

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

(Company Limited by Guarantee)
(Incorporated in Singapore)

Company Registration No.:
200917667D

Annual Financial Statements
31 March 2026



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SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

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SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

TRUSTEES' STATEMENT

For the financial year ended 31 March 2026

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 2026 and the statement of financial position of SIT as at 31 March 2026.

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 52 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 2026 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	
Dr Chia Tai Tee	
Dr Foo Say Mui (Bill)	(Appointed on 22 September 2025)
Mr Han Kwee Juan	
Dr Benjamin Koh	
Mr Kwee Liong Keng	
Ms Lim Wan Yong	
Dr David Low	
Ms Neo Gim Huay	
Ms Gail Ong	
Ms Jacqueline Poh	
Mr Quek Gim Pew	
Ms Susan Soh	
Mr Soon Sze Meng	
Mr Caesar Sengupta	(Appointed on 22 September 2025)
Mr Vincent Wu	(Appointed on 22 September 2025)
Professor Yeo Yee Chia	
Ms Sim Siew Moon	(Resigned on 2 September 2025)
Dr Syed Harun Alhabsyi	(Resigned on 16 September 2025)
Ms Tammie Tham	(Resigned on 16 September 2025)
Mr Wen Khai Meng	(Resigned on 16 September 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 2026

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

19 August 2026

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 March 2026

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 2026, 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 2026 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 Singapore Standards on Auditing ("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 Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 2026

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 2026**

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.

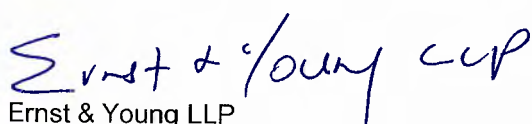
Report on other legal and regulatory requirements

In our opinion, the accounting and other records required to be kept by SIT and by its subsidiary 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.

The engagement partner on the audit resulting in this independent auditor's report is Gajendran Vyapuri.


Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

19 August 2026

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Financial Year ended 31 March 2026

	Note	General Fund		Endowment and Term Funds			Total
		2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2025 \$'000	
Revenue	4(a)	123,030	120,644	–	–	123,030	120,644
Other income	4(a)	5,712	5,429	13,668	4,905	19,380	10,334
Operating expenditure							
Staff and related expenses	5	(212,505)	(193,355)	(1,414)	(1,249)	(213,919)	(194,604)
Programme and student-related expenses		(82,966)	(84,117)	(10,019)	(9,223)	(92,985)	(93,340)
Depreciation and amortisation expenses	10, 11	(134,530)	(62,745)	(62)	(38)	(134,592)	(62,783)
Rental and other facility expenses		(72,001)	(42,552)	(11)	(3)	(72,012)	(42,555)
Interest expense	6	(15,255)	(8,642)	–	–	(15,255)	(8,642)
Other operating expenses		(47,328)	(50,634)	(1,090)	(327)	(48,418)	(50,961)
Total operating expenditure		(564,585)	(442,045)	(12,596)	(10,840)	(577,181)	(452,885)
Deficit before investment income and government grants		(435,843)	(315,972)	1,072	(5,935)	(434,771)	(321,907)
Net investment income	7	6,697	10,653	80,332	50,086	87,029	60,739
(Deficit)/surplus before government grants		(429,146)	(305,319)	81,404	44,151	(347,742)	(261,168)
Government grants	8	440,490	341,597	–	–	440,490	341,597
Net surplus for the financial year, representing total comprehensive income for the financial year		11,344	36,278	81,404	44,151	92,748	80,429

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 2026

	Note	Group		SIT	
		2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Assets					
Non-current assets					
Investment in subsidiaries	9	—	—	1,951	— (a)
Property, plant and equipment	10	1,339,442	1,392,503	1,339,438	1,392,502
Intangible assets	11	1,603	662	1,603	662
Student loan receivables	12	1,491	1,116	1,491	1,116
Other non-current assets	13	446	335	439	300
Total non-current assets		1,342,982	1,394,616	1,344,922	1,394,580
Current assets					
Cash and cash equivalents	14	336,651	221,538	333,554	220,860
Financial assets at fair value through profit or loss	15	1,279,047	1,129,010	1,279,047	1,129,010
Tuition fee and other receivables	16	505,021	598,365	506,301	598,313
Student loan receivables	12	59	59	59	59
Other current assets	17	10,019	51,047	9,970	51,047
Derivative financial instruments	18	—	910	—	910
Total current assets		2,130,797	2,000,929	2,128,931	2,000,199
Total assets		3,473,779	3,395,545	3,473,853	3,394,779
Liabilities					
Current liabilities					
Trade and other payables	19	75,833	78,192	75,995	78,173
Deferred tuition fee income	4(b)	5,738	5,859	5,738	5,859
Grants received in advance	20	61,035	51,986	61,035	51,986
Derivative financial instruments	18	775	—	775	—
Lease liabilities	21	748	1,045	660	1,045
Bank borrowings	22	34,841	35,078	34,841	35,078
Total current liabilities		178,970	172,160	179,044	172,141
Net current assets		1,951,827	1,828,769	1,949,887	1,828,058
Non-current liabilities					
Deferred capital grants	23	1,001,012	1,061,203	1,001,012	1,061,203
Other deferred grants	24	—	42,694	—	42,694
Grants received in advance	20	14,518	—	14,518	—
Lease liabilities	21	15,066	2,662	15,066	2,578
Bank borrowings	22	681,100	679,400	681,100	679,400
Total non-current liabilities		1,711,696	1,785,959	1,711,696	1,785,875
Total liabilities		1,890,666	1,958,119	1,890,740	1,958,016
Net assets		1,583,113	1,437,426	1,583,113	1,436,763

(a) Less than \$1,000

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2026

	Note	Group		SIT	
		2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Funds and reserves					
General Fund					
- Accumulated surplus		402,074	380,317	402,074	379,654
Endowment and Term Funds					
- Capital	25(a)	798,639	745,700	798,639	745,700
- Accumulated surplus	25(a)	382,400	311,409	382,400	311,409
		1,181,039	1,057,109	1,181,039	1,057,109
Total funds and reserves		1,583,113	1,437,426	1,583,113	1,436,763

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 2026

	Note	General Fund \$'000	Endowment and Term Funds \$'000	Total \$'000
2026				
At 1 April 2025		380,317	1,057,109	1,437,426
Government grants and donations	25(b)	–	52,939	52,939
Transfer from Endowment Fund to General Fund		10,413	(10,413)	–
Net surplus for the financial year, representing total comprehensive income for the financial year		11,344	81,404	92,748
At 31 March 2026		402,074	1,181,039	1,583,113
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

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 2026

	Note	2026 \$'000	2025 \$'000
Cash flows from operating activities			
Deficit before government grants		(347,742)	(261,168)
Adjustments for:			
Depreciation and amortisation	10,11	134,592	62,783
Net loss on disposal of property, plant and equipment		709	10,853
Lease modification		–	(5,985)
Provision for expected credit loss allowance	30(b)	30	59
Fair value gain on financial assets at fair value through profit or loss	7	(56,378)	(39,090)
Fair value gain on derivative financial instruments	7	(605)	(776)
Gain on disposal of financial assets at fair value through profit or loss	7	(16,956)	(7,753)
Dividend income	7	(6,356)	(6,808)
Interest income	7	(6,860)	(6,995)
Interest expense	6	15,255	8,642
Donation income	4(a)	(13,668)	(4,789)
Foreign exchange loss	7	126	683
Operating cash flows before changes in working capital		(297,853)	(250,344)
Change in operating assets and liabilities			
Tuition fee and other receivables		33,198	(61,691)
Student loan receivables and other assets		40,543	16,922
Trade and other payables		2,449	21,978
Net cash used in operating activities		(221,663)	(273,135)
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	B	(69,529)	(125,470)
Proceeds from disposal of property, plant and equipment		–	21
Purchase of financial assets at fair value through profit or loss		(365,479)	(304,918)
Proceeds from disposal of financial assets at fair value through profit or loss		335,646	257,077
Settlement of derivative financial instruments		2,289	(218)
Dividend received		6,356	6,808
Interest received		7,262	7,691
Net cash used in investing activities		(83,455)	(159,009)
Cash flows from financing activities			
Operating grants received		248,237	208,333
Development grants received		94,293	64,757
Matching endowment grants received		12,490	21,044
Other government grants received		54,045	46,748
Donations received		31,564	15,667
Proceeds from bank borrowings	A	46,900	96,700
Repayment of bank borrowings	A	(45,200)	(24,800)
Interest paid on bank borrowings	A	(18,008)	(32,819)
Principal payment of lease liabilities	A	(3,552)	(6,071)
Interest paid on lease liabilities	A	(538)	(1,221)
Net cash flows generated from financing activities		420,231	388,338
Net increase/(decrease) in cash and cash equivalents		115,113	(43,806)
Cash and cash equivalents at beginning of financial year		221,538	265,344
Cash and cash equivalents at end of financial year	14	336,651	221,538

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Financial Year ended 31 March 2026

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
2026							
Bank borrowings	714,478	(63,208)	46,900	–	–	17,771	715,941
Lease liabilities	3,707	(4,090)	–	15,948	(289)	538	15,814

	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

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 \$83,182,000 (2025: \$121,088,000). The additions were by way as follows:

	Note	2026 \$'000	2025 \$'000
Additions to property, plant and equipment and intangible assets		83,182	121,088
Payables for property, plant and equipment		2,295	6,106
Lease liabilities	A	(15,948)	(1,724)
Cash outflow for purchase of property, plant and equipment and intangible assets		69,529	125,470

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 2026

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 2026 is 3 (2025: 3).

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 109 Financial Instruments and FRS 107 Financial Instruments: Disclosures: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
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.

NOTES TO FINANCIAL STATEMENTS
For the Financial Year ended 31 March 2026

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 the provisions of the Charities Act 1994, the Charities (Accounts and Annual Report) Regulations 2011 and 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 in the statement of comprehensive income unless they relate to funds separately accounted under specific self-financing activities.

Income and expenditure relating to sinking fund are taken to General Fund in the statement of comprehensive income.

(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 in the statement of comprehensive income.

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

For the Financial Year ended 31 March 2026

2. Material accounting policy information (cont'd)

2.3 Funds (cont'd)

(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 in the statement of comprehensive income.

Expenditure relating to Term Fund are taken to Term Fund in the statement of comprehensive income.

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 end of the financial year.

2. Material accounting policy information (cont'd)

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.

(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 2.12 "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.

NOTES TO FINANCIAL STATEMENTS
For the Financial Year ended 31 March 2026

2. Material accounting policy information (cont'd)

2.7 Property, plant and equipment (cont'd)

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

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each financial year end. 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 Intangible assets

Computer software licences

Computer software licences are initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditures, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are expensed off when incurred.

Computer software licences are subsequently carried at cost less accumulated amortisation and any accumulated impairment losses. These costs are amortised to the statement of comprehensive income using the straight-line method over their estimated useful lives of 5 years.

The amortisation period and amortisation method are reviewed at least at each financial year end. The effects of any revision are treated as changes in accounting estimates recognised in the statement of comprehensive income when the changes arise.

The intangible assets are assessed for impairment whenever there is as indication that the intangible asset may be impaired.

2. Material accounting policy information (cont'd)

2.9 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.

2.10 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.

- 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.

2. Material accounting policy information (cont'd)

2.10 Financial instruments (cont'd)

Financial assets (cont'd)

(b) Subsequent measurement (cont'd)

- **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.

(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.

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

For the Financial Year ended 31 March 2026

2. Material accounting policy information (cont'd)

2.10 Financial instruments (cont'd)

Financial liabilities (cont'd)

(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.

2.11 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 financial year end 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.

2.12 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. Material accounting policy information (cont'd)

2.13 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. Government grants received to finance future campus redevelopment and building replacement projects are taken immediately to the government 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.

2.14 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. Material accounting policy information (cont'd)

2.15 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.

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.

2.16 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.

2. Material accounting policy information (cont'd)

2.16 Leases (cont'd)

When the Group is the lessee (cont'd)

- **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".

- **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.

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NOTES TO FINANCIAL STATEMENTS For the Financial Year ended 31 March 2026

2. Material accounting policy information (cont'd)

2.17 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.

4. Revenue and other income

(a) In statement of comprehensive income

	2026 \$'000	2025 \$'000
Revenue:		
Tuition and other student-related fees	122,896	120,510
Service fees	134	134
	123,030	120,644
Timing of revenue recognition:		
At a point in time	712	734
Over time	122,318	119,910
	123,030	120,644
Other income:		
Donation income (Note 25(b))	13,668	4,789
Rental income	1,550	519
Lease modification	–	2,777
Wage credit income	1,476	–
Others	2,686	2,249
	19,380	10,334
Total revenue and other income	142,410	130,978

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

For the Financial Year ended 31 March 2026

4. Revenue and other income (cont'd)

(b) In statements of financial position

	Group and SIT	
	2026	2025
	\$'000	\$'000
Deferred tuition fee income	5,738	5,859

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 \$5,859,000 in 2025 (2024: \$6,159,000) was fully recognised as revenue during the financial year ended 31 March 2026 upon delivery of the courses.

Courses relating to the deferred tuition fee income as at 31 March 2026 will be delivered within one year from the end of the financial year.

5. Staff and related expenses

	2026	2025
	\$'000	\$'000
Salaries and bonuses	184,018	167,311
Employer's contribution to defined contribution plans including Central Provident Fund	18,538	16,290
Other employee benefits	11,363	11,003
	213,919	194,604

6. Interest expense

	2026	2025
	\$'000	\$'000
Interest expense on bank borrowings	14,717	7,421
Interest expense on lease liabilities (Note 21)	538	1,221
	15,255	8,642

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

For the Financial Year ended 31 March 2026

7. Net investment income

	2026 \$'000	2025 \$'000
Fair value (loss)/gain on financial assets at FVPL	56,378	39,090
Fair value gain on derivative financial instruments	605	776
Gain on disposal of financial assets at FVPL	16,956	7,753
Dividend income	6,356	6,808
Interest income	6,860	6,995
Foreign exchange loss	(126)	(683)
	87,029	60,739

8. Government grants

	2026 \$'000	2025 \$'000
Operating, development and other grants utilised (Note 20)	281,258	267,363
Deferred capital grants amortised (Note 23)	115,834	48,701
Other deferred grants amortised (Note 24)	42,694	17,499
Transfer from deferred capital grants upon disposal of property, plant and equipment (Note 23)	704	8,034
	440,490	341,597

9. Investment in subsidiaries

	2026 \$'000	SIT 2025 \$'000
Shares, at cost	8,872	— *
Less: impairment loss	(6,921)	—
	1,951	— *

* Less than \$1,000

During the financial year, the Board approved the conversion of the amount owing by its subsidiary, FoodPlant Pte. Ltd. ("Foodplant"), amounting to \$6,939,000, into equity through the issuance of ordinary shares at \$1 per share. In addition, the Board approved a capital injection of \$1,933,000 at \$1 per share.

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS For the Financial Year ended 31 March 2026

9. Investment in subsidiaries (cont'd)

	SIT	
	2026 \$'000	2025 \$'000
<u>Movement in impairment loss</u>		
At beginning of the year	—	—
Charged for the year	6,921	—
At end of the year	6,921	—

Impairment assessment of investment in subsidiary

During the financial year, SIT performed an impairment assessment of investment in subsidiary due to indicators of impairment arising from the subsidiary's history of operating losses and accumulated deficits. The recoverable amount of investment is determined based on the higher of value-in-use and fair value less cost of disposal. In performing the impairment assessment of the subsidiary, management considered the financial position, operating performance and future business prospects of the subsidiary. Based on the assessment, the recoverable amount of the investment was determined with reference to the underlying net assets of the subsidiary. Consequently, an impairment loss of \$6,921,000 was recognised to reduce the carrying amount of the investment to its recoverable amount for the financial year ended 31 March 2026.

The details of subsidiaries are as follows:

Name	Principal activities	Country of business/ incorporation	Date of incorporation	Proportion of ownership interest	
				2026 %	2025 %
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

* Audited by Ernst & Young LLP, Singapore

** Deregistered on 12 July 2025

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10. Property, plant and equipment

Group 2026	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	1,011,386	32,096	67,930	65,873	1,047	578,433	1,756,765
Additions	18,108	447	3,300	2,008	-	59,218	83,081
Transfers between categories	582,817	7,879	13,466	26,038	4	(630,204)	-
Transfers to intangible assets (Note 11)	-	-	-	-	-	(1,223)	(1,223)
Disposals	(249,040)	(19,180)	(31,624)	(2,099)	-	(186)	(302,129)
End of financial year	1,363,271	21,242	53,072	91,820	1,051	6,038	1,536,494
Accumulated depreciation							
Beginning of financial year	249,520	20,659	46,420	46,856	807	-	364,262
Depreciation charge	114,605	3,307	8,049	8,141	109	-	134,211
Disposals	(248,791)	(19,154)	(31,496)	(1,980)	-	-	(301,421)
End of financial year	115,334	4,812	22,973	53,017	916	-	197,052
Net carrying amount							
End of financial year	1,247,937	16,430	30,099	38,803	135	6,038	1,339,442

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NOTES TO FINANCIAL STATEMENTS
For the Financial Year ended 31 March 2026

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

SIT	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
2026							
Cost							
Beginning of financial year	1,011,068	32,096	67,930	65,873	1,047	578,433	1,756,447
Additions	18,108	447	3,300	2,004	–	59,218	83,077
Transfers between categories	582,817	7,879	13,466	26,038	4	(630,204)	–
Transfers to intangible assets (Note 11)	–	–	–	–	–	(1,223)	(1,223)
Disposals	(249,040)	(19,180)	(31,624)	(2,098)	–	(186)	(302,128)
End of financial year	1,362,953	21,242	53,072	91,817	1,051	6,038	1,536,173
Accumulated depreciation							
Beginning of financial year	249,203	20,659	46,420	46,856	807	–	363,945
Depreciation charge	114,605	3,307	8,049	8,141	109	–	134,211
Disposals	(248,791)	(19,154)	(31,496)	(1,980)	–	–	(301,421)
End of financial year	115,017	4,812	22,973	53,017	916	–	196,735
Net carrying amount							
End of financial year	1,247,936	16,430	30,099	38,800	135	6,038	1,339,438

SINGAPORE INSTITUTE OF TECHNOLOGY AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS
For the Financial Year ended 31 March 2026

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

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

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NOTES TO FINANCIAL STATEMENTS
For the Financial Year ended 31 March 2026

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

SIT 2025 Cost	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
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
Accumulated depreciation							
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
Net carrying amount							
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 2026

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

Group and SIT

(a) *Capitalisation of borrowing costs*

Borrowing costs of \$3,054,000 (2025: \$21,885,000) attributable to assets under construction were capitalised during the financial year.

(b) *Termination of satellite campus lease arrangements*

Included in costs of disposals during the year were assets amounting to \$300,219,000 (2025: \$36,898,000) that were disposed due to the vacation of satellite campuses at the Polytechnics and termination of the land lease agreement with the Polytechnics.

11. Intangible assets

Computer software licence costs

	Group		SIT	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Cost				
Beginning of financial year	26,870	27,591	26,870	27,487
Additions	101	189	101	189
Transfer from assets under construction (Note 10)	1,223	344	1,223	344
Disposals	(7,502)	(1,254)	(7,502)	(1,150)
End of financial year	20,692	26,870	20,692	26,870
Accumulated amortisation				
Beginning of financial year	26,208	27,129	26,208	27,025
Amortisation charge	381	333	381	333
Disposals	(7,500)	(1,254)	(7,500)	(1,150)
End of financial year	19,089	26,208	19,089	26,208
Net carrying amount				
End of financial year	1,603	662	1,603	662

Termination of satellite campus lease arrangements

Included in costs of disposals during the year were assets amounting to \$2,366,000 (2025: \$159,000) that were disposed due to the vacation of satellite campuses at the Polytechnics and termination of the land lease agreement with the Polytechnics.

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For the Financial Year ended 31 March 2026

12. Student loan receivables

	Group and SIT	
	2026	2025
	\$'000	\$'000
Current	59	59
Non-current	1,491	1,116
	1,550	1,175

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 4.50% (2025: 4.75%) per annum as at the financial year end. 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.

13. Other non-current assets

	Group		SIT	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Deposits	139	180	132	145
Prepayments				
- Others	307	155	307	155
	446	335	439	300

14. Cash and cash equivalents

	Group		SIT	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Cash at banks	77,016	68,193	73,919	67,515
Fixed deposits	259,635	153,345	259,635	153,345
	336,651	221,538	333,554	220,860

Fixed deposits at the end of the financial year have an average maturity of 74 days (2025: 107 days) from the end of the financial year with a weighted average effective interest rate of 1.337% (2025: 2.976%) per annum.

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15. Financial assets at fair value through profit or loss

	Group and SIT	
	2026	2025
	\$'000	\$'000
Quoted fixed income investments	114,646	127,312
Quoted equity investments	185,080	122,882
Quoted other investments	208,901	209,389
Unquoted fixed income investments	2,657	6,342
Unquoted equity investments	130,051	119,115
Unquoted other investments	637,712	543,970
	1,279,047	1,129,010

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 4.41% (2025: 4.90%) per annum.

As at 31 March 2026, the Group has outstanding commitments of \$207,488,000 (2025: \$142,206,000) for additional investments in unquoted other investments which have not been drawn down as at the financial year end.

16. Tuition fee and other receivables

	Group		SIT	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Tuition fee receivable - gross	13,072	8,163	13,054	8,105
Less: Expected credit loss allowance (Note 30(b))	(34)	(34)	(34)	(27)
Tuition fee receivable - net	13,038	8,129	13,020	8,078
Grant receivables from MOE	388,645	434,126	388,645	434,126
Matching endowment grant receivables	49,175	26,621	49,175	26,621
Other grant receivables	27,955	21,584	26,990	21,584
Other receivables from MOE	23,424	57,943	23,424	57,943
Deposits for investments	–	46,903	–	46,903
Interest receivable	636	826	636	826
Other receivables	2,148	2,233	2,141	2,232
Amount due from a subsidiary	–	–	2,270	–
	505,021	598,365	506,301	598,313

Amount due from a subsidiary is unsecured, non-interest bearing and is repayable on demand. During the financial year, SIT reversed an allowance for expected credit losses on the amount due from a subsidiary of \$6,939,000 arising from the conversion of debt to cost of investment.

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For the Financial Year ended 31 March 2026

17. Other current assets

	Group		SIT	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Deposits	37	1	2	1
Prepayments				
- Programme and student related expenses	3,660	3,377	3,660	3,377
- Rental and other facility expenses	–	42,694	–	42,694
- Others	6,322	4,975	6,308	4,975
	10,019	51,047	9,970	51,047

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

18. Derivative financial instruments

	Group and SIT			
	Contract/ notional amount		Fair value – assets/(liabilities)	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Foreign currency forward contracts	64,203	64,048	(775)	910

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	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Trade payables	13,582	10,068	13,581	10,081
Other payables	18,573	20,302	18,766	20,284
Payables for property, plant and equipment	2,260	4,555	2,260	4,555
Accrued operating expenses	41,418	43,267	41,388	43,253
	75,833	78,192	75,995	78,173

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20. Grants received in advance

	Government operating grants \$'000	Government development grants \$'000	Other government grants \$'000	Total \$'000
Group and SIT 2026				
Beginning of financial year	10,377	28,804	12,805	51,986
<u>Add:</u>				
Grants received/receivable during the financial year	214,306	82,743	64,123	361,172
<u>Less:</u>				
Transfer to statement of comprehensive income (Note 8)	(208,475)	(20,058)	(52,725)	(281,258)
Transfer to deferred capital grants (Note 23)	(5,842)	(40,143)	(10,362)	(56,347)
	(214,317)	(60,201)	(63,087)	(337,605)
End of financial year	10,366	51,346	13,841	75,553
Current	10,366	36,828	13,841	61,035
Non-current	—	14,518	—	14,518
	10,366	51,346	13,841	75,553
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

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

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NOTES TO FINANCIAL STATEMENTS

For the Financial Year ended 31 March 2026

20. Grants received in advance (cont'd)

Included in the government development grants is sinking fund of \$14,518,000, which are government grants received by the Group and SIT for spending at its discretion on future redevelopment, improvement projects and asset replacement.

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.

(a) Carrying amounts

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

	Group		SIT	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Land, buildings and infrastructure	223,917	220,825	223,917	220,746
Office and sports equipment	239	319	239	319
	224,156	221,144	224,156	221,065

(b) Depreciation charge during the financial year

	Group		SIT	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Land, buildings and infrastructure	13,119	15,470	13,119	15,380
Office and sports equipment	111	74	111	74
	13,230	15,544	13,230	15,454

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

(c) Interest expense

	Group		SIT	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Interest expense on lease liabilities	538	1,221	535	1,204

(d) Lease expense not included in lease liabilities

	2026	2025
	\$'000	\$'000
Expense on low value leases	38	33
Expense on short-term leases	12	–
	50	33

(e) Lease liabilities

	Group		SIT	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Current	748	1,045	660	1,045
Non-current	15,066	2,662	15,066	2,578
	15,814	3,707	15,726	3,623

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

- (f) Total cash outflows for leases in 2026 were \$4,140,000 (2025: \$7,325,000).
- (g) Additions to right-of-use assets during the financial year ended 31 March 2026 were \$15,948,000 (2025: \$1,724,000).
- (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.

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NOTES TO FINANCIAL STATEMENTS For the Financial Year ended 31 March 2026

22. Bank borrowings

	Group and SIT	
	2026	2025
	\$'000	\$'000
Current	34,841	35,078
Non-current	681,100	679,400
	715,941	714,478

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 2.02% to 3.56% (2025: 3.33% to 4.68%) 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.

23. Deferred capital grants

	Group and SIT	
	2026	2025
	\$'000	\$'000
Beginning of financial year	1,061,203	1,025,990
Transfer from grants received in advance (Note 20)	56,347	91,948
<u>Less:</u>		
Transfer to statement of comprehensive income		
- Deferred capital grants amortised (Note 8)	(115,834)	(48,701)
- Derecognised upon disposal of property, plant and equipment (Note 8)	(704)	(8,034)
	(116,538)	(56,735)
End of financial year	1,001,012	1,061,203

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.

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For the Financial Year ended 31 March 2026

24. Other deferred grants

	Group and SIT	
	2026	2025
	\$'000	\$'000
Beginning of financial year	42,694	60,193
Other deferred grants amortised (Note 8)	(42,694)	(17,499)
End of financial year	–	42,694

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

Following the termination of the service agreement during the financial year, the remaining prepaid rental and other facility-related expenses were recognised in the statement of comprehensive income. As the associated MOE grants were non-refundable upon termination, the unamortised balance of the deferred capital grant was recognised in government grants in the statement of comprehensive income during the year, consistent with the recognition of the related expenses.

25. Endowment and Term Funds

(a) Composition:

	Endowment Fund		Group and SIT Term Fund		Total	
	2026	2025	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital comprising:						
Government grants	673,540	638,497	–	–	673,540	638,497
Donations	125,099	107,203	–	–	125,099	107,203
	798,639	745,700	–	–	798,639	745,700
Accumulated surplus	367,618	304,754	14,782	6,655	382,400	311,409
	1,166,257	1,050,454	14,782	6,655	1,181,039	1,057,109
<u>Represented by:</u>						
Cash and cash equivalents	50,046	40,717	19,860	6,996	69,906	47,713
Financial assets at fair value through profit or loss	1,082,911	950,607	–	–	1,082,911	950,607
Tuition fee and other receivables	50,445	74,777	178	131	50,623	74,908
Derivative financial instruments	(775)	910	–	–	(775)	910
Property, plant and equipment	361	–	95	133	456	133
Trade and other payables	(16,731)	(16,557)	(5,351)	(605)	(22,082)	(17,162)
	1,166,257	1,050,454	14,782	6,655	1,181,039	1,057,109

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25. Endowment and Term Funds (cont'd)

(b) Movements:

	Endowment Fund		Group and SIT Term Fund		Total	
	2026	2025	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Beginning of financial year	1,050,454	974,566	6,655	6,433	1,057,109	980,999
Government grants	35,043	31,408	—	—	35,043	31,408
Donations	17,896	10,878	—	—	17,896	10,878
Government grants and donations	52,939	42,286	—	—	52,939	42,286
Transfer to General Fund	(10,413)	(10,327)	—	—	(10,413)	(10,327)
<u>Income</u>						
Donations (Note 4a)	—	—	13,668	4,789	13,668	4,789
Net investment income (Note 7)	80,235	49,965	97	121	80,332	50,086
Others	—	116	—	—	—	116
	80,235	50,081	13,765	4,910	94,000	54,991
<u>Operating expenditure</u>						
Staff and related expenses	(1,083)	(988)	(331)	(261)	(1,414)	(1,249)
Programme and student-related expenses	(4,797)	(4,874)	(5,222)	(4,349)	(10,019)	(9,223)
Depreciation and amortisation expenses	(24)	—	(38)	(38)	(62)	(38)
Rental and other facility expenses	(1)	—	(10)	(3)	(11)	(3)
Other operating expenses	(1,053)	(290)	(37)	(37)	(1,090)	(327)
	(6,958)	(6,152)	(5,638)	(4,688)	(12,596)	(10,840)
Net surplus for the financial year, representing total comprehensive income for the financial year	73,277	43,929	8,127	222	81,404	44,151
End of financial year	1,166,257	1,050,454	14,782	6,655	1,181,039	1,057,109

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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	
	2026	2025
	\$'000	\$'000
Beginning of financial year	65,222	57,677
Funds received from MOE	22,850	24,657
Repayments from students	(17,615)	(17,112)
End of financial year	70,457	65,222
<i>Represented by:</i>		
Student loans	70,188	64,933
Amounts receivable from MOE	269	289
	70,457	65,222

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 4.50% (2025: 4.75%) per annum as at the end of the financial year. 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. Commitments

(a) Capital commitments:

SIT Punggol Campus

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

	2026	2025
	\$'000	\$'000
Property, plant and equipment	62,312	76,590

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27. Commitments (cont'd)

(b) Operating lease rental receivable:

SIT leases to third party for certain premises within the Punggol Campus and classifies the leases as operating leases because they do not transfer substantially all the risks and rewards incidental to ownership of the underlying assets.

Rental income recognised by the Group during the financial year was \$1,550,000 (2025: \$519,000).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2026 \$'000	2025 \$'000
Less than one year	1,299	–
One to two years	1,299	–
Two to three years	1,299	–
Three to four years	1,299	–
Four to five years	1,299	–
More than five years	20,133	–
	26,628	–

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.

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 \$26,354,000 (2025: \$11,050,000) during the financial year.

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For the Financial Year ended 31 March 2026

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	
	2026	2025
	\$'000	\$'000
Financial assets		
Cash and cash equivalents	27,292	8,187
Derivatives	(58,963)	(61,913)
Financial assets at fair value through profit or loss	606,133	559,879
Tuition fee and other receivables	432	47,297
	574,894	553,450
Financial liabilities		
Trade and other payables	(430)	(427)
	574,464	553,023

At 31 March 2026, if USD had strengthened/weakened by 1% (2025: 1%) against SGD with all other variables held constant, the Group's net surplus for the financial year would have increased/decreased by \$5,745,000 (2025: \$5,530,000) as a result of foreign currency translation gains/losses.

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 2026, if prices for financial assets at FVPL had increased/decreased by 1% (2025: 1%) with all other variables held constant, the Group's net surplus for the financial year would have increased/decreased by \$12,790,000 (2025: \$11,290,000) 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 (2025: 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 \$3,094,000 (2025: \$3,757,000).

If the interest rate of the Group's floating rate bank borrowings had increased/decreased by 50 (2025: 50) basis points with all other variables held constant, the Group's net surplus for the financial year would have been higher/lower by \$3,580,000 (2025: \$3,571,000) 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 2026	Current	1 to 30 days	31 to 60 days	61 to 90 days	More than 90 days	Total
Students						
Expected loss rate	-%	-%	0.4%	1.8%	23.0%	
Gross carrying amount (\$'000)	29	1,212	85	15	129	1,470
Loss allowance (\$'000)	-	-	-	-	30	30
Non-Students						
Expected loss rate	-%	-%	-%	-%	0.1%	
Gross carrying amount (\$'000)	7,378	940	90	9	3,185	11,602
Loss allowance (\$'000)	-	-	-	-	4	4
Individually assessed (\$'000)	-	-	-	-	-	-
SIT 2026						
Students						
Expected loss rate	-%	-%	0.4%	1.8%	23.0%	
Gross carrying amount (\$'000)	29	1,212	85	15	129	1,470
Loss allowance (\$'000)	-	-	-	-	30	30
Non-Students						
Expected loss rate	-%	-%	-%	-%	0.1%	
Gross carrying amount (\$'000)	7,368	938	86	7	3,185	11,584
Loss allowance (\$'000)	-	-	-	-	4	4
Individually assessed (\$'000)	-	-	-	-	-	-

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30. Financial risk management (cont'd)

(b) Credit risk (cont'd)

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)

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

	Group		SIT	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Beginning of financial year	34	79	27	79
Charge during the financial year	30	59	30	52
Written off during the year	(30)	(104)	(23)	(104)
End of financial year (Note 16)	34	34	34	27

The movements in the expected credit loss allowance for amount due from a subsidiary are as follows:

	SIT	
	2026	2025
	\$'000	\$'000
Beginning of financial year	6,939	4,573
(Reverse)/charge during the financial year	(6,939)	2,366
End of financial year (Note 16)	–	6,939

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 the financial year end 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.

(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 financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

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30. Financial risk management (cont'd)

(c) Liquidity risk (cont'd)

	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000
Group				
2026				
Trade and other payables ^(a)	64,996	—	—	—
Bank borrowings	34,841	34,800	104,400	541,900
Lease liabilities	1,210	1,080	3,136	15,734
	101,047	35,880	107,536	557,634
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
SIT				
2026				
Trade and other payables ^(a)	65,158	—	—	—
Bank borrowings	34,841	34,800	104,400	541,900
Lease liabilities	1,120	1,080	3,136	15,734
	101,119	35,880	107,536	557,634
2025				
Trade and other payables ^(a)	68,190	—	—	—
Bank borrowings	35,078	34,800	104,400	540,200
Lease liabilities	3,925	—	—	—
	107,193	34,800	104,400	540,200

(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 2026

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	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Group and SIT				
2026				
Financial assets				
Financial assets at fair value through profit or loss				
Quoted investments				
- Fixed income investments	114,646	—	—	114,646
- Equity investments	185,080	—	—	185,080
- Other investments	208,901	—	—	208,901
Unquoted investments	—	—	770,420	770,420
Derivative financial instruments				
- Foreign currency forward contracts	—	(775)	—	(775)
	508,627	(775)	770,420	1,278,272

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NOTES TO FINANCIAL STATEMENTS
For the Financial Year ended 31 March 2026

30. Financial risk management (cont'd)

(e) Fair value measurement (cont'd)

Group and SIT	Level 1	Level 2	Level 3	Total
2025	\$'000	\$'000	\$'000	\$'000
<i>Financial assets</i>				
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

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the financial year. 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	
	2026	2025
	\$'000	\$'000
<i>Financial assets at fair value through profit or loss</i>		
Beginning of financial year	669,427	641,703
Purchases	156,875	86,474
Sales	(91,995)	(84,623)
Fair value gain recognised in profit or loss	36,113	25,873
End of financial year	770,420	669,427

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NOTES TO FINANCIAL STATEMENTS

For the Financial Year ended 31 March 2026

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	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Financial assets				
at amortised cost	843,398	821,259	841,539	820,494
Financial assets at fair value				
through profit or loss	1,279,047	1,129,920	1,279,047	1,129,920
Financial liabilities				
at amortised cost	796,751	786,394	796,825	786,291
Financial liabilities at fair				
value through profit or loss	775	–	775	–

31. Related party transactions

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

	2026 \$'000	2025 \$'000
Salaries and bonuses	14,283	14,373
Employer's contribution to defined contribution plans including		
Central Provident Fund	719	666
Other employee benefits	239	251
	15,241	15,290

The key management personnel include the President, Provost, Deputy Presidents, Senior Management and Heads of Division.

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 2026

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.

	2026 \$'000	2025 \$'000
Grants received and receivable	402,423	346,037

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:

	2026 \$'000	2025 \$'000
Payments made on behalf of subsidiaries	1,734	3,273
Provision of administration service to subsidiaries	275	432
Sale of products charged by subsidiaries	(2)	—
Facility rental income charged by subsidiaries	(19)	—
Consultancy income charged by subsidiaries	(27)	—
Training fees charged by subsidiaries	(180)	(114)

32. 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 19 August 2026.