Leasehold 50 years from 2011	118,202	45.4%	Completed development
6. Wuxi-Singapore Industrial Park	Office & amenities	Leasehold 50 years from 1996	11,004	45.4%	Completed development
7. Wuxi-Singapore Industrial Park	Office	Leasehold 50 years from 1999	3,910	45.4%	Completed development
8. Wuxi-Life Science Park Phase 1	Ready-built factories	Leasehold 50 years from 2022	60,655	45.4%	Completed development
9. Wuxi-Singapore Industrial Park	Built-to-specs factories	Leasehold 50 years from 1995	12,940	45.4%	Completed development
<i>Commercial & Residential Properties</i>					
1. Jiangdao Xin Tiandi, Nanjing	Retail	Leasehold 40 years from 2012	51,644	21.5%	Completed development
2. Jiangdao Hua Ting, Nanjing	Residential	Leasehold 70 years from 2012	3,087	21.5%	Completed development
3. Modena by Fraser, Wuxi New District	Service apartment	Leasehold 40 years from 2008	11,056	45.4%	Completed development
4. Chengdu Innovation & Technology Centre	Office & retail	Leasehold 40 years from 2022	87,501	50.0%	Completed development
Indonesia					
<i>Industrial & Business Properties</i>					
1. Kendal Industrial Park, Central Java	Ready-built factories	Leasehold 30 years from 2015	1,836	49.0%	Completed development

¹ Gross floor area excludes carpark and basement area

Notes to the Financial Statements

I. Supplementary Information (cont'd)

12. List of Properties (cont'd)

Urban (cont'd)

Description	Type	Land tenure	Net lettable / saleable area (sq m)	Group's effective interest	Status
Vietnam					
<i>Industrial & Business Properties</i>					
1. VSIP Binh Duong I	Ready-built factories	Leasehold 50 years from 1996	57,621	49.3%	Completed development
2. VSIP Binh Duong II	Ready-built factories	Leasehold 50 years from 2005	25,024	49.3%	Completed development
3. VSIP Binh Duong II-A	Ready-built factories	Leasehold 50 years from 2008	85,952	49.3%	Completed development
4. VSIP Nghe An	Ready-built factories	Leasehold 50 years from 2015	8,810	49.3%	Completed development
5. VSIP Binh Duong – Hai Phong Branch	Ready-built factories	Leasehold 50 years from 2008	35,324	49.3%	Completed development
6. VSIP Bac Ninh	Ready-built factories	Leasehold 50 years from 2007	37,826	46.5%	Completed development
7. VSIP Bac Ninh Flatted Factory	Flatted factory	Leasehold 50 years from 2007	15,583	46.5%	Completed development
8. VSIP Binh Duong III	Ready-built factories	Leasehold 43 years from 2024	215,370	49.3%	Under development
9. Sembcorp Logistics Park Hai Phong Phase I	Warehouses	Leasehold 44 years from 2014	15,000	52.5%	Completed development
10. Sembcorp Logistics Park Hai Phong Phase II	Warehouses	Leasehold 43 years from 2016	14,279	52.5%	Completed development
11. Sembcorp Logistics Park Hai Phong Phase III	Warehouses	Leasehold 40 years from 2018	13,200	52.5%	Completed development
12. Sembcorp Logistics Park Hai Duong	Warehouses	Leasehold 38 years from 2020	13,176	52.5%	Completed development
13. Sembcorp Logistics Park Quang Ngai	Warehouses	Leasehold 60 years from 2022	33,600	52.5%	Completed development
14. Sembcorp Logistics Park Nghe An	Warehouses	Leasehold 43 years from 2022	39,390	52.5%	Completed development
15. Sembcorp Logistics Park Thuy Nguyen	Warehouses	Leasehold 34 years from 2024	19,829	52.5%	Completed development
16. Sembcorp Logistics Park Dinh Vu	Warehouses	Leasehold 34 years from 2024	83,260	52.5%	Under development
17. Sembcorp Logistics Park Bac Ninh I	Warehouses	Leasehold 47 years from 2024	61,864	100%	Under development
18. Sembcorp Logistics Park Binh Duong	Warehouses	Leasehold 43 years from 2024	77,080	100%	Under development
19. Sembcorp Logistics Park Nam Dinh	Warehouses	Leasehold 35 years from 2024	87,877	100%	Under development

Description	Type	Land tenure	Net lettable / saleable area (sq m)	Group's effective interest	Status
20. Sembcorp Logistics Park Hai Duong II	Warehouses	Leasehold 46 years from 2025	37,825	100%	Under development
21. Sembcorp Logistics Park Ha Nam I	Warehouses	Leasehold 62 years from 2025	58,764	100%	Under development
22. Sembcorp Logistics Park Hung Yen I	Warehouses	Leasehold 33 years from 2025	48,941	100%	Under development
23. Sembcorp Logistics Park Bac Ninh II	Warehouses	Leasehold 46 years from 2025	71,541	100%	Under development
24. Sembcorp Logistics Park Bac Ninh IV	Warehouses	Leasehold 35 years from 2025	81,400	100%	Under development

Commercial & Residential Properties

1. VSIP Binh Duong II-A	Retail	Leasehold 50 years from 2008	1,118	49.3%	Completed development
2. VSIP Plaza, Quang Ngai	Retail	Leasehold 50 years from 2015	3,062	49.3%	Completed development
3. VSIP Hai Phong	Retail	Leasehold 50 years from 2008	233	46.5%	Completed development
4. VSIP Bac Ninh	Shophouses	Leasehold 50 years from 2007	680	46.5%	Completed development
5. Sun Casa, Binh Duong	Residential & shophouses	Leasehold 50 years from 2008	1,524	49.3%	Completed development
6. Sun Casa Central I, Binh Duong	Residential & shophouses	Leasehold 50 years from 2009	7,372	49.3%	Completed development
7. Sun Casa Central II, Binh Duong	Residential & shophouses	Leasehold 50 years from 2009	6,876	49.3%	Under development
8. Sun Square, Binh Duong	Residential & shophouses	Leasehold 50 years from 2009	10,752	49.3%	Completed development
9. The Habitat Binh Duong Phase II	Residential & retail	Leasehold 45 years from 2018	431	51.6%	Completed development
10. The Habitat Binh Duong Phase III	Residential & retail	Leasehold 44 years from 2019	12,805	51.6%	Completed development

Corporate and Others

Description	Type	Land tenure	Net lettable / saleable area (sq m)	Group's effective interest
Singapore				
30 Hill Street	Office	Freehold land and building	11,410	100%