

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.

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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.

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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