

SEMBCORP INDUSTRIES 27th ANNUAL GENERAL MEETING**- Responses to substantial and relevant questions**

Singapore, April 17, 2025 – Sembcorp Industries (Sembcorp) would like to thank shareholders for submitting their questions in advance of our 27th Annual General Meeting (AGM) which will be held in a wholly physical format at Stamford Ballroom, Fairmont Hotel, Level 4, Raffles City Convention Centre on Friday, April 25, 2025 at 9.30 am.

We have reviewed the questions received and have set out our responses to the substantial and relevant questions according to the following themes:

- (i) Gas and Related Services
- (ii) Share buy-back

Please refer to our responses as set out in the Appendix.

Appendix

Gas and Related Services	
1.	<p>Recent reports indicate a decline in LNG and oil prices. Can Sembcorp elaborate on how these price movements impact its various business segments? What is the potential effect on the company's bottom line?</p> <p>Given the potential risks associated with fluctuating energy prices, how does Sembcorp manage and mitigate these risks across its business operations?</p> <p>As at December 31, 2024, Sembcorp's gross gas-fired power capacity total 8.0GW, including a 600MW hydrogen-ready combined-cycle power plant currently under construction in Singapore.</p> <p>Most of our gas-fired power plants outside of Singapore e.g. in Myanmar, Bangladesh and Middle East operate on a long-term contract basis, with feedstock cost pass-through.</p> <p>In Singapore, our combined cycle gas turbine power plants (CCGTs) are underpinned by long-term contracts of more than 5 years. The cost of feedstock is passed-through, ensuring earnings stability.</p> <p>The stability of our earnings is evident in our 2024 results. Excluding the planned major maintenance for the Singapore cogeneration plant in the first half of 2024, earnings for the Singapore gas-fired generation portfolio remained resilient, despite a 34% decline in Singapore wholesale electricity prices in 2024.</p> <p>The acquisition of Senoko Energy, one of the largest electricity suppliers in Singapore, allows us to leverage synergies with our existing gas business. It also strengthens our ability to meet Singapore's growing energy needs while supporting the country's energy transition.</p> <p>In addition, to manage price volatility for piped natural gas (PNG) and liquefied natural gas (LNG) procured, we employ a multi-pronged risk mitigation strategy. This includes proactive hedging of gas costs to mitigate fluctuation, where not already passed through, as well as leveraging both LNG and PNG imports to enhance supply flexibility and cost optimisation. These strategies enable Sembcorp to navigate energy price fluctuations and adapt to evolving market conditions.</p>
2.	<p>What was the impact of the recent earthquake in Myanmar on the operation of Sembcorp Myingyan Independent Power Plant (Sembcorp Myingyan IPP) and the employees?</p> <p>As a result of the earthquake that struck central Myanmar in March 2025, Sembcorp Myingyan IPP experienced a trip due to a grid failure. The power plant was connected back to the grid three days after the earthquake.</p>
3.	<p>The company stated that an additional S\$23 million expected credit loss (ECL) was provided for the service concession receivables of the Sembcorp Myingyan Power Company in 2023 (2024 annual report, page 202). What is the total ECL provided?</p> <p>The total ECL provided is S\$135 million. The provision, which is non-cash in nature, was made following management's regular assessment of credit risk under Singapore Financial Reporting Standards (International) (SFRS(I)) 9. Although there is no default on payment, the amount provided took into consideration the overall deterioration in the country's macroeconomic conditions and geopolitical landscape at that time.</p>

4.	<p>Page 21 of the 2024 Annual Report states that operations at the Sembcorp Myingyan IPP in Myanmar were temporarily suspended for 12 days to ensure the safety of employees amid escalating civil unrest in Myingyan township, Mandalay, where the plant is located. The power plant remained largely unaffected, and the shutdown had no material impact on the Group's earnings.</p> <p>Does this mean that the current level of civil unrest pose little or no risk to operate this power plant?</p> <p>Operations of the Sembcorp Myingyan IPP was temporarily suspended on August 12, 2024, in view of escalating civil unrest in Myanmar, including in Myingyan township, Mandalay where the power plant is located. On August 23, 2024, Sembcorp announced that it had resumed operations as conflicts around the vicinity of the power plant had ceased and the situation was assessed to be safe for Sembcorp's personnel to return to the power plant.</p> <p>The Sembcorp Myingyan IPP continues to operate and provide essential power to the people of Myanmar. With its contracted capacity of 225MW, the power plant is able to meet the power needs of around 5.3 million people.</p> <p>Payments from its offtaker have been promptly received, in accordance with its contract. Sembcorp will continue to closely monitor the situation, with the safety of its personnel as its utmost priority.</p>
5.	<p>In view of the ongoing civil unrest, are there events which will trigger claims under this insurance?</p> <p>There is political risk insurance in place for our equity investment in Sembcorp Myingyan IPP. Claims can be made upon the occurrence of coverage triggers in accordance with the terms under the political risk insurance. We can confirm that there are no events which have triggered claims so far.</p>
6.	<p>The Sembcorp Myingyan IPP is located next to the Myanmar's military steel mill. Is the Company's power plant supplying power to this factory indirectly and is the owner of this steel mill, a sanctioned party? If so, how does the Company mitigate the primary and secondary sanction risk?</p> <p>As disclosed previously, the power generated from the Sembcorp Myingyan IPP is sold to the Electric Power Generation Enterprise (EPGE), a power department within the Ministry of Electricity and Energy (MOEE). EPGE and MOEE are not sanctioned parties. The Ministry of Electricity and Energy is responsible for the transmission and distribution of electricity to consumers in Myanmar.</p>
7.	<p>Has the Company's Audit or Risk Committee assessed potential sanction risks for its operations in Myanmar and have appropriate disclosures been made in accordance with SGX rules (including any outstanding court cases not previously disclosed)?</p> <p>Sembcorp makes required disclosures under SGX listing rules, in accordance with its obligations as a listed company.</p> <p>The Company had previously disclosed the counterparty (EPGE) to whom it sells power in Myanmar, and EPGE is not a sanctioned party. The Company has also assessed the potential sanction risks for its operations in Myanmar and determined no further disclosure specific to sanctions is required.</p>

Share buy-back	
8.	<p>a) How much has been set aside for share buy-back and how much has been utilised?</p> <p>b) Are the shares subsequently cancelled or retained as treasury shares?</p> <p>c) If cancelled, how many shares have been cancelled and if not, are there plans to cancel the shares?</p> <p>Based on Sembcorp's share purchase mandate, up to 35.6 million shares (or maximum limit of 2% of issued shares) can be purchased or acquired as treasury shares during the period of the mandate. However, shareholders should note that purchases or acquisitions of shares pursuant to the share purchase mandate may not be carried out to the full 2% limit as authorised and no purchases or acquisitions of shares would be made in circumstances which would have or may have a material adverse effect on the financial condition of the Company.</p> <p>As at March 6, 2025 (being latest practicable date for the AGM), Sembcorp has repurchased a total of 7.5 million shares through on-market purchases since January 1, 2024. These repurchases have been added to the existing pool of treasury shares. Out of the total shares repurchased, 8.4 million treasury shares were re-issued pursuant to the Performance Share Plan and Restricted Share Plan.</p> <p>The repurchased shares are retained as treasury shares, and there are currently no plans to cancel them.</p> <p>Please refer to our Letter to Shareholders, pages 2 – 10 for more details on our share purchase mandate.</p>

- End -