

SINGAPORE INSTITUTE OF TECHNOLOGY

(Company Limited by Guarantee)

(Incorporated in Singapore. Registration Number: 200917667D)

AND ITS SUBSIDIARIES

Annual Financial Statements

For the financial year ended 31 March 2025



SINGAPORE INSTITUTE OF TECHNOLOGY
(Company Limited by Guarantee)
(INCORPORATED IN SINGAPORE)
AND ITS SUBSIDIARIES

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SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

TRUSTEES' STATEMENT

For the financial year ended 31 March 2025

The Board of Trustees present their statement to the members together with the audited financial statements of Singapore Institute of Technology ("SIT") and its subsidiaries (collectively referred to as the "Group") for the financial year ended 31 March 2025 and the statement of financial position of SIT as at 31 March 2025.

In the opinion of the Trustees,

- (a) the consolidated financial statements of the Group, and the statement of financial position of SIT and as set out on pages 6 to 51 are drawn up so as to give a true and fair view of the financial position of the Group and SIT as at 31 March 2025 and of the financial performance, changes in funds and reserves and cash flows of the Group for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that SIT will be able to pay its debts as and when they fall due.

Trustees

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

Mr Bill Chang (Chairman)	
Professor Chua Kee Chaing	
Mr Chan Hian Lim	(Resigned on 1 April 2025)
Dr Chia Tai Tee	
Mr Han Kwee Juan	
Dr Benjamin Koh	
Mr Kwee Liong Keng	
Ms Jasmin Lau	(Resigned on 1 April 2025)
Ms Lim Wan Yong	
Dr David Low	(Appointed on 16 September 2024)
Ms Neo Gim Huay	
Ms Gail Ong	
Ms Jacqueline Poh	
Mr Quek Gim Pew	
Ms Sim Siew Moon	(Appointed on 16 September 2024)
Ms Susan Soh	
Mr Soon Sze Meng	
Dr Syed Harun Alhabsyi	(Appointed on 16 September 2024)
Ms Tammie Tham	
Mr Wen Khai Meng	
Professor Yeo Yee Chia	(Appointed on 1 June 2025)

Arrangements to enable the trustees to acquire shares and debentures

Neither at the end of nor at any time during the financial year was SIT a party to any arrangement whose object was to enable the Trustees of SIT to acquire benefits by means of the acquisition of shares in, or debentures of, SIT or any other body corporate.

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

TRUSTEES' STATEMENT

For the financial year ended 31 March 2025

Trustees' interests in shares or debentures

SIT is a company limited by guarantee and has no share capital or debentures. Therefore, there are no matters to be disclosed under Section 9, Twelfth Schedule of the Companies Act 1967.

Trustees' contractual benefits

Since the end of the previous financial year, no trustee has received or become entitled to receive a benefit, which is required to be disclosed under Section 164(1) of the Companies Act 1967, by reason of a contract made by SIT or a related corporation with the Trustee or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in Note 31 to the financial statements.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of trustees



Mr Bill Chang
Trustee



Professor Chua Kee Chaing
Trustee

20 August 2025

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 March 2025

Independent auditor's report to the members of Singapore Institute of Technology

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Singapore Institute of Technology ("SIT") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and SIT as at 31 March 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in funds and reserves and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group, and the statement of financial position of SIT, are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act"), the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore (the "FRSs") so as to give a true and fair view of the financial position of the Group and SIT as at 31 March 2025 and of the consolidated financial performance, consolidated changes in funds and reserves and consolidated cash flows of the Group for the financial year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Singapore Standards on Auditing (the "SSAs"). Our responsibilities under those standards are further described in the Auditor's 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 (the "ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (the "ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have 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.

Other information

Management is responsible for other information. The other information comprises the information included in the annual report and trustees' statement in pages 1 and 2, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 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, 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.

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

Independent auditor's report For the financial year ended 31 March 2025

Independent auditor's report to the members of Singapore Institute of Technology

Responsibilities of management and those charged with governance 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 Companies Act, the Charities Act and Regulations and FRSs, 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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's 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 auditor's 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 the 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 the 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.
- 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.

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

Independent auditor's report For the financial year ended 31 March 2025

Independent auditor's report to the members of Singapore Institute of Technology

Auditor's responsibilities for the audit of the financial statements (cont'd)

- 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 auditor's 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 auditor's 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 those charged with governance 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.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required to be kept by SIT and by its subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Companies Act, and the Charities Act and Regulations.

During the course of our audit, nothing has come to our attention that causes us to believe that during the financial year:

- (a) SIT has not used the donation monies in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (b) SIT has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.



Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

20 August 2025

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Financial Year ended 31 March 2025

	Note	Endowment and Term Funds					
		General Fund		Funds		Total	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Revenue	4(a)	120,644	114,207	-	-	120,644	114,207
Other income	4(a)	5,429	2,598	4,905	4,564	10,334	7,162
Operating expenditure							
Staff and related expenses	5	(193,355)	(176,082)	(1,249)	(1,008)	(194,604)	(177,090)
Programme and student-related expenses	10, 11	(84,117)	(81,220)	(9,223)	(3,856)	(93,340)	(85,076)
Depreciation and amortisation expenses		(62,745)	(37,781)	(38)	(39)	(62,783)	(37,820)
Rental and other facility expenses	6	(42,552)	(19,141)	(3)	(1)	(42,555)	(19,142)
Interest expense		(8,642)	(1,360)	-	-	(8,642)	(1,360)
Other operating expenses		(50,634)	(35,047)	(327)	(1,020)	(50,961)	(36,067)
Total operating expenditure		(442,045)	(350,631)	(10,840)	(5,924)	(452,885)	(356,555)
Deficit before investment income and government grants		(315,972)	(233,826)	(5,935)	(1,360)	(321,907)	(235,186)
Net investment income	7	10,653	9,465	50,086	85,688	60,739	95,153
(Deficit)/surplus before government grants		(305,319)	(224,361)	44,151	84,328	(261,168)	(140,033)
Government grants	8	341,597	265,085	-	-	341,597	265,085
Net surplus for the financial year, representing total comprehensive income for the financial year		36,278	40,724	44,151	84,328	80,429	125,052

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2025

	Note	Group 2025 \$'000	2024 \$'000	SIT 2025 \$'000	2024 \$'000
Assets					
Non-current assets					
Investment in subsidiaries	9	—	—	— (a)	— (a)
Property, plant and equipment	10	1,392,503	1,368,548	1,392,502	1,368,248
Intangible assets	11	662	462	662	462
Student loan receivables	12	1,116	752	1,116	752
Other non-current assets	13	335	57,454	300	57,420
Total non-current assets		1,394,616	1,427,216	1,394,580	1,426,882
Current assets					
Cash and cash equivalents	14	221,538	265,344	220,860	265,120
Financial assets at fair value through profit or loss	15	1,129,010	1,034,169	1,129,010	1,034,169
Tuition fee and other receivables	16	598,365	480,951	605,252	485,225
Student loan receivables	12	59	50	59	50
Other current assets	17	51,047	11,223	51,047	11,223
Derivative financial instruments	18	910	—	910	—
Total current assets		2,000,929	1,791,737	2,007,138	1,795,787
Total assets		3,395,545	3,218,953	3,401,718	3,222,669
Liabilities					
Current liabilities					
Trade and other payables	19	78,192	83,488	85,112	87,773
Deferred tuition fee income	4(b)	5,859	6,159	5,859	6,159
Grants received in advance	20	51,986	44,921	51,986	44,921
Derivative financial instruments	18	—	85	—	85
Lease liabilities	21	1,045	6,017	1,045	5,976
Bank borrowings	22	35,078	38,591	35,078	38,591
Total current liabilities		172,160	179,261	179,080	183,505
Net current assets		1,828,769	1,612,476	1,828,058	1,612,282
Non-current liabilities					
Deferred capital grants	23	1,061,203	1,025,990	1,061,203	1,025,990
Other deferred grants	24	42,694	60,193	42,694	60,193
Lease liabilities	21	2,662	31,298	2,578	30,804
Bank borrowings	22	679,400	607,500	679,400	607,500
Total non-current liabilities		1,785,959	1,724,981	1,785,875	1,724,487
Total liabilities		1,958,119	1,904,242	1,964,955	1,907,992
Net assets		1,437,426	1,314,711	1,436,763	1,314,677

(a) Less than \$1,000

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2025

	Note	Group 2025 \$'000	2024 \$'000	SIT 2025 \$'000	2024 \$'000
Funds and reserves					
General Fund					
- Accumulated surplus		380,317	333,712	379,654	333,678
Endowment and Term Funds					
- Capital	25(a)	745,700	703,414	745,700	703,414
- Accumulated surplus	25(a)	311,409	277,585	311,409	277,585
		1,057,109	980,999	1,057,109	980,999
Total funds and reserves		1,437,426	1,314,711	1,436,763	1,314,677

See Note 26 for funds managed on behalf of Ministry of Education ("MOE").

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN FUNDS AND RESERVES
For the financial year ended 31 March 2025

	Note	General Fund \$'000	Endowment and Term Funds \$'000	Total \$'000
2025				
At 1 April 2024		333,712	980,999	1,314,711
Government grants and donations	25(b)	–	42,286	42,286
Transfer from Endowment Fund to General Fund		10,327	(10,327)	–
Net surplus for the financial year, representing total comprehensive income for the financial year		36,278	44,151	80,429
At 31 March 2025		380,317	1,057,109	1,437,426
2024				
At 1 April 2023		292,988	863,589	1,156,577
Government grants and donations	25(b)	–	33,082	33,082
Net surplus for the financial year, representing total comprehensive income for the financial year		40,724	84,328	125,052
At 31 March 2024		333,712	980,999	1,314,711

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Financial Year ended 31 March 2025

	Note	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Deficit before government grants		(261,168)	(140,033)
Adjustments for:			
Depreciation and amortisation	10,11	62,783	37,820
Net loss on disposal of property, plant and equipment		10,853	–
Lease modification		(5,985)	–
Provision for expected credit loss allowance	30(b)	59	40
Fair value gain on financial assets at fair value through profit or loss	7	(39,090)	(73,694)
Fair value (gain)/loss on derivative financial instruments	7	(776)	381
Gain on disposal of financial assets at fair value through profit or loss	7	(7,753)	(5,965)
Dividend income	7	(6,808)	(4,405)
Interest income	7	(6,995)	(10,950)
Interest expense	6	8,642	1,360
Donation income	4(a)	(4,789)	(4,564)
Foreign exchange loss/(gain)	7	683	(520)
Operating cash flows before changes in working capital		(250,344)	(200,530)
Change in operating assets and liabilities			
Tuition fee and other receivables		(61,691)	(10,170)
Student loan receivables and other assets		16,922	2,514
Trade and other payables		21,978	12,888
Net cash used in operating activities		(273,135)	(195,298)
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	B	(125,470)	(400,330)
Proceeds from disposal of property, plant and equipment		21	–
Purchase of financial assets at fair value through profit or loss		(304,918)	(216,739)
Proceeds from disposal of financial assets at fair value through profit or loss		257,077	76,704
Settlement of derivative financial instruments		(218)	(177)
Dividend received		6,808	4,405
Interest received		7,691	12,051
Net cash used in investing activities		(159,009)	(524,086)
Cash flows from financing activities			
Operating grants received		208,333	203,016
Development grants received		64,757	36,590
Matching endowment grants received		21,044	29,375
Other government grants received		46,748	32,573
Donations received		15,667	17,605
Proceeds from bank borrowings	A	96,700	377,400
Repayment of bank borrowings	A	(24,800)	–
Interest paid on bank borrowings	A	(32,819)	(19,890)
Principal payment of lease liabilities	A	(6,071)	(5,915)
Interest paid on lease liabilities	A	(1,221)	(1,360)
Net cash flows generated from financing activities		388,338	669,394
Net decrease in cash and cash equivalents		(43,806)	(49,990)
Cash and cash equivalents at beginning of financial year		265,344	315,334
Cash and cash equivalents at end of financial year	14	221,538	265,344

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Financial Year ended 31 March 2025

Note A: Reconciliation of liabilities arising from financing activities

	Beginning of financial year	Principal and interest payments	Proceeds from borrowings	Non-cash changes			End of financial year
				Additions (A)	Lease modifications	Interest expense	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2025							
Bank borrowings	646,091	(57,619)	96,700	–	–	29,306	714,478
Lease liabilities	37,315	(7,292)	–	1,724	(29,261)	1,221	3,707

	Beginning of financial year	Principal and interest payments	Proceeds from borrowings	Non-cash changes		End of financial year
				Additions (A)	Interest expense	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2024						
Bank borrowings	267,217	(19,890)	377,400	–	21,364	646,091
Lease liabilities	43,141	(7,275)	–	89	1,360	37,315

Note B: Purchase of property, plant and equipment and intangible assets

During the financial year, the Group acquired property, plant and equipment and intangible assets with an aggregate cost of \$121,088,000 (2024: \$381,057,000). The additions were by way as follows:

	Note	2025 \$'000	2024 \$'000
Additions to property, plant and equipment and intangible assets		121,088	381,057
Payables for property, plant and equipment		6,106	19,362
Lease liabilities	A	(1,724)	(89)
Cash outflow for purchase of property, plant and equipment and intangible assets		125,470	400,330

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

For the Financial Year ended 31 March 2025

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. Corporate information

Singapore Institute of Technology ("SIT") is incorporated and domiciled in Singapore as a company limited by guarantee under the provisions of the Companies Act 1967. The address of its registered office is 1 Punggol Coast Road, Singapore 828608.

The principal activities of SIT are to promote and undertake the advancement of education by providing educational facilities and courses of study in all fields of knowledge; to advance and disseminate knowledge and promote and engage in research and scholarship; and to conduct any activity necessary or ancillary to achieve the objectives mentioned above.

Under Clause 9 of the Memorandum of Association of SIT, each member of SIT undertakes to contribute a sum not exceeding \$1 to the assets of SIT in the event of it being wound up. The number of members as at 31 March 2025 is 3 (2024: 2).

2. Material accounting policy information

2.1 New or revised accounting standards and interpretations

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 21: Lack of Exchangeability	1 January 2025
Amendment to FRS 109 and FRS 107: Amendments to the Classification and Measurement of Financial Instruments, Annual Improvement to FRSs Volume 11	1 January 2026
FRS 118 Presentation and Disclosure in Financial Statements	1 January 2027
Illustrative Examples	

Except for FRS 118 as described below, these standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

FRS 118 *Presentation and Disclosure in Financial Statements* introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

For the Financial Year ended 31 March 2025

2. Material accounting policy information (cont'd)

2.1 New or revised accounting standards and interpretations (cont'd)

In addition, narrow-scope amendments have been made to FRS 7 *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. FRS 118, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. FRS 118 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

2.2 Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below. All financial information presented in Singapore Dollars has been rounded to the nearest thousand, unless otherwise stated.

The preparation of these financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain significant accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

2.3 Funds

(a) *General Fund*

Income and expenditure are accounted for under the General Fund unless they relate to funds separately accounted under specific self-financing activities.

(b) *Endowment Fund*

Grants from the government and endowed donations from external sources whereby only income generated from the investments of such grants and donations can be used, are taken directly to funds and reserves in the financial year in which such grants and donations are received.

Income and expenditure relating to Endowment Fund are taken to Endowment Fund.

(c) *Term Fund*

Donations received which can be put to immediate use for specific programmes, capital projects or other purposes as specified by the donors for the advancement of education are taken to Term Fund.

Expenditure relating to Term Fund are taken to Term Fund.

NOTES TO FINANCIAL STATEMENTS
For the Financial Year ended 31 March 2025

2. Material accounting policy information (cont'd)

2.4 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for rendering of services net of goods and services tax in the ordinary course of the Group's activities. Under FRS 115, revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to a customer.

(a) Tuition and other student-related services

Revenue from tuition and other student-related services is recognised over the duration of the courses, except application fees, matriculation fees, certification fees and fees for student activities that are recognised when payment is received.

(b) Service fees

Revenue from service fees is recognised over the period in which the services are rendered except administrative charges that are recognised upon billing.

2.5 Employee compensation

(a) Defined contribution plans

The Group's contributions to defined contribution plans are recognised as employee compensation expense when the contributions are due, unless they can be capitalised as an asset.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

2.6 Group accounting

Subsidiaries

(a) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

For the Financial Year ended 31 March 2025

2. Material accounting policy information (cont'd)

2.6 Group accounting (cont'd)

Subsidiaries (cont'd)

(b) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of the subsidiary disposed are also reclassified to profit or loss or transferred directly to accumulated surplus in General Fund if required by a specific standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in statement of comprehensive income.

Please refer to paragraph 2.11 "Investment in subsidiaries" for the accounting policy on investment in subsidiaries in the Company's separate financial statements.

2.7 Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The assets under construction consist of construction costs and related expenses incurred, including the financing cost during the period of construction.

Property, plant and equipment costing less than \$2,000 each, which are insignificant, are taken to statement of comprehensive income when purchased.

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	<u>Useful Lives</u>
Land, buildings and infrastructure	10 to 30 years or the period of lease, whichever is shorter
Furniture, office, sports and musical equipment	5 years
IT, AV and network equipment	3 to 5 years
Machinery, laboratory and workshop equipment	6 years
Motor vehicles	10 years or remaining of useful life, whichever is shorter

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

For the Financial Year ended 31 March 2025

2. Material accounting policy information (cont'd)

2.7 Property, plant and equipment (cont'd)

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in statement of comprehensive income when the changes arise.

No depreciation is provided for assets under construction until construction is completed and the asset is transferred to its appropriate category.

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is included in statement of comprehensive income.

2.8 Cash and cash equivalents

Cash and cash equivalents consist of cash at banks and short-term bank deposits, which are subject to an insignificant risk of change in value.

2.9 Financial instruments

Financial assets

The Group classifies its financial assets into the following measurement categories:

- Amortised cost;
- Fair value through profit or loss (FVPL)

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of cash flows of the financial assets.

The Group reclassifies debt and equity instruments when and only when its business model for managing those assets changes.

(a) *Initial recognition*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

(b) *Subsequent measurement*

Debt and equity instruments of the Group consist mainly of cash and cash equivalents, financial assets at FVPL, tuition fee and other receivables and student loan receivables.

There are two prescribed subsequent measurement categories, depending on the Group's business model in managing the assets and the cash flow characteristic of the assets.

2. Material accounting policy information (cont'd)

2.9 Financial instruments (cont'd)

Financial assets (cont'd)

(b) *Subsequent measurement (cont'd)*

- **Amortised cost:** The Group manages this group of financial assets by collecting the contractual cash flows and these cash flows represent solely payments of principal and interest. Accordingly, this group of financial assets is measured at amortised cost subsequent to initial recognition.

The Group's major classes of financial assets at amortised cost are cash and cash equivalents, tuition fee and other receivables and student loan receivables.

A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is recognised using the effective interest rate method.

These financial assets are subject to the expected credit loss impairment model under FRS 109. The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost.

- **FVPL:** Debt and equity instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or fair value through other comprehensive income (FVOCI) are classified as FVPL. Movements in fair value and interest income are recognised in statement of comprehensive income in the period in which they arise and presented in "net investment income".

The debt and equity instruments classified at FVPL relate to an investment portfolio comprising of quoted and unquoted investment securities. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. These financial assets are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale.

The Group primarily focuses on fair value information to evaluate assets' performance and to make decisions. The collection of contractual cash flows from debt and equity instruments is only incidental to achieving the business model's objective.

Regular way purchases and sales of these financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset.

2. Material accounting policy information (cont'd)

2.9 Financial instruments (cont'd)

Financial assets (cont'd)

(c) *Derecognition*

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal, the difference between the carrying amount and sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

Financial liabilities

The Group classifies its financial liabilities into the following measurement categories:

- Amortised cost;
- FVPL

(a) *Initial recognition*

At initial recognition, the Group measures a financial liability at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

(b) *Subsequent measurement*

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of comprehensive income when the liabilities are derecognised, and through the amortisation process.

(c) *Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in statement of comprehensive income.

Derivative financial instruments

A derivative financial instrument is applied and initially recognised at its fair value on the date the contract is entered and is subsequently carried at its fair value. Changes in fair value are recognised in profit or loss when the changes arise. The Group does not adopt hedge accounting.

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

For the Financial Year ended 31 March 2025

2. Material accounting policy information (cont'd)

2.10 Foreign currency translation

The financial statements are presented in Singapore Dollars, which is the functional currency of the Group's entities.

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is measured.

2.11 Investment in subsidiaries

Investment in subsidiaries is carried at cost less accumulated impairment losses in the Company's separate financial statements. On disposal of such investment, the difference between the disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

2.12 Government grants

Grants from the government are recognised at their fair value when there is reasonable assurance that the grant will be received and all the attached conditions will be complied with.

Government grants are recognised as income on a systematic basis over the periods in which the Group recognises as expenses and related costs for which the grants are intended to compensate. Grants which are received but not utilised are included in the grants received in advance account.

Government grants received/receivable to finance capital projects such as the purchase or construction of property, plant and equipment and intangible assets are taken immediately to the government operating or development grants received in advance account. Upon the utilisation of the grants for the purchase or construction of assets, they are transferred to deferred capital grants for assets which are capitalised in property, plant and equipment and intangible assets, or to statement of comprehensive income for assets costing less than \$2,000 which are written off as they are insignificant.

Deferred capital grants are recognised in the statement of comprehensive income over the periods necessary to match the depreciation or amortisation of the related assets. Upon the disposal of the assets, the remaining balance of the related deferred capital grants are recognised in statement of comprehensive income to match the net book value of the assets written off.

Grants from other government agencies are recognised as income over the periods in which the Group recognises the related costs as expenses or over the period the intended activities are carried out, in accordance with the grant conditions. Grants which are received but not utilised are included in the other grants received in advance account.

2. Material accounting policy information (cont'd)

2.13 Impairment of non-financial assets

Property, plant and equipment, intangible assets and investment in subsidiaries are reviewed for impairment whenever there is any indication that these assets may be impaired.

If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in statement of comprehensive income.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation and amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in statement of comprehensive income.

2.14 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For tuition fee receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

NOTES TO FINANCIAL STATEMENTS
For the Financial Year ended 31 March 2025

2. Material accounting policy information (cont'd)

2.14 Impairment of financial assets (cont'd)

The Group considers a financial asset in default when contractual payments are 60 days past due. The Group has determined the default event on a financial asset to be when internal and or external information indicates that the financial asset is unlikely to be received, which generally is when there is significant difficulty of the counterparty. Financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- All possible means to contact the debtor for payment do not yield any positive response

Financial assets are written off when there is evidence indicating that the debtor meets the above credit-impaired conditions and there is no reasonable expectation of recovery. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in statement of comprehensive income.

2.15 Leases

When the Group is the lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- **Right-of-use assets**

The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost, which comprises the initial lease liabilities adjusted for any lease payments made at or before the commencement date, and the lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term.

Right-of-use assets are presented within "Property, plant and equipment".

2. Material accounting policy information (cont'd)

2.15 Leases (cont'd)

When the Group is the lessee (cont'd)

- **Lease liabilities**

Lease liabilities are measured at amortised cost using the effective interest method. Lease liabilities shall be re-measured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There is modification in the scope or the consideration of the lease that was not part of the original terms.

Lease liabilities are re-measured with a corresponding adjustment to the right-of-use asset, or is recorded in statement of comprehensive income if the carrying amount of the right-of-use asset has been reduced to zero.

- **Short-term and low-value leases**

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value. Lease payments relating to these leases are expensed to statement of comprehensive income on a straight-line basis over the lease term.

2.16 Borrowing costs

Borrowing costs are recognised in the statement of comprehensive income using the effective interest method except for those costs that are directly attributable to the acquisition, construction or development of qualifying assets. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. This includes costs on borrowings acquired specifically for the acquisition, construction or development of qualifying assets.

Actual borrowing costs incurred during the period up to the issuance of the certificate of substantial completion are capitalised in the cost of the assets under construction.

3. Significant accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There is no significant judgement made in applying accounting policies and there is no estimation uncertainty that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

For the Financial Year ended 31 March 2025

4. Revenue and other income

(a) In statement of comprehensive income

	General Fund		Endowment and Term Funds		Total	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue:						
Tuition and other student-related fees	120,510	114,169	—	—	120,510	114,169
Service fees	134	38	—	—	134	38
	120,644	114,207	—	—	120,644	114,207
Timing of revenue recognition:						
At a point in time	734	610	—	—	734	610
Over time	119,910	113,597	—	—	119,910	113,597
	120,644	114,207	—	—	120,644	114,207
Other income:						
Donation income	—	—	4,789	4,564	4,789	4,564
Rental income	519	265	—	—	519	265
Lease modification	2,777	—	—	—	2,777	—
Others	2,133	2,333	116	—	2,249	2,333
	5,429	2,598	4,905	4,564	10,334	7,162
Total revenue and other income	126,073	116,805	4,905	4,564	130,978	121,369

(b) In statements of financial position

	Group and SIT	
	2025	2024
	\$'000	\$'000
Deferred tuition fee income	5,859	6,159

Deferred tuition fee income represents tuition and other student-related fees received from students for which the courses have not been delivered. Revenue will be recognised over the time when the courses are delivered to the students. The deferred tuition fee income of \$6,159,000 in 2024 (2023: \$3,684,000) was fully recognised as revenue during the financial year ended 31 March 2025 upon delivery of the courses. Courses relating to the deferred tuition fee income as at 31 March 2025 will be delivered within one year from balance sheet date.

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS
For the Financial Year ended 31 March 2025

5. Staff and related expenses

	2025 \$'000	2024 \$'000
Salaries and bonuses	167,311	152,248
Employer's contribution to defined contribution plans including Central Provident Fund	16,290	15,793
Other employee benefits	11,003	9,049
	194,604	177,090

6. Interest expense

	2025 \$'000	2024 \$'000
Interest expense on bank borrowings	7,421	–
Interest expense on lease liabilities (Note 21)	1,221	1,360
	8,642	1,360

7. Net investment income

	General Fund		Endowment and Term Funds		Total	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Fair value gain on financial assets at FVPL	5,050	141	34,040	73,553	39,090	73,694
Fair value gain/(loss) on derivative financial instruments	–	–	776	(381)	776	(381)
Gain on disposal of financial assets at FVPL	479	–	7,274	5,965	7,753	5,965
Dividend income	–	–	6,808	4,405	6,808	4,405
Interest income	5,124	9,324	1,871	1,626	6,995	10,950
Foreign exchange (loss)/gain	–	–	(683)	520	(683)	520
	10,653	9,465	50,086	85,688	60,739	95,153

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

For the Financial Year ended 31 March 2025

8. Government grants

	2025 \$'000	2024 \$'000
Operating, development and other grants utilised (Note 20)	267,363	233,950
Deferred capital grants amortised (Note 23)	48,701	27,807
Other deferred grants amortised (Note 24)	17,499	3,327
Transfer from deferred capital grants upon disposal of property, plant and equipment (Note 23)	8,034	1
	341,597	265,085

9. Investment in subsidiaries

	2025 \$	SIT 2024 \$
Shares, at cost	4	6

At the balance sheet date, the details of subsidiaries are as follows:

Name	Principal activities	Country of business/ incorporation	Date of incorporation	Proportion of ownership interest	
				2025 %	2024 %
Foodplant Pte Ltd*	Provision of shared small-batch food production facility	Singapore	2 March 2020	100	100
SIT Microgrid Pte Ltd**	Generation of electricity using Multi-Energy Micro-Grid	Singapore	19 August 2019	100	100
Verbosecurity Pte Ltd***	Provision of information technology cybersecurity consultancy services	Singapore	18 January 2019	–	100

* Audited by Ernst & Young LLP, Singapore

** Deregistered subsequent to the financial year on 12 July 2025

*** Deregistered on 4 June 2024

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NOTES TO FINANCIAL STATEMENTS
For the Financial Year ended 31 March 2025

10. Property, plant and equipment

Group 2025	Land, buildings and infrastructure \$'000	Furniture, office and sports equipment \$'000	IT, AV and network equipment \$'000	Machinery, laboratory and workshop equipment \$'000	Motor vehicles \$'000	Assets under construction \$'000	Total \$'000
Cost							
Beginning of financial year	574,842	21,692	49,688	59,186	1,047	992,957	1,699,412
Additions	1,540	578	2,441	1,096	–	115,244	120,899
Transfers between categories	491,561	11,529	19,623	6,711	–	(529,424)	–
Transfers to intangible assets (Note 11)	–	–	–	–	–	(344)	(344)
Lease modification	(23,276)	–	–	–	–	–	(23,276)
Disposals	(33,281)	(1,703)	(3,822)	(1,120)	–	–	(39,926)
End of financial year	1,011,386	32,096	67,930	65,873	1,047	578,433	1,756,765
Accumulated depreciation							
Beginning of financial year	220,917	21,342	46,013	41,900	692	–	330,864
Depreciation charge	51,088	1,020	4,201	6,026	115	–	62,450
Disposals	(22,485)	(1,703)	(3,794)	(1,070)	–	–	(29,052)
End of financial year	249,520	20,659	46,420	46,856	807	–	364,262
Net carrying amount							
End of financial year	761,866	11,437	21,510	19,017	240	578,433	1,392,503

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS
For the Financial Year ended 31 March 2025

10. Property, plant and equipment (cont'd)

SIT 2025	Land, buildings and infrastructure \$'000	Furniture, office and sports equipment \$'000	IT, AV and network equipment \$'000	Machinery, laboratory and workshop equipment \$'000	Motor vehicles \$'000	Assets under construction \$'000	Total \$'000
<u>Cost</u>							
Beginning of financial year	574,313	21,692	49,688	59,186	1,047	992,957	1,698,883
Additions	1,540	578	2,441	1,096	–	115,244	120,899
Transfers between categories	491,561	11,529	19,623	6,711	–	(529,424)	–
Transfers to intangible assets (Note 11)	–	–	–	–	–	(344)	(344)
Lease modification	(23,064)	–	–	–	–	–	(23,064)
Disposals	(33,282)	(1,703)	(3,822)	(1,120)	–	–	(39,927)
End of financial year	1,011,068	32,096	67,930	65,873	1,047	578,433	1,756,447
<u>Accumulated depreciation</u>							
Beginning of financial year	220,688	21,342	46,013	41,900	692	–	330,635
Depreciation charge	51,000	1,020	4,201	6,026	115	–	62,362
Disposals	(22,485)	(1,703)	(3,794)	(1,070)	–	–	(29,052)
End of financial year	249,203	20,659	46,420	46,856	807	–	363,945
<u>Net carrying amount</u>							
End of financial year	761,865	11,437	21,510	19,017	240	578,433	1,392,502

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS
For the Financial Year ended 31 March 2025

10. Property, plant and equipment (cont'd)

Group 2024	Land, buildings and infrastructure \$'000	Furniture, office and sports equipment \$'000	IT, AV and network equipment \$'000	Machinery, laboratory and workshop equipment \$'000	Motor vehicles \$'000	Assets under construction \$'000	Total \$'000
Cost							
Beginning of financial year	574,720	21,558	47,889	54,639	988	619,108	1,318,902
Additions	122	154	1,877	3,528	59	375,139	380,879
Transfers between categories	-	-	164	1,094	-	(1,258)	-
Transfers to intangible assets (Note 11)	-	-	-	-	-	(32)	(32)
Disposals	-	(20)	(242)	(75)	-	-	(337)
End of financial year	574,842	21,692	49,688	59,186	1,047	992,957	1,699,412
Accumulated depreciation							
Beginning of financial year	192,918	21,110	44,243	35,415	587	-	294,273
Depreciation charge	27,999	252	2,012	6,560	105	-	36,928
Disposals	-	(20)	(242)	(75)	-	-	(337)
End of financial year	220,917	21,342	46,013	41,900	692	-	330,864
Net carrying amount							
End of financial year	353,925	350	3,675	17,286	355	992,957	1,368,548

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS
For the Financial Year ended 31 March 2025

10. Property, plant and equipment (cont'd)

SIT 2024	Land, buildings and infrastructure \$'000	Furniture, office and sports equipment \$'000	IT, AV and network equipment \$'000	Machinery, laboratory and workshop equipment \$'000	Motor vehicles \$'000	Assets under construction \$'000	Total \$'000
<u>Cost</u>							
Beginning of financial year	574,191	21,558	47,889	54,639	988	619,108	1,318,373
Additions	122	154	1,877	3,528	59	375,139	380,879
Transfers between categories	–	–	164	1,094	–	(1,258)	–
Transfers to intangible assets (Note 11)	–	–	–	–	–	(32)	(32)
Disposals	–	(20)	(242)	(75)	–	–	(337)
End of financial year	574,313	21,692	49,688	59,186	1,047	992,957	1,698,883
<u>Accumulated depreciation</u>							
Beginning of financial year	192,795	21,110	44,243	35,415	587	–	294,150
Depreciation charge	27,893	252	2,012	6,560	105	–	36,822
Disposals	–	(20)	(242)	(75)	–	–	(337)
End of financial year	220,688	21,342	46,013	41,900	692	–	330,635
<u>Net carrying amount</u>							
End of financial year	353,625	350	3,675	17,286	355	992,957	1,368,248

(a) Capitalisation of Borrowing Costs

Borrowing costs of \$21,885,000 (2024: \$21,364,000) attributable to assets under construction were capitalised during the financial year.

- (b) During the financial year, SIT vacated one of its satellite campuses at the Polytechnics. Accordingly, SIT accelerated the depreciation of the affected assets which amounted to \$13,733,000.

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS
For the Financial Year ended 31 March 2025

11. Intangible assets

Computer software licence costs

	Group		SIT	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
<u>Cost</u>				
Beginning of financial year	27,591	27,422	27,487	27,318
Additions	189	178	189	178
Transfer from assets under construction (Note 10)	344	32	344	32
Disposals	(1,254)	(41)	(1,150)	(41)
End of financial year	26,870	27,591	26,870	27,487
<u>Accumulated amortisation</u>				
Beginning of financial year	27,129	26,278	27,025	26,174
Amortisation charge	333	892	333	892
Disposals	(1,254)	(41)	(1,150)	(41)
End of financial year	26,208	27,129	26,208	27,025
<u>Net carrying amount</u>				
End of financial year	662	462	662	462

12. Student loan receivables

	Group and SIT	
	2025	2024
	\$'000	\$'000
Current	59	50
Non-current	1,116	752
	1,175	802

Student loan receivables arise from overseas student programme loans and are unsecured and non-interest bearing during the course of study and are repayable in monthly instalments with interest over periods of up to 5 years upon the students' graduation. The repayment period may be longer if MOE allows loan repayment to be suspended for a certain period of time due to adverse economic situation. For existing loans signed before 1 April 2024, interest charged is based on the average of the prevailing prime rates of the 3 local banks and is 4.75% (2024: 4.75%) per annum as at balance sheet date. For new loans signed on or after 1 April 2024, interest rate is based on the sum of the 3-month compounded Singapore Overnight Rate Average (SORA) plus 1.5 percentage points.

The carrying amount of non-current student loans approximates its fair value.

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS
For the Financial Year ended 31 March 2025

13. Other non-current assets

	Group		SIT	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Deposits	180	249	145	215
Prepayments				
- Rental and other facility expenses	–	56,866	–	56,866
- Others	155	339	155	339
	335	57,454	300	57,420

Prepayments for rental and other facility expenses represent service fees paid in advance to Polytechnics for the use of facilities.

14. Cash and cash equivalents

	Group		SIT	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Cash at banks	68,193	72,045	67,515	71,821
Fixed deposits	153,345	193,299	153,345	193,299
	221,538	265,344	220,860	265,120

Fixed deposits at balance sheet date have an average maturity of 107 days (2024: 65 days) from the end of the financial year with a weighted average effective interest rate of 2.976% (2024: 3.726%) per annum.

15. Financial assets at fair value through profit or loss

	Group and SIT	
	2025	2024
	\$'000	\$'000
<u>Endowment and Term Funds (Note 25(a))</u>		
Quoted fixed income investments	127,312	117,030
Quoted equity investments	122,882	116,396
Quoted other investments	30,986	58,899
Unquoted fixed income investments	6,342	9,651
Unquoted equity investments	119,115	112,168
Unquoted other investments	543,970	519,884
	950,607	934,028
<u>General Fund</u>		
Quoted other investments	178,403	100,141
	1,129,010	1,034,169

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15. Financial assets at fair value through profit or loss (cont'd)

Quoted other investments and unquoted other investments consist mainly of money market and multi-asset funds. The weighted average yield to maturity for fixed income investments is 4.90% (2024: 5.11%) per annum.

As at 31 March 2025, the Group has outstanding commitments of \$142,206,000 (2024: \$167,681,000) for additional investments in unquoted other investments which have not been drawn down as at balance sheet date.

16. Tuition fee and other receivables

	Group		SIT	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Tuition fee receivable - gross	8,163	9,585	8,105	9,560
Less: Expected credit loss allowance (Note 30(b))	(34)	(79)	(27)	(79)
Tuition fee receivable - net	8,129	9,506	8,078	9,481
Grant receivables from MOE	434,126	390,427	434,126	390,427
Matching endowment grant receivables	26,621	16,258	26,621	16,258
Other grant receivables	21,584	16,816	21,584	16,816
Other receivables from MOE	57,943	44,844	57,943	44,844
Deposits for investments	46,903	—	46,903	—
Interest receivable	826	1,987	826	1,987
Other receivables	2,233	1,113	2,232	839
Amount due from subsidiaries	—	—	6,939	4,573
	598,365	480,951	605,252	485,225

17. Other current assets

	Group and SIT	
	2025 \$'000	2024 \$'000
Deposits	1	1
Prepayments		
- Programme and student related expenses	3,377	3,754
- Rental and other facility expenses	42,694	3,327
- Others	4,975	4,141
	51,047	11,223

Prepayments for rental and other facility expenses represent service fees paid in advance to Polytechnics for the use of facilities.

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18. Derivative financial instruments

	Group and SIT		Fair value –	
	Contract/notional amount		assets/(liabilities)	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Foreign currency forward contracts	64,048	12,647	910	(85)

Foreign currency forward contracts are entered into to hedge foreign currency exposure arising from financial assets at FVPL denominated in foreign currencies. The Group does not apply hedge accounting.

19. Trade and other payables

	Group		SIT	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Trade payables	10,068	9,717	10,081	9,733
Other payables	20,302	15,589	27,223	19,873
Payables for property, plant and equipment	4,555	10,661	4,555	10,661
Accrued operating expenses	43,267	47,521	43,253	47,506
	78,192	83,488	85,112	87,773

20. Grants received in advance

	Government operating grants \$'000	Government development grants \$'000	Other government grants \$'000	Total \$'000
Group and SIT				
2025				
Beginning of financial year	10,397	21,661	12,863	44,921
<u>Add:</u>				
Grants received/receivable during the financial year	213,832	102,957	49,587	366,376
<u>Less:</u>				
Transfer to statement of comprehensive income (Note 8)	(211,224)	(11,528)	(44,611)	(267,363)
Transfer to deferred capital grants (Note 23)	(2,628)	(84,286)	(5,034)	(91,948)
	(213,852)	(95,814)	(49,645)	(359,311)
End of financial year	10,377	28,804	12,805	51,986

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20. Grants received in advance (cont'd)

	Government operating grants \$'000	Government development grants \$'000	Other grants \$'000	Total \$'000
Group and SIT 2024				
Beginning of financial year	5,992	9,988	12,185	28,165
<u>Add:</u>				
Grants received/receivable during the financial year	200,755	296,956	39,601	537,312
<u>Less:</u>				
Transfer to statement of comprehensive income (Note 8)	(193,838)	(5,893)	(34,219)	(233,950)
Transfer to deferred capital grants (Note 23)	(2,512)	(279,390)	(4,704)	(286,606)
	(196,350)	(285,283)	(38,923)	(520,556)
End of financial year	10,397	21,661	12,863	44,921

Grants received in advance represent grants received or receivable but not utilised at end of financial year.

21. Leases – the Group as a lessee

Nature of the Group's leasing activities

Land, buildings and infrastructure

The Group leases certain items of land, buildings and infrastructure for use in its operations.

Included in land, buildings and infrastructure (Note 10) is the fully paid 30-year leasehold land on which the new SIT Punggol Campus is located.

Office and sports equipment

The Group leases certain items of office and sports equipment for use in its operations.

There are no externally imposed covenants on these lease arrangements.

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21. Leases – the Group as a lessee (cont'd)

(a) Carrying amounts

Right-of-use assets presented within property, plant and equipment

	Group		SIT	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Land, buildings and infrastructure	220,825	261,316	220,746	261,016
Office and sports equipment	319	27	319	27
	221,144	261,343	221,065	261,043

(b) Depreciation charge during the financial year

	Group		SIT	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Land, buildings and infrastructure	15,470	15,608	15,380	15,502
Office and sports equipment	74	35	74	35
	15,544	15,643	15,454	15,537

(c) Interest expense

	Group		SIT	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Interest expense on lease liabilities	1,221	1,360	1,204	1,356

(d) Lease expense not included in lease liabilities

	2025	2024
	\$'000	\$'000
Expense on low value leases	33	48

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21. Leases – the Group as a lessee (cont'd)

(e) Lease liabilities

	Group		SIT	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Current	1,045	6,017	1,045	5,976
Non-current	2,662	31,298	2,578	30,804
	3,707	37,315	3,623	36,780

The maturity analysis of lease liabilities is disclosed in Note 30(c).

(f) Total cash outflows for leases in 2025 were \$7,320,000 (2024: \$7,323,000).

(g) Additions to right-of-use assets during the financial year ended 31 March 2025 were \$1,724,000 (2024: \$89,000).

(h) Future cash outflows which are not included in lease liabilities

Extension options

The leases for certain office and sports equipment contain extension periods, for which the related lease payments have not been included in lease liabilities as the Group is not reasonably certain of exercising the extension options. The Group negotiates extension options to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of the extension options are exercisable by the Group and not by the lessor.

22. Bank borrowings

	Group and SIT	
	2025 \$'000	2024 \$'000
Current	35,078	38,591
Non-current	679,400	607,500
	714,478	646,091

Under the debt-grant framework initiated by the Singapore Government, SIT has obtained a bank loan to partially fund the construction of the SIT Punggol Campus.

The bank borrowings are unsecured, interest bearing at rates ranging from 3.33% to 4.68% (2024: 4.47% to 4.75%) per annum and are repayable in semi-annual instalments till June 2039. SIT is required to maintain a financial ratio where the total liabilities to total assets shall not at any time be more than 0.65:1.

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23. Deferred capital grants

	Group and SIT	
	2025	2024
	\$'000	\$'000
Beginning of financial year	1,025,990	767,192
Transfer from grants received in advance (Note 20)	91,948	286,606
<u>Less:</u>		
Transfer to statement of comprehensive income		
- Deferred capital grants amortised (Note 8)	(48,701)	(27,807)
- Derecognised upon disposal of property, plant and equipment (Note 8)	(8,034)	(1)
	(56,735)	(27,808)
End of financial year	1,061,203	1,025,990

Deferred capital grants represent grants utilised for the acquisition of property, plant and equipment and intangible assets. There are no unfulfilled conditions or contingencies attached to these grants.

24. Other deferred grants

	Group and SIT	
	2025	2024
	\$'000	\$'000
Beginning of financial year	60,193	63,520
Other deferred grants amortised (Note 8)	(17,499)	(3,327)
End of financial year	42,694	60,193

Other deferred grants represent grants received from MOE to fund SIT's service fees paid in advance to Polytechnics for the use of facilities.

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25. Endowment and Term Funds

(a) Composition:

	Endowment Fund		Group and SIT Term Fund		Total	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital comprising:						
Government grants	638,497	607,089	—	—	638,497	607,089
Donations	107,203	96,325	—	—	107,203	96,325
	745,700	703,414	—	—	745,700	703,414
Accumulated surplus	304,754	271,152	6,655	6,433	311,409	277,585
	1,050,454	974,566	6,655	6,433	1,057,109	980,999
<u>Represented by:</u>						
Cash and cash equivalents	40,717	24,680	6,996	6,463	47,713	31,143
Financial assets at fair value through profit or loss	950,607	934,028	—	—	950,607	934,028
Tuition fee and other receivables	74,777	16,628	131	12	74,908	16,640
Derivative financial instruments	910	(85)	—	—	910	(85)
Property, plant and equipment	—	—	133	169	133	169
Trade and other payables	(16,557)	(685)	(605)	(211)	(17,162)	(896)
	1,050,454	974,566	6,655	6,433	1,057,109	980,999

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25. Endowment and Term Funds (cont'd)

(b) Movements:

	Endowment Fund		Group and SIT Term Fund		Total	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Beginning of financial year	974,566	857,892	6,433	5,697	980,999	863,589
Government grants	31,408	20,041	—	—	31,408	20,041
Donations	10,878	13,041	—	—	10,878	13,041
Government grants and donations	42,286	33,082	—	—	42,286	33,082
Transfer to General Fund	(10,327)	—	—	—	(10,327)	—
<u>Income</u>						
Donations	—	—	4,789	4,564	4,789	4,564
Net investment income (Note 7)	49,965	85,470	121	218	50,086	85,688
Others	116	—	—	—	116	—
	50,081	85,470	4,910	4,782	54,991	90,252
<u>Operating expenditure</u>						
Staff and related expenses	(988)	(903)	(261)	(105)	(1,249)	(1,008)
Programme and student-related expenses	(4,874)	—	(4,349)	(3,856)	(9,223)	(3,856)
Depreciation and amortisation expenses	—	—	(38)	(39)	(38)	(39)
Rental and other facility expenses	—	—	(3)	(1)	(3)	(1)
Other operating expenses	(290)	(975)	(37)	(45)	(327)	(1,020)
	(6,152)	(1,878)	(4,688)	(4,046)	(10,840)	(5,924)
Net surplus for the financial year, representing total comprehensive income for the financial year	43,929	83,592	222	736	44,151	84,328
End of financial year	1,050,454	974,566	6,655	6,433	1,057,109	980,999

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26. Funds managed on behalf of MOE

SIT acts as an agent for the student tuition fee loan (TFL), study loan (SL) and overseas student programme loan - 50% funded by MOE (OSP) schemes, and MOE acts as the financier providing the funds.

	Group and SIT	
	2025	2024
	\$'000	\$'000
Beginning of financial year	57,677	54,498
Funds received from MOE	24,657	19,630
Repayments from students	(17,112)	(16,451)
End of financial year	65,222	57,677
<i>Represented by:</i>		
Student loans	64,933	59,734
Less: Amounts receivable from MOE	289	(2,057)
	65,222	57,677

Student loan receivables are unsecured and non-interest bearing during the course of study and are repayable in monthly instalments with interest over periods of up to 20 years after the students' graduation. The repayment period may be longer if MOE allows the loan repayment to be suspended for a certain period of time due to adverse economic situation. For existing loans signed before 1 April 2024, interest charged is based on the average of the prevailing prime rates of the 3 local banks and is 4.75% (2024: 4.75%) per annum as at balance sheet date. For new loans signed on or after 1 April 2024, interest rate is based on the sum of the 3-month compounded Singapore Overnight Rate Average (SORA) plus 1.5 percentage points.

27. Capital commitments

SIT Punggol Campus

The SIT Punggol Campus construction expenditure contracted for at the balance sheet date but not recognised in the financial statements is estimated as follows:

	2025	2024
	\$'000	\$'000
Property, plant and equipment	76,590	143,985

28. Income taxes

SIT obtained the Charity and Institution of Public Character ("IPC") status on 16 September 2009 under the Charities Act and Charities (Institutions of a Public Character) Regulations 2007 and is exempt from income tax.

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29. Charities act and regulation

In accordance with the disclosure requirement under regulation 17(1) of the Charities (Institutions of Public Character) Regulations 2008, SIT received tax deductible donations of \$15,667,000 (2024: \$17,605,000) during the financial year.

30. Financial risk management

Financial risk factors

The Group's activities are exposed to market risk (including foreign currency, price and interest rate risks), credit risk and liquidity risk.

The Board of Trustees (the "Board") has constituted a finance committee comprising three Board members to oversee the Group's financial resource management.

The Board has also constituted an investment committee comprising two Board members and two co-opted members to oversee the management and investment of the Group's endowment and other surplus funds. The investment committee approves the asset allocations, selection of fund managers and policies governing investment activities. The investment office assists in the implementation and management of the Group's investment portfolio within the prescribed investment guidelines and mandates.

(a) Market risk

(i) *Foreign currency risk*

The Group holds quoted and unquoted investments and cash and cash equivalents denominated in USD which are exposed to foreign currency risk. The Group's foreign currency exposure to USD is as follows:

	Group and SIT	
	2025	2024
	\$'000	\$'000
Financial assets		
Cash and cash equivalents	8,187	5,784
Derivatives	(61,913)	(12,647)
Financial assets at fair value through profit or loss	559,879	562,861
Tuition fee and other receivables	47,297	162
	553,450	556,160
Financial liabilities		
Trade and other payables	(427)	(735)
	553,023	555,425

At 31 March 2025, if USD had strengthened/weakened by 5% (2024: 5%) against SGD with all other variables held constant, the Group's net surplus for the financial year would have increased/decreased by \$27,651,000 (2024: \$27,771,000) as a result of foreign currency translation gains/losses.

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For the Financial Year ended 31 March 2025

30. Financial risk management (cont'd)

(a) Market risk (cont'd)

(ii) *Price risk*

The Group holds quoted investments at FVPL which are exposed to price risk. To manage this risk, the Group diversifies its investments across different markets and industries whenever appropriate.

At 31 March 2025, if prices for financial assets at FVPL had increased/decreased by 5% (2024: 5%) with all other variables held constant, the Group's net surplus for the financial year would have increased/decreased by \$56,451,000 (2024: \$51,708,000) as a result of fair value changes.

(iii) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group is exposed to interest rate risk which arises primarily from its interest bearing financial assets at FVPL and bank borrowings.

Changes in interest rates will have impact on the fair value of fixed income financial assets. If interest rates had increased/decreased by 50 (2024: 50) basis points with all other variables held constant, the fair value of financial assets at fair value through profit or loss and the Group's net surplus for the financial year would have been higher/lower by \$3,757,000 (2024: \$3,159,000).

If the interest rate of the Group's floating rate bank borrowings had increased/decreased by 50 (2024: 50) basis points with all other variables held constant, the Group's net surplus for the financial year would have been higher/lower by \$3,571,000 (2024: \$3,212,000) as a result of higher/lower interest expense.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

Cash and cash equivalents are placed with banks with high credit-ratings assigned by international credit-rating agencies. Other than tuition fee receivables, the Group adopts the policy of dealing only with counterparties of appropriate reputation and history.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the statements of financial position.

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30. Financial risk management (cont'd)

(b) Credit risk (cont'd)

The Group has applied the simplified approach by using the provision matrix to measure the lifetime expected credit losses for tuition fee receivables.

To measure the expected credit losses, tuition fee receivables are grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers historical loss rates and adjusts for forward-looking macroeconomic data if it has a significant impact on the expected credit losses.

The Group's credit risk exposure in relation to tuition fee receivables under FRS 109 is set out in the provision matrix below.

Group 2025	Current	1 to 30 days	31 to 60 days	61 to 90 days	More than 90 days	Total
Students						
Expected loss rate	-%	-%	0.3%	1.5%	9.0%	
Gross carrying amount (\$'000)	59	1,126	3	2	168	1,358
Loss allowance (\$'000)	—	—	—	—	15	15
Non-Students						
Expected loss rate	-%	-%	-%	-%	4.5%	
Gross carrying amount (\$'000)	5,784	432	53	112	424	6,805
Loss allowance (\$'000)	—	—	—	—	—	—
Individually assessed (\$'000)	—	—	—	—	19	19
SIT 2025						
Students						
Expected loss rate	-%	-%	0.3%	1.5%	9.0%	
Gross carrying amount (\$'000)	59	1,126	3	2	168	1,358
Loss allowance (\$'000)	—	—	—	—	15	15
Non-Students						
Expected loss rate	-%	-%	-%	-%	0.5%	
Gross carrying amount (\$'000)	5,735	429	53	112	418	6,747
Loss allowance (\$'000)	—	—	—	—	—	—
Individually assessed (\$'000)	—	—	—	—	12	12

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30. Financial risk management (cont'd)

(b) Credit risk (cont'd)

Group and SIT 2024	Current	1 to 30 days	31 to 60 days	61 to 90 days	More than 90 days	Total
Students						
Expected loss rate	-%	-%	0.2%	0.4%	10.6%	
Gross carrying amount (\$'000)	103	1,177	5	—	108	1,393
Loss allowance (\$'000)	—	—	—	—	11	11
Non-Students						
Expected loss rate	-%	-%	-%	-%	-%	
Gross carrying amount (\$'000)	1,111	6,463	54	100	464	8,192
Loss allowance (\$'000)	—	—	—	—	—	—
Individually assessed (\$'000)	—	—	—	—	68	68

The movements in the lifetime expected credit loss allowance for tuition fee receivables are as follows:

	Group		SIT	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Beginning of financial year	79	56	79	56
Charge during the financial year	59	40	52	40
Written off during the year	(104)	(17)	(104)	(17)
End of financial year (Note 16)	34	79	27	79

For other financial assets at amortised cost, the Group has applied the 2-stage expected credit loss approach. Grant and other receivables due from MOE and other government agencies are assessed to have a low risk of default as they have strong capacity to meet the contractual cash flow obligations in the near term and the expected credit loss in the 12-month period after balance sheet date is insignificant.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. Based on the Group's historical experience and available press information, the Group has assessed that there is no significant increase in the credit risk since initial recognition of the assets and the credit risk exposure is insignificant.

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30. Financial risk management (cont'd)

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group maintains an adequate level of highly liquid assets in the form of cash at banks and short-term bank deposits.

The table below analyses the Group's financial liabilities based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000
Group				
2025				
Trade and other payables ^(a)	68,209	—	—	—
Bank borrowings	35,078	34,800	104,400	540,200
Lease liabilities	3,925	90	—	—
	107,212	34,890	104,400	540,200
2024				
Trade and other payables ^(a)	73,622	—	—	—
Bank borrowings	38,591	34,800	104,400	468,300
Lease liabilities	7,244	3,801	7,269	31,217
	119,457	38,601	111,669	499,517
SIT				
2025				
Trade and other payables ^(a)	75,129	—	—	—
Bank borrowings	35,078	34,800	104,400	540,200
Lease liabilities	3,925	—	—	—
	114,132	34,800	104,400	540,200
2024				
Trade and other payables ^(a)	77,907	—	—	—
Bank borrowings	38,591	34,800	104,400	468,300
Lease liabilities	7,199	3,530	7,043	31,217
	123,697	38,330	111,443	499,517

(a) Trade and other payables excludes accrual for unutilised leave.

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NOTES TO FINANCIAL STATEMENTS For the Financial Year ended 31 March 2025

30. Financial risk management (cont'd)

(d) Capital risk management

The Group's objectives when managing capital are to ensure that the Group is adequately capitalised and to maintain a sound capital base for future development. The Group is funded by grants from the government and is not subject to any externally imposed capital requirements.

(e) Fair value measurement

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1

Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3

Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows an analysis of financial instruments measured at fair value and classified by level of fair value measurement hierarchy:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group and SIT 2025				
Financial assets				
Financial assets at fair value through profit or loss				
Quoted investments				
- Fixed income investments	127,312	—	—	127,312
- Equity investments	122,882	—	—	122,882
- Other investments	209,389	—	—	209,389
Unquoted investments	—	—	669,427	669,427
Derivative financial instruments				
- Foreign currency forward contracts	—	910	—	910
	459,583	910	669,427	1,129,920

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NOTES TO FINANCIAL STATEMENTS For the Financial Year ended 31 March 2025

30. Financial risk management (cont'd)

(e) Fair value measurement (cont'd)

	Level 1	Level 2	Level 3	Total
Group and SIT 2024	\$'000	\$'000	\$'000	\$'000
Financial assets				
Financial assets at fair value through profit or loss				
Quoted investments				
- Fixed income investments	117,030	–	–	117,030
- Equity investments	116,396	–	–	116,396
- Other investments	159,040	–	–	159,040
Unquoted investments	–	–	641,703	641,703
Financial liabilities				
Derivative financial instruments				
- Foreign currency forward contracts	–	(85)	–	(85)
	392,466	(85)	641,703	1,034,084

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by Group is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques or price quotes by the fund managers. The fair value of foreign currency forwards is determined using the actively quoted forward exchange rates. These investments are classified as Level 2.

The fair value is determined by the fund managers using the net asset value of the investment fund. In circumstances where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3.

The following table presents the changes in Level 3 instruments:

	Group and SIT	
	2025	2024
	\$'000	\$'000
<u>Financial assets at fair value through profit or loss</u>		
Beginning of financial year	641,703	512,346
Purchases	86,474	122,622
Sales	(84,623)	(48,497)
Fair value gain recognised in profit or loss	25,873	55,232
End of financial year	669,427	641,703

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NOTES TO FINANCIAL STATEMENTS

For the Financial Year ended 31 March 2025

30. Financial risk management (cont'd)

(f) Assets and liabilities not measured at fair value

The carrying amounts of short-term financial assets and liabilities approximate their respective fair values due to the short-term nature of these balances. The carrying amounts of bank borrowings approximate their fair values as they are subject to interest rates that are re-priced at regular intervals.

(g) Financial instruments by category

The carrying amounts of financial assets at amortised cost, financial assets at fair value through profit or loss and financial liabilities are as follows:

	Group		SIT	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Financial assets				
at amortised cost	821,259	747,347	827,433	751,363
Financial assets at fair value				
through profit or loss	1,129,920	1,034,169	1,129,920	1,034,169
Financial liabilities				
at amortised cost	786,394	757,028	793,230	760,778
Financial liabilities at fair				
value through profit or loss	–	85	–	85

31. Related party transactions

Key management personnel compensation for the financial year is as follows:

	2025 \$'000	2024 \$'000
Salaries and bonuses	14,373	14,248
Employer's contribution to defined contribution plans including		
Central Provident Fund	666	781
Other employee benefits	251	1,025
	15,290	16,054

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Group receives grants from MOE to fund its operations and is subject to certain controls set by MOE and considers MOE a related party.

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NOTES TO FINANCIAL STATEMENTS

For the Financial Year ended 31 March 2025

31. Related party transactions (cont'd)

In addition to the information disclosed elsewhere in the financial statements, the following transactions, that are either individually or collectively significant, took place between the Group and MOE during the financial year.

	2025	2024
	\$'000	\$'000
Grants received and receivable	346,037	319,484

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between SIT and related parties at the prevailing market terms:

	2025	2024
	\$'000	\$'000
Payments made on behalf of subsidiaries	3,273	4,090
Provision of administration service to subsidiaries	432	353
Audit and statutory fees borne for subsidiaries	–	6
Facility rental income charged by subsidiaries	–	(16)
Training fees charged by subsidiaries	(114)	–

32. Events occurring after the reporting period

On 12 July 2025, a wholly owned subsidiary, SIT Microgrid Pte Ltd was struck off.

33. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Trustees of Singapore Institute of Technology on 20 August 2025.