SEMBCORP INDUSTRIES LTD
Registration Number: 199802418D

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT FOR THE HALF-YEAR ENDED JUNE 30, 2026

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UNAUDITED RESULTS FOR THE HALF-YEAR ENDED JUNE 30, 2026

The Board of Directors of Sembcorp Industries Ltd wishes to announce the following unaudited results of the Group for the half-year ended June 30, 2026.

In June 2026, the Group acquired 100% of the shares in Pioneer Sail Holdings Pte Ltd and Latrobe Valley Power (Holdings) Pty Ltd, collectively "Alinta", a leading integrated energy provider. Alinta was consolidated from June 1, 2026, the acquisition date on which the Group obtained control, and the acquisition was accounted for using the acquisition method (Note 7b).

1. CONSOLIDATED INCOME STATEMENT

	Note	GROUP 1H2026	GROUP 1H2025	+ / (-) %
(S$ million)				
Turnover	3a	**3,771**	**2,942**	**28**
Cost of sales		(3,147)	(2,241)	40
Gross profit		**624**	**701**	**(11)**
General & administrative expenses		(231)	(235)	(2)
Other operating income, net		37	31	19
Non-operating income		1	116	(99)
Non-operating expenses		(157)	(7)	NM
Finance income		14	12	17
Finance costs		(221)	(189)	17
Share of results of associates and joint ventures, net of tax	3d	179	211	(15)
Profit before tax		**246**	**640**	**(62)**
Tax expense		(82)	(88)	(7)
Profit for the period	4	**164**	**552**	**(70)**
Attributable to:				
Owners of the Company		150	536	(72)
Non-controlling interests (NCI)		14	16	(13)
		164	**552**	**(70)**
Earnings per ordinary share (cents)				
(i) Basic		8.43	30.13	(72)
– *Weighted average number of shares (in million)*		*1,779.6*	*1,779.2*	*
(ii) Diluted		8.36	29.73	(72)
– *Weighted average number of shares adjusted for all dilutive potential shares (in million)*		*1,794.7*	*1,802.8*	*(1)*

RECONCILIATION OF NET PROFIT FOR PERFORMANCE REVIEW (NOTE 3d)

	1H2026	1H2025	+ / (-) %
Profit for the period attributable to Owners of the Company	150	536	(72)
Adjustment for:			
Change in fair value of energy derivatives, net of tax	10	–	NM
Change in deferred payment note foreign exchange (DPN FX)	57	95	(40)
Exceptional items (EI), net of tax	152	(140)	NM
Net profit – Underlying	**369**	**491**	**(25)**

1H2026 EI included transaction costs of S$155 million for the acquisition of Alinta and gain on sale of a water business in China.
1H2025 EI mainly comprised gain from Singapore divestment of its waste management subsidiaries, partly offset by a fair value loss of India's contingent considerations from prior acquisition.

* Denotes amount of less than S$1 million or less than 1%
NM Not meaningful

2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(S$ million)	Note	GROUP 1H2026	1H2025	+ / (-) %
Profit for the period		**164**	**552**	**(70)**
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences for foreign operations	(i)	(15)	(332)	(95)
Exchange differences on monetary items forming part of net investment in foreign operation		*	1	NM
Change in fair value of cash flow hedges	(ii)	169	(92)	NM
Change in fair value of cash flow hedges reclassified to profit or loss		(43)	(9)	NM
Change in fair value of cash flow hedges reclassified to cost of investment of a subsidiary		(54)	–	NM
Realisation of reserves upon disposal of investments		(5)	–	NM
Share of other comprehensive income of associates and joint ventures	(iii)	16	(7)	NM
Income tax relating to these items		(11)	12	NM
		57	(427)	NM
Items that may not be reclassified subsequently to profit or loss:				
Defined benefit plan actuarial gains and losses		*	*	*
Change in fair value of financial assets at fair value through other comprehensive income (FVOCI)		(1)	(3)	(67)
Other comprehensive income for the period, net of tax		56	(430)	NM
Total comprehensive income for the period		**220**	**122**	**80**
Attributable to:				
Owners of the Company		206	126	63
Non-controlling interests		14	(4)	NM
Total comprehensive income for the period		**220**	**122**	**80**

(i) Foreign currency translation loss for 1H2026 mainly arose from the depreciation of the Australian Dollar (AUD) and Indian Rupee (INR), offset by the appreciation of Chinese Renminbi (RMB) against SGD. 1H2025 currency loss mainly arose from the depreciation of RMB, INR and United States Dollar (USD) against SGD.

(ii) Fair value changes were mainly due to mark-to-market changes from foreign exchange forward contracts, foreign currency swaps, fuel oil swaps, interest rate swaps and other energy derivatives.

(iii) These were mainly related to the share of associates and joint ventures' changes in fair value on fuel oil swaps and interest rate swaps.

3. SEGMENT INFORMATION

Operating segments

The Group determines its reportable segments based on the internal reports reviewed by the executive management team for resource allocation and performance assessment. Following the acquisition of Alinta in 1H2026, Alinta is reported as a separate operating segment, reflecting the Group's current management and performance review structure. The Group's businesses are now categorised into six reportable segments as follows:

(i) 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) The Alinta segment includes the development, ownership and management of power generation assets and the wholesale and retail sale of electricity and gas in Australia.

(iii) 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.

(iv) 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.

(v) 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) businesses.

(vi) 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.

3a. Turnover and disaggregation of revenue from contracts with customers

(S$ million)	Gas and Related Services	Alinta	Renew-ables	Integrated Urban Solutions	Decarb-onisation Solutions	Other Business-es and Corporate	Elimi-nation	Total
1H2026								
Turnover								
External sales	2,573	357	421	108	20	292	–	3,771
Inter-segment sales	9	–	43	*	18	6	(76)	–
Total	**2,582**	**357**	**464**	**108**	**38**	**298**	**(76)**	**3,771**
Major product / service lines								
Provision of energy products and related services (including electricity, gas and steam)	2,327	274	401	–	–	*	–	3,002
Provision of water products, reclamation of water and industrial wastewater treatment	74	–	4	88	–	–	–	166
Service concession revenue	120	–	–	7	–	–	–	127
Construction and engineering related activities	–	–	–	1	–	224	–	225
Sale of environmental attributes	–	10	11	–	20	–	–	41
Others	52	73	5	6	–	68	–	204
Total revenue from contracts with customers	**2,573**	**357**	**421**	**102**	**20**	**292**	**–**	**3,765**
Rental income	–	–	*	6	–	–	–	6
Total external sales	**2,573**	**357**	**421**	**108**	**20**	**292**	**–**	**3,771**
Timing of revenue recognition								
Over time	2,375	347	409	101	–	226	–	3,458
At a point in time	198	10	12	1	20	66	–	307
Total revenue from contracts with customers	**2,573**	**357**	**421**	**102**	**20**	**292**	**–**	**3,765**

3. SEGMENT INFORMATION (Cont'd)

3a. Turnover and disaggregation of revenue from contracts with customers (Cont'd)

(S$ million)	Gas and Related Services	Alinta	Renew-ables	Integrated Urban Solutions	Decarb-onisation Solutions	Other Business-es and Corporate	Elimi-nation	Total
1H2025								
Turnover								
External sales	2,093	–	431	134	24	260	–	2,942
Inter-segment sales	10	–	30	6	10	6	(62)	–
Total	**2,103**	**–**	**461**	**140**	**34**	**266**	**(62)**	**2,942**
Major product / service lines								
Provision of energy products and related services (including electricity, gas and steam)	1,860	–	429	–	–	*	–	2,289
Provision of water products, reclamation of water and industrial wastewater treatment	68	–	–	86	–	–	–	154
Solid waste management	–	–	–	33	–	–	–	33
Service concession revenue	114	–	–	3	–	–	–	117
Construction and engineering related activities	–	–	–	–	–	230	–	230
Sale of environmental attributes	–	–	2	–	24	–	–	26
Others	51	–	*	7	–	30	–	88
Total revenue from contracts with customers	**2,093**	**–**	**431**	**129**	**24**	**260**	**–**	**2,937**
Rental income	–	–	*	5	–	*	–	5
Total external sales	**2,093**	**–**	**431**	**134**	**24**	**260**	**–**	**2,942**
Timing of revenue recognition								
Over time	2,093	–	428	128	–	232	–	2,881
At a point in time	–	–	3	1	24	28	–	56
Total revenue from contracts with customers	**2,093**	**–**	**431**	**129**	**24**	**260**	**–**	**2,937**

The Group's turnover for 1H2026 increased by 28% to S$3,771 million from S$2,942 million in 1H2025, primarily driven by higher contributions from the Gas and Related Services segment in Singapore on the back of higher energy prices, as well as the consolidation of Alinta's revenue following its acquisition.

3. SEGMENT INFORMATION (Cont'd)

3b. Segment performance

(S$ million)	Gas and Related Services	Alinta	Renew-ables	Integrated Urban Solutions	Decarb-onisation Solutions	Other Business-es and Corporate	Elimi-nation	Total
1H2026								
Results – Underlying[1]								
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	305	35	363	40	(8)	46	(13)	768
Share of results of associates and joint ventures, net of tax	108	*	18	53	*	–	–	179
Adjusted EBITDA	**413**	**35**	**381**	**93**	**(8)**	**46**	**(13)**	**947**
Depreciation and amortisation	(67)	(17)	(167)	(14)	*	(5)	–	(270)
Finance income	11	2	6	7	*	24	(36)	14
Finance costs	(30)	(16)	(107)	(7)	–	(97)	36	(221)
Profit / (Loss) before tax	**327**	**4**	**113**	**79**	**(8)**	**(32)**	**(13)**	**470**
Tax (expense) / credit	(35)	1	(29)	(12)	*	(12)	–	(87)
NCI	(7)	–	(2)	(5)	*	–	–	(14)
Net Profit / (Loss)[2]	**285**	**5**	**82**	**62**	**(8)**	**(44)**	**(13)**	**369**
Capital expenditure[3]	**92**	**27**	**117**	**3**	**1**	**2**	**–**	**242**
1H2025								
Results – Underlying								
EBITDA	357	–	359	39	(13)	55	(8)	789
Share of results of associates and joint ventures, net of tax	110	–	39	62	*	–	–	211
Adjusted EBITDA	**467**	**–**	**398**	**101**	**(13)**	**55**	**(8)**	**1,000**
Depreciation and amortisation	(66)	–	(141)	(14)	*	(7)	–	(228)
Finance income	13	–	4	6	*	24	(35)	12
Finance costs	(32)	–	(95)	(6)	*	(91)	35	(189)
Profit / (Loss) before tax	**382**	**–**	**166**	**87**	**(13)**	**(19)**	**(8)**	**595**
Tax expense	(46)	–	(20)	(9)	*	(13)	–	(88)
NCI	(6)	–	(6)	(4)	–	*	–	(16)
Net Profit / (Loss)	**330**	**–**	**140**	**74**	**(13)**	**(32)**	**(8)**	**491**
Capital expenditure	**114**	**–**	**286**	**3**	**5**	**4**	**–**	**412**

[1] Results – Underlying refers to results before exceptional items, change in DPN FX and change in fair value on energy derivatives
[2] Net Profit / (Loss) refers to profit / (loss) attributable to Owners of the Company
[3] Includes additions of property, plant and equipment (PPE) and intangible assets, excluding carbon allowances

The elimination at EBITDA reflects unrealised profits arising from the sale of Environmental Attributes across segments, with a corresponding reduction in segment assets.

3. SEGMENT INFORMATION (Cont'd)

3c. Segment assets and liabilities

(S$ million)	Gas and Related Services	Alinta	Renew-ables	Integrated Urban Solutions	Decarb-onisation Solutions	Other Business-es and Corporate	Elimi-nation	Total
As at June 30, 2026								
Assets								
Segment assets	5,350	7,201	8,178	1,496	79	4,280	(4,330)	22,254
Interests in associates and joint ventures	859	56	1,230	1,136	*	–	–	3,281
Tax assets	26	18	76	16	*	25	–	161
	6,235	**7,275**	**9,484**	**2,648**	**79**	**4,305**	**(4,330)**	**25,696**
Assets held for sale	–	–	15	–	–	–	–	15
Total assets	**6,235**	**7,275**	**9,499**	**2,648**	**79**	**4,305**	**(4,330)**	**25,711**
Liabilities								
Segment liabilities	2,799	4,066	5,940	653	37	9,842	(4,317)	19,020
Tax liabilities	302	108	406	14	*	66	–	896
	3,101	**4,174**	**6,346**	**667**	**37**	**9,908**	**(4,317)**	**19,916**
Liabilities held for sale	–	–	2	–	–	–	–	2
Total liabilities	**3,101**	**4,174**	**6,348**	**667**	**37**	**9,908**	**(4,317)**	**19,918**
As at December 31, 2025								
Assets								
Segment assets	4,946	–	8,502	1,374	89	3,664	(3,331)	15,244
Interests in 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**

Total assets increased by S$7.3 billion to S$25.7 billion in 1H2026, mainly due to the acquisition of Alinta, based on provisional fair values (see Note 7b). Alinta's segment assets were primarily attributable to intangible asset of S$3.0 billion, property plant and equipment of S$2.4 billion and trade receivable of S$1.0 billion.

Total liabilities increased by S$7.4 billion to S$19.9 billion, mainly reflecting the consolidation of Alinta's liabilities of S$4.2 billion and an increase of S$3.1 billion in Corporate segment liabilities to fund the acquisition.

3. SEGMENT INFORMATION (Cont'd)

3d. Review of Group's performance

(S$ million)	1H2026	1H2025	+ / (-)	%
EBITDA – Underlying	**768**	**789**	**(21)**	**(3)**
Share of results of associates and joint ventures, net of tax	179	211	(32)	(15)
Adjusted EBITDA – Underlying	**947**	**1,000**	**(53)**	**(5)**
Depreciation and amortisation	(270)	(228)	(42)	18
Finance expense, net	(207)	(177)	(30)	17
Tax and NCI	(101)	(104)	3	(3)
Net Profit – Underlying	**369**	**491**	**(122)**	**(25)**

1H2026 underlying EBITDA declined mainly due to lower contributions from the Gas and Related Services (GRS) and Other Businesses/Corporate segments, partly offset by earnings contributions from Alinta post-acquisition.

Earnings from associates and joint ventures decreased across GRS, Renewables and Integrated Urban Solutions (IUS), driven by gas curtailment in Singapore following a force majeure declaration by a gas supplier, lower renewable energy generation in China arising from weaker renewable resources, and lower land sales in Indonesia.

The decline in operating earnings from both the Group's businesses and its associates and joint ventures, together with higher depreciation and amortisation arising from the commencement of commercial operations of additional renewable energy assets and higher net finance costs relating to the consolidation of Alinta, including acquisition-related financing costs, resulted in underlying net profit decreasing by S$122 million to S$369 million.

3e. Review of segment performance based on underlying results

Gas and Related Services (GRS)

Adjusted EBITDA
Adjusted EBITDA of S$413 million in 1H2026 was S$54 million, or 12%, lower than in 1H2025.

In Singapore, earnings were impacted by lower vesting volumes and spark spreads, gas curtailment at an associated company following a force majeure declaration by a gas supplier under a legacy gas contract, and the absence of one-off gains from settlement of claims relating to dispute resolutions and cargo diversion activities recorded in the previous year. In the UK, earnings declined due to lower wholesale power prices and lower customer demand, as well as the cessation of fixed-fee income following the decommissioning of a customer's plant in December 2025. The decline was partially mitigated by higher contributions from China and Myanmar.

Net Profit
Net profit of S$285 million in 1H2026 was S$45 million, or 14%, lower than in 1H2025, in line with the lower adjusted EBITDA.

Alinta

Adjusted EBITDA
Adjusted EBITDA of S$35 million for the one-month period in June 2026 was impacted by transitional costs associated with the close-out of certain derivative positions immediately following the acquisition. As such, the reported performance is not reflective of the business's normalised earnings run rate.

Net Profit
Net profit of S$5 million included financing costs incurred in Australia in connection with the acquisition funding arrangements.

Renewables

Adjusted EBITDA
Adjusted EBITDA for 1H2026 was S$381 million, down 4% year-on-year from S$398 million in 1H2025.

The decline was mainly attributable to weaker renewable resources in China and India, resulting in lower generation, as well as lower tariffs in China, the withdrawal of the value-added tax refund policy for onshore wind projects and lower average battery market prices in the UK Energy Storage business. These impacts were partly mitigated by operating cost efficiencies and contributions from newly commissioned assets.

3. SEGMENT INFORMATION (Cont'd)

3e. Review of segment performance based on underlying results (Cont'd)

Renewables (Cont'd)

Net Profit
Net profit for 1H2026 was S$82 million, down 41% year-on-year from S$140 million in 1H2025.

The decline was mainly driven by lower adjusted EBITDA, as well as higher finance costs and depreciation arising from the full-period impact of newly commissioned assets in Oman and China. Earnings were also affected by the absence of a one-off deferred tax liability reversal recognised in 1H2025 and a one-off tax charge related to a capital restructuring exercise in India.

Integrated Urban Solutions (IUS)

Adjusted EBITDA
1H2026 adjusted EBITDA of S$93 million was S$8 million, or 8% lower than 1H2025.

The lower adjusted EBITDA was primarily driven by the lumpy timing of land sales in the Urban business and the absence of earnings contribution from the waste management business following the divestment of SembWaste in March 2025. These factors were partially mitigated by higher residential unit sales in the Urban business and increased contribution from the China water business, driven by higher volumes.

Net Profit
1H2026 IUS' net profit of S$62 million was S$12 million lower than 1H2025, primarily due to the lower adjusted EBITDA and higher withholding tax.

Decarbonisation Solutions

Net Loss
1H2026 net loss narrowed to S$8 million from S$13 million in 1H2025, representing an improvement of S$5 million or 38%, mainly due to cost containment measures.

Other Businesses and Corporate

(S$ million)	**1H2026**	**1H2025**	**+ / (-)**	**%**
Adjusted EBITDA	**46**	**55**	**(9)**	**(16)**
- Other Businesses	*24*	*28*		
- Net corporate costs	*(30)*	*(38)*		
- DPN income	*52*	*65*		
Net Loss – Underlying	**(44)**	**(32)**	**(12)**	**38**
- Other Businesses	*19*	*21*		
- Net corporate costs	*(40)*	*(46)*		
- Corporate finance costs	*(75)*	*(72)*		
- DPN income	*52*	*65*		

Adjusted EBITDA
Adjusted EBITDA decreased by S$9 million, or 16%, to S$46 million in 1H2026.

The decline was mainly attributable to lower contribution from Other Businesses due to the timing of project milestones achieved in the specialised construction business and lower DPN income (Note 4(ix)). This was partially offset by lower net corporate costs arising from cost management initiatives and higher foreign exchange gains.

Net Loss
Net loss increased to S$44 million in 1H2026, mainly due to lower adjusted EBITDA, the absence of a tax provision write-back recognised upon settlement in 1H2025, and higher finance costs, mainly relating to the financing of the Alinta acquisition.

3. SEGMENT INFORMATION (Cont'd)

3f. Geographical segments

The Group's geographical segments comprise nine principal geographical areas: Singapore, Australia (following the acquisition of Alinta in June 2026), China, India, Vietnam, the UK, Oman, Rest of Middle East and Rest of Asia. Segment revenue is presented based on the geographical location of customers, while segment assets and total assets are presented based on the geographical location of the assets.

	Turnover				Capital Expenditure			
	1H2026		1H2025		1H2026		1H2025	
(S$ million)		%		%		%		%
Singapore	2,625	70	2,082	71	125	52	192	46
Australia	355	9	1	*	27	11	–	–
UK	209	5	267	9	7	3	16	4
China	187	5	199	7	3	1	4	1
India	180	5	193	7	64	27	152	37
Oman	34	1	32	1	14	6	45	11
Vietnam	33	1	30	1	1	*	*	*
Rest of Middle East	7	*	7	*	–	–	–	–
Rest of Asia	135	4	129	4	1	*	3	1
Other countries	6	*	2	*	–	–	–	–
Total	**3,771**	**100**	**2,942**	**100**	**242**	**100**	**412**	**100**

	Non-current Assets				Total Assets			
	As at June 30, 2026		As at December 31, 2025		As at June 30, 2026		As at December 31, 2025	
(S$ million)		%		%		%		%
Australia	5,704	28	–	–	7,313	28	–	–
Singapore	4,500	22	4,824	31	5,870	23	5,868	32
China	3,823	18	3,728	24	4,687	18	4,632	25
India	3,052	15	3,181	21	3,410	13	3,531	19
Vietnam	1,324	6	1,239	8	1,459	6	1,359	7
UK	798	4	836	5	968	4	1,023	6
Oman	722	3	703	5	797	3	745	4
Rest of Middle East	133	1	123	1	142	1	133	1
Rest of Asia	663	3	688	5	1,044	4	1,059	6
Other countries	19	*	18	*	21	*	79	*
Total	**20,738**	**100**	**15,340**	**100**	**25,711**	**100**	**18,429**	**100**

4. NOTES TO THE CONSOLIDATED INCOME STATEMENT

Profit for the period includes:

(S$ million)	Note	GROUP 1H2026	1H2025	+ / (-) %
Expenses				
Materials	(i)	(2,368)	(1,533)	54
Depreciation and amortisation	(ii)	(270)	(227)	19
Sub-contract cost		(178)	(189)	(6)
Carbon tax allowance	(iii)	(68)	(49)	39
Repair and maintenance		(33)	(33)	–
Allowance for expected credit loss, net		(6)	(6)	–
Impairment and write-off of assets		(1)	(1)	–
(Allowance for) / write-back of allowance for inventory obsolescence, net		(2)	*	NM
Other operating income, net				
Gain on derecognition of leases	(iv)	49	–	NM
Contractor-related liquidated damages		9	14	(36)
Foreign exchange gain / (loss), net		5	(22)	NM
Changes in fair value of investment properties		4	1	NM
Provision for removal obligations	(v)	(37)	–	NM
Changes in fair value of financial instruments	(vi)	(10)	5	NM
Other income	(vii)	17	34	(50)
Non-operating (expenses) / income, net				
Acquisition-related costs	(viii)	(155)	–	NM
DPN expense	(ix)	(5)	(30)	(83)
Gain on disposal of investments	(x)	6	145	(96)
Change in fair value of contingent consideration		–	(2)	NM
Change in fair value of other financial assets		(2)	(4)	(50)
Finance income / (cost)				
Finance income		14	12	17
Finance costs	(xi)	(221)	(189)	17
Included in finance costs:				
Interest paid and payable to banks and others		(193)	(178)	8
Interest expense on lease liabilities		(13)	(10)	30
Amortisation of capitalised transaction costs		(9)	(5)	80
Unwind of discount on restoration costs and financing component from contracts with customers		(4)	(3)	33
Fair value changes of interest rate swaps		(2)	7	NM
Tax expense	(xii)			
Current tax expense				
Current year		(60)	(79)	(24)
Over-provision in prior years		1	8	(88)
Foreign withholding tax		(6)	(2)	NM
Deferred tax expense				
Movements in temporary differences		(11)	(4)	NM
Under-provision in prior years		(4)	(8)	(50)
Pillar 2 tax expense – Qualified IIR and QDMTT		(2)	(3)	(33)

4. NOTES TO THE CONSOLIDATED INCOME STATEMENT (Cont'd)

(i) The increase in material costs was primarily attributable to higher turnover from the Gas and Related Services segment in Singapore, as well as the consolidation of Alinta.

(ii) The increase in depreciation and amortisation expenses was mainly attributable to the commissioning of additional renewable energy capacity in Singapore and China, together with the impact of the consolidation of Alinta.

(iii) The amount reflects costs incurred to comply with Singapore's carbon tax, UK Emissions Trading Scheme (UK ETS) and UK Carbon Price Support (CPS) mechanism.

(iv) During 1H2026, the Group reviewed additional information and determined that certain arrangements no longer met the definition of a lease under SFRS(I) 16, as the supplier has substantive substitution rights over the relevant assets. Accordingly, the Group derecognised right-of-use (ROU) assets of S$398 million (Note 5b) and lease liabilities of S$447 million (Note 5), resulting in a gain of S$49 million recognised in other operating income.

(v) During 1H2026, management identified additional evidence indicating that removal obligations may arise under certain customer outcomes upon maturity of the power purchase agreements. Accordingly, the provision for removal obligations was remeasured in accordance with SFRS(I) 1-37 using an expected-value approach.

(vi) Changes in the fair value of financial instruments were mainly from foreign exchange forward contracts and cross-currency swaps used for managing the Group's foreign currency exposures and interest costs. The corresponding net effects from revaluation of assets and liabilities in foreign currencies were recorded under foreign exchange loss, net.

(vii) Other income for 1H2026 primarily comprised facility leasing income, insurance recoveries, grant income and corporate guarantee fee income.

In 1H2025, other income primarily comprised proceeds from the settlement of claims relating to dispute resolutions, customer late-payment charges, grant income and corporate guarantee fee income.

(viii) Acquisition-related expenses primarily comprised stamp duty, insurance and professional fees incurred in relation to the acquisition of Alinta.

(ix) DPN expense represents the change in fair value of the DPN. For 1H2026, this included income of S$52 million (1H2025: S$65 million) and a foreign exchange loss of S$57 million (1H2025: foreign exchange loss of S$95 million).

(x) 1H2026 disposal gains were primarily attributable to the disposal of a subsidiary within the Group's water business in China. In 1H2025, disposal gains were primarily attributable to the disposal of waste management subsidiaries in Singapore.

(xi) Higher interest expense was mainly attributable to higher average gross borrowings as well as the consolidation of Alinta's financing costs.

(xii) Excluding non-deductible acquisition transactional costs and corporate expenses, the Group's effective tax rate for 1H2026 was approximately 21% (1H2025: 21%).

In 1H2026, the Group recognised an under-provision of deferred tax in respect of prior years, arising mainly from adjustments to the tax treatment of capitalised borrowing costs.

The Group is within scope of the OECD Pillar Two ("Pillar Two") tax legislation. In 1H2026, the Group recognised an estimated current tax expense of S$2 million relating to Pillar Two taxes (1H2025: S$3 million).

In accordance with SFRS(I) 1-12 Income Taxes, the Group has applied the mandatory exception from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The Group continues to monitor legislative developments and refine its assessment as further guidance becomes available.

5. BALANCE SHEETS

The movements in the Group's assets and liabilities as at June 30, 2026 were primarily driven by the consolidation of Alinta. The recognised amounts are based on provisional fair values assigned under the purchase price allocation and remain subject to measurement period adjustments. Please refer to Note 7b for further details.

		GROUP		COMPANY	
(S$ million)	**Note**	**As at June 30, 2026**	**As at December 31, 2025**	**As at June 30, 2026**	**As at December 31, 2025**
Property, plant and equipment	5b	10,609	8,714	417	427
Investment properties	5c	468	356	–	–
Intangible assets	5d	3,906	952	29	30
Investments in subsidiaries		–	–	2,242	2,238
Associates and joint ventures	5e	3,281	3,027	–	–
Trade and other receivables		978	785	2	*
DPN receivable	5f	1,234	1,291	–	–
Other investments and derivative assets	5g	182	133	1	*
Deferred tax assets		80	82	–	–
Non-current assets		**20,738**	**15,340**	**2,691**	**2,695**
Inventories		258	130	4	6
Trade and other receivables		3,001	1,689	144	165
Contract assets		38	31	–	–
Other investments and derivative assets	5g	326	113	*	3
Contract costs		1	*	–	–
Cash and cash equivalents		1,334	1,109	101	164
Current assets		**4,958**	**3,072**	**249**	**338**
Assets held for sale		15	17	–	–
Total assets		**25,711**	**18,429**	**2,940**	**3,033**
Trade and other payables		2,315	1,411	122	144
Contract liabilities		171	161	2	2
Derivative liabilities	5g	171	53	1	*
Provisions		85	62	32	38
Current tax payable		119	149	23	26
Lease liabilities		18	59	6	6
Loans and borrowings	5a	1,420	1,057	–	–
Current liabilities		**4,299**	**2,952**	**186**	**216**
Liabilities held for sale		2	2	–	–
Net current assets		**672**	**135**	**63**	**122**
Other long-term payables		100	97	1,460	1,375
Contract liabilities		87	78	31	32
Derivative liabilities	5g	168	117	*	–
Provisions		431	75	21	20
Deferred tax liabilities		777	655	22	23
Lease liabilities		284	688	98	107
Loans and borrowings	5a	13,770	7,899	–	–
Non-current liabilities		**15,617**	**9,609**	**1,632**	**1,557**
Total liabilities		**19,918**	**12,563**	**1,818**	**1,773**
Net assets		**5,793**	**5,866**	**1,122**	**1,260**

5. BALANCE SHEETS (Cont'd)

	GROUP		COMPANY	
(S$ million)	**As at June 30, 2026**	**As at December 31, 2025**	**As at June 30, 2026**	**As at December 31, 2025**
Equity attributable to Owners of the Company:				
Share capital	566	566	566	566
Other reserves	(930)	(990)	(119)	(118)
Revenue reserve	5,830	5,967	675	812
Total	**5,466**	**5,543**	**1,122**	**1,260**
Non-controlling interests	327	323	–	–
Total equity	**5,793**	**5,866**	**1,122**	**1,260**
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the financial period (in S$)	3.07	3.12	0.63	0.71

5a. Group's borrowings and debt securities

(S$ million)	**As at June 30, 2026**	**As at December 31, 2025**
Loans and borrowings repayable:		
In one year or less, or on demand		
Secured	207	283
Unsecured	1,213	774
	1,420	1,057
Between one to five years		
Secured	840	680
Unsecured	6,524	3,420
	7,364	4,100
After five years		
Secured	1,284	1,210
Unsecured	5,122	2,589
	6,406	3,799
Total	**15,190**	**8,956**
The secured loans were collateralised by the following assets' net book value:		
Equity shares of subsidiaries, property, plant and equipment, and other assets	4,231	2,678

The underlying assets of a service concession arrangement amounting to S$287 million (December 31, 2025: S$294 million) were also collateralised to secure its project finance loan.

The increase in borrowings was primarily attributable to financing raised for the acquisition of Alinta, the consolidation of Alinta's existing borrowings upon acquisition, and funding requirements for the development of energy projects in the United Arab Emirates and logistics facilities in Vietnam.

The increase in assets pledged as collateral mainly reflected the consolidation of Alinta and security provided for logistics property developments in Vietnam.

5. **BALANCE SHEETS** (Cont'd)

5a. Group's borrowings and debt securities (Cont'd)

Financial guarantee

Group

The Group provides financial guarantees mainly for banking facilities granted to joint ventures. These guarantees are not expected to materially affect the Group's or Company's future cash flows.

Corporate guarantees amounting to S$2,175 million were previously provided for SEIL Energy India Limited ("SEIL EIL") after its disposal in FY2023, for which the outstanding amount of S$624 million as of December 31, 2025 was fully released during 1H2026.

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

		GROUP	
(S$ million)	**Note**	**As at June 30, 2026**	**As at December 31, 2025**
Guarantees given to banks to secure banking facilities provided to:			
– Joint ventures	(i)	137	41
– SEIL EIL		–	624
		137	665
The periods in which the financial guarantees expire are as follows:			
– Less than 1 year		–	–
– Between 1 year to 5 years		–	132
– More than 5 years		137	533
		137	665

(i) The net increase includes S$97 million related to a financial guarantee provided in respect of a project in the United Arab Emirates (UAE).

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 amounted to S$16,035 million (December 31, 2025: S$11,987 million), with S$8,779 million (December 31, 2025: S$4,639 million) drawn down as at balance sheet date. The Company uses the interest rate differential approach to determine the fair value of these financial guarantees and has deemed them to be not material.

	COMPANY	
(S$ million)	**As at June 30, 2026**	**As at December 31, 2025**
The periods in which the financial guarantees expire are as follows:		
– Less than 1 year	1,650	250
– Between 1 year to 5 years	4,945	3,634
– More than 5 years	9,440	8,103
	16,035	11,987

5. **BALANCE SHEETS** (Cont'd)

5b. Property, plant and equipment (PPE)

During 1H2026, additions to the Group's property, plant and equipment, including ROU assets, amounted to S$2,642 million (1H2025: S$430 million). Of this, S$2,418 million related to Alinta, including S$2,371 million recognised on acquisition (Note 7b) and subsequent additions. The remaining additions were mainly attributable to Renewables projects in India, Singapore and Oman as well as GRS in Singapore.

During the period, the Group obtained additional information and identified new facts and circumstances regarding certain arrangements, indicating that the supplier has substantive substitution rights over certain assets previously accounted for as leases. Consequently, these arrangements no longer meet the definition of a lease under SFRS(I) 16, resulting in the derecognition of the related ROU assets of S$398 million.

The net increase in PPE was further reduced by a translation loss of S$118 million, arising mainly from the depreciation of the INR and AUD, and depreciation expense of S$238 million.

5c. Investment properties

	GROUP	
(S$ million)	**1H2026**	**FY2025**
As at January 1	356	260
Additions	103	107
Disposal of subsidiaries	–	(3)
Net change in fair value	4	5
Translation adjustments	5	(13)
As at June 30 / December 31	**468**	**356**

Investment properties, including those under development, are stated at fair value based on valuations performed by external valuers. The valuers applied various valuation techniques, including the direct comparison method, capitalisation approach, discounted cash flow method and depreciated replacement cost method, to determine the open market value as at the balance sheet date.

There have been no significant changes to the key assumptions and valuation techniques from those used in the valuation as at the last audited financial year ended December 31, 2025. The fair value measurement for all of the investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

5d. Intangible assets

	GROUP						
(S$ million)	**Goodwill**	**Brand**	**Contracts**	**Power generation permits**	**Carbon allowances**	**Others**	**Total**
Carrying Amounts							
Balance at January 1, 2026	260	–	201	447	16	28	952
Translation adjustments	(59)	(4)	(8)	14	*	(1)	(58)
Additions	–	–	–	–	1	1	2
Acquisition of subsidiaries	2,676	172	138	–	–	65	3,051
Disposals	–	–	–	–	(16)	*	(16)
Amortisation charge for the period	–	–	(11)	(12)	–	(6)	(29)
Transfer from PPE	–	–	4	–	–	*	4
Balance at June 30, 2026	2,877	168	324	449	1	87	3,906
<u>At June 30, 2026</u>							
Cost	2,992	168	517	532	1	162	4,372
Accumulated amortisation and impairment losses	(115)	–	(193)	(83)	–	(75)	(466)
Net carrying amounts	2,877	168	324	449	1	87	3,906

Carbon allowances are recorded at cost. The disposals relate to the settling of the Group's carbon obligations.

5. BALANCE SHEETS (Cont'd)

5d. Intangible assets (Cont'd)

(S$ million)	COMPANY Goodwill	Others	Total
Carrying Amounts			
Balance at January 1, 2026	19	11	30
Amortisation charge for the period	–	(1)	(1)
Balance at June 30, 2026	19	10	29
At June 30, 2026			
Cost	19	49	68
Accumulated amortisation and impairment losses	–	(39)	(39)
Net carrying amounts	19	10	29

Goodwill

The Group's goodwill increased during the six months ended June 30, 2026 due to the provisional goodwill arising from the acquisition of Alinta. The purchase price allocation remains subject to finalisation.

5e. Associates and joint ventures

Associates and joint ventures increased mainly due to the share of profits and additions during 1H2026 net of dividends received in 1H2026. The additions during 1H2026 included S$57 million through the acquisition of Alinta (Note 7b). Additions also included injections into the renewable business in Indonesia.

As at June 30, 2026, there was no change to the maximum additional potential exposure relating to a joint venture potentially affected by Vietnam renewable energy subsidy policy changes.

5f. DPN receivable

As at June 30, 2026, the DPN balance was S$1,234 million, compared with S$1,291 million as at December 31, 2025. The decrease was mainly attributable to principal and interest repayments of S$52 million received during the period and a fair value loss of S$5 million recognised during the period (see Note 4(ix)).

The DPN is measured at fair value through profit or loss and is remeasured at each reporting date. The terms of the DPN remain unchanged from those disclosed in the last audited financial statements, and the Group continues to conclude that it does not control SEIL EIL based on the assessment and factors described in those financial statements.

5g. Other investments and derivative assets and liabilities

(S$ million)	Note	As at June 30, 2026	As at December 31, 2025
Financial assets at amortised cost		15	27
Financial assets at FVOCI		50	52
Other financial assets at fair value through profit or loss (FVTPL)		104	124
Derivative assets	(i)	339	43
Other investments and derivative assets		**508**	**246**
Derivative liabilities	(i)	**339**	**170**

(i) Derivative assets increased by S$296 million and derivative liabilities increased by S$169 million compared to December 31, 2025, primarily due to derivatives acquired as part of the Alinta acquisition, as well as fair value movements in fuel oil swaps, interest rate swaps, cross-currency swaps, foreign exchange forwards and other energy derivatives during the period.

5. BALANCE SHEETS (Cont'd)

5h. Explanatory notes to other Balance Sheets items

Group

Trade and other receivables

The increase in trade and other receivables was mainly due to the consolidation of Alinta following its acquisition, higher trade and unbilled receivables in the Gas and Related Services segment in Singapore due to higher energy prices, and advances to a joint venture in the United Arab Emirates for project costs.

Trade receivables included subsidies receivable by renewable energy companies in China. As at June 30, 2026, a portion remained subject to final regulatory verification, and the loss allowance for these receivables was S$48 million (December 31, 2025: S$43 million).

Trade and other payables

The increase in trade and other payables was mainly due to the consolidation of Alinta following its acquisition and higher trade payables in the Gas and Related Services segment in Singapore as a result of higher energy prices.

6. STATEMENTS OF CHANGES IN EQUITY

6a. Statements of Changes in Equity of the Group

(S$ million)	Attributable to Owners of the Company							
	Share capital	**Reserve for own shares**	**Currency translation reserve**	**Other reserves**	**Revenue reserve**	**Total**	**Non-controlling interests**	**Total equity**
1H2026								
At January 1, 2026	**566**	**(56)**	**(895)**	**(39)**	**5,967**	**5,543**	**323**	**5,866**
Profit for the period	–	–	–	–	150	150	14	164
Other comprehensive income								
Foreign currency translation differences for foreign operations	–	–	(17)	–	–	(17)	2	(15)
Exchange differences on monetary items forming part of net investment in foreign operations	–	–	*	–	–	*	–	*
Net change in fair value of cash flow hedges	–	–	–	152	–	152	(1)	151
Net change in fair value of cash flow hedges reclassified to profit or loss	–	–	–	(36)	–	(36)	–	(36)
Net change in fair value of cash flow hedges reclassified to cost of investment of a subsidiary	–	–	–	(54)	–	(54)		(54)
Net change in fair value of financial assets at fair value through other comprehensive income	–	–	–	(1)	–	(1)	–	(1)
Realisation of reserves upon disposal of subsidiaries	–	–	*	(7)	3	(4)	(1)	(5)
Defined benefit plan actuarial gains and losses	–	–	–	–	*	*	–	*
Share of other comprehensive income of associates and joint ventures	–	–	–	16	–	16	–	16
Transfer of reserves	–	–	–	5	(5)	–	–	–
Total other comprehensive income	–	–	(17)	75	(2)	56	*	56
Total comprehensive income	**–**	**–**	**(17)**	**75**	**148**	**206**	**14**	**220**
Transactions with Owners of the Company, recognised directly in equity								
Share issuance	–	–	–	–	–	–	1	1
Share-based payments	–	–	–	11	–	11	–	11
Treasury shares transferred to employees	–	13	–	(13)	–	–	–	–
Cash settlement of PSP and RSP (Note 6c) at the discretion of the Company	–	–	–	(9)	–	(9)	–	(9)
Dividend paid / payable	–	–	–	–	(285)	(285)	(11)	(296)
Total transactions with Owners	**–**	**13**	**–**	**(11)**	**(285)**	**(283)**	**(10)**	**(293)**
At June 30, 2026	**566**	**(43)**	**(912)**	**25**	**5,830**	**5,466**	**327**	**5,793**

6. STATEMENTS OF CHANGES IN EQUITY (Cont'd)

6a. Statements of Changes in Equity of the Group (Cont'd)

(S$ million)	Attributable to Owners of the Company							
	Share capital	Reserve for own shares	Currency trans-lation reserve	Other reserves	Revenue reserve	Total	Non-control-ling interests	Total equity
1H2025								
At January 1, 2025	**566**	**(24)**	**(633)**	**(18)**	**5,550**	**5,441**	**310**	**5,751**
Profit for the period	–	–	–	–	536	536	16	552
Other comprehensive income								
Foreign currency translation differences for foreign operations	–	–	(313)	–	–	(313)	(19)	(332)
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	–	–	–	(79)	–	(79)	(1)	(80)
Net change in fair value of cash flow hedges reclassified to profit or loss	–	–	–	(9)	–	(9)	–	(9)
Net change in fair value of financial assets at fair value through other comprehensive income	–	–	–	(3)	–	(3)	–	(3)
Realisation of reserves upon disposal of subsidiaries	–	–	–	97	(97)	–	–	–
Defined benefit plan actuarial gains and losses	–	–	–	*	–	*	–	*
Share of other comprehensive income of associates and joint ventures	–	–	–	(11)	4	(7)	*	(7)
Transfer of reserves	–	–	–	(4)	4	–	–	–
Total other comprehensive income	–	–	(312)	(9)	(89)	(410)	(20)	(430)
Total comprehensive income	–	–	**(312)**	**(9)**	**447**	**126**	**(4)**	**122**
Transactions with Owners of the Company, recognised directly in equity								
Share issuance	–	–	–	–	–	–	3	3
Purchase of treasury shares	–	(49)	–	–	–	(49)	–	(49)
Share-based payments	–	–	–	9	–	9	–	9
Treasury shares transferred to employees	–	25	–	(25)	–	–	–	–
Cash settlement of PSP and RSP (Note 6c) at the discretion of the Company	–	–	–	(12)	–	(12)	–	(12)
Dividend paid / payable	–	–	–	–	(302)	(302)	(7)	(309)
Total transactions with Owners	**–**	**(24)**	**–**	**(28)**	**(302)**	**(354)**	**(4)**	**(358)**
At June 30, 2025	**566**	**(48)**	**(945)**	**(55)**	**5,695**	**5,213**	**302**	**5,515**

6. STATEMENTS OF CHANGES IN EQUITY (Cont'd)

6b. Statements of Changes in Equity of the Company

(S$ million)	Share capital	Reserve for own shares	Other reserves	Revenue reserve	Total equity
	Attributable to Owners of the Company				
1H2026					
At January 1, 2026	**566**	**(56)**	**(62)**	**812**	**1,260**
Profit for the period	–	–	–	148	148
Other comprehensive income					
Net change in fair value of cash flow hedges	–	–	(3)	–	(3)
Total comprehensive income	**–**	**–**	**(3)**	**148**	**145**
Transactions with Owners of the Company, recognised directly in equity					
Treasury shares transferred to employees	–	13	(13)	–	–
Cash settlement of PSP and RSP (Note 6c) at the discretion of the Company	–	–	(9)	–	(9)
Share-based payments	–	–	11	–	11
Dividend paid / payable	–	–	–	(285)	(285)
Total transactions with Owners	**–**	**13**	**(11)**	**(285)**	**(283)**
At June 30, 2026	**566**	**(43)**	**(76)**	**675**	**1,122**
1H2025					
At January 1, 2025	**566**	**(24)**	**(32)**	**922**	**1,432**
Profit for the period	–	–	–	234	234
Other comprehensive income					
Net change in fair value of cash flow hedges	–	–	*	–	*
Total comprehensive income	–	–	*	**234**	**234**
Transactions with Owners of the Company, recognised directly in equity					
Purchase of treasury shares	–	(49)	–	–	(49)
Treasury shares transferred to employees	–	25	(25)	–	–
Cash settlement of PSP and RSP (Note 6c) at the discretion of the Company	–	–	(12)	–	(12)
Share-based payments	–	–	13	–	13
Dividend paid / payable	–	–	–	(302)	(302)
Total transactions with Owners	**–**	**(24)**	**(24)**	**(302)**	**(350)**
At June 30, 2025	**566**	**(48)**	**(56)**	**854**	**1,316**

6. STATEMENTS OF CHANGES IN EQUITY (Cont'd)

6c. Changes in the Company's share capital

Issued share capital and treasury shares

	Number of shares	
	Issued share capital	**Treasury shares**
At January 1, 2026	1,787,547,732	9,547,674
Treasury shares transferred pursuant to share plan	–	(2,190,200)
At June 30, 2026	1,787,547,732	7,357,474

Issued and paid-up capital

As at June 30, 2026, the Company's issued and paid-up capital excluding treasury shares comprised 1,780,190,258 (June 30, 2025: 1,779,167,908) ordinary shares.

Treasury shares

During 1H2026, the Company acquired nil (1H2025: 8,080,300) ordinary shares by way of on-market purchases. 2,190,200 (1H2025: 4,503,900) treasury shares were re-issued pursuant to Performance Share Plan (PSP) and Restricted Share Plan (RSP).

As at June 30, 2026, there were 7,357,474 (June 30, 2025: 8,379,824) treasury shares held that may be re-issued upon the vesting of performance shares and restricted shares under the PSP and RSP respectively.

Performance shares

	Number of shares
At January 1, 2026	7,862,465
Performance shares adjusted due to outperformance of targets	777,600
Performance shares released	(1,670,600)
Performance shares lapsed	(200,000)
At June 30, 2026	6,769,465

During 1H2026, nil (1H2025: 1,031,900) performance shares were awarded under the Company's PSP, 1,670,600 (1H2025: 4,297,800) performance shares were released and 200,000 (1H2025: 19,500) performance shares lapsed. Settlement of shares can be in the form of shares or cash or a mixture of both cash and shares at the discretion of the Company. In 1H2026, an adjustment of 777,600 (1H2025: 2,288,365) performance shares was made due to the outperformance of targets.

The total number of performance shares granted conditionally but not released as at June 30, 2026 was 6,769,465 (June 30, 2025: 11,085,615). Based on the achievement factor, the actual release of the awards could range from zero to a maximum of 13,538,930 (June 30, 2025: 22,171,230) performance shares.

Restricted shares

	Number of shares
At January 1, 2026	1,394,800
Restricted shares awarded	1,748,100
Restricted shares released	(1,548,500)
At June 30, 2026	1,594,400

6. STATEMENTS OF CHANGES IN EQUITY (Cont'd)

6c. Changes in the Company's share capital (Cont'd)

Restricted shares (Cont'd)

For the grant awarded in 2026, 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 subject to fulfilment of service conditions at vesting.

During 1H2026, 1,748,100 (1H2025: 1,596,800) restricted shares were awarded under the RSP, 1,548,500 (1H2025: 2,138,800) restricted shares were released and nil (1H2025: 32,000) restricted shares lapsed. Settlement of shares can be in the form of shares or cash or a mixture of both cash and shares at the discretion of the Company.

The total number of restricted shares outstanding for awards achieved but not released as at June 30, 2026 was 1,594,400 (June 30, 2025: 1,433,400).

For details of the 2020 Share Plan, please refer to the last audited financial statements.

7. CONSOLIDATED STATEMENT OF CASH FLOWS

		GROUP	
(S$ million)	**Note**	**1H2026**	**1H2025**
Cash Flows from Operating Activities			
Profit for the period		164	552
Adjustments for:			
DPN expense		5	30
Finance income		(14)	(12)
Finance costs		221	189
Depreciation and amortisation		270	227
Share of results of associates and joint ventures, net of tax		(179)	(211)
Gain on disposal of property, plant and equipment and other financial assets		(3)	(3)
Gain on disposal of asset held for sale		*	(136)
Gain on disposal of subsidiaries		(3)	(6)
Gain on derecognition of leases		(49)	–
Provision for removal obligations		37	–
Changes in fair value of investment properties		(4)	(1)
Equity settled share-based compensation expenses		8	(5)
Allowance made for impairment loss in value of assets and assets written off, net		1	1
Tax expense		82	88
Operating profit before working capital changes		536	713
Changes in working capital:			
Inventories		(30)	4
Receivables		(250)	(77)
Payables		183	184
Contract assets		(6)	8
Contract liabilities		15	(40)
		448	792
Tax paid		(129)	(120)
Net cash from operating activities		319	672

7. CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

(S$ million)	Note	GROUP 1H2026	GROUP 1H2025
Cash Flows from Investing Activities			
Dividend received		68	60
Interest received		15	12
Capital repatriation / proceeds from sale of joint ventures and associates		*	56
Proceeds from disposal of held for sale		2	383
Proceeds from disposal of subsidiary		6	7
Proceeds from sale of other financial assets and business		266	80
Proceeds from sale of property, plant and equipment		8	3
Proceeds from sale of intangible assets		–	*
DPN receipts		52	169
Loan repayment from joint venture		–	61
Advances to joint venture		(74)	–
Acquisition of additional investments in joint ventures and associates		(15)	(155)
Acquisition of other financial assets		(244)	(70)
Acquisition of subsidiaries, net of cash acquired	7b	(4,519)	–
Purchase of property, plant and equipment and investment properties		(357)	(428)
Purchase of intangible assets		(1)	(3)
Net cash (used in) / from investing activities		(4,793)	175
Cash Flows from Financing Activities			
Proceeds from share issue to non-controlling interests of subsidiaries		1	3
Purchase of treasury shares		–	(49)
Proceeds from borrowings		6,641	791
Repayment of borrowings		(1,411)	(982)
Repayment of lease liabilities		(43)	(37)
Payment of deferred and contingent consideration		–	(47)
Dividends paid to Owners of the Company		(285)	(302)
Dividends paid to non-controlling interests of subsidiaries		(11)	(7)
Receipt of restricted cash held as collateral		10	9
Interest paid		(194)	(184)
Net cash from / (used in) financing activities		4,708	(805)
Net increase in cash and cash equivalents		234	42
Cash and cash equivalents at beginning of the period		**1,091**	**850**
Cash balance transferred from held for sale at beginning of the period		–	24
Effect of exchange rate changes on balances held in foreign currency		1	(49)
Cash and cash equivalents at end of the period	7a	**1,326**	**867**

7a. Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of cash flows comprise the following balance sheet amounts:

(S$ million)	GROUP As at June 30, 2026	GROUP As at December 31, 2025
Fixed deposits with banks	604	569
Cash and bank balances	730	540
Cash and cash equivalents in the balance sheets	1,334	1,109
Restricted bank balances held as collateral by banks	(8)	(18)
Cash and cash equivalents in the consolidated statement of cash flows	1,326	1,091

7. <u>CONSOLIDATED STATEMENT OF CASH FLOWS</u> (Cont'd)

7b. Cash flow on acquisition of subsidiaries, net of cash acquired

On June 1, 2026, the Group acquired 100% of the shares in Alinta, one of Australia's leading integrated energy companies. The acquisition marks the Group's strategic entry into Australia, rebalances its portfolio towards developed markets and provides a scalable platform to support its energy transition strategy and AI-driven energy demand. Alinta's portfolio comprises 3.4GW of operating generation assets and up to 10.4GW of renewables and firming systems development pipeline.

The acquisition has been accounted for using the acquisition method, and the Group's consolidated financial statements include Alinta's results for the one-month period from the acquisition date. From the date of acquisition, Alinta contributed revenue of S$357 million and underlying net profit of S$5 million to the Group. Acquisition-related costs amounting to S$155 million have been recognised within non-operating expenses in profit or loss (Note 4(viii)).

For illustrative purposes, if Alinta had been part of the Group from the beginning of the year, the Group's revenue and underlying net profit for the period would have been S$5,589 million and S$558 million, respectively. These amounts were calculated by adding Alinta's 1H2026 revenue and underlying net profit to the Group's reported results, and do not include any impact from the ongoing purchase price allocation.

At the date of these interim financial statements, the audit of the completion accounts and the purchase price allocation have not been finalised. Accordingly, Alinta's identifiable assets acquired and liabilities assumed have been recognised at provisional fair values. Any adjustments arising from the finalisation of the purchase price allocation will be recognised retrospectively, with corresponding adjustments to goodwill and deferred tax, where applicable.

(S$ million)	Note	1H2026
Effect on cash flows of the Group		
Cash consideration paid[4]		5,064
Less: Cash and cash equivalents in subsidiaries acquired		(545)
Cash outflow on acquisition		4,519
Identifiable assets acquired and liabilities assumed		
Property, plant and equipment	(i)	2,371
Intangible assets	(ii)	375
Associates and joint ventures		57
Trade and other receivables		1,150
Other investments and derivative assets		187
Inventories		99
Cash and cash equivalents		545
Total assets		4,784
Trade and other payables		743
Contract liabilities		2
Derivative liabilities		138
Provisions	(iii)	334
Current tax payable		3
Deferred tax liabilities		99
Lease liabilities		22
Loans and borrowings		1,055
Total liabilities		2,396
Identifiable net assets acquired		2,388
Add: Goodwill acquired		2,676
Cash paid		5,064

[4] Including repayment of S$710 million of loans from the previous shareholder

(i) The fair value assessment is ongoing. Valuation uplifts recognised for certain assets remain provisional and are subject to further assessment, including economic and functional obsolescence adjustments.

(ii) The amount includes brand and customers assets determined on fair value but exclude goodwill.

(iii) Provision includes Alinta's share of mine rehabilitation based on the Group's best estimate at the reporting date and may be subject to change when additional information becomes available.

7. CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

7c. Explanatory notes to Consolidated Statement of Cash Flows

(i) Half-year ended June 30, 2026

Net cash generated from operating activities decreased from S$672 million in 1H2025 to S$319 million in 1H2026. The reduction was mainly due to lower operating profit before working capital changes and a higher working capital outflow, principally from increased receivables and inventories, partially offset by higher payables.

Net cash used in investing activities was S$4.8 billion in 1H2026, compared to net cash generated of S$175 million in 1H2025. The outflow was mainly attributable to the acquisition of Alinta, net of cash acquired, amounting to S$4.5 billion, as well as the acquisition of other financial assets and capital expenditure on property, plant and equipment and investment properties. These were partially offset by proceeds from the sale of other financial assets, dividends received and DPN receipts.

Net cash generated from financing activities was S$4.7 billion in 1H2026, compared to net cash used in financing activities of S$805 million in 1H2025. This was mainly driven by borrowings raised to fund the acquisition of Alinta, partially offset by repayments of borrowings, dividend payments and interest paid.

(ii) Significant non-cash transactions

During the period, the Group derecognised right-of-use assets of S$398 million and lease liabilities of S$447 million, resulting in a gain on derecognition of leases of S$49 million. The Group also recognised a S$37 million provision for removal obligations and S$19 million of property, plant and equipment with a corresponding increase in decommissioning provisions.

8. ACCOUNTING POLICIES

8a. Basis of preparation

The interim financial statements for the half year ended June 30, 2026, have been prepared in accordance with the Companies Act 1967 and SFRS(I) 1-34 Interim Financial Reporting. They do not include all the information required for a full set of financial statements and should be read together with the Group's audited financial statements for the year ended December 31, 2025. The accounting policies and methods of computation applied are consistent with those of the previous financial year, except for the adoption of new and amended standards disclosed in Note 8b.

8b. Changes in accounting policies

New and amended standards adopted by the Group

The Group has applied the following amendments to SFRS(I)s which became effective on January 1, 2026:
- SFRS(I) 9 and SFRS(I) 7 Amendments to the Classification and Measurement of Financial Instruments
- Annual Improvements to SFRS(I)s – Volume 11
- SFRS(I) 9 and SFRS(I) 7 Contracts Referencing Nature-dependent Electricity

The adoption of these amendments to accounting standards and interpretations does not have a material effect on the financial statements.

8c. Accounting estimates and judgements

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last audited annual financial statements, except for:

Acquisitions
The accounting for the Group's acquisition of a subsidiary involves allocating the purchase consideration to the fair value of the identifiable assets acquired (including intangible assets) and liabilities assumed, which requires significant judgement and estimation. The purchase price allocation remains provisional and may be adjusted within the one-year measurement period as the final valuations are completed.

8. ACCOUNTING POLICIES (Cont'd)

8c. Accounting estimates and judgements (Cont'd)

DPN

The fair value of the DPN was determined using a discounted cash flow valuation based on expected interest and principal repayments under the DPN agreement, considering SEIL EIL's forecast distributable reserves and expected cash flows from existing and future contracts.

The discount rate applied reflects the risks of the forecast cash flows, the subordinated nature of the DPN and the credit risk of the purchaser and was benchmarked against comparable INR-denominated instruments in India.

A 10 basis points change in the discount rate would increase or decrease the fair value of the DPN by approximately S$5 million. Judgements and estimates are reviewed on an ongoing basis, with changes recognised prospectively in accordance with SFRS(I).

Investment properties

The Group applies critical accounting judgements in valuing its investment properties. The Group's investment properties are valued by external and independent valuation companies on an annual basis. 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.

Mine rehabilitation provision

As at June 30, 2026, provisions included amounts set aside for Alinta's estimated share of future mine rehabilitation costs, based on the Group's best estimate at the reporting date. The provision may be updated as rehabilitation plans are further refined, and additional mine information becomes available. The estimate involves significant judgement, particularly due to the long timeframe to mine closure and the possibility that closure may occur earlier, resulting in the obligation being incurred sooner.

9. RELATED PARTIES

The balances due from related parties arose from the usual trade transactions, reimbursements and for financing capital expansion.

Following the acquisition of Alinta, the Group established the Alinta Management Share Plan ("MSP"), effective July 1, 2026, to align management incentives with shareholder value creation. The MSP is cash-settled and does not involve the issuance of shares by the Group. There were no changes to key management personnel or their compensation arrangements.

10. FAIR VALUE MEASUREMENTS

The Group measures fair value using the fair value hierarchy under SFRS(I) 13, which prioritises valuation inputs into three levels: quoted prices in active markets for identical assets or liabilities (Level 1), observable market inputs other than quoted prices included in Level 1 (Level 2), and unobservable inputs (Level 3).

The valuation techniques and inputs used to measure fair values are consistent with those disclosed in the Group's most recent annual financial statements, except where otherwise disclosed. There were no transfers between levels of the fair value hierarchy during the period.

Derivative financial instruments are mainly foreign exchange contracts and swaps, interest rate swaps, cross-currency swaps, fuel oil swaps and electricity futures. Their fair values are determined using observable market prices, broker quotes or valuation techniques based on market inputs at the reporting date.

Financial assets and liabilities carried at fair value

	Fair value measurement using:			
(S$ million)	**Level 1**	**Level 2**	**Level 3**	**Total**
Group				
As at June 30, 2026				
Financial assets at FVOCI	–	–	50	50
DPN receivable	–	–	1,234	1,234
Other financial assets at FVTPL	69	–	47	116
Energy derivative financial assets	93	194	5	292
Other derivative financial assets	–	47	–	47
	162	241	1,336	1,739
Financial liabilities at FVTPL	–	–	(83)	(83)
Energy derivative financial liabilities	(42)	(128)	(28)	(198)
Other derivative financial liabilities	–	(141)	–	(141)
	(42)	(269)	(111)	(422)
	120	(28)	1,225	1,317
As at December 31, 2025				
Financial assets at FVOCI	–	–	52	52
DPN receivable	–	–	1,291	1,291
Other financial assets at FVTPL	89	–	47	136
Energy derivative financial assets	–	16	–	16
Other derivative financial assets	–	27	–	27
	89	43	1,390	1,522
Financial liabilities at FVTPL	–	–	(80)	(80)
Energy derivative financial liabilities	–	(43)	–	(43)
Other derivative financial liabilities	–	(127)	–	(127)
	–	(170)	(80)	(250)
	89	(127)	1,310	1,272

Level 3 financial instruments mainly comprise unquoted equity shares, DPN receivable, other financial assets and liabilities at FVTPL and energy derivatives. The key inputs and assumptions used in their valuation are as follows:

- Unquoted equity shares: Adjusted net asset values of underlying investments based on the latest available financial information
- DPN receivable: Contractual cashflow assumptions
- Financial liabilities at FVTPL: Estimated future purchase consideration payments
- Energy derivatives: Forecast commodity prices, power plant performance assumptions, and premium/discount estimates derived from comparable market instruments

10. FAIR VALUE MEASUREMENTS (Cont'd)

Financial assets and liabilities carried at fair value (Cont'd)

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements of financial instruments at FVOCI and FVTPL in Level 3 of the fair value hierarchy:

(S$ million)	Financial assets at FVOCI	DPN receivable	Other financial assets at FVTPL	Financial liabilities at FVTPL	Energy derivative financial assets / (liabilities)
Group					
As at January 1, 2026	52	1,291	47	(80)	–
Addition	–	–	2	–	–
Acquisition of subsidiaries	–	–	–	–	3
Translation adjustment	–	–	*	(3)	*
Net change in fair value	(2)	(5)	(2)	–	(26)
Receipt	–	(52)	–	–	–
As at June 30, 2026	**50**	**1,234**	**47**	**(83)**	**(23)**
As at January 1, 2025	47	1,581	46	(97)	–
Addition	–	–	1	–	–
Translation adjustment	–	–	(1)	3	–
Net change in fair value	(3)	(30)	(4)	–	–
(Receipt) / Payment	–	(169)	–	18	–
As at June 30, 2025	44	1,382	42	(76)	–
Addition	–	–	2	–	–
Translation adjustment	–	–	*	(2)	–
Net change in fair value	8	(5)	3	(2)	–
Receipt	–	(86)	–	–	–
As at December 31, 2025	**52**	**1,291**	**47**	**(80)**	**–**

Non-derivative financial assets and liabilities

Non-current
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 reporting date.

Current
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 fair value of financial assets and financial liabilities measured at amortised cost for the Group and Company approximate their carrying amounts, except for service concession receivables and non-current borrowings of the Group.

(S$ million)	Financial assets at amortised costs	Other financial liabilities	Total carrying amount	Fair value
Group				
As at June 30, 2026				
Service concession receivables	717	–	717	935
Non-current loans and borrowings	–	(13,770)	(13,770)	(13,866)
As at December 31, 2025				
Service concession receivables	736	–	736	1,580
Non-current loans and borrowings	–	(7,899)	(7,899)	(7,977)

11. CONTINGENT LIABILITIES

Group

The Group's subsidiaries are involved in certain tax disputes, where the amount of potential exposure is estimated to be S$3 million (December 31, 2025: S$5 million).

12. COMMITMENTS

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

		GROUP	
(S$ million)	**Note**	**As at June 30, 2026**	**As at December 31, 2025**
Commitments in respect of contracts placed for property, plant and equipment	(i)	1,164	613
Uncalled commitments to subscribe for additional shares in joint ventures and other investments		18	20
Commitments in respect of purchase of investment properties		108	116
		1,290	749

(i) The increase in property, plant and equipment commitments was primarily attributable to Alinta and Renewables Singapore.

13. AUDIT

The figures have not been audited or reviewed by the Company's auditors.

14. AUDITORS' REPORT

Not applicable.

15. VARIANCE FROM PROSPECT STATEMENT

There is no material change from the previous prospect statement.

16. PROSPECTS

This release contains forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, exchange rate movement, availability and cost of fuel and materials, cost of capital and capital availability, competition from other companies, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy, directives and changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of the management on future events and impact on the Group.

16. PROSPECTS (Cont'd)

Group

The Group's underlying performance in the first half of 2026 was lower year-on-year, mainly due to weaker wind and solar resource for the Renewables segment and reduced margins for the power operations in Singapore.

The outlook for the second half of 2026, compared with the first half, is set out below.

Earnings for the Gas and Related Services segment are expected to be stronger in the second half of 2026, supported by the commissioning of the 600MW hydrogen-ready power plant and increased fuel and cost efficiencies. The segment remains well-positioned to capture growing power demand in Singapore, particularly from data centre and high-tech manufacturing sectors.

The acquisition of Alinta which was completed in June 2026, is expected to strengthen the Group's earnings base and enhance the proportion of recurring cash flows over time.

Renewables segment earnings are expected to be seasonally lower in the second half of 2026. We expect lower resources and tariffs in China, partially offset by contribution from new operational capacity in India.

The Integrated Urban Solutions segment is expected to perform better, driven by higher land sales. The business continues to make steady progress in developing 0.9 million square metres of ready-built factories, which are expected to contribute to recurring income upon completion.

The Group expects underlying net profit for the second half of 2026 to be higher than the first half of 2026. Our diversified portfolio and disciplined capital allocation positions the Group well to deliver sustainable earnings and deliver long-term shareholder value.

17. DIVIDEND

(a) Current Financial Period Reported On

	2026
	Interim Ordinary
Name of Dividend	**Exempt-1-Tier**
Dividend Type	Cash
Dividend Amount (cents per shares)	11.0

(b) Corresponding Period of the Immediately Preceding Financial Year

	2025
	Interim Ordinary
Name of Dividend	**Exempt-1-Tier**
Dividend Type	Cash
Dividend Amount (cents per shares)	9.0

(c) Date Payable

The interim dividend will be paid on September 4, 2026.

(d) Notice of Record Date

Notice is hereby given that the Register of Members and Share Transfer Books of the Company will be closed on August 25, 2026 to determine the shareholders' entitlements to the dividend. Duly completed transfers of shares received by the Company's Share Registrar, Tricor Barbinder Share Registration Services at 9 Raffles Place, #26-01 Republic Plaza Tower 1, Singapore 048619, up to 5.00 p.m. on August 24, 2026 (the "Record Date") will be registered to determine shareholders' entitlements to the dividend. Subject as aforesaid, shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares of the Company as at 5.00 p.m. on the Record Date will be entitled to the dividend.

18. INTERESTED PERSON TRANSACTIONS

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 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 FY2026, 5% of the Group's consolidated NTA, as at December 31, 2025, was S$227 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 in April 2026, the Company obtained approval for such shareholders' mandate.

(S$ million)	**Nature of relationship**	**Aggregate value of all interested person transactions under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)** **1H2026**	**Aggregate value of all 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)** **1H2026**
Sale of goods and services			
Singapore Technologies Engineering Ltd and its Associates	Associate of Temasek Holdings (Private) Limited, the controlling shareholder of the Company	7.3	–
PSA International Pte Ltd and its Associates		2.7	–
Singapore Power Limited and its Associates		1.4	–
Total sale of goods and services		**11.4**	–
Purchase of goods and services			
Starhub Ltd and its Associates	Associate of Temasek Holdings (Private) Limited, the controlling shareholder of the Company	0.6	–
Singapore Power Limited and its Associates		0.4	–
Surbana-Jurong Private Limited		0.1	–
Singapore Technologies Engineering Ltd and its Associates		0.1	–
Total purchases of goods and services		**1.2**	–
Total		**12.6**	–

19. CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS (IN THE FORMAT SET OUT IN APPENDIX 7.7) UNDER RULE 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

20. CONFIRMATION PURSUANT TO THE RULE 705(5) OF THE LISTING MANUAL

We, Andreas Sohmen-Pao, and Wong Kim Yin, being two directors of Sembcorp Industries Ltd (the "Company"), do hereby confirm on behalf of the directors of the Company, that to the best of their knowledge, nothing has come to their attention which would render the half-year ended June 30, 2026 unaudited financial results to be false or misleading.

On behalf of the board of directors

Andreas Sohmen-Pao **Chairman**	**Wong Kim Yin** **Director**

BY ORDER OF THE BOARD

Lim Chee Ying (Ms)
Company Secretary
August 13, 2026