

2020
ANNUAL
REPORT

JOURNEY TO GROWTH

2020

ST Engineering is a global technology, defence and engineering group with a diverse portfolio of businesses across the aerospace, smart city, defence and public security segments. The Group harnesses technology and innovation to solve real-world problems, enabling a more secure and sustainable world. Headquartered in Singapore, we employ more than 27,000 people across our network of subsidiaries and associated companies in Asia, Europe, the Middle East and the U.S., serving customers in more than 100 countries. We rank among the largest companies listed on the Singapore Exchange and are a component stock of MSCI Singapore, FTSE Straits Times Index and Dow Jones Best-in-Class Asia Pacific Index.

JOURNEY TO GROWTH

OUR CORPORATE PURPOSE

Harness technology and innovation to enable a more secure and sustainable world

It is the unifying purpose that aligns everything we do.

OUR GROUP ASPIRATION

Become a global technology, defence and engineering powerhouse

It is the singular winning long-term goal that all our businesses follow.

OUR CORE VALUES

- Integrity
- Value Creation
- Courage
- Commitment
- Compassion

Our Core Values guide every aspect of our business and are embedded in our culture – from the people we hire, to the way we work with each other and how we engage our partners and customers.

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FINANCIAL HIGHLIGHTS

REVENUE

\$12.3b

FY2024 → \$11.3b

↑ **9%**

ORDER BOOK

\$33.2b

FY2024 → \$28.5b

↑ **16%**

Reported

EBITDA

\$1,435.5m

PROFIT BEFORE TAX

\$701.0m

NET PROFIT

\$462.8mBOP¹

EBITDA

\$1,774.1m

FY2024 → \$1,614.3m

↑ **10%**

PROFIT BEFORE TAX

\$1,039.5m

FY2024 → \$862.7m

↑ **20%**

NET PROFIT

\$850.8m

FY2024 → \$702.3m

↑ **21%**

¹ Base Operating Performance (BOP) refers to reported financial results adjusted to exclude (i) gains on divestments of subsidiary, LeeBoy, and divestments of shareholding interests in CityCab, STARCO and SPTel, and (ii) one-off impairment losses related to iDirect group and Jet-Talk.

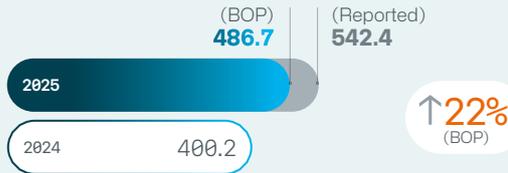
Segment Highlights

COMMERCIAL AEROSPACE (\$m)

REVENUE



EBIT

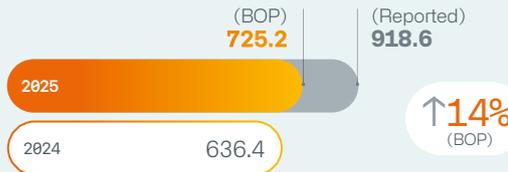


DEFENCE & PUBLIC SECURITY (\$m)

REVENUE

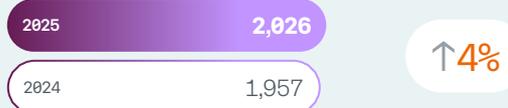


EBIT

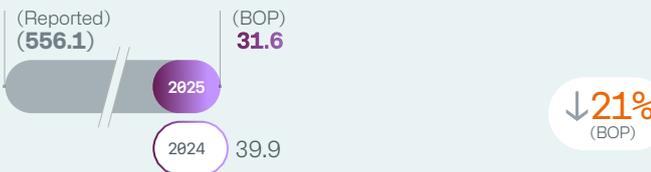


URBAN SOLUTIONS & SATCOM (\$m)

REVENUE



EBIT



Creating Value for Shareholders

DIVIDENDS PER SHARE



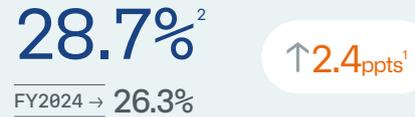
TOTAL SHAREHOLDER RETURN



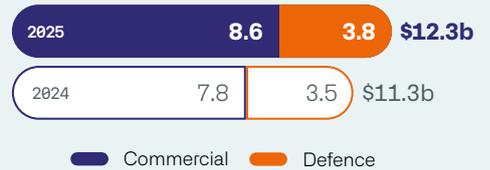
EARNINGS PER SHARE (BOP)



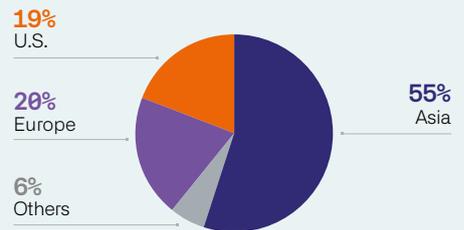
RETURN ON EQUITY (BOP)



REVENUE BY TYPE³ (\$b)



REVENUE BY LOCATION OF CUSTOMERS



¹ Percentage points.
² The reported values were: earnings per share of 14.84 cents and return on equity of 18.0%.
³ Refers to revenue by product and service type.

Amounts may not add to totals shown due to rounding.

LETTER TO SHAREHOLDERS



JOURNEY TO GROWTH

FIVE-YEAR TARGETS (2025-2029)

(Base year 2024)

Strengthen Core Business

Pursue Growth Opportunities

Group Revenue to grow >2.5x global GDP growth rate to \$17b

Group Net Profit CAGR to exceed Group Revenue CAGR by up to 5 percentage points

Dividend per share to increase in tandem with profit

Technology & Innovation at Our Core



Commercial Aerospace

Commercial Aerospace
Revenue to grow by 2x aerospace industry growth rate to **\$6.0b**



Defence & Public Security

Defence & Public Security
Revenue to >\$7.5b



Digital Business
Revenue to grow >2x to >\$1.3b



Urban Solutions & Satcom

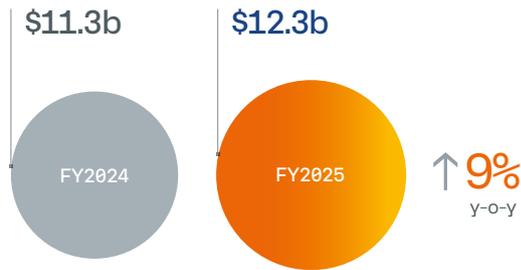
Smart City

Smart City
Revenue to grow by 3.5x global GDP growth rate to **\$4.5b**

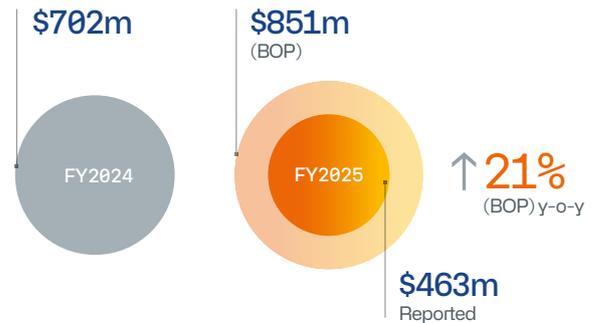
Targets exclude M&As and divestments

In 2025, the Group delivered excellent underlying performance, reflecting the strength and resilience of our businesses.

GROUP REVENUE



GROUP NET PROFIT



Dear Shareholders,

We have consistently delivered steady performance since the turnaround after the COVID pandemic, despite the environment we operate in today being vastly different from the world before the pandemic, and the immediate years that followed. Global cost pressures, shifting supply chains, geopolitical uncertainty and rapid technology cycles have redefined competition.

On a reported basis, in 2025, Group Revenue was \$12.35b, while Net Profit was \$463m, reflecting non-cash impairment losses that were partially offset by gains from portfolio divestments.

On a base operating performance (BOP)¹ basis, however, 2025 was a strong year, with the Group reaching new highs in revenue and profits, reflecting the underlying strengths of our businesses. Group Revenue grew 9% year-on-year (y-o-y) to \$12.35b from \$11.28b, with contributions from all three segments - Commercial Aerospace, Defence & Public Security and Urban Solutions & Satcom. Group BOP EBIT rose 16% y-o-y to \$1.24b from \$1.08b, while Group BOP PBT crossed the \$1b mark, increasing 20% to \$1.04b from \$863m. Group BOP Net Profit grew 21% to \$851m from \$702m the year before.

2025 was also a year of active portfolio actions. As we focused on disciplined execution across our businesses, we continued our portfolio rationalisation in response to evolving market conditions and competitive dynamics, divesting where necessary and impairing where prudent. The impairment of the iDirect group reflected challenging operating conditions in the satellite communications industry and impacted reported earnings for the year. Our focus remains on customer delivery and turnaround efforts, alongside an ongoing review of strategic options for this business. These actions sharpened our focus on our core business, aligned with our strategy and enabled more effective capital recycling. We remain steadfast in executing our strategy, diversifying our presence across domains and regions, and continuing to invest in innovation, technology and talent.

During the year, strong contract wins of \$18.7b strengthened our position in key markets and lifted the Group's order book to a record high of \$33.2b. This is a leading indicator of growth that supports our five-year (2025-2029) targets.

SEGMENT HIGHLIGHTS

COMMERCIAL AEROSPACE	DEFENCE & PUBLIC SECURITY	URBAN SOLUTIONS & SATCOM
<p>REVENUE \$5.0b</p> <p>↑ 14% y-o-y</p>	<p>REVENUE \$5.3b</p> <p>↑ 8% y-o-y</p>	<p>REVENUE \$2.0b</p> <p>↑ 4% y-o-y</p>
<p>EBIT (BOP) \$486.7m</p> <p>↑ 22% y-o-y</p>	<p>EBIT (BOP) \$725.2m</p> <p>↑ 14% y-o-y</p>	<p>EBIT (BOP) \$31.6m</p> <p>↓ 21% y-o-y</p>

¹ Base Operating Performance (BOP) refers to reported financial results adjusted to exclude (i) gains on divestments of subsidiary, LeeBoy, as well as shareholding interests in CityCab, SPTel and STARCO, and (ii) one-off impairment losses related to iDirect group and Jet-Talk.

LETTER TO SHAREHOLDERS

ORDER BOOK
\$33.2b

CONTRACT WINS
\$18.7b

↑ **49%**
Y-O-Y

Commercial Aerospace **\$5.8b**

Defence & Public Security **\$9.1b**

Urban Solutions & Satcom **\$3.9b**

The performance of each business segment is discussed in greater detail in the **Operating Review and Outlook** on pages 24 to 41. We highlight selected developments below.

EXECUTING WITH DISCIPLINE IN COMMERCIAL AEROSPACE

Our resilience is evident in our Commercial Aerospace segment, where disciplined investments and execution enabled us to compete and perform strongly.

In a highly competitive aerospace environment, customers hold solution and service providers to exacting standards of state-of-the-art technology, quality, reliability, turnaround time and price. Against this backdrop, in 2025, our Commercial Aerospace business continued to expand with segment revenue of \$5b – more than double its pre-COVID level in 2020. This performance reflects the strength of our operating model and the confidence customers place in us.

During the year, we expanded and optimised our global network to strengthen competitiveness and add capacity where demand is growing. We opened a new airframe facility in Ezhou, China and progressed the construction of our greenfield site in Singapore's Changi

Creek, while enhancing engine MRO capabilities for the next-generation LEAP platforms. At the same time, we streamlined our global footprint through targeted capacity transitions, kept total capacity above pre-COVID levels and sharpened execution. Our OEM nacelle business continues to perform well, reinforcing the breadth of our capabilities across OEM and aftermarket activities.

To position ourselves for the next phase of growth, we are actively exploring partnerships with engine OEMs to co-develop composite aerostructure components and systems that will underpin next-generation narrowbody and widebody engine platforms. These collaborations will strengthen our role in the growing aerospace industry and deepen our capability to support future aircraft programmes.

COMPETING EFFECTIVELY IN GLOBAL DEFENCE AND SECURITY MARKETS

Building on several decades of deep and extensive defence experience in Singapore, we continue to gain new grounds in the international defence market. Our participation in international defence programmes sharpens what we deliver locally in Singapore, while our domestic track record strengthens confidence abroad. This symbiosis builds trust and confidence across both markets.

In Singapore, we remain a trusted strategic partner to the Singapore Armed Forces, delivering advanced solutions that strengthen mission readiness. Our work to produce the next-generation Infantry Fighting Vehicles, based on our Terrex s5 8x8 platform, underscores our leadership in meeting evolving operational needs and our commitment to supporting Singapore's long-term security.

Building on this, in partnership with MINDEF, we have launched an initiative to crowdsource ideas and work with innovative startups to co-develop advanced technologies, including in areas such as AI and cybersecurity. This approach helps to surface emerging dual-use technologies and translate them into practical, cost effective operationally ready solutions.

...we continued our portfolio rationalisation in response to evolving market conditions and competitive dynamics, divesting where necessary and impairing where prudent.

Internationally, defence contract outcomes continue to be shaped by geopolitical dynamics, local relationships and global competition. We address these challenges with production localisation, technology collaboration, product leadership and strategic partnership, enabling us to compete effectively in our focused markets, including Europe and the Middle East.

During the year, project milestones such as the commissioning of the Falaj 3-class Offshore Patrol Vessel for the UAE Navy and successful swim trials of the Terrex Barys-A in Kazakhstan reinforced our reputation as a trusted partner capable of delivering advanced programmes. Our selection by FADA under the EDGE Group to deliver a synthetic aperture radar satellite for the UAE further demonstrates our capability to compete for and to deliver complex projects for strategic applications.

We are also deepening our strategic role in public safety through expanded collaboration with HTX (Home Team Science and Technology Agency) in Singapore. This includes the design and development of an Enterprise Integrated Security System that will strengthen infrastructure security posture and enhance operational efficiency for the Singapore Prison Service. Together with HTX, we are building future capabilities through an initiative to accelerate the development and field-testing of next-generation solutions. Additionally, we have also set up a programme to draw on our network of academic and research partners to translate research outcomes into operationally viable technologies, ensuring a steady flow of innovation that supports long-term capability building.

DELIVERING AT SCALE IN SMART MOBILITY AND SMART CITY

Our Smart Mobility business remains the core of our Urban Solutions segment and continued to gain momentum internationally, strengthening our presence in markets such as Bangkok, Chennai and Taichung. In Taiwan, our turnkey rail services contract for the Taichung MRT Blue Line builds on our large-scale projects in Kaohsiung, supporting our progression as a turnkey provider and our move up the value chain.

Building on its established leadership in the U. S., our TransCore tolling solutions business secured its first tolling contract in Australia to deliver a next-generation, AI-powered multi-lane free flow tolling system in Sydney.

These projects involve greater complexity, which we manage through disciplined execution, proven expertise and strong industry partnerships. They reflect our ability to deliver higher-value solutions reliably as we extend our smart mobility capabilities across international markets.

As we build on this global momentum, we are also investing in the next generation of AI-powered mobility and infrastructure platforms that can predict, adapt and orchestrate movements across a city. Our smart city project in Lusail City, Qatar offers a glimpse of future possibilities. These future-ready capabilities sharpen

Through disciplined execution, efficient capital structure and allocation as well as targeted strategic investments, we continue to deliver top-line growth with robust shareholder returns.

our long-term competitiveness and position our Urban Solutions business to lead as cities accelerate their shift toward intelligent, connected and sustainable solutions.

MANAGING EXTERNAL PRESSURES WITH AGILITY

2025 was marked by rising tariffs. Against this evolving backdrop, the Group demonstrated resilience through disciplined execution and proactive mitigation. While we continue to monitor developments closely, the financial impact has thus far remained immaterial, supported by our diversified portfolio, operational agility and a commercial approach that mitigated these challenges effectively.

LEADERSHIP IN TECHNOLOGY AND INNOVATION

As industry attention increasingly turned to AI, technology remained central to our strategy. AI has long been embedded in our solutions, well before it became a focal point across the world. During the year, we strengthened this leadership with a \$250m AI Research Translation programme over the next five years to scale AI-driven capabilities and solutions that will deliver tangible benefits to our customers and our operations.

Our edge lies in our talent. We have built strong AI capabilities across the Group and continue to invest in advanced capability, including developing 5,000 AI engineers and specialists to design and deploy intelligent systems over the next few years. These deliberate steps position us not only to adopt AI effectively, but to shape its application in real-world, mission-critical contexts for our customers.

Crucially, investments made in earlier years in automation and robotics, digitalised workflows and AI-enabled operations are now yielding tangible benefits. We continue to invest in these areas to further enhance productivity and support performance as our businesses scale.

We see strong opportunities to build new engines of growth by harnessing the Group's strengths in technology and innovation. Recognising the value our capabilities can bring to sectors such as healthcare and financial services, we are applying our expertise in AI, cloud

LETTER TO SHAREHOLDERS

and cybersecurity to enter these new commercial segments. In the fast emerging hydrogen economy, we have launched HubGen, our decentralised electrolyser platform that produces hydrogen at the point of demand. By addressing energy access gaps and enabling more resilient, secure and decarbonised systems, HubGen exemplifies our strategy of seeding future businesses by leveraging Group innovation to meet global sustainability needs. These businesses are early in their development but hold significant long-term potential.

SUSTAINABILITY AT THE HEART OF OUR STRATEGY

In 2025, we referenced IFRS Sustainability Standards for our climate disclosures, reinforcing our commitment to transparency and responsible business practices. Reducing our environmental footprint remains a core priority, with ongoing initiatives such as fleet electrification, renewable energy adoption and energy-efficient technologies. These efforts support our target of a 50% reduction in Scope 1 and 2 emissions by 2030, using 2015 as the baseline.

We have already achieved a 27% reduction in absolute Scope 1 and 2 emissions since 2015, clear evidence that our decarbonisation efforts are taking effect. At the same time, our total energy consumption has remained stable year on year, even as the Group delivered 9% revenue growth, demonstrating that our growth is increasingly supported by more efficient and sustainable operations.

Sustainability is at the heart of our strategy, driving innovation and ensuring long-term value for our stakeholders. We remain committed to improving our ESG practices, guided by our core belief that business success and sustainability must go hand in hand. Learn more about our ESG efforts in our Sustainability Report.

CONTINUING WITH OUR GROWTH JOURNEY

Our Board of Directors continues to provide steadfast strategic guidance, oversight and governance, with their collective expertise playing a key role in driving the Group's performance.

Through disciplined execution, efficient capital structure and allocation as well as targeted strategic investments, we continue to deliver top-line growth with robust shareholder returns.

At our 2025 Investor Day in March, we set clear targets for 2029 to sustain revenue and earnings growth. These targets are complemented by a new dividend policy which states that effective from FY2026 onwards, as the Group achieves progressively higher full-year net profit,

**SPECIAL
DIVIDEND OF
5.0 cents
per share**

In line with the Group's objective of returning value to shareholders

Cash proceeds from divestments of \$0.7b

In addition to the final dividend of 6.0 cents per share, the Board will propose a special dividend of 5.0 cents per share

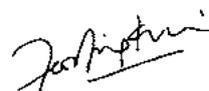
**TOTAL
DIVIDEND OF
23.0 cents
per share**

we will pay out about one third of the year-on-year increase in net profit as incremental dividends. This dividend policy allows shareholders to benefit from a steady base dividend which will grow in tandem with increased earnings, while enabling the Group to reinvest to enhance capabilities and capture growth. In continuing our yield-cum-growth journey, the Group seeks to sustainably deliver strong total shareholder returns driven by both capital gains and dividend growth.

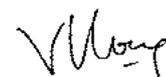
In 2025, the Group generated strong operating cash flow of \$1.7b and received divestment proceeds of around \$0.7b, enabling reinvestment for growth, debt reduction as well as value return to shareholders through higher dividends.

The Board has proposed a final dividend of 6.0 cents per share and a special dividend of 5.0 cents per share, subject to shareholder approval at the 2026 AGM. Including the interim dividends of 12.0 cents per ordinary share paid for FY2025, the total dividend for FY2025 will be 23.0 cents per share.

As we continue our growth journey, we extend our heartfelt thanks to all our stakeholders and our shareholders for their strong support. Our employees remain the foundation of our success, with their dedication and hard work being central in our journey of becoming a global technology, defence and engineering powerhouse.



TEO MING KIAN
Chairman
Independent Director



VINCENT CHONG
Group President & CEO
Executive Director

27 February 2026

CORPORATE INFORMATION

BOARD OF DIRECTORS

Teo Ming Kian
(Chairman)

Vincent Chong Sy Feng
(Group President & CEO)

VADM Aaron Beng Yao Cheng

Kevin Kwok Khien

Philip Lee Sooi Chuen

Lien Siaou-Sze

Lim Chin Hu

Neo Gim Huay

Ng Bee Bee (May)

Ong Su Kiat Melvyn

Song Su-Min

Tan Peng Yam

Colonel Chong Shi Hao
(Alternate Director to
VADM Aaron Beng Yao Cheng)

AUDIT COMMITTEE

Kevin Kwok Khien
(Chairman)

Lien Siaou-Sze

Song Su-Min

EXECUTIVE RESOURCE AND COMPENSATION COMMITTEE

Teo Ming Kian
(Chairman)

Philip Lee Sooi Chuen

Lim Chin Hu

Ng Bee Bee (May)

NOMINATING COMMITTEE

Lim Chin Hu
(Chairman)

Philip Lee Sooi Chuen

Ng Bee Bee (May)

Teo Ming Kian

RESEARCH, INNOVATION, TECHNOLOGY AND ENTERPRISE COMMITTEE

Tan Peng Yam
(Chairman)

Vincent Chong Sy Feng

Lim Chin Hu

Teo Ming Kian

Chua Kee Lock
(Co-opted member)

RISK AND SUSTAINABILITY COMMITTEE

Song Su-Min
(Chairman)

VADM Aaron Beng Yao Cheng

Vincent Chong Sy Feng

Kevin Kwok Khien

Neo Gim Huay

STRATEGY AND FINANCE COMMITTEE

Teo Ming Kian
(Chairman)

Vincent Chong Sy Feng

Philip Lee Sooi Chuen

Lim Chin Hu

COMPANY SECRETARIES

Low Meng Wai

Tan Wan Hoon

REGISTERED OFFICE

1 Ang Mo Kio Electronics Park Road
#07-01 ST Engineering Hub
Singapore 567710
Tel: (65) 6722 1818
www.stengg.com

AUDITOR

PricewaterhouseCoopers LLP
7 Straits View
#12-00 Marina One East Tower
Singapore 018936

Lee Chian Yorn
(Partner-in-charge)
Date of Appointment: 24 April 2025

SHARE REGISTRAR

Tricor Barbinder Share
Registration Services
9 Raffles Place #26-01
Republic Plaza Tower 1
Singapore 048619

BOARD OF DIRECTORS

The Board is firmly committed to strong corporate governance and the creation of enduring shareholder value. It provides strategic guidance, ensures effective oversight of business management and steers decisions on investments, M&As and sustainability initiatives, maintaining robust oversight through independent representation.

The ST Engineering Board comprises 12 Directors and 1 Alternate Director, of whom 8 are independent Directors.



TEO MING KIAN

Chairman
Independent & Non-Executive Director

Date of first appointment as Director:
1 August 2021

Date of appointment as Deputy Chairman:
21 April 2022

Date of appointment as Chairman:
21 April 2023

Date of last re-election as Director:
24 April 2025

Academic & Professional Qualifications

- Bachelor of Engineering (First Class Honours) degree in Mechanical Engineering, Monash University, Australia
- Master of Science degree in Management Studies, Massachusetts Institute of Technology, USA
- Fellow of the Academy of Engineering Singapore

Other Directorships/Appointments – Present

- Defence Science and Technology Agency
- GGV Capital Pte. Ltd. (Founding Advisor, Grantie Asia Advisory Council)
- Infinbio Pte. Ltd.
- Temasek Foundation Ltd (Board Director and Corporate Advisor)
- Temasek Trust Ltd.
- TF IPC Ltd
- TT IPC Ltd
- Vertex Venture Holdings Ltd (Chairman)
- VVB Bio Pte. Ltd.
- Zinfinity Pte. Ltd. (Chairman)

Other Directorships/Appointments – Past 5 years

- Global Innovation Index by World Intellectual Property Organization (Advisory Board Member)
- Interel Pte. Ltd.
- Temasek Foundation Ecosperity CLG Limited (Chairman)
- Temasek Holdings (Private) Limited
- Temasek Lifesciences Accelerator Pte. Ltd. (Chairman)
- Temasek Life Sciences Laboratory Limited (Chairman)
- Temasek Life Sciences Ventures Private Limited (Chairman)
- Tychan Pte. Ltd. (Chairman)
- Vertex Venture Management Pte. Ltd. (Chairman)

Achievements

- Degree of Doctor of Laws honoris causa by Monash University, 2022
- The Commander First Class – Royal Order of the Polar Star (Sweden), 1994
- The Defence Technology Medal (Distinguished Leadership), 2015
- The Distinguished Service Order, 2024
- The Meritorious Service Medal, 2008
- The Public Administration Medal (Gold), 1993



VINCENT CHONG SY FENG

**Group President & CEO
Executive Director**

Date of first appointment as Director:
1 October 2016

Date of last re-election as Director:
20 April 2023

Date of next re-election as Director:
23 April 2026

Academic & Professional Qualifications

- Bachelor of Engineering (First Class Honours) (Mechanical Engineering), National University of Singapore
- Executive leadership programmes, Thunderbird School of Global Management and the Columbia Business School
- Fellow of the Academy of Engineering Singapore

Other Directorships/Appointments[#] – Present

- Department of Mechanical Engineering Industry Advisory Board, National University of Singapore
- Economic Strategy Review Committee on Global Competitiveness (Member)
- Inland Revenue Authority of Singapore (Board Member and Chairman of Audit & Risk Committee)
- Jurong Port Pte Ltd (Director and Member of Human Resource Committee)
- Singapore's Manufacturing, Trade and Connectivity Domain International Advisory Panel (Member)

Other Directorships/Appointments[#] – Past 5 years

- Emerging Stronger Taskforce (Member)
- Experia Events Pte. Ltd.
- International Advisory Panel for Advanced Manufacturing & Engineering, Ministry of Trade & Industry (Member)
- JTC Corporation (Board Member and Member of Development Committee and Human Resource Committee)
- Singapore Airshow & Events Pte. Ltd.
- Temasek Defence Systems Institute Management Board, NUS (Member)

Achievements

- COVID-19 Resilience Medal, 2023
- Distinguished Engineering Alumni Award by the National University of Singapore, 2021
- NTUC May Day Award 2023, Medal of Commendation (Gold)



VICE ADMIRAL AARON BENG YAO CHENG

**Non-Independent &
Non-Executive Director**

Date of first appointment as Director:
12 June 2023

Date of last re-election as Director:
26 April 2024

Academic & Professional Qualifications

- Bachelor of Science, Yale University, USA

Other Directorships/Appointments – Present

- Defence Science and Technology Agency
- JTC Corporation
- SRCC Pte Ltd (Deputy Chairman)
- Singapore Anti-Narcotics Association Board of Management (Vice-President)

Other Directorships/Appointments – Past 5 years

- Maritime and Port Authority of Singapore
- Ngee Ann Polytechnic (Council Member and Chairman of Digitalisation Committee)
- Singapore Anti-Narcotics Association Board of Management

Achievements

- Singapore Armed Forces Long Service Award (10 years, 15 years & 20 years), 2011, 2016 and 2021
- Singapore Armed Forces Overseas Service Medal (IRAQ 2008), 2009
- The Public Administration Medal (Bronze) (Military), 2017
- The Public Administration Medal (Gold) (Military), 2023

[#] Directorships exclude ST Engineering's subsidiary(ies)

BOARD OF DIRECTORS



KEVIN KWOK KHIEN

Independent &
Non-Executive Director

Date of first appointment as Director:
1 October 2021

Date of last re-election as Director:
24 April 2025

Academic & Professional Qualifications

- Bachelor of Arts (Honours) Economics, Accounting & Financial Management, University of Sheffield, UK
- Fellow, Institute of Chartered Accountants in England and Wales
- Fellow, Institute of Singapore Chartered Accountants
- Fellow, Singapore Institute of Directors

Other Directorships/Appointments – Present

- Sentosa Development Corporation
- Standard Chartered Bank (Singapore) Limited

Other Directorships/Appointments – Past 5 years

- Accounting Standards Council (Chairman)
- Mapletree North Asia Commercial Trust Management Ltd
- Singapore Exchange Limited*

Achievements

- Friend of Labour Award for Contributions to the Labour Movement – NTUC
- Silver Medal Award for Outstanding Contributions to the Accountancy Profession and Community – ISCA



PHILIP LEE SOOI CHUEN

Independent &
Non-Executive Director

Date of first appointment as Director:
1 June 2024

Date of last re-election as Director:
24 April 2025

Academic & Professional Qualifications

- Bachelor's Degree in Industrial and Systems Engineering, University of Southern California, Los Angeles, USA
- Master of Business and International Finance degree, New York University, Stern School, USA

Other Directorships/Appointments – Present

- 65 Equity Partners Pte. Ltd.
- Heliconia Capital Management Pte. Ltd.
- Savills plc*
- SPH Media Holdings Pte. Ltd.
- The Hongkong and Shanghai Banking Corporation Limited (Vice Chairman of Corporate and Institutional Banking)

Other Directorships/Appointments – Past 5 years

- Singapore Government's Health Promotion Board (Chairman)

Achievements

- The Public Service Medal, 2012
- The Public Service Star, 2024

* Listed company



LIEN SIAOU-SZE

Independent &
Non-Executive Director

Date of first appointment as Director:
26 August 2024

Date of last re-election as Director:
24 April 2025

Academic & Professional Qualifications

- Bachelor of Science in Physics, Nanyang University, Singapore
- Master of Computer Science, Imperial College London, UK

Other Directorships/Appointments – Present

- International Advisory Council of the Asia Women's Leadership University College (Chairperson)

Other Directorships/Appointments – Past 5 years

- Confucius Institute, Nanyang Technological University Pte. Ltd. (Chairman)
- Japfa Ltd*

Achievements

- The Public Service Star, 2011



LIM CHIN HU

Independent &
Non-Executive Director

Date of first appointment as Director:
16 July 2018

Date of last re-election as Director:
26 April 2024

Date of next re-election as Director:
23 April 2026

Academic & Professional Qualifications

- Bachelor of Science, La Trobe University, Melbourne, Australia
- Diploma in Electrical & Electronics Engineering, Ngee Ann Polytechnic, Singapore
- Fellow, Singapore Institute of Directors

Other Directorships/Appointments – Present

- Certis CISCO Security Pte Ltd
- G-Able Public Company Limited*
- Hi-P International Pte. Ltd.
- Ministry of Health/ MOH Holdings Pte Ltd
 - ALPS Pte. Ltd.
 - Singapore Health Services Pte Ltd
 - Synapxe Pte. Ltd.
- Sentosa Development Corporation (Audit Committee Member)
- Singapore Exchange Limited*
- Swan & Maclaren Group Pte. Ltd.

Other Directorships/Appointments – Past 5 years

- Citibank Singapore Limited
- Heliconia Capital Management Pte. Ltd.
- Kulicke & Soffa Inc*
- SPTel Pte. Ltd.

Achievements

- The Public Service Medal, 2022

* Listed company

BOARD OF DIRECTORS



NEO GIM HUAY

Independent &
Non-Executive Director

Date of first appointment as Director:
15 February 2024

Date of last re-election as Director:
26 April 2024

Academic & Professional Qualifications

- Bachelor of Arts (First Class Honours), Cambridge University, UK
- Master of Business Administration (Arjay Miller Scholar), Stanford University, USA
- Master of Engineering (Distinction), Cambridge University, UK

Other Directorships/Appointments – Present

- China Council for International Cooperation on Environment and Development (Special Advisor)
- Global Battery Alliance (Supervisory Council Member)
- LGT Bank (Singapore) Ltd.
- Singapore Institute of Technology (Board Trustee and Chairman of Sustainability Committee)
- The High-level Policy Commission on Getting Asia to Net Zero (Member)
- United Overseas Bank Sustainability Advisory Panel (Advisor)
- University of Tokyo Global Navigation Board (Advisor)

Other Directorships/Appointments – Past 5 years

- Governing Council, Water Resources Group, World Bank
- Intellectual Property Office of Singapore
- Mandai Wildlife Group
- Nestle Shared Value Council (Advisory Board)
- Partnership for Green Growth, World Resources Institute (Member)
- SG Eco Fund Advisory Committee (Member)
- Singapore Science Centre Global Pte. Ltd.
- South Pole
- Surbana Jurong Private Limited

Achievements

- Eisenhower Fellow
- Time 100 Climate Leaders



NG BEE BEE (MAY)

Independent &
Non-Executive Director

Date of first appointment as Director:
1 June 2020

Date of last re-election as Director:
26 April 2024

Date of next re-election as Director:
23 April 2026

Academic & Professional Qualifications

- Bachelor of Arts (Honours), University of Western Ontario, Canada

Other Directorships/Appointments – Present

- NTUC Enterprise Co-operative Ltd.
- Pan-United Corporation Ltd.* (Executive Chairman)

Other Directorships/Appointments – Past 5 years

- Mercatus Co-operative Limited
- Pan-United Corporation Ltd.* (Chief Executive Officer)
- PT. Pacific Granitama (Member of Board of Commissioners)

Achievements

- NTUC, Friend of Labour
- NTUC, Meritorious Service

* Listed company



ONG SU KIAT MELVYN

Non-Independent &
Non-Executive Director

Date of first appointment as Director:
8 June 2018

Date of last re-election as Director:
26 April 2024

Date of next re-election as Director:
23 April 2026

Academic & Professional Qualifications

- Bachelor of Science (Economics) (Honours), London School of Economics and Political Science, UK
- Master of Science (Development Studies), London School of Economics and Political Science, UK

Other Directorships/Appointments – Present

- Board of Trustees for the SG ECO Fund (Chairman)
- Defence Science and Technology Agency (Chairman)
- DSO National Laboratories (Chairman)
- Singapore Technologies Holdings Pte Ltd

Other Directorships/Appointments – Past 5 years

- CapitaLand Ascott Business Trust Management Pte. Ltd. (as Trustee-Manager of CapitaLand Ascott Business Trust*)
- CapitaLand Ascott Trust Management Limited (as Manager of CapitaLand Ascott Real Estate Investment Trust*)
- Centre for Liveable Cities Limited (Chairman)
- JTC Corporation
- SRCC Pte Ltd

Achievements

- Bintang Yudha Dharma Utama (Indonesia)
- Order of Australia – Honorary Officer in the Military Division
- Panglima Gagah Angkatan Tentera (Kehormat) (Malaysia)
- SAF Overseas Service Medal, New Zealand, 2011
- The Knight Grand Cross (First Class) of the Most Exalted Order of the White Elephant (Thailand)
- The Meritorious Service Medal (Military), 2021
- The Most Exalted Order of Paduka Keberanian Laila Terbilang – First Class (Brunei)



SONG SU-MIN

Independent &
Non-Executive Director

Date of first appointment as Director:
16 September 2018

Date of last re-election as Director:
24 April 2025

Academic & Professional Qualifications

- Bachelor of Laws (Honours), University of Kent, Canterbury, UK
- Singapore Bar
- Bar of England and Wales, Middle Temple

Other Directorships/Appointments – Present

Nil

Other Directorships/Appointments – Past 5 years

Nil

* Listed company

BOARD OF DIRECTORS



TAN PENG YAM

**Non-Independent &
Non-Executive Director**

Date of first appointment as Director:
1 August 2021

Date of last re-election as Director:
24 April 2025

Academic & Professional Qualifications

- Bachelor of Engineering (Electrical Engineering), University of Tasmania, Australia

Other Directorships/Appointments – Present

- Cap Vista Pte Ltd (Chairman)
- DSO National Laboratories
- NEA Nuclear Safety Advisory Panel (Member)
- NUS College of Design and Engineering Advisory Board (Member)
- Singapore Nuclear Research and Safety Institute Management Board (Deputy Chairman)
- Singapore University of Technology and Design, Board of Trustees (Member)
- SMRT Technical Advisory Panel (Chairman)
- Synapxe Pte. Ltd.
- Temasek Defence Systems Institute Management Board, NUS (Chairman)

Other Directorships/Appointments – Past 5 years

- ST Engineering D'crypt Pte. Ltd. (formerly known as D'crypt Pte. Ltd.)
- Defence Science and Technology Agency
- Government Technology Agency
- Land Transport Authority
- PUB Board Committee for Transformation (Member)
- Tech Vista Pte Ltd (Chairman)
- Temasek Laboratories, Nanyang Technological University (Member)

Achievements

- ASEAN Federation of Engineering Organisations Honorary Fellowship
- Chevalier (Knight) of the National Order of the Legion of Honour (France)
- Commander of Order of Merit of Italian Republic (Italy)
- Grand Cross of Naval Merit with White Mark (Spain)
- Royal Order of the Polar Star, Knight 1st Class (Sweden)
- The Public Administration Medal - Gold, Silver and Bronze, 2012, 2005 and 1997



COLONEL CHONG SHI HAO

**Alternate Director to
Vice Admiral Aaron Beng Yao Cheng**

Date of first appointment as
Alternate Director:
12 June 2023

Academic & Professional Qualifications

- Bachelor of Science in Geography (First Class Honours), University College London, UK
- Master of Arts (Distinction) in Near and Middle Eastern Studies, School of Oriental and African Studies, UK

Other Directorships/Appointments – Present

- Grace Community Church Limited

Other Directorships/Appointments – Past 5 years

Nil

Achievements

- COVID-19 Resilience Medal, 2023
- Singapore Armed Forces Good Service Medal, 2010
- Singapore Armed Forces Long Service Award (10 years & 15 years), 2016 and 2021
- Singapore Armed Forces Long Service and Good Conduct (10 years) Medal, 2015
- Singapore Armed Forces Long Service and Good Conduct (10 years) Medal (15 years CLASP), 2020
- The Public Administration Medal (Bronze) (COVID-19), 2023
- The Public Administration Medal (Bronze) (Military), 2023

DIRECTORS SEEKING RE-ELECTION

INFORMATION REQUIRED UNDER RULE 720(6) OF THE LISTING MANUAL OF SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

	VINCENT CHONG SY FENG	LIM CHIN HU	NG BEE BEE (MAY)	ONG SU KIAT MELVYN
Age	56	67	58	50
Country of principal residence	Singapore	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	Vincent is the Group President & CEO and an Executive Director of ST Engineering. His role as Group President & CEO is to integrate and leverage on the Group's strengths and capabilities to steer the Group towards its vision of becoming a global technology, defence and engineering powerhouse. Vincent has more than 20 years of global business and management experience and his leadership will continue to benefit ST Engineering and set the direction for growth of the ST Engineering Group.	Chin Hu has decades of management experience with multinational technology companies like Hewlett Packard and the Sun Microsystems (now Oracle). An experienced director, he was CEO of a publicly listed IT services company with expertise in M&A and nurturing technology startups. Chin Hu's experience and knowledge will continue to help steer Management towards achieving ST Engineering's growth vision.	May has extensive experience as CEO of a listed company and has served as an independent non-executive director of significant social enterprises. She was CEO of Pan-United Corporation Ltd from March 2011 and became Executive Chairman from July 2024, demonstrating strong track record in corporate governance, strategic planning, enterprise transformation and sustainability.	Melvyn's defence background will continue to benefit ST Engineering in addressing the changing and challenging needs of the defence business. His previous stint as Permanent Secretary in the Ministry of Development, and currently the Ministry of Sustainability and the Environment will also help to guide ST Engineering's growth in the field of sustainability and urban solutions.
Whether appointment is executive, and if so, the area of responsibility	Executive Vincent oversees the business of the ST Engineering Group.	Non-Executive	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Group President & CEO and Executive Director Member of • Research, Innovation, Technology and Enterprise Committee • Risk and Sustainability Committee • Strategy and Finance Committee	Independent Director Chairman of • Nominating Committee Member of • Executive Resource and Compensation Committee • Research, Innovation, Technology and Enterprise Committee • Strategy and Finance Committee	Independent Director Member of • Executive Resource and Compensation Committee • Nominating Committee	Non-Independent Director
Working experience and occupation(s) during the past 10 years	Group President & CEO, ST Engineering (2016 – current) President & CEO (Designate), ST Engineering (2015 – 2016)	Board Member, Singapore Exchange Limited (2018 – current) Board Member, Singapore Health Services Pte Ltd (2017 – current) Board Member, G-Able Public Company Limited (2011 – current) Board Member, Kulicke & Soffa Inc (2011 – 2025)	Executive Chairman, Pan-United Corporation Ltd (PUC) (2024 – current) CEO, PUC (2011 – 2024)	Permanent Secretary (Sustainability and the Environment) of Ministry of Sustainability and the Environment (2025 – current) Permanent Secretary (Defence Development) of Ministry of Defence (2023 – current) Permanent Secretary (Development) of Ministry of National Development (2024 – 2025) SAF Officer (1994 – 2023)

Mr Vincent Chong Sy Feng, Mr Lim Chin Hu, Ms Ng Bee Bee (May), Mr Ong Su Kiat Melvyn, have each:

- confirmed that he/she has no relationship (including immediate family relationships) with an existing director, existing executive officer, the Company and/or any substantial shareholder of the Company or any of its principal subsidiaries;
- confirmed that he/she has no conflict of interest (including any competing business);
- provided an undertaking in the format set out in Appendix 7.7 under Rule 720(1) of the SGX-ST Listing Manual; and
- confirmed that all responses under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual to be "No".

The other information required under Rule 720(6) of the SGX-ST Listing Manual are disclosed in the "Board of Directors" section of this Annual Report on pages 10 to 16.

The shareholding interest in the Company and its subsidiaries (if any) of each of these Directors are disclosed in the "Directors' Statement" on 106 to 118.

GROUP EXECUTIVE COMMITTEE

The Group Executive Committee (EXCO) consists of a dedicated five-member leadership team tasked with guiding strategic decision-making and upholding stringent corporate governance standards within the Group. Serving as the core leadership team, these executives play a pivotal role in charting ST Engineering's course towards success and sustainable growth. The EXCO is supported by the Group Senior Business Council, which comprises a team of business and corporate function leaders representing our business areas and domains within the Group.

From left to right:

LAM WAI MENG JEFFREY

Group Chief Operating Officer
(Operations Excellence) and
President Commercial Aerospace

CEDRIC FOO CHEE KENG

Group Chief Financial Officer

VINCENT CHONG SY FENG

Group President & CEO

TAN WEI MING, MERVYN

Group Chief Operating Officer
(Technology & Innovation) and
President Defence & Public Security

TAN LEE CHEW

Group Chief Commercial Officer
(Market Development) and
President Smart City & Digital Solutions



Group Executive
Committee Biography
Scan the QR code or visit
[www.stengg.com/en/
about-us/leadership-team](http://www.stengg.com/en/about-us/leadership-team)





In 2025, we advanced innovation through major initiatives and partnerships across multiple sectors. We deepened our capabilities in AI and robotics, strengthened ecosystem development and drove strategic collaborations both regionally and globally.

Leveraging our deep engineering expertise and strategic partnerships, we delivered reliable, scalable solutions that enhanced performance, productivity and cost efficiency. We also pushed the boundaries of AI and automation to create adaptive, resilient systems while investing in our people and supporting customers to thrive in an increasingly AI-driven world.



Technology & Innovation

Our R&D aligns with our business and product roadmaps, targeting investments towards delivering differentiated products and solutions that accelerate time-to-market and drive profitable growth.

OUR R&D INVESTMENT

R&D Activity	Funding Sources	Classification in Financial Statements	2025
Research Projects	Internal/External	Research, design and development expenses	\$185.6m¹
Development Projects/ IP Rights and Licences	Internal/External	Capitalised development expenditure, commercial/ intellectual property rights and licences	\$63.1m²
Customer Funded R&D Projects	External	part of Cost of Sales	\$207.7m
		Total R&D	\$456.4m
		R&D Intensity over Revenue	3.7%

¹ see Note B3 in Notes to the Financial Statements page 146

² see Note C3 in Notes to the Financial Statements pages 166-167



POWERING PROGRESS IN NEW REALMS

Technology, innovation and engineering are our core, and drive our R&D engine to continuously learn, anticipate change and adapt fast. AI is a natural extension of this strength. Through the years, we've continually embedded intelligence into our solutions to help customers stay ahead and lead. As AI reaches a new level of maturity, we are scaling its impact. In 2025, we launched a five-year, \$250 million AI Research Translation programme to accelerate advanced AI capabilities and train AI engineers to turn breakthrough research into next-generation, AI-first systems and platforms. We are also transforming from within. By embedding AI into our workflows and corporate functions, we are enabling faster decisions, lifting productivity and unlocking new ways of operating.

DR LEE SHIANG LONG
Group Chief Technology & Digital Officer

EXPANDING HORIZONS: INNOVATING ADVANCED MATERIALS FOR NUCLEAR FUSION

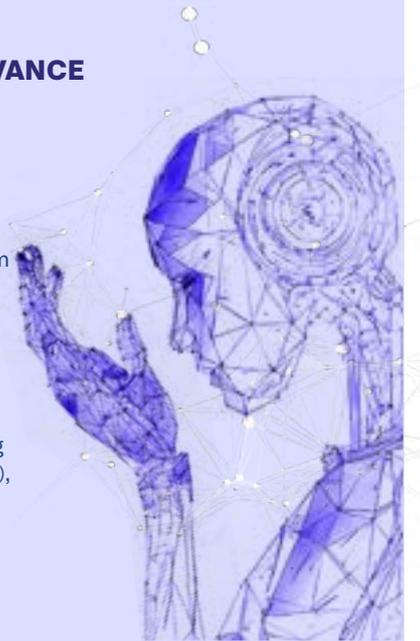
Nuclear fusion, the process that powers the sun, creates extreme material challenges and presents a major opportunity in its supply chain.

The inner wall of a fusion reactor faces temperatures far beyond the sun's core. With A*STAR, we developed a specialised coating, scaling it from lab to industrial use for real-world fusion systems.

Scaling this technology secured us a contract with a leading fusion startup to supply advanced materials capable of withstanding the extreme heat of fusion plasma. We are now working with the Massachusetts Institute of Technology to push advanced materials further. We aim to pioneer next-generation fusion supply chain solutions for extreme environments and accelerate fusion energy's reality.

\$250 MILLION TO ADVANCE AI BREAKTHROUGHS OVER FIVE YEARS

A primary focus of the AI Research Translation programme is to advance physical AI innovation. We aim to accelerate robotics, swarm technologies and humanoid systems to address complex operational challenges and unlock new opportunities. The first milestone, the Manned-Unmanned Teaming Operating System (MUMTOS), marks a step towards intelligent, autonomous systems that will transform mission-critical operations across defence, public safety and commercial sectors.



EMBODIED INTELLIGENCE

We focus on high-value applications, deploying humanoids and physical AI for 3D tasks (dirty, dull and dangerous) to boost safety and productivity. Using common building blocks — perception, manipulation and safe human-robot interaction — we deliver scalable, dual-use solutions for government and industry. Our strategy is driven by three intelligence pillars:

- + **Robotics Intelligence:** Multi-robot teaming across unmanned aerial vehicles, unmanned ground vehicles and unmanned surface vehicles for greater autonomy.
- + **Spatial Intelligence:** Digital twins and simulation to accelerate development and cut costs.
- + **Systemic Intelligence:** Agentic system-of-systems architecture enabling adaptive C2 and scalable autonomous operations.

This foundation creates long-term competitive advantage, expands addressable markets and delivers sustainable value.

AI is reshaping industries at an unprecedented pace, and talent is the cornerstone of this transformation. At ST Engineering, we've already trained over 10,000 employees to be future-ready in core AI technologies, and we're investing in the next wave by developing 5,000 AI engineers over the coming years. This includes upskilling 4,000 engineers in advanced AI applications and creating 1,000 AI developers focused on AI-powered algorithms, cybersecurity and emerging areas like agentic and embodied AI systems. These efforts ensure we remain at the forefront of AI innovation and integration.



HOR GAR YIN
Group Chief Engineering Officer

TECHNOLOGY & INNOVATION HIGHLIGHTS

Building on a long track record of advancing with each new wave of frontier technology — from advanced analytics to today's AI — we continue to strengthen our technological edge. In 2025, our innovations elevated security, operational intelligence and user engagement, demonstrating our commitment to harnessing technology and innovation to solve real-world problems, drive digital transformation and deliver meaningful impact across all our domains.

SAFEGUARDING THE AI LIFECYCLE

AGIL® SecureAI is a comprehensive cybersecurity solutions suite that protects AI and generative AI systems across their lifecycle. It comprises *Assess* (identifies model vulnerabilities), *Forensics* (traces attack vectors and root causes) and *Validate* (ensures training data integrity). Together, these capabilities strengthen cyber resilience, mitigate risks of data leaks and model compromise and support regulatory compliance and stakeholder trust, acting as a critical enabler of secure, responsible AI adoption.

TRANSFORMING ENTERPRISE INFORMATION ACCESS WITH AI

AGIL® Knowledge is a secure, enterprise-grade AI platform that transforms how organisations access and act on information. Built for on-premise and offline environments, it powers chatbots, virtual assistants and AI workflows through its low-code/no-code AGIL Knowledge AI Studio. Leveraging natural language processing and large language models, it enables instant content retrieval, summarisation and decision support, driving productivity across MRO activities, customer service and security operations.



STRENGTHENING CA

OUR CULTURE OF INNOVATION

From ideation to execution, see how our programmes create real-world impact.

To foster an innovative culture, we run internal programmes such as InnoChamp, which celebrates outstanding innovations from the past year, and In.Vent, a venture-building initiative focused on ideating and developing products, technologies and services that can capture new markets.

One such innovation from In.Vent 2025 is Quantizant, a single end-to-end platform that helps financial institutions transition safely and effectively to the post-quantum era. Instead of a single tool or algorithm, Quantizant integrates everything banks need: identifying vulnerable encryption, assessing risk, planning upgrades, coordinating system changes and ensuring compliance with evolving regulations.

By giving a clear, data-driven view of the cryptographic landscape and a structured roadmap for modernisation, Quantizant tackles challenges that have slowed progress — from fragmented systems, to limited expertise and complex global dependencies. Its value lies not in claiming superior technology, but in enabling a coherent, controlled and repeatable approach to quantum-safe migration.

As the financial sector faces rising regulatory pressure and long-term security concerns, platforms like Quantizant are becoming essential to ensure resilience in a future where quantum computing will reshape cybersecurity.

The Quantizant team comprising (from left) Huang Shiwei, Wong Cheng Ngai, Amelia Tan, Jeffrey Xie and Lam Zhi Liang is a collaboration between the Enterprise (Digital) Team and Group Technology Office.



DRIVING AI INNOVATION IN HEALTHCARE OPERATIONS

AGIL® Care, a hospital operations management system, enables healthcare teams to make faster, better-informed decisions on hospital capacity and resource utilisation, enhancing operational efficiency and patient care delivery across their network of hospitals. Our system achieves this by leveraging predictive analytics, AI and real-time visualisation through a 3D digital twin to provide full situational awareness across the patient journey — from pre-admission to discharge — and deliver real-time insights.





SAFEGUARDING AIRSPACE WITH AI-DRIVEN DEFENCE

AGIL® Counter Drone provides advanced technology to manage unauthorised drone activity safely and effectively. The system combines AI-enabled radio frequency detection, electro-optic sensors, radar and cyber tools to identify, track and mitigate potential risks. Through a unified command and control interface, operators gain real-time situational awareness and can choose either automated or manual response options. With patented AI/ Machine Learning decoding and adaptive threat classification, the solution offers scalable measures such as signal disruption and secure takeover, supporting the protection of critical infrastructure, public spaces and operational continuity in complex environments.

ADVANCING AI-DRIVEN TOLLING

The next-generation Infinity® Digital Lane System with VCATS (Vehicle Classification and Tracking System) represents a significant advancement in AI-driven, vision-based mobility infrastructure. Using AI-powered image capture, licence plate recognition and vehicle classification, the unified platform delivers high accuracy and real-time performance across urban and highway networks. Proven in large-scale deployments, the architecture supports scalable, intelligent tolling systems that enable smarter and more efficient transport ecosystems.



ORCHESTRATING HUMAN-MACHINE TEAMS

MUMTOS is a cyber-secured, agentic AI command and control platform that integrates manned and unmanned systems across air, land and maritime domains. It coordinates robots, drones and autonomous vehicles to deliver superior situational awareness and operational resilience, even in contested environments. By fusing multi-sensor data, MUMTOS generates actionable insights and shortens decision cycles through AI-driven prioritisation and predictive analytics. Beyond defence and industrial applications, it supports humanitarian missions and disaster response. MUMTOS can assess life-critical factors, such as oxygen levels, structural integrity and occupancy to prioritise rescues. Integrated with medical systems, it enables real-time triage and treatment coordination, while synchronising multi-agency efforts for rapid, efficient relief operations.

POSSIBILITIES WITH AI

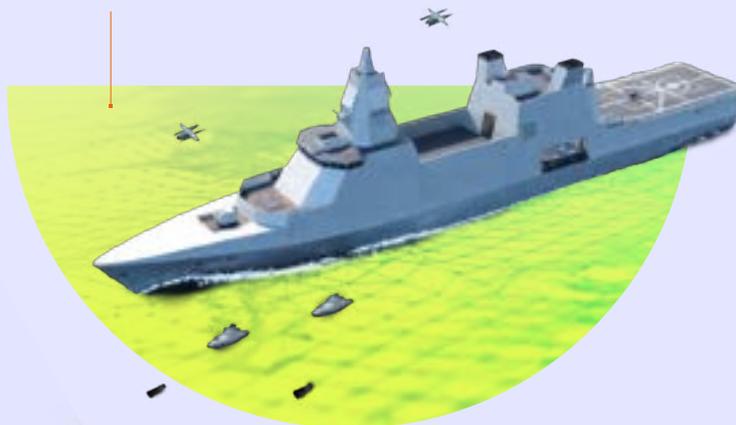


PROTECTING CRITICAL ASSETS IN THE QUANTUM ERA

Combining NIST standard Post-Quantum Cryptography and Quantum Key Distribution, the Quantum Safe Encryptor (QSE) delivers ultra-fast encryption of up to 100 Gbps with minimal latency. Designed for high performance environments, it ensures long-term data sovereignty and regulatory compliance. With proactive threat detection and seamless integration into enterprise systems, QSE strengthens our cybersecurity portfolio, enabling quantum-resilient infrastructure that safeguards critical assets and supports secure growth in a complex digital landscape.

DIGITAL ENGINEERING FOR COMPLEX MARITIME PLATFORMS

The Victory-class Multi-Role Combat Vessel integrates unmanned systems, cyber-secured networks and advanced combat technologies for multi-domain operations. Developed using digital twin technology and model-based engineering, the vessel delivers scalable, future-ready platforms with high design precision, reduced waste and accelerated build times. Designed to leverage smart yard automation and integrated systems engineering, it offers scalability, adaptability and resilience to meet evolving operational requirements in complex maritime environments.



OPERATING REVIEW AND OUTLOOK

Commercial Aerospace



WHAT WE ACHIEVED IN 2025

- + Optimised airframe MRO global network and added capacity where demand is growing
- + Advanced market position in engine MRO with expanded capacity and capability
- + Scaled nacelle output to support OEMs' production plans and deliveries

In 2025, our Commercial Aerospace business continued to make strides in expanding capabilities, optimising operations and positioning for growth. Demand across our MRO and OEM businesses remained robust, supported by the ramp-up in production by aircraft and engine OEMs and high fleet utilisation as airlines kept aircraft in service longer and maintenance requirements rose.

Despite persistent industry and macroeconomic challenges such as supply chain pressures, manpower costs and geopolitical uncertainties, we advanced key initiatives that strengthened our competitiveness and value to customers. These included capacity expansions in key markets, new partnerships that broadened our services and further integration of AI and digital technologies across our global facilities to improve efficiency and productivity.

AEROSTRUCTURES AND SYSTEMS

Our manufacturing business remained closely aligned with aircraft and engine OEMs' production and ramp-up plans. We continued to deliver on our freighter conversion backlog, while advancing innovative products such as the AirFish Wing-in-Ground (WIG) craft and DroNet, our unmanned aircraft systems (UAS) solution.

Nacelle and Composite Manufacturing

Production for our largest nacelle programme for the Airbus A320neo platform scaled up in step with Airbus' production rate. Our production for the COMAC C919 continued to support COMAC's domestic and international growth plans. Demand for our other nacelle programmes, such as the COMAC C909, Bombardier Global 7500/8000 and Boeing 777X, remained steady.



Our nacelle manufacturing facility in Baltimore, U.S.

We partnered with JetZero to design and manufacture a key propulsion component for its full-scale all-wing demonstrator. This collaboration strengthens our propulsion engineering capabilities and unlocks opportunities for us to diversify our portfolio and support more next-generation aircraft.

Our joint venture Elbe Flugzeugwerke (EFW) continued to provide strong support to Airbus in composite floor panels. After setting up a production line for Airbus' Airspace L Bins, EFW began manufacturing the retrofit overhead bin solution.

Passenger-to-Freighter (P2F) Conversions

We remained committed to redelivering aircraft with the highest quality to our customers, including the first A330P2F to be registered in Mexico, following the validated Supplemental Type Certificate (STC) we received from Mexico's Agencia Federal de Aviación Civil.

Our Airbus A320 and A321P2F programmes obtained validation from the Civil Aviation Administration of China, broadening access to operators of China-registered aircraft and reinforcing our credentials in the global freighter conversion market.

Wing-in-Ground Craft

To advance the AirFish Voyager Wing-in-Ground (WIG) craft's entry to market, our JV, ST Engineering AirX (AirX), made good progress with Bureau Veritas to carry out sea trials off Singapore's coasts and achieve classification by mid-2026. We marked another milestone in commercialising our WIG innovation by entering into an agreement with BatamFast, a Southeast Asian ferry operator, to introduce the AirFish Voyager to the ferry route between Singapore and Batam, Indonesia.

Unmanned Aircraft Systems

We continued to expand the capabilities of our DroNet UAS solution through the development of new drone models, extending its use to applications requiring long-range operations, automation and AI-powered support.

Our DrN-40 fixed-wing drone completed flight tests in Thailand, while we introduced the DrN-25, designed for inspections in remote or hard-to-reach locations. In collaboration with local partners, we supported drone applications and trials including medical deliveries in Thailand and Japan, as well as food delivery in Singapore.



DrN-40 fixed-wing drone

OPERATING REVIEW AND OUTLOOK

Commercial Aerospace

AEROSPACE MRO

Our MRO business saw good momentum, with engine shops in particular running at high capacity due to increased flying activity. Rising shop visits translated into key multi-year contracts, underscoring our position as a trusted partner to airlines worldwide.

Airframe Services

Our airframe facilities continued to support airlines across our wide global footprint. EFW, our Centre of Excellence for Airbus A380 MRO, continued to build its customer base with new contracts and redeliveries. New contracts included a multi-year agreement for Airbus A380 airframe heavy maintenance and cabin modification.

As part of our ongoing rationalisation of MRO facilities to optimise our global network and enhance competitiveness, we consolidated our airframe MRO operations in the U.S. by transitioning out of Mobile and focusing in Pensacola and San Antonio. We also divested our 49% stake in the airframe MRO company we set up with China Eastern Airlines, marking the end of a successful 20-year term partnership that has strengthened both businesses.

At the same time, we continued capacity expansion in line with our plans. In Asia, we opened a new facility in Ezhou, China, through our joint venture with SF Airlines. Our third hangar in Pensacola remained on track for completion by end-2026. We are also on track to opening another new facility in Changi Creek, Singapore, in 2026. After factoring in the rationalisation of our Mobile and Shanghai operations, our total capacity will remain higher than pre-COVID levels as a result of these expansion projects, ensuring continued ability to meet customers' MRO demand.

Component/Engine Services

Our component MRO business held steady, while our engine MRO business experienced high growth. This growth is supported by strong CFM56 engine MRO demand and our introduction of new CFM LEAP engine solutions, as CFM56 engines streamed in for heavy maintenance and MRO needs for the new-generation CFM LEAP engines picked up pace.

Reflecting this, we secured multi-year MRO contracts for CFM LEAP and CFM56 engines from operators in Asia and the Middle East including Korean Air and Air Cairo, as well as a CFM56 offload agreement with a major engine OEM. In component MRO, we signed an agreement with Safran Electronics & Defense to serve as its authorised Asia Pacific distributor for cockpit and actuation solutions, supporting both airlines and MRO providers in the region.

To meet rising demand, we expanded our engine MRO facility in Singapore to raise our global capacity for CFM LEAP and CFM56 engines. We also stepped up our efforts to boost our talent pipeline including co-developing a training facility with the Singapore Institute of Technical Education (ITE) that mirrors real-world engine MRO processes.

As part of ongoing capacity expansion plans, we set up a new greenfield airframe MRO facility in Ezhou, China.

A robotic arm with AI technology carrying out inspection work at our newly expanded engine MRO facility in Singapore.



TECH IN FOCUS



We advance innovation and sustainability through AI-driven planning, manufacturing, and supply chain optimisation. Automation and robotics enhance operational efficiency and empower our workforce, while sustainable practices reduce environmental impact and support long-term transformation.

KENNETH LOW
CTO and Head of Innovation and Sustainability, Commercial Aerospace



Our nacelle manufacturing operations exemplify a digital factory that integrates autonomous robotics, digital tools and advanced manufacturing. By harnessing these technologies, we continue to advance aerospace production with greater precision, safety and quality, reinforcing our position as a leading and forward-looking aerospace OEM.

(left)
ARCHER SKEELS
Facilities Equipment Engineer
ST Engineering MRAS

(right)
BAH MAHAMOUDOU
Manufacturing Automation Engineer
ST Engineering MRAS



Intelligent unmanned aircraft solutions such as DroNet can revolutionise operations – enabling efficient aerial delivery and wide-area monitoring. With AI capabilities, DroNet can be extended into applications such as automated asset inspection, emergency response and environmental sensing, enhancing efficiency and safety.

SAMYUKTHA GURUSAMY
Systems Engineer
Unmanned Air Systems



OPERATING REVIEW AND OUTLOOK

Commercial Aerospace

Aviation Asset Management

We continued to enhance our portfolio of engines, converted freighters and passenger aircraft in line with our investment strategy. Our assets under management (AUM) maintained at US\$2.3 billion as at end-2025, reflecting our focus on portfolio quality and disciplined capital deployment. With this solid base, we continued to progress towards our target of US\$3.5 billion in AUM by 2029.

To support future growth and diversify our capital base, we continued to advance the development of an Aviation Fund Structure. This initiative represents a key building block in scaling our asset management platform, enabling us to tap on a broader pool of investors while positioning the business for long-term, sustainable growth.

OUTLOOK

The aviation manufacturing industry is expected to remain supported by growing air travel demand as aircraft manufacturers and airlines continue to step up production and fleet growth to satisfy this demand. Oliver Wyman forecasts the global commercial fleet to expand from about 30,000 aircraft at the start of 2026 to approximately 41,000 aircraft by 2036, a compound annual growth rate of 3.2%.¹

Sustained aircraft order backlog provides strong visibility for aerostructures, nacelles and composite components. The freighter conversion sector may see a longer road to recovery, given persistent tight feedstock availability in the near term and increasing global market volatility that could impact air cargo demand.

In the aftermarket sector, robust demand is expected to persist through 2026 and beyond. We expect Asia Pacific to continue leading global traffic growth, translating into steady demand for aircraft base and line maintenance and a resilient pipeline for engine and component services.

While the growth outlook is strong, the industry remains challenged by persistent supply chain and labour pressures. Material shortages, labour constraints and cost pressures will be some of the top disruptors.

To actively manage them, we continue to strengthen our businesses' resilience, sharpen competitiveness and deepen value creation across our manufacturing and MRO businesses to minimise risks and better capture opportunities.

Driving Value Through Technology

We will deepen the use of technologies including AI, automation and digitalised workflows to enhance operational efficiency, improve productivity and shorten turnaround times. Data analytics and smart maintenance tools will be a key focus, enabling us to enhance aircraft reliability, anticipate maintenance needs and provide customers with greater fleet availability and operational predictability.

In manufacturing, we will also continue to invest strategically and collaborate to bring sustainable composite solutions to the market, ensuring we stay at the forefront of aerospace innovation.

Expanding Capabilities and Capacity

We remain on course to expand our MRO capacity in key growth areas with new hangars progressively coming online in Asia and the U.S. over the next few years. At the same time, we are deepening our capabilities for new-generation platforms such as the CFM LEAP engine, ensuring that our solutions continue to meet evolving customer needs. These ongoing investments will strengthen our ability to capture rising demand and sustain growth in the expanding aftermarket sector.

...we continue to strengthen our businesses' resilience, sharpen competitiveness and deepen value creation across our manufacturing and MRO businesses to minimise risks and better capture opportunities.

¹ Source: Oliver Wyman's Global Fleet and MRO Market Forecast 2026-2036.



Trainees at the engine MRO training facility we co-developed with Singapore's Institute of Technical Education.

(Photo credit: Institute of Technical Education)

To strengthen our pipeline for a skilled, technology-enabled workforce, we are intensifying efforts such as technician apprenticeships, cross-skilling programmes, AI training and partnerships with training institutions.

KEY FOCUSES FOR 2026

+ Accelerate digitalisation and adoption of advanced technologies to boost productivity and service quality

+ Expand capabilities for new-generation aircraft and engines to capture emerging aftermarket opportunities

+ Deepen customer engagement and lifecycle support solutions to enhance service value and long-term partnerships

Building a Skilled Workforce

Talent remains a cornerstone of our competitiveness and innovation, underpinning our ability to scale operations and support new capacity coming online. To strengthen our pipeline for a skilled, technology-enabled workforce, we are intensifying efforts such as technician apprenticeships, cross-skilling programmes, AI training and partnerships with training institutions.

Strengthening Supply Chain Resilience

As part of ongoing efforts to strengthen our supply chain resilience, we will continue our efforts to diversify sources, explore alternative repair solutions and strengthen inventory management. These measures will continue to build more robust ecosystems and ensure we maintain schedule integrity for our customers.

Broadening Strategic Partnerships

We will reinforce collaborations with OEMs, airlines and industry partners as well as technology and solution providers, tapping on their expertise and knowledge to complement our strengths. By drawing on the broader aviation ecosystem, these partnerships enable us to co-develop innovations, enhance our product and service offerings and deliver greater value to customers worldwide.

Through these sustained and stepped-up efforts, we are well-positioned to translate global fleet growth order and high MRO intensity into durable and sustainable growth.

OPERATING REVIEW AND OUTLOOK

Defence & Public Security

WHAT WE
ACHIEVED
IN 2025

- + Strengthened AI- and quantum-driven cyber capabilities to safeguard critical systems against advanced threats
- + Expanded international defence footprint through strategic partnerships, sharing of technology and localisation of production capabilities in key focus markets
- + Expanded range of offerings from land platforms, naval vessels, weapon systems and advanced AI-driven interoperable solutions to meet evolving needs in defence, public security and commercial segments

The Defence & Public Security business continued to register strong growth and innovation, securing new contract wins, advancing technological capabilities and deepening partnerships across key markets. Against the backdrop of rising geopolitical tensions and growing global emphasis on building up national defence and security, we expanded our international footprint and reaffirmed our position as a trusted partner and source of advanced defence capabilities.

As national priorities shifted towards greater investments in defence and security, we expanded our engineering depth and technological expertise to meet evolving local and international security needs. In Singapore, we continued to be the strategic partner to the Singapore Armed Forces' modernisation efforts, investing in the integration of emerging technologies such as AI to deliver best-in-class solutions. Through innovative and cost-effective offerings underpinned by reliable execution, we reinforced our commitment to advancing Singapore's defence ecosystem with high-quality, mission-ready capabilities.

Our international defence business also made significant strides, advancing growth through strategic collaboration with international defence partners, technology sharing and localisation of production capabilities. In Europe, we established manufacturing capabilities for the Bronco with SISU Auto and Leonardo in Finland and Italy respectively. These underscored our commitment to long-term collaboration and enhancing our customers' sovereign capabilities. Strategic partnerships and localisation will continue to be critical enablers for us to strengthen our market access.

DIGITAL SYSTEMS

Our Digital Systems business continued to expand its footprint in defence, public safety and security, delivering mission-critical command and control (C2) solutions, AI analytics, secured cloud and GPU infrastructure, unmanned platform systems, as well as training and simulation.



We provided the technological backbone for the SAFTI City urban training facility in Singapore, which included advanced training simulations and a purpose-built exercise control system to manage targets and battlefield effects.

AETHER uses AI-driven behavioural analytics to help SMEs detect both known and unknown threats.

To enhance public safety, we expanded our strategic partnership with HTX (Home Team Science & Technology Agency) through a joint venture, Codex Solutions, to develop mission-critical systems for the Singapore Ministry of Home Affairs. We will also be deploying an island-wide new-generation public camera system for real-time situational awareness and improved incident response. As part of our commitment to safeguarding national infrastructure, we have been contracted by HTX to design and develop an Enterprise Integrated Security System (EISS) for the Singapore Prison Service to integrate security systems into a unified platform to strengthen the infrastructure security posture and drive operational efficiency.

To ensure the Singapore Army's operational readiness, we supported the operationalisation of SAFTI City with our advanced training instrumentation and simulation capabilities.

In the unmanned systems domain, we supported the Republic of Singapore Navy (RSN) and the Defence Science and Technology Agency in the operationalisation of the Maritime Security Unmanned Surface Vessels (MARSEC USVs). In the coming years, we will be delivering and operationalising the mine-countermeasure (MCM) USVs and autonomous underwater vehicles. We were also contracted to design and build USVs to modernise the coastal patrol capabilities of Singapore's Police Coast Guard (PCG). Our support to the RSN and PCG will strengthen safety and security operations in Singapore waters which is among the world's most congested maritime corridors.

We launched a five-year \$250 million AI Research Translation programme for physical AI. Early successes included human-machine teamwork via our Manned-Unmanned Teaming Operating System (MUMTOS), supported by a dedicated test facility for unmanned systems and our next-generation AI GPU infrastructure serving as the backbone for AI development and analytics.

Internationally, we strengthened our global business presence – with a contract from FADA, a UAE space company under EDGE Group, to design and build a next-generation Low Earth Orbit Synthetic Aperture Radar satellite system, reinforcing our leadership in space-based surveillance and imaging. We also met rising demand across Europe and the Middle East for satellite communication (satcom) systems, including both manpack and vehicle-mounted solutions to enable secure, resilient connectivity for mission-critical operations. Meanwhile, adoption of our integrated Battle Management System expanded across Europe and ASEAN, demonstrating our ability to deliver advanced C2 solutions globally.

CYBER

Our Cyber business advanced next-generation capabilities to counter emerging AI, quantum and cyber threats. We secured new contracts to develop Security Operations Centres with agentic AI capabilities across the energy, water and aviation sectors. We also secured new contracts for our Cyber Range-as-a-Service, cloud-based managed security services and AI-enabled Operational Technology (OT) cybersecurity systems.

We continued to support the defence sector across land, air and sea with cybersecurity services, supplying next-generation encryptors for strategic needs. We expanded our sales of cyber products across Asia, Europe and the U.S. We also signed an MOU with the Jordanian Ministry of Digital Economy and Entrepreneurship to collaborate on advanced digital and cybersecurity solutions.

We introduced a suite of purpose-built innovations, strengthening our leadership in protecting critical systems against AI- and quantum-driven risks. These included AGIL® Secure AI to safeguard AI systems across their full lifecycle, Quantum-Safe Encryptors for resilience against quantum attacks and AI-Enabled Threat Elimination

OPERATING REVIEW AND OUTLOOK

Defence & Public Security

and Response (AETHER) – a managed service using AI-driven behavioural analytics for Small and Medium Enterprises (SMEs). At GovWare 2025, we launched our Cyber Range platform, providing a secure environment for live cyber exercises.

To support national resilience, we expanded our collaboration with the Cyber Security Agency of Singapore (CSA) to co-develop OT cybersecurity solutions. We also launched the SME CyberResilience Programme with Singapore's Infocomm Media Development Authority to strengthen cybersecurity awareness and resilience among Singapore SMEs. We accelerated innovation by establishing a Cybersecurity Centre of Excellence (supported by Digital Industry Singapore and CSA) to drive agentic AI solutions across IT, 5G and OT/IoT environments. The launch of the Telecom Cybersecurity Innovation Centre with A*STAR Institute for Infocomm Research and CSA further ensured national readiness to defend against advanced emerging threats.

LAND SYSTEMS

Our Land Systems business continued to develop smart, modular, interoperable and mission adaptable solutions to meet immediate and evolving customer requirements.

The next-generation Infantry Fighting Vehicles (IFVs) for the Singapore Army will be based on our Terrex s5, the latest addition to the Group's family of 8x8 infantry fighting platforms.



In Singapore, we were awarded a contract by the Ministry of Defence (MINDEF) for the production and supply of the next-generation Infantry Fighting Vehicles (IFVs), underscoring our leadership in delivering advanced defence solutions to meet the evolving operational needs of the Singapore Army. The IFVs, based on our Terrex s5, are scheduled for progressive delivery from 2028 onwards.

In Europe, we partnered with Leonardo and ARIS for the made-in-Italy Bronco 3 and with SISU Auto for the Finland-produced GTT vehicle that is based on the Bronco 3 platform – both exemplifying strong industrial collaborations. In Kazakhstan, the Terrex Barys-A 8x8 amphibious vehicle, jointly developed with Kazakhstan Paramount Engineering and based on our Terrex 8x8 design, completed swim trials in November, further validating our engineering proficiency. These initiatives demonstrated the adaptability of our vehicles to extreme environments and reinforced our commitment to building local production capabilities and adding economic value to our customers.

We showcased the versatility of our platform-agnostic approach in product design through our Ground Deployed Advanced Mortar System (GDAMS) – a quick-deployment lightweight 120mm precision mortar system integrated onto various platforms from partners such as Babcock. Multiple qualification firings demonstrated its operational readiness to end users. We also developed and launched our Hybrid Electric Drive (HED) kit, which could be retrofitted onto existing wheeled platforms, providing silent mobility, extended range and exportable power for the energy-intensive demands of modern systems.

Strong international demand from existing and new customers for our 40mm, 120mm and 155mm ammunition further affirmed our competitiveness in the global munitions market.

As part of our international defence efforts, we established partnerships in Europe for the Bronco 3.



TECH IN FOCUS



In response to 'Harvest Now, Decrypt Later' threats, we are leading the next wave of quantum-safe technology to protect the long-term confidentiality of sensitive data. Our quantum-safe capabilities leverage Post-Quantum Cryptography, Quantum Key Distribution readiness and advanced cryptographic techniques to defend against current and future computational attacks.

KAREN CHONG
Head Engineering
Advanced Security Products, Cyber



The first-of-class Multi-Role Combat Vessel embodies ST Engineering's multi-domain approach to defence innovation, combining advanced shipbuilding with digital systems integration in weapon systems, navigation, cyber-secure communications and unmanned technologies, designed to evolve and incorporate new technologies for future-readiness.

TAN LEONG PENG
President
Marine



With organisations racing to harness AI at scale, demand for secure and reliable infrastructure is accelerating. Rising to this challenge, we built a complete enterprise-grade private secured AI cloud, integrating Nvidia's B200 Blackwell SuperPod together with HTX in just seven months. This allows typical workloads to be now AI-enabled and demonstrates the strength of our AI cloud capabilities.

FRANCIS KEE
General Manager
Cloud & Data Centre Solutions



OPERATING REVIEW AND OUTLOOK

Defence & Public Security

Innovation remains central to our strategy. We launched the New Generation Infantry Weapon System, comprising the A514 Assault Rifle and the IRIS Smart Scope – a digitally projected fire-control optic equipped with an integrated ballistic computer, laser rangefinder and low-light camera. The system offers faster weapon reloads, improved handling and increases the probability of a first-round hit. Our AI-powered ADDER Remote Weapon CUAS can deliver 360° multi-layered drone protection, achieving a 67% reduction in the sensor-to-shooter cycle time.

To enhance customer support, we established our first dedicated facility for extensive repairs, smart adaptations, redesigns and remanufacturing of critical components. To date, we have successfully remanufactured more than 1,000 components across 21 asset types, extending asset lifespans and reducing downtime caused by obsolescence. Our mobile Additive Manufacturing solution enabled on-demand production of spare parts, significantly improving fleet availability during operations.

MARINE

Our Marine business made significant progress across our shipbuilding programmes.

We marked a key milestone with the launch of the first Victory-class Multi-Role Combat Vessel (MRCV) for the RSN and commenced construction of the second MRCV – keeping us on track to deliver the fleet from 2028 onwards.

Internationally, the first Falaj 3-class Offshore Patrol Vessel was commissioned by the United Arab Emirates Navy, underscoring the success of our collaboration with Abu Dhabi Shipbuilding and paving the road to further naval opportunities in the region.



Launch of the first Victory-class MRCV.

Other ongoing programmes continued to meet key delivery milestones, including the Fire-Fighting USV and the Walk-to-Work vessel which exemplified our offshore support capabilities and deepened partnerships in the energy sector.

In commercial shipbuilding, together with Siemens Energy, we secured a follow-on contract from Transcontinental Capital Corporation for a second floating power plant.

Our ship repair business also delivered a strong performance, supported by robust demand for repair, conversion and MRO services across commercial and naval vessels. With our yards operating at full capacity and a healthy backlog, we are well-positioned to sustain the growth momentum.

On the operational front, we enhanced productivity through digital yard initiatives, deploying advanced simulation, modularisation and digital twin technologies to streamline design, construction and maintenance cycles. We plan to expand our MRO capabilities internationally, leveraging our expertise in complex conversions and lifecycle support to serve global customers.

Building on our commitment to innovation, we embedded AI capabilities into our ship management systems, such as NERVA, to deliver smarter insights and improve operational efficiency. These enhancements enable predictive maintenance, real-time performance analytics and advanced safety monitoring, supporting more proactive and sustainable vessel operations.

DEFENCE AEROSPACE

As the trusted strategic partner of the Republic of Singapore Air Force (RSAF), the Defence Aerospace business continued to work closely with the RSAF and MINDEF-related organisations such as the Singapore Youth Flying Club. Our contributions to operational capability span the Fighter, Helicopter, Transport and UAV fleets, supporting nearly all RSAF aircraft types.

On the operational front, we enhanced productivity through digital yard initiatives, deploying advanced simulation, modularisation and digital twin technologies to streamline design, construction and maintenance cycles.

We continued to collaborate closely with Air Force operators to generate air power for operations and training. Together, we ensured safe and effective daily operations across all RSAF air bases, while delivering quality and timely depot-level services at our Paya Lebar facility. This year, through close integration with the RSAF, we maintained high operational readiness and participated in several Humanitarian Assistance and Disaster Relief missions across Asia and the Middle East. We are proud to have played a part in Singapore's efforts to provide timely aid to global communities in need.

We continued to design and implement aircraft upgrade programmes to enhance existing capabilities and extend fleet longevity. We advanced innovative concepts and technological developments to bolster future capabilities, such as Manned-Unmanned Teaming (MUMT) for aircraft, which was successfully demonstrated in collaboration with an international partner.

We remained an integral part of the RSAF's efforts to train the next generation of aircrew. Our experienced flying and simulator instructors continue to be entrusted with developing future Air Force aircrew.

Internationally, we continued to support our customers through our C-130 Centre of Excellence (COE). This year, we upgraded two C-130 aircraft for the Tunisian Air Force, with a third currently undergoing extensive maintenance. We also secured an agreement with a Middle East customer to perform heavy maintenance on their C-130s, including Centre Wing Box inspections. These achievements underscored the global reach, quality and cost-effectiveness of services rendered by our C-130 COE.

OUTLOOK

As geopolitical dynamics evolve, nations are prioritising industrial sovereignty and localisation of defence production. These create strong opportunities for our solutions, such as land platforms, shipbuilding and advanced weapon systems.

As demand for dual-use technologies, implemented to protect Critical Information Infrastructure against advanced threats continues to accelerate, it presents opportunities for us to offer AI-enabled technologies as well as advanced cybersecurity solutions to both security agencies and civil authorities tasked with homeland security responsibilities.

For Land Systems, the heightened focus on readiness positions us to modernise legacy platforms and expand production of 155mm and 40mm ammunition to meet urgent operational needs. Our strategy to market Bronco 3 across Europe will increase product mindshare as we work towards building a broad ecosystem of platform users. The Middle East remains a key target market with tangible opportunities for land platforms, weapon systems and ammunition.

The outlook for Digital Systems is highly positive. Global interest in AI-enabled technologies, such as MUMT, autonomous robots and swarm systems, continues to rise, alongside sustained demand for advanced sensemaking and training solutions. These trends drive adoption of our AI-powered, secure and intelligent digital systems, enabling faster, smarter and more resilient operations. We will also advance the Group's AI Research Translation programme, bringing robotics, swarm and humanoid technologies closer to real-world applications.

Cyber presents strong opportunities as AI, quantum computing and digitalisation reshape the threat landscape. With critical sectors seeking trusted partners for end-to-end protection, our proven track record in scalable cybersecurity solutions positions us well to meet this growing demand.

Marine remains focused on becoming the partner of choice for navies and shipowners seeking high-value, technologically advanced vessels. Expanded shipyard capacity and infrastructure investment will enable us to increase throughput, undertake larger and more complex programmes and grow our customer base across defence and commercial sectors. We remain committed to programme excellence, ensuring timely delivery and the highest standards. We also see opportunities in renewable and low-carbon solutions, driven by expansion in global energy and offshore sectors.

Defence Aerospace will seek to expand its MRO capabilities, bringing services closer to global customers. We are strengthening partnerships through MOUs covering helicopter avionics upgrades, MRO, aerial target drone development and international services pursuits.

KEY FOCUSES FOR 2026

+ Provide a range of offerings including land platforms, naval vessels, MRO services and digital capabilities to support nations seeking to grow their national defence and security capabilities

+ Advance capability development in a wide range of AI-enabled end-to-end solutions including cybersecurity products for security agencies to combat emerging advanced threats

+ Deepen international partnerships and support in-country production capability build-up to access key defence markets

OPERATING REVIEW AND OUTLOOK

Urban Solutions & Satcom

WHAT WE ACHIEVED IN 2025

- + **Advanced smart mobility leadership in focus markets through strategic wins and strong industry partnerships**
- + **Strengthened technology leadership with differentiated, impactful solutions that help cities address complex urban challenges**
- + **Achieved key milestones with the general release of our Intuition next-generation ground system, and launched Intuition Unbound for flexible, consumption-based network deployment**

Amid a dynamic global landscape shaped by rapid urbanisation, population growth and rising AI adoption, our Urban Solutions business maintained steady growth momentum. With cities continuing to invest in mobility, infrastructure and digital services, we captured opportunities through our differentiated solutions and strategic partnerships, empowering cities to address their complex challenges while strengthening our global presence.

SMART MOBILITY

We reinforced our smart mobility leadership across our focus markets, with Singapore remaining a key reference market for our rail and road capabilities. Notable rail contract wins included a \$1.4 billion turnkey rail services project for the Taichung MRT Blue Line as part of a consortium, platform screen door projects for the Xidong Line in New Taipei City and Chennai Metro Phase 2 Corridor 4. In Singapore, we secured multiple rail electronics contracts including for the Thomson-East Coast Line Extension (TELe), Cross Island Line, Downtown Line, Jurong Region Line and the Changi Airport Terminal 2 Skytrain.

We were also contracted by Singapore's Land Transport Authority (LTA) to deploy next-generation intelligent transport systems, including the iTransport platform, an integrated traffic management system for two major tunnels, and a traffic camera system to centrally manage traffic camera feeds across Singapore. These systems will be integrated to provide real-time overview of traffic conditions, enabling a more coordinated and responsive transport network.

Part of our Mobility Road portfolio, our EV charging business was appointed by EV-Electric Charging (EVe), a subsidiary of LTA to deploy fast-charging points at selected industrial and public car parks in Singapore. This follows our appointment by EVe as a pre-qualified EV Charging Operator, reaffirming our expertise in delivering advanced EV charging infrastructure and our role in supporting Singapore's sustainable transport goals.

In addition, we were commissioned to supply 250 electric buses, further contributing to the electrification of Singapore's public bus fleet.

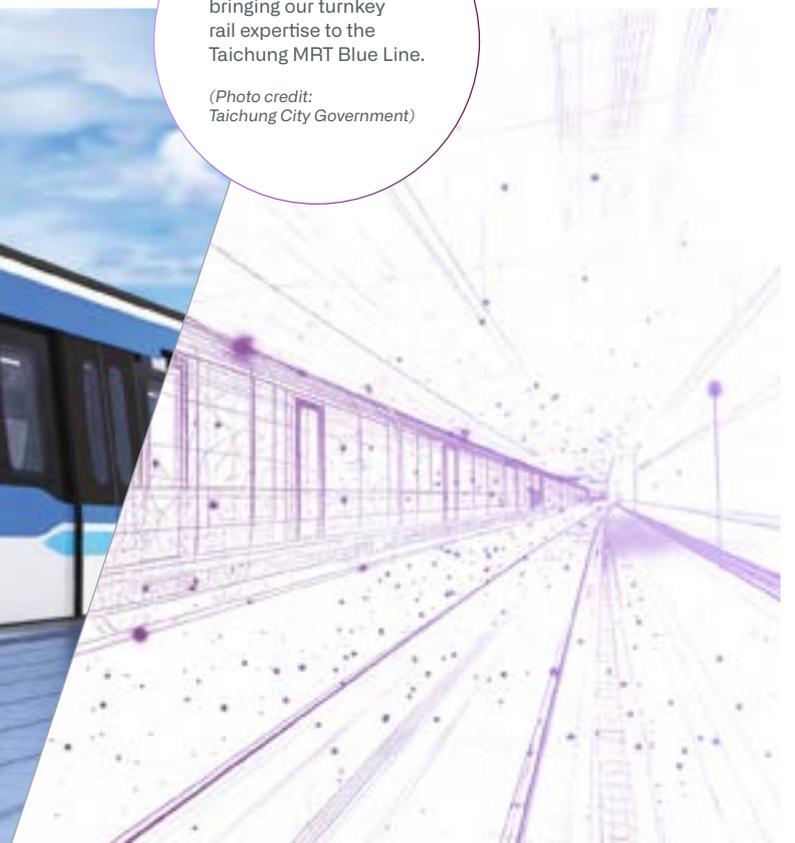
We are on track to deliver Abu Dhabi's first multimodal Intelligent Transportation Central Platform (ITCP), scheduled to be operational in the first half of 2026. The ITCP integrates multiple subsystems and data sources into a single AI-powered platform, enabling citywide transport network visibility as well as centralised traffic operations management. When operational, the ITCP will deliver capabilities to manage the service reliability of public transport and school buses, support freight and logistics route planning, among others, enabling a more efficient transport network and safer roads in Abu Dhabi.

These achievements reflect our deep technology and engineering expertise, as well as ability to deliver large-scale, complex projects that affirm our position as a trusted smart mobility partner to cities around the world.

...we captured opportunities through our differentiated solutions and strategic partnerships, empowering cities to address their complex challenges while strengthening our global presence.

Led by our experienced Taiwan team, we are bringing our turnkey rail expertise to the Taichung MRT Blue Line.

(Photo credit: Taichung City Government)



OPERATING REVIEW AND OUTLOOK

Urban Solutions & Satcom

In the U.S., TransCore advanced its market leadership with new contract awards spanning tolling systems, back-office solutions, intelligent transport systems (ITS) and RFID products. Highlights include a contract for phase two of the Pennsylvania Turnpike Commission's statewide All-Electronic Tolling conversion across central and western Pennsylvania and a contract from the Nevada Department of Transportation to enhance traffic signal management in Las Vegas.

Building on this momentum, TransCore secured its first tolling contract in Australia to deliver a next-generation, AI-powered multi-lane free flow tolling system for Sydney's new Western Harbour Tunnel, establishing a foothold in the Australian tolling market.

These contracts deepen TransCore's synergies with our Smart Mobility business, enabling shared innovation in

AI-enabled tolling, integrated back-office platforms and traffic management solutions.

The New Jersey Turnpike Authority (NJTA) reaffirmed its E-ZPass services contract award to TransCore following an independent review and project execution is currently underway. Meanwhile, TransCore's work for the New York City Congestion Pricing programme has transitioned into the operations and management phase, contributing to reduced traffic and better quality of life for the people of New York while generating funds for public transit upgrades.

These projects underscore the strength of TransCore's technology portfolio and reflect growing demand for its advanced mobility solutions that support safer, more efficient transport networks.



SMART UTILITIES AND INFRASTRUCTURE

We continued to pursue water advanced metering infrastructure (AMI) opportunities in select cities in the U.S. and UK and participated in trials to demonstrate the value and performance of our solution under real-world conditions. In the Middle East, continued investments in public lighting infrastructure, along with ongoing challenges in water supply networks continued to drive opportunities for our smart street lighting and water leakage detection solutions. Our solutions are well-positioned to support these infrastructure upgrades, delivering measurable improvements in operational performance and sustainability.

In Hong Kong, our Doctor-on-Call healthcare ICT solution continued to gain traction in hospitals, enabling secure, multi-channel communications among medical teams to enable more timely and coordinated patient care. Our autonomous mobile robot (AMR) business, ST Engineering Aethon, further enhanced its AMR capabilities through a collaboration with Oracle,

integrating hospital inventory transport and management to automate and streamline operations for greater efficiency. It was also named one of the world's top healthtech companies of 2025 by TIME Magazine, the only mobile robotics company featured.

In Singapore, we were entrusted to deliver our integrated smart security management solutions for large-scale projects including the Thomson-East Coast Line Extension, Johor Bahru-Singapore Rapid Transit System, various critical infrastructures, tertiary institutions and commercial properties. We have also implemented Singapore's first fully cardless, large-scale biometric access control system for an industrial developer, enabling multimodal biometric clearance for enhanced security. These highlighted our smart security capabilities and reinforced our position as a trusted smart security solutions provider. Building on this, we are expanding into smart airport security, introducing biometric-based traveller clearance, AI-powered screening systems and integrated security platforms that will better position us to capture new opportunities in the airport security sector.

TECH IN FOCUS



Apirati Sawamichai, Principal Engineer, Train Communications System, Urban Solutions (Thailand) highlights how radio communication is a critical backbone of rail networks:

“Reliable radio connectivity underpins the safety and performance of today's rail systems. By deploying advanced diagnostic tools, we proactively monitor signal quality and detect interference early, ensuring seamless communication across rail networks for safe and reliable rail operations.”



Lars Kleeblatt, Director, Solutions Architecture, ST Engineering iDirect, shares what spurs innovation at ST Engineering iDirect:

“Our drive to push the boundaries of innovation is rooted in the knowledge that our solutions empower customers with smarter operations, strengthen our market leadership and deliver reliable connectivity that truly makes a difference. For instance, the ST Engineering iDirect AI-powered analytics platform transforms data into actionable insights, reshaping satellite network operations.”

Wayne Chang, Assistant Principal Engineer, Urban Solutions (Taiwan), shares how the precise and seamless integration of rail electrical and mechanical subsystems is vital for smooth and reliable rail operations:

“Using advanced digital design tools and interface management systems, we are able to proactively identify potential system conflicts early and enhance cross-discipline collaboration. This enables us to deliver safe, efficient and future-ready rail solutions for our customers.”



OPERATING REVIEW AND OUTLOOK

Urban Solutions & Satcom

SATCOM

Our Satcom business continued to navigate a fast-evolving and weakening operating environment, marked by increased competition from non-geostationary satellite orbit (NGSO) players and slower customer adoption of Intuition that impacted revenue and EBITDA performance.

Amid this challenging operating landscape, we adapted our strategies, sharpening our focus on technology innovation and customer-centric solutions to meet evolving industry demands. Key milestones included the launch of our next-generation cloud-native, standards-based, multi-orbit ground system Intuition that empowers satellite operators with the flexibility and insights to stay ahead, along with Intuition Unbound, the industry's first consumption-based ground segment offering. We also completed a proof of concept for 5G Non-Terrestrial Networks (NTN), demonstrating interoperability between our ground system and the 5G ecosystem, including inter-provider roaming. In collaboration with Capgemini, we are developing a 5G NTN satellite base station that integrates our Intuition capabilities to enable seamless satellite and terrestrial connectivity.

Notable contract wins included a contract from *solutions by stc* to expand their ST Engineering iDirect-powered ground network to deliver advanced satellite communication services in Saudi Arabia, and a contract from Verizon Frontline to upgrade its network to our Intuition infrastructure, enhancing its emergency response capabilities. We also saw traction in the global government defence sector.

Building on the success of Phase 1 of the European Protected Waveform (EPW) project, our EU Satcom Centre of Excellence in Belgium continued as the consortium lead in Phase 2, playing a key role in driving the successful completion of over-the-air testing – a critical milestone towards secure, autonomous satellite communications for Europe.

OUTLOOK

URBAN SOLUTIONS

The outlook for smart cities in 2026 remains robust, underpinned by growing urbanisation, the need for efficient resource management and favourable government policies. The convergence of AI, IoT and 5G will enable cities to operate with real-time intelligence, optimising traffic, energy consumption and safety. Cities will increasingly adopt modular, scalable smart city solutions for rapid deployment and continuous improvement, shifting from experimentation to delivering measurable impact.

Our Smart Mobility business is well-positioned to capture this momentum, particularly in Asia Pacific where cities are expanding metro networks, upgrading ageing infrastructure to improve transport connectivity and seeking sustainable financing models such as congestion pricing and tolling to support long-term investments in road infrastructure. In the Middle East, sustained infrastructure investments will create opportunities for our urban traffic management systems, while rising demand for effective traffic congestion management is set to drive the uptake of advanced tolling technologies.

TransCore's leadership in the U.S. tolling market gives us a strong competitive edge as we pursue these opportunities. With decades of proven expertise in delivering complex, high-volume tolling projects, TransCore strengthens our smart mobility capabilities, enabling us to offer robust, future-ready tolling solutions to cities worldwide.

Our EU Satcom Centre of Excellence is setting the EU standard for secure, adaptable and interoperable satellite communications to support military operations and the IRIS² constellation.



...we will continue investing in R&D, AI and emerging technologies to improve operational efficiencies, reduce costs and deliver greater value to customers.

Additionally, our robust Smart Mobility order book, anchored by large-scale, multi-year rail and road contracts including turnkey rail projects in Kaohsiung and Bangkok as well as TransCore's statewide tolling deployment in New Jersey, positions us well for sustained growth. With project revenues expected to more than double by 2028, these major contracts will generate robust revenue streams for at least the next decade. At the same time, we are also advancing up the value chain as a tier-1 prime rail contractor, particularly in Kaohsiung. Collectively, these reinforce our smart mobility market leadership and establish a strong foundation for our long-term success.

As we continue to deepen our smart mobility leadership in established markets, we will accelerate expansion into high-growth markets in Asia and the Middle East to capture emerging mobility opportunities. At the same time, we aim to scale TransCore's international growth and unlock value from synergies through strong project execution.

Demand for smart security solutions and integrated building management solutions is expected to remain resilient in 2026, driven by the need for robust, integrated systems that enhance operational efficiency, responsiveness and sustainability. We will continue to deepen our smart security capabilities, embedding AI, IoT and predictive analytics into building systems and broader smart city ecosystems. In the smart airport domain, we will continue to strengthen our portfolio to meet rising demand for greener operations and advanced security solutions arising from increasing traveller volumes and evolving security needs.

Looking ahead, the accelerating integration of AI and advanced technologies into mobility, security and urban infrastructure will continue to drive the development of smarter, more efficient and responsive systems, ultimately enhancing service delivery and end-user experiences. We remain steadfast in our commitment to help cities address evolving challenges through technology. To catalyse innovation and reinforce our technology leadership, we will continue investing in R&D, AI and emerging technologies to improve operational efficiencies, reduce costs and deliver greater value to customers.

We believe that our continued focus on strengthening competitive differentiation, strategic industry partnerships and customer excellence will create tangible value for our customers and position us strongly to capture growth opportunities in our key markets in the years ahead.

SATCOM

While near-term market conditions remain challenging for our Satcom business with slower customer adoption of Intuition and competitive pressures, the long-term outlook for the satcom industry remains positive, driven by growing demand for seamless global connectivity. Multi-orbit networks and 5G NTN will continue to gain traction, offering more opportunities for integrated connectivity, while cloud-native and AI technologies will become increasingly embedded in satellite operations to enhance network intelligence and operational efficiency.

These shifts reflect a move toward interoperable, agile and customer-centric service models – trends to which our technology roadmap is strongly aligned. Our Satcom business remains focused on delivering innovative, customer-centric solutions that advance the future of global connectivity.

KEY FOCUSES FOR 2026

+ Accelerate Smart Mobility growth in high-potential markets, reinforce market leadership in Taiwan, Thailand and Singapore, and drive international business expansion for TransCore

+ Strengthen competitive differentiation, develop next-generation solutions and ensure strong project execution across business lines

+ Continue to drive Intuition customer adoption and optimise cost structure for iDirect group

FINANCIAL REVIEW

STRONG BASE OPERATING PERFORMANCE IN FY2025 FINANCIAL POSITION

The Group ended 2025 with a revenue of \$12.3b, reflecting a 9% year-on-year (y-o-y) increase from \$11.3b. The revenue growth was contributed by all business segments. The Group's reported earnings before interest and tax (EBIT) and profit attributable to shareholders (net profit) were \$905.0m and \$462.8m respectively, reflecting non-cash impairment losses, partially offset by gains from divestments.

On a base operating performance (BOP¹) basis, Group EBIT was \$1,243.5m, higher by 16% or \$167m y-o-y. This was contributed by Commercial Aerospace and Defence & Public Security segments, partially offset by Urban Solutions & Satcom segment. Group BOP net profit was \$850.8m, 21% or \$148.5m higher y-o-y, attributed to higher BOP EBIT and lower net finance costs.

RECONCILIATION OF REPORTED RESULTS TO BOP RESULTS

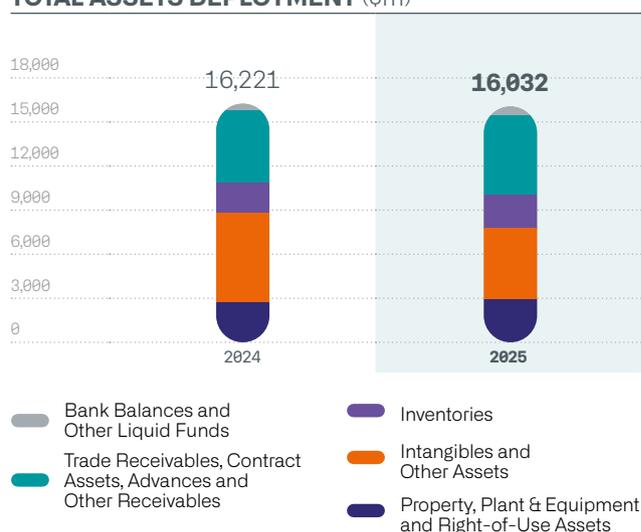
	Financial Year 2025			
	Commercial Aerospace \$m	Defence & Public Security \$m	Urban Solutions & Satcom \$m	Group \$m
EBIT (Reported)	542.4	918.6	(556.1)	905.0
Excluding one-off items:				
Add: Impairment losses	–	22.2	667.1	689.3
Less: Gains on divestments	(55.7)	(215.6)	(79.4)	(350.7)
EBIT (BOP)	486.7	725.2	31.6	1,243.5
Finance costs, net				(204.0)
PBT (BOP)				1,039.5
Taxation				(205.2)
Add: Taxation on one-off items				49.5
Non-controlling interests				(33.0)
Net Profit (BOP)				850.8

In 2025, the Group secured \$18.7b of new contracts, a 49% y-o-y increase. With these contract wins and adjustments for revenue delivery, the Group ended 2025 with a robust order book of \$33.2b. The Group expects to deliver about \$9.9b of revenue from this order book in 2026.

The Board has proposed final and special cash dividends of 6 cents and 5 cents per ordinary share, respectively. Including the three quarterly interim dividends of 4 cents per ordinary share paid for FY2025, total dividends for FY2025 amount to 23 cents per ordinary share.

As at 31 December 2025, the Group's total assets declined by \$189m y-o-y to \$16.0b, primarily due to a reduction in intangibles and other assets arising from the iDirect Group impairment and foreign currency translation effects. This was partially offset by higher trade receivables, contract assets, advances and other receivables, as well as increased inventories, in line with business growth.

TOTAL ASSETS DEPLOYMENT (\$m)



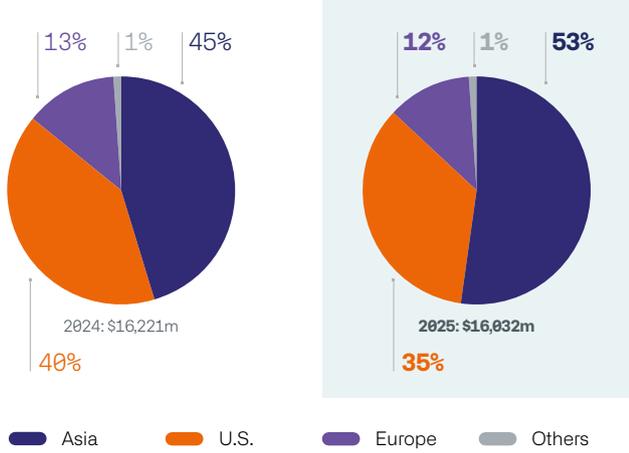
The average capital employed in 2025 was \$9,072m, a decrease of \$440m from the prior year. The lower average capital employed was attributed to a reduction in borrowings, partially offset by higher equity due largely to retained earnings.

CAPITAL EMPLOYED (\$m)



¹ Base Operating Performance (BOP) refers to reported financial results adjusted to exclude (i) gains on divestments of subsidiary, LeeBoy, and divestments of shareholding interests in CityCab, STARCO and SPTel, and (ii) one-off impairment losses related to iDirect Group and Jet-Talk.

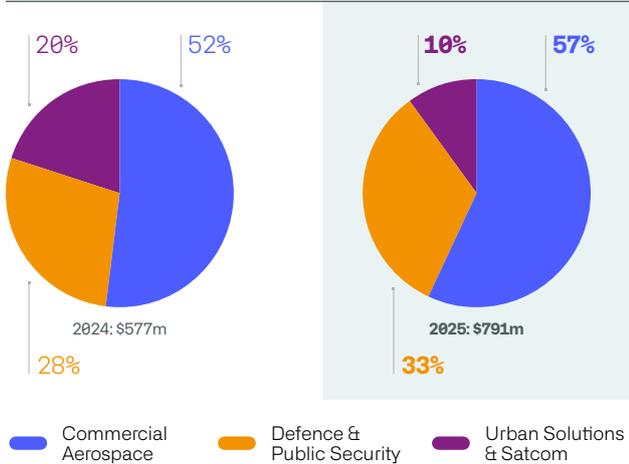
TOTAL ASSETS BY GEOGRAPHY



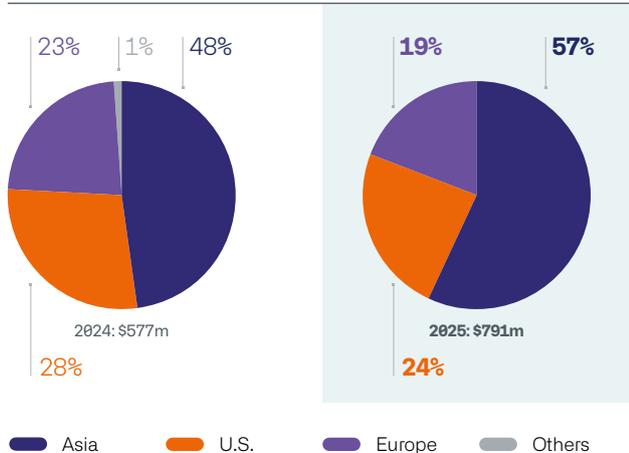
CAPITAL EXPENDITURE

In 2025, the Group invested \$791m (2024: \$577m) in capital expenditures^{RI}, across Commercial Aerospace (\$452m), Defence & Public Security (\$259m) and Urban Solutions & Satcom (\$80m). Key investments included hangars, data centres, dormitory facilities and aircraft engines.

CAPITAL EXPENDITURE BY SEGMENTS



CAPITAL EXPENDITURE BY GEOGRAPHY



^{RI} Capital expenditures on property, plant & equipment, intangible assets and right-of-use assets.

FINANCIAL REVIEW

TREASURY MANAGEMENT

Given the Group’s international operations, it is exposed to foreign exchange, liquidity, interest rate and credit risks. These risks are managed in accordance with established treasury policies and guidelines. Treasury activities are centralised under the Group’s wholly owned subsidiary, ST Engineering Treasury Pte. Ltd., to provide effective oversight and holistic management of the Group’s liquidity and financial risk exposures.

Banking Facilities

As at 31 December 2025, the Group had banking facilities of approximately \$21.5b (2024: \$21.0b) to support its business operations, including trade finance, hedging and credit requirements. Of these facilities, \$9.0b, or 42%, had been utilised (2024: \$8.2b, or 39%), with the remaining \$12.5b, or 58%, undrawn (2024: \$12.8b, or 61%).

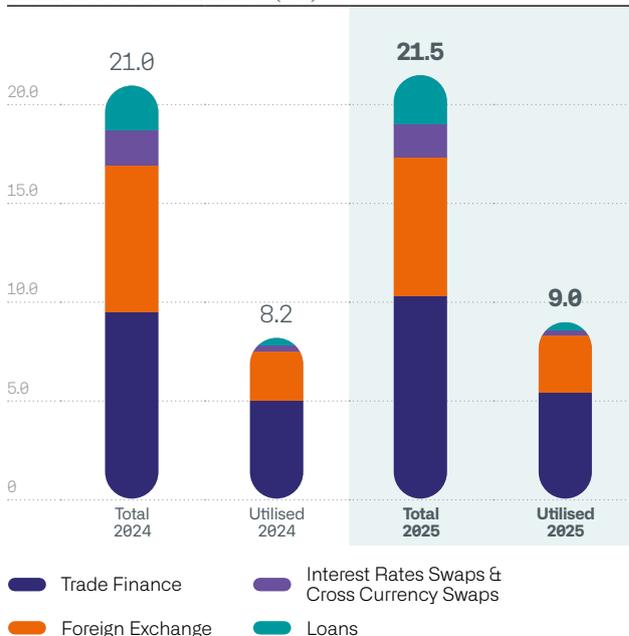
In addition, the Group maintained a committed revolving credit facility of US\$1.2b to backstop its outstanding short-term U.S. commercial paper (USCP) programme. As at 31 December 2025, US\$0.7b USCP was issued (2024: US\$1.3b).

Foreign Exchange

The Group has receivables and payables denominated in foreign currencies. Where practicable, foreign currency exposures are offset across business units, with the residual exposures hedged in the market using foreign exchange forward contracts. The principal currencies transacted by the Group in 2025 were the USD and EUR.

As at 31 December 2025, outstanding foreign exchange forward contracts amounted to \$2.9b (2024: \$2.5b).

BANKING FACILITIES* (\$b)



* Uncommitted facilities and excluding US\$1.2b of committed revolving credit facility to backstop USCP

Liquidity

The Group's cash and cash equivalents stood at \$576m as at 31 December 2025 (2024: \$430m).

Borrowings

As at 31 December 2025, the Group's borrowings, including lease obligations, decreased to \$4,833m (2024: \$5,822m). The reduction was primarily attributable to the repayment of USCP, funded by divestment proceeds and operating cash flows. Excluding lease obligations, the Group's borrowings comprised medium-term notes, USCP, as well as short-term and long-term bank loans. Further details of the Group's borrowings are set out in Note E4 to the Financial Statements (pages 216 to 221).

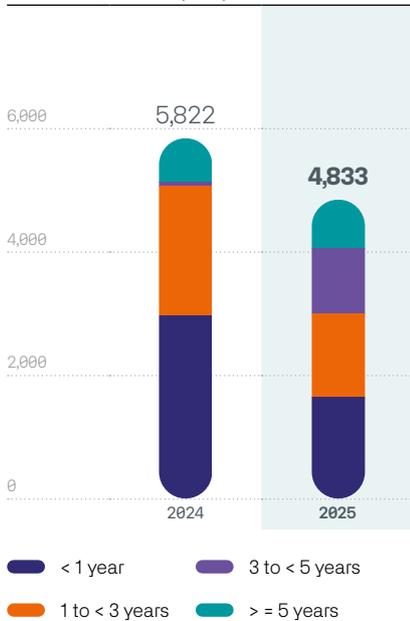
The gross debt/EBITDA* and net debt/EBITDA* ratios as at 31 December 2025 improved to 2.7 times and 2.4 times respectively, compared with 3.6 times and 3.3 times respectively in 2024.

ST Engineering's credit ratings remained strong at Aaa (Stable) by Moody's and AA+ (Stable) by S&P.

	2024	2025*
Gross Debt (\$m)	5,822	4,833
Gross Debt / EBITDA* Ratio	3.6	2.7
Net Debt (\$m)	5,392	4,256
Net Debt / EBITDA* Ratio	3.3	2.4

* Based on FY2025 BOP EBITDA

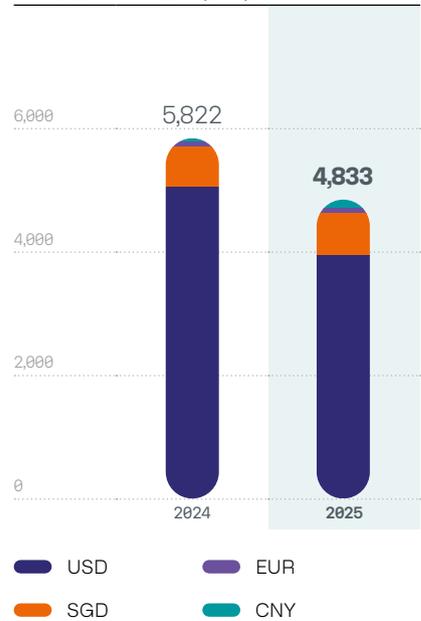
BORROWING PROFILE BY MATURITY (\$m)



BORROWING PROFILE BY FIXED AND FLOATING RATES (\$m)



BORROWING PROFILE BY CURRENCY (\$m)



FINANCIAL REVIEW

CASH FLOWS

In FY2025, the Group generated \$1,708m of net cash from operating activities and \$170m of net cash from investing activities, including proceeds from business divestments. Net cash used in financing activities amounted to \$1,801m, resulting in cash and cash equivalents of \$576m at year end after foreign exchange translation effects.

Operating Activities

Net cash from operating activities of \$1,708m in FY2025 was comparable to the prior year.

Investing Activities

Net cash from investing activities of \$170m in FY2025 was mainly attributed to the Group's proceeds from divestments of businesses (\$666m), partially offset by investments in property, plant and equipment (\$506m).

Financing Activities

Net cash used in financing activities of \$1,801m in FY2025 was mainly attributed to net repayment of USCP (\$972m), payment of dividends (\$540m),

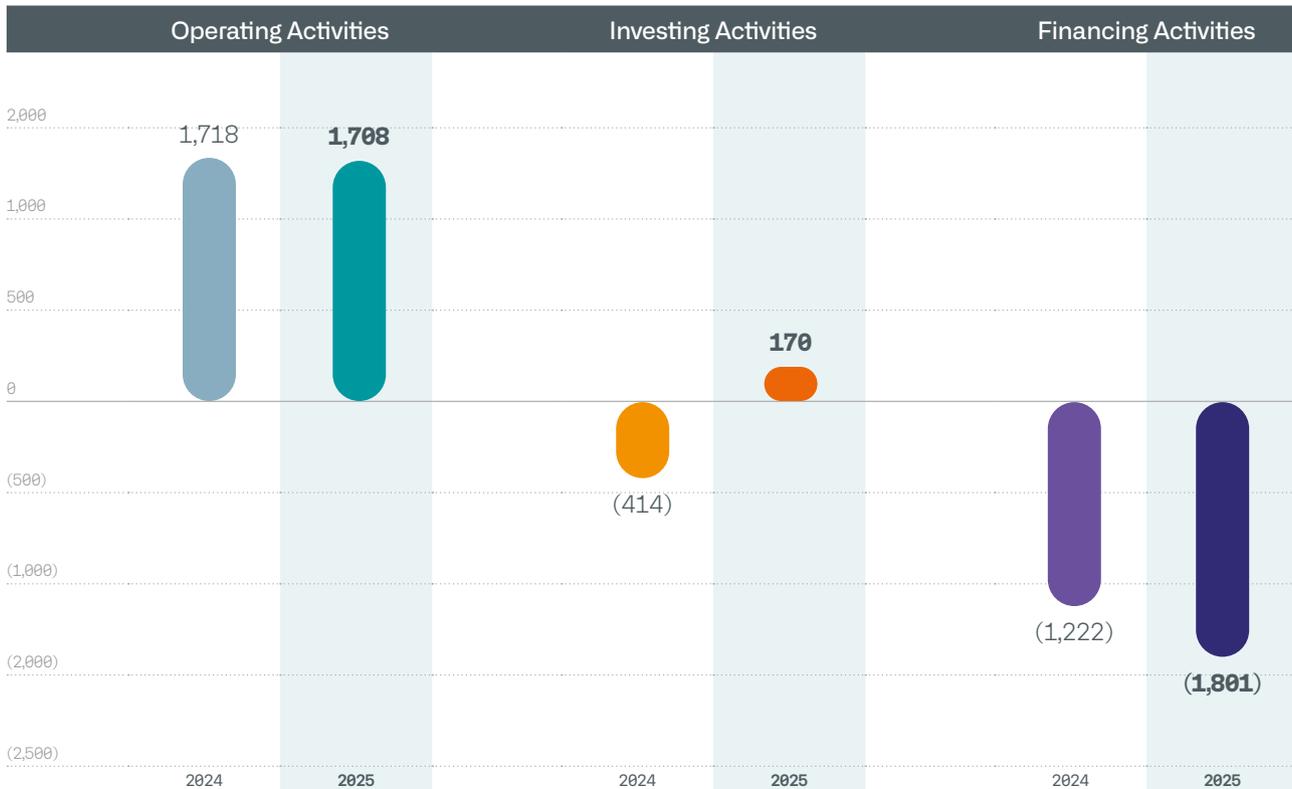
payments of interest (\$189m), repayment of lease liabilities (\$84m), and purchase of treasury shares (\$70m), partially offset by net proceeds from bank loans (\$65m).

SIGNIFICANT ACCOUNTING POLICIES

The Group's financial statements are prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS (I)). The significant accounting policies are presented at the end of each Notes to the Financial Statements (pages 136 to 255).

The Group's accounting policies and methods of computation in the preparation of the financial statements for the current reporting period are consistent with those used in the previous financial year. The adoption of the new and revised SFRS(I)s and related interpretations that are mandatory for financial year beginning on or after 1 January 2025 has no significant impact on the financial statements of the Group or the Company in the current year or prior financial years.

CASH FLOWS(\$m)



TOTAL SHAREHOLDER RETURN

Based on the average share price of \$6.54, the total dividend per ordinary share of 23 cents for the financial year 2025 translated to a dividend yield of 3.52%.

The share price of ST Engineering as at the end of 2025 was \$8.42, a 80.69% increase y-o-y. With the dividend yield of 3.52%, total shareholder return (TSR) for 2025 was 84.21%.

WEIGHTED AVERAGE COST OF CAPITAL (WACC)

The Group's WACC¹ for 2025 was 5.2% (2024: 5.5%).

TOTAL SHAREHOLDER RETURN (%)



¹ Calculated in accordance with established Group policy.

FINANCIAL REVIEW

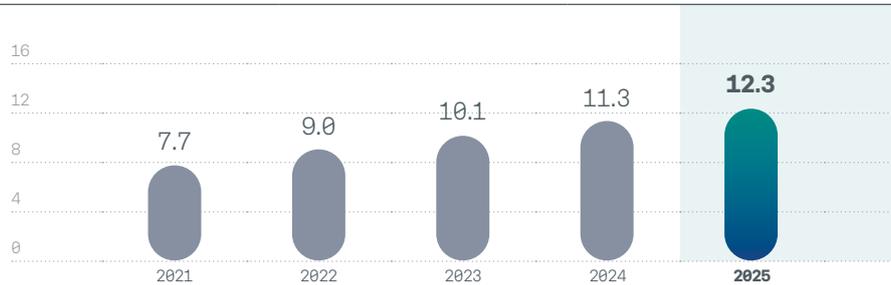
5-Year Key Financial Data	2021	2022	2023	2024	2025 (BOP ¹)
Income Statement (\$m)					
Revenue	7,693	9,035	10,101	11,276	12,346
Profit					
EBITDA	1,071.7	1,252.0	1,456.1	1,614.3	1,774.1¹
EBIT	673.6	735.1	914.7	1,076.5	1,243.5¹
PBT	637.6	597.5	704.2	862.7	1,039.5¹
Net Profit	570.5	535.0	586.5	702.3	850.8¹
Balance Sheet (\$m)					
Property, plant and equipment, and right-of-use assets	2,352	2,658	2,727	2,720	2,926
Intangible and other assets	2,877	6,255	5,966	6,085	4,833
Inventories	1,261	1,684	1,897	2,061	2,291
Trade receivables, contract assets, advances and other receivables	3,210	3,765	4,436	4,924	5,406
Bank balances and other liquid funds and funds under management	816	602	353	431	576
Current liabilities	4,680	8,005	7,322	8,239	7,487
Non-current liabilities	3,168	4,306	5,304	5,032	5,624
Share capital	896	896	896	896	896
Treasury shares	(33)	(36)	(30)	(33)	(53)
Capital and other reserves	2	66	30	28	7
Retained earnings	1,548	1,473	1,563	1,779	1,724
Non-controlling interests	255	255	293	280	348
Financial Indicators					
Earnings per share (cents)	18.30	17.18	18.82	22.53	27.28¹
Net assets value per share (cents)	77.49	77.03	78.96	85.74	82.60
Return on sales (%)	7.4	6.0	6.0	6.5	7.2¹
Return on equity (%)	23.6	22.3	23.8	26.3	28.7¹
Return on capital employed (%)	10.4	6.9	7.7	9.2	11.1¹
Dividend					
Gross dividend per share (cents)	15	16	16	17	23
Dividend yield (%)	3.96	4.50	4.42	3.97	3.52
Dividend cover	1.2	1.1	1.2	1.3	1.2¹
Productivity Data					
Average staff strength (numbers)	22,405	23,420	25,734	27,359	27,809
Revenue per employee (\$)	343,355	385,786	392,517	412,137	443,972
Net profit per employee (\$)	25,465	22,844	22,790	25,668	30,596¹
Employment costs (\$m)	2,128.2	2,597.8	2,983.9	3,214.0	3,336.9
Employment costs per \$ of revenue (\$)	0.28	0.29	0.30	0.29	0.27
Value added per employee (\$)	145,673	166,888	174,179	177,614	185,082¹
Value added per \$ of employment costs (\$)	1.53	1.50	1.50	1.51	1.54¹
Value added per \$ of gross property, plant and equipment (\$)	0.75	0.85	0.94	0.98	1.01¹
Value added per \$ of revenue (\$)	0.42	0.43	0.44	0.43	0.42¹

¹ These values are stated on a BOP basis, as defined on page 42. The reported values were as follows: EBITDA of \$1,435.5m, EBIT of \$905.0m, PBT of \$701.0m, net profit of \$462.8m, EPS of 14.84 cents, return on sales of 4.0%, return on equity of 18.0%, return on capital employed of 7.1%, dividend cover of 0.6, net profit per employee of \$16,641, value added per employee of \$196,895, value added per dollar of employment costs of \$1.64, value added per dollar of gross property, plant and equipment of \$1.07 and value added per dollar of revenue of \$0.44.

Reported
One-off items¹

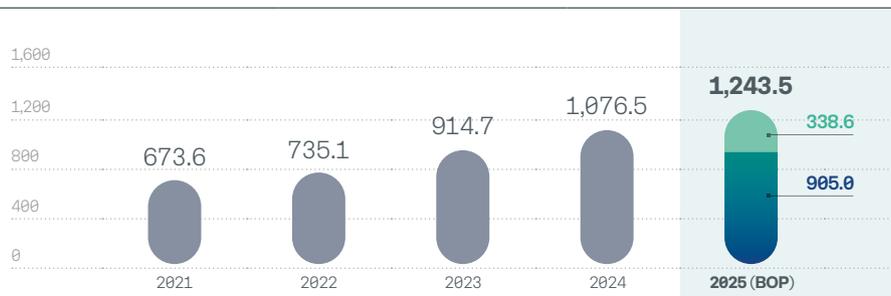
REVENUE (\$b)

\$12.3b



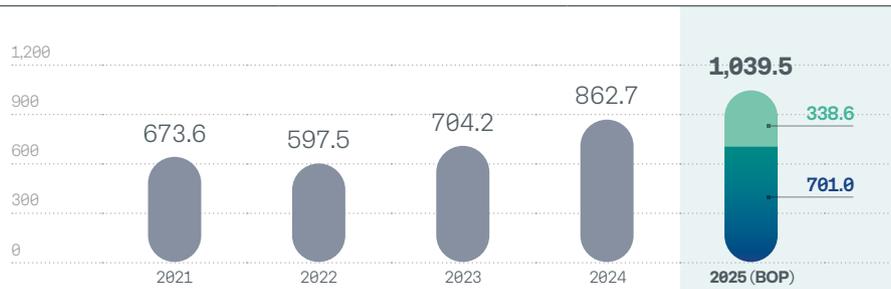
EBIT (\$m)

\$1,243.5m



PROFIT BEFORE TAX (\$m)

\$1,039.5m



NET PROFIT (\$m)

\$850.8m



ORDER BOOK (\$b)

\$33.2b



¹ One-off items as defined on page 42.

INVESTOR RELATIONS

In 2025, we reinforced our commitment to keeping the global investment community well-informed about ST Engineering's financial performance, operational developments and sustainability priorities. Through a robust multi-channel communication approach, we ensured transparent, accessible and timely updates on the Group's overall performance.

Our proactive engagement with the sell-side continued to strengthen our investor relations (IR). We maintained coverage from 16 analysts, including three new initiations, and closely monitored analyst reports, industry trends and media coverage to refine our communications and disclosures. This ongoing effort not only enhanced the accuracy of our messaging but also helped validate our strategy and foster greater confidence among investors.

Throughout the year, we organised briefings for both half-year and full-year financial results, along with market update briefings in the first and third quarters. In the 1Q2025 briefing, we expanded the session to include a segment-specific update on our Urban Solutions' Smart Mobility business, highlighting key road and rail projects that will drive its growth in the coming years. These briefings were further supported by post-results sessions with our Group CEO and/or Group CFO, who offered deeper insights into our business segments, providing additional clarity on our performance and outlook.

Beyond these quarterly sessions, we regularly conducted one-on-

one meetings and broadened our outreach to institutional investors at non-deal roadshows and investor conferences in financial hubs across Asia, Canada, Europe, the UK and the U.S. In parallel, we engaged ESG-focused research and rating agencies, sharing our sustainability framework, priorities and goals. Along with our Sustainability team, we also involved relevant functions such as HR and Risk & Assurance in these discussions, which enriched our ESG disclosures and supported continuous improvement.

In December, we hosted institutional investors at our newly expanded engine MRO facility in Singapore. This visit provided an opportunity for them to gain firsthand insight into how we are scaling up to meet growing demand in engine MRO, while leveraging robotics, automation and AI to drive operational efficiency and strengthen our competitive edge, underscoring our commitment to technological innovation.

Retail investors remain a key stakeholder group, and our 2025 Annual General Meeting (AGM) was an important platform for them to engage with the Board and Management. Held in person in April 2025, the AGM featured a

presentation by our Group CEO, covering a review of 2024 performance, key developments and the newly released five-year strategic plan (2025-2029). Directors and Management were present to address shareholder queries, providing a valuable opportunity for retail shareholders to directly interact with them. The voting results on the resolutions were promptly published on SGXNet and our corporate website.

Our corporate website serves as the primary source for corporate, financial and sustainability information, as well as business updates. The dedicated IR section provides easy access to investor-related materials including presentations, financial results, past annual reports and other relevant documents. In alignment with our commitment to transparency, material information is promptly disclosed through official channels such as SGXNet to ensure timely dissemination.

Our IR communication principles are outlined in our IR Policy, which is available on the Investor Relations section of our website. We continuously assess and refine our disclosure practices to align with industry best practice, ensuring that the information provided enables investors to make well-informed decisions.

In recognition of our commitment to transparent, proactive and effective investor engagement, ST Engineering was honoured with the Gold Award for 'Best Investor Relations' (market capitalisation of \$1 billion and above) at the Singapore Corporate Awards 2025. This marks our second consecutive win in this category, underscoring the strength of our ongoing efforts to foster trust, clarity and meaningful dialogue with the investment community.





2025 INVESTOR DAY

In March 2025, we hosted our third Investor Day, themed Journey to Growth, where we introduced our new five-year plan (2025–2029). The event, attended by nearly 100 investors, analysts and media members, both in-person and virtually, played a key role in deepening investor understanding of our strategic direction and reinforcing our positioning as a yield-cum-growth stock.

The presentation received positive feedback for its clarity and the confidence it inspired in our well-defined growth trajectory. This was reflected in a notable increase in investor engagement, with growing interest in the Group's strategy and long-term growth potential. Throughout the year, continued engagement with investors reinforced their confidence in the alignment of our strategy with our growth objectives.

Investor Day materials were uploaded to SGXNet and remain available on our corporate website.

Investor Meetings Held
121

Institutional Investors Engaged
264

Portfolio Managers Met
365

Percentage of Institutional Investors Met who are Shareholders
73%

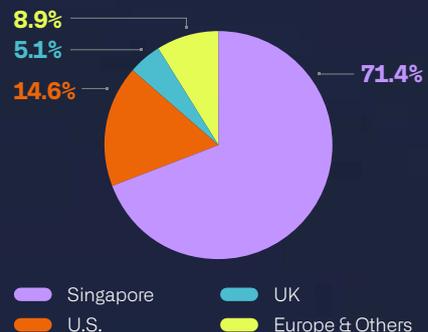
SHAREHOLDER PROFILE

Temasek Holdings remains our largest shareholder with about 50.7% of total issued shares as at 31 December 2025. Another 31.7% was held by institutional shareholders and the remaining 17.6% held by retail shareholders. In terms of geographic distribution, Singapore shareholders held approximately 71.4%, followed by those in the U.S. (14.6%), UK (5.1%) and Europe and others (8.9%).

SHAREHOLDINGS BY TYPE¹



SHAREHOLDINGS BY COUNTRY OF RESIDENCE



Notes

¹ Shareholding profile was derived from analysis of ST Engineering's share register as at 31 December 2025.

² Total shareholdings of Temasek Holdings and Vestal Investments as at 31 December 2025.

2025 INVESTOR RELATIONS CALENDAR

Jan – Mar

- FY2024 Results briefing
- Post-FY2024 Results institutional investor meetings
- 2025 Investor Day
- U.S. NDR

Apr – Jun

- Europe NDR
- Asia NDR
- 28th Annual General Meeting
- Nomura Investment Forum Asia (NIFA) 2025
- 1Q2025 Market Update briefing

Jul – Sep

- 1H2025 Results briefing
- Post-1H2025 Results institutional investor meetings
- U.S. NDR
- Singapore Corporate Awards 2025
- 32nd CITIC CLSA Investors' Forum
- Europe NDR

Oct – Dec

- U.S. NDR
- 3Q2025 Market Update briefing
- Morgan Stanley 24th Annual Asia Pacific Summit
- Investors' visit to Engine MRO facility (Singapore)

+ Supplemented by group and one-on-one IR meetings throughout the year

AWARDS HIGHLIGHTS

Business Excellence

Best Investor Relations (Gold, Large-Cap)

By Singapore Corporate Awards 2025
• ST Engineering

Fortune Southeast Asia 500

By Fortune
• ST Engineering

Charity Platinum Award

By Community Chest, Singapore
• ST Engineering

Forbes Global 2000

By Forbes
• ST Engineering

Billion Dollar Club 2025

By The Edge Singapore
• ST Engineering
– Highest Weighted ROE over 3 Years (Industrials)
– Highest Weighted ROE over 3 Years (Super Big Cap Companies)
– Highest Returns to Shareholders over 3 Years (Super Big Cap Companies)

Aviation 100: Asia Pacific MRO of the Year

By Airline Economics
• Commercial Aerospace

Total Defence Awards 2025: TD Advocate Award for Large Companies

By Ministry of Defence, Singapore and
Ministry of Home Affairs, Singapore
• ST Engineering

Community Chest
Awards 2025
8 October
Grand Hyatt Singapore



Charity Platinum Award

ST Engineering was awarded the Charity Platinum Award from Singapore's Community Chest for the seventh year running.

Aviation 100: Asia Pacific MRO of the Year

Through industry vote, Commercial Aerospace was chosen as Asia Pacific MRO of the Year at the Aviation 100 Awards for the fourth consecutive year.





Defence Technology Prize 2025 Team (Engineering) Award

ST Engineering was part of the multi-agency team awarded the Defence Technology Prize 2025 Team (Engineering) Award for the development of the SAFTI City urban training facility.



(Photo credit: MINDEF)



Total Defence Awards 2025

ST Engineering took home the Total Defence Advocate Award for Large Companies in recognition of its contributions towards Singapore's Total Defence.

(Photo credit: MINDEF)

Product & Service Excellence

Defence Technology Prize 2025 Team (Engineering) Award

By Ministry of Defence, Singapore

- ST Engineering
 - SAFTI City urban training facility developed in collaboration with Singapore Armed Forces and Defence Science and Technology Agency

Aftermarket Service Provider of the Year

By Aviation Week Network

- Commercial Aerospace



* These awards highlights do not include all the awards that ST Engineering garnered in 2025.



Aftermarket Service Provider of the Year

Commercial Aerospace clinched the Aftermarket Service Provider of the Year award at MRO Asia Pacific Awards 2025 for its tailored and comprehensive approach to customer support delivered through a strong global network of facilities and deep capabilities.

President's Award for Humanitarian Aid/ Disaster Response

By Mobile Satellite Users Association

- ST Engineering iDirect
 - Public Safety Solution, developed in collaboration with Verizon

IBTTA Toll Excellence Award (Private Sector Innovation)

By International Bridge, Tunnel and Turnpike Association

- TransCore
 - New York Central Business District Tolling Program

HR Vendors of the Year Awards Singapore 2025

By Human Resources Online

- ST Engineering e-Services
 - Gold Award for Best HR Outsourcing Partner
 - Silver Award for Best Recruitment Process Outsourcing Partner

WSH Awards 2025

At the WSH Awards 2025, Marine received two SHARP awards for the MRCV and Fairway projects.



(Photo credit: WSH Council)



President's Award for Humanitarian Aid/ Disaster Response

ST Engineering iDirect bagged the President's Award for Humanitarian Aid/Disaster Response by the Mobile Satellite Users Association (MSUA) for its leading-edge satellite technology in public safety communications developed in collaboration with Verizon.

CONSTRUCTION SAFETY AWARD (CAT C) CERTIFICATE OF EXCELLENCE



SHE Awards 2025

Urban Solutions' Mobility Rail team was recognised at Singapore's LTA SHE Awards 2025, receiving awards for construction safety and outstanding workplace safety, health and environmental management practices.

Operations & People Excellence



MRO Engineer of the Year (Under 40)

By Aviation Week Network

- See Wei Cong,
Assistant Principal Engineer, Commercial Aerospace

Safety, Health and Environmental (SHE) Awards 2025

By Land Transport Authority (LTA), Singapore

- Urban Solutions
 - Construction Safety Excellence Award (for Thomson-East Coast Line)
 - Construction Safety Merit Awards (for Thomson-East Coast and Downtown Lines)
 - WSH Officer Recognition Award (Anthony So, ESH Manager, Urban Solutions)

Workplace Safety and Health (WSH) Awards 2025

By WSH Council

- Marine
 - WSH Awards for Supervisors (Zhang Zheng Wen, Senior Engineer, Marine)
 - Safety and Health Award Recognition for Projects (SHARP) (for the Multi-Role Combat Vessel (MRCV) and Fairway projects)

Sustainability Dashboard

ECONOMIC

RESEARCH AND DEVELOPMENT (R&D)

\$456m

spent on R&D

SUPPLY CHAIN

\$1.4b

of purchases from Small and Medium Enterprises (SMEs) in Singapore

ENVIRONMENTAL

GREENHOUSE GAS (GHG) EMISSIONS¹

27%

reduction in absolute Scope 1 and 2 GHG emissions from a 2015 base year

GREEN ENERGY^{1,2}

18%

of electricity consumption from global operations derived from renewable energy

CLIMATE ASSESSMENT

Low physical risks

to assets in the short and medium term

Medium transition risks

in the medium term

SOCIAL

EMPLOYEE PROFILE³

77%

male

23%

female

PEOPLE MANAGERS³

16%

of male employees are people managers

16%

of female employees are people managers

LEARNING & DEVELOPMENT⁴

25

average training hours per employee

INCIDENT RATE⁵

0.30

RFR⁶

5.42

RSR⁶

CORPORATE COMMUNITY CONTRIBUTIONS

\$3.0m

worth of community contributions by the Group, employees and other stakeholders

GOVERNANCE

FINES

One significant fine

for non-compliance with Workplace Safety and Health (WSH) regulations⁷

BRIBERY & CORRUPTION

Zero

bribery and corruption cases

RECOGNITION

Constituent of Dow Jones Best-in-Class Asia Pacific Index

based on long-term environmental, social and governance (ESG) criteria

Community Chest Awards

Charity Platinum Award for the 7th consecutive year

Company of Good – 3 Hearts

by the National Volunteer and Philanthropy Centre (NVPC) in Singapore

¹ For 2025 environmental data, the first nine months data are based on actual figures and the last three months data are based on our best estimates due to the timing of data availability. Our estimates of the last three months environmental data will be updated with actual data in the following year. Nevertheless, we expect that any variance between our estimates of the last three months environmental data and the actual last three months environmental data to be immaterial because, amongst others, the Group did not acquire any new substantive businesses in 2025.

² Based on revised reporting boundary covering all subsidiaries. This represents an improvement over 2024's green energy consumption of 16% (computed based on the same reporting boundary).

³ Based on 30 November 2025 data

⁴ Based on December 2024 to November 2025 data

⁵ We had zero fatalities in 2025.

⁶ RFR = Recordable Frequency Rate; RSR = Recordable Severity Rate

⁷ A Marine subsidiary was fined \$400,000 in January 2025 due to a 2018 workplace accident involving a worker of a sub-contractor performing work in our premises.

BOARD STATEMENT

The Board of Directors oversees the review by Management of material environmental, social and governance (ESG) factors for ST Engineering and takes them into consideration when setting the Group's strategic direction. In our review this year, we reaffirmed the importance and relevance of our 10 material ESG factors and assessed such factors from the perspective of their impact materiality and financial materiality.

We remain steadfast in positively impacting people's lives and the health of our planet by operating responsibly in our communities and the wider global ecosystem. We create value by addressing real-world problems, including those related to climate change, urbanisation, pandemics, public safety and evolving security challenges. We harness technology and innovation to enable a more secure and sustainable world.

In our efforts to decarbonise, we are focusing in the medium term on seizing opportunities and managing risks related to climate change across our global units. We have also linked Management's long-term rewards and compensation to climate-related targets given its importance to the success of the Group.

The Group actively integrates artificial intelligence (AI) across our own operations, products and services, to enhance operational efficiency, security and service delivery. We maintain oversight through the Group's AI Governance Framework to ensure responsible and ethical use of AI.

SUSTAINABILITY



CHERYL CHAN
Group Chief Strategy &
Sustainability Officer and
President, New Ventures



At ST Engineering, we are dedicated to delivering sustainable value that positively impacts lives while safeguarding our planet. As a global business, we continuously navigate the evolving landscape of ESG regulations, integrate robust data practices and enhance the accountability of our operations.

As we remain steadfast in pursuing our goals across our material factors, we constantly undertake initiatives to bolster our capacity to understand and act on sustainability risks and opportunities throughout

our value chain. This year, we conducted a Group-wide evaluation of physical and transition climate risks, which was integrated with our Enterprise Risk Management (ERM) framework and enhanced decision-making across the organisation.

We are committed to making a difference in the five impact areas of People, Society, Governance, Environment and Economic, and balancing the needs of our stakeholders through responsible and effective long-term stewardship of the business.

SUSTAINABILITY IS CRITICAL FOR OUR LONG-TERM SUCCESS

The Group's success hinges on delivering sustainable value to our stakeholders. Our business practices are grounded in our commitment to long-term thinking and consideration of multiple stakeholders' interests, while consistently meeting customer needs.

We believe in doing our part by conducting our business sustainably, ethically and responsibly to build trust among our stakeholders while managing risks to our business. This includes shaping a sustainability-conscious culture among our employees, through mandatory e-learning modules on sustainability. Our courses introduce all full-time employees worldwide to the foundational concepts of sustainability,

ST Engineering's approach to sustainability initiatives, as well as best practices to reduce our carbon footprint.

More importantly, we enable our customers to operate sustainably through our products and solutions. Our people and the communities in which we operate in are vital to our global success. We support inclusive development and foster an ecosystem that promotes the continuous growth of our businesses. We facilitate this by contributing to the communities that we operate in and investing in the development of our people. Amid volatile markets and an uncertain world, integrating sustainability into our strategy and operations is key to ensuring our businesses remain resilient and relevant.

WE CONDUCT OUR BUSINESS RESPONSIBLY

ST Engineering is committed to:



Protecting human rights and adhering to all labour laws and regulations where we operate.



Maintaining zero tolerance for unethical labour practices such as child labour, forced labour, modern slavery and human trafficking in all of our operations.



Prohibiting discrimination and harassment at our workplaces.



Supporting the right to freedom of association and encouraging effective communication and consultation with our employees.



Not designing, producing or selling anti-personnel mines, cluster munitions and white phosphorous munitions or any of their related key components.



Complying with all Export Control Regimes governing export-controlled items in all jurisdictions we operate in.



Zero tolerance for fraud and corrupt practices.

WE CONTRIBUTE TO GLOBAL GOALS

ST Engineering is a participant of the United Nations Global Compact. We support its Ten Principles and are committed to advancing the broader objectives of the United Nations Sustainable Development Goals (UN SDGs). We affirm our support for all 17 UN SDGs and have identified six goals to which the Group correlates strongly with, through our internal practices and our products and services. Our contributions to these six goals are also reflected in the Group's 10 material factors.

WE SUPPORT



SUSTAINABLE DEVELOPMENT GOALS



Six Goals which we Correlate Strongly with



WE FOSTER A SUSTAINABLE CULTURE GUIDED BY OUR LEADERSHIP

We believe that our success hinges on nurturing a sustainable culture within the Group, led by committed leadership and instilling a sense of responsibility among employees at every level.

The Board holds ultimate accountability, provides strategic direction and considers sustainability issues, including the management of key ESG factors, in the formulation of the Group's strategies and policies.

The Board's Risk and Sustainability Committee oversees matters related to risk, internal controls and sustainability. The Group President and Chief Executive Officer (P&CEO), supported by the Group Executive Committee (EXCO) and the Group Senior Business Council (GSBC), is responsible to the Board for

implementing these strategies and directions. The Group Chief Strategy & Sustainability Officer and President, New Ventures ensures that sustainability is a core part of our business strategy and that ESG considerations are integrated into our business strategies and plans.

Sustainability is the responsibility of every ST Engineering employee. Our management teams across business areas and Group functions play vital roles in shaping and executing our strategy. They collaborate across the Group in critical areas such as technology and innovation, operations excellence and sustainability. This collaborative effort is supported by an annual planning process that is integrated with our strategic and financial planning, alongside the governance and ERM frameworks.



SUSTAINABILITY

Environmental¹

We Take Action Against Climate Change

A WHOLE-OF-ST ENGINEERING EFFORT

We recognise the impact of climate change and support initiatives to address it within our global operations. We adopt a two-pronged approach of doing our part and enabling our customers.

We do our part to reduce GHG emissions and adopt environmentally friendly practices in our business, as well as encourage our employees to inculcate similar habits in their daily lives. We develop products and solutions that help our customers reduce their carbon footprint.

DOING OUR PART

We are committed to doing our part in mitigating and adapting to the effects of climate change. We established our initial GHG inventory processes in 2009. Our Singapore operations achieved its first externally validated assurance statement in 2012 for a 2011 GHG inventory. Over the years, we have expanded our data collection and today, our complete GHG inventory covers all subsidiaries globally. We have also obtained external verification for the Group's 2025 GHG inventory. Our GHG reduction target is to halve our Scope 1 and 2 absolute GHG emissions by 2030 from a 2015 base year.

Recognising the importance of understanding the emissions arising from our value chain, we are progressively expanding the tracking, disclosure and reduction of our Scope 3 GHG emissions. In 2025, we have expanded our Scope 3 disclosures to include Category 5 (Waste Generated in Operations), in addition to Category 6 (Business Travel) and Category 7 (Employee Commute) GHG emissions.

¹ For 2025 environmental data, the first nine months data are based on actual figures and the last three months data are based on our best estimates due to the timing of data availability. Our estimates of the last three months environmental data will be updated with actual data in the following year. Nevertheless, we expect that any variance between our estimates of the last three months environmental data and the actual last three months environmental data to be immaterial because, amongst others, the Group did not acquire any new substantive businesses in 2025.

WE ADOPT ENVIRONMENTALLY FRIENDLY PRACTICES AND REDUCE OUR CARBON FOOTPRINT

We are actively implementing measures to decarbonise our internal operations. These efforts include improving energy efficiency across our facilities, adopting renewable energy sources where feasible and transitioning to low-carbon solutions in our business processes. By embedding these practices into our daily operations, we aim to significantly reduce our carbon footprint and contribute to a greener future.



Fleet Electrification

Our businesses continue to progressively convert their internal combustion engine vehicle fleet to electric vehicles (EVs) where feasible.

To further support this shift, we implemented our GoParkin™ Electric Vehicle Charging solution in our facilities.

The solution unifies car parking and EV charging services on a single cloud-based platform, offering real-time visibility, advanced analytics and a seamless user experience via a mobile application. This initiative supports our fleet electrification efforts and reinforces our commitment to low-carbon technologies and cleaner mobility.





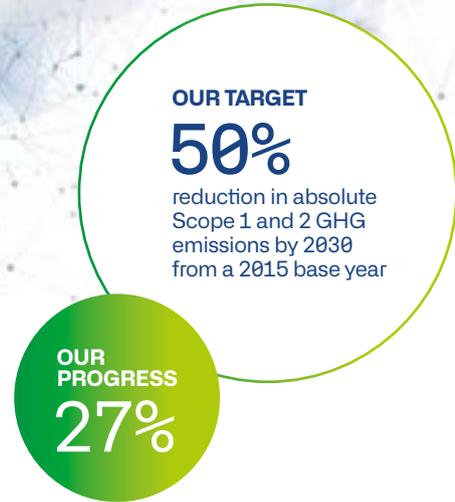
Greening our Energy Sources

We have transitioned a significant part of our energy consumption to renewable sources such as solar power throughout our businesses. Our Urban Solutions and Commercial Aerospace businesses have commissioned new solar photovoltaic (PV) installations, contributing an additional 1,300 MWh of clean energy annually. Globally, 18% of our electrical consumption is derived from renewable energy. Together, these initiatives reinforce our commitment to reduce carbon emissions and build sustainable operating ecosystems across our facilities.



Energy-Efficient Infrastructure Upgrades

Across our operations, we continuously seek opportunities to replace ageing infrastructure with energy-efficient alternatives. Following energy audits and equipment replacement programmes, our Digital Systems business upgraded its chiller to a more energy-efficient unit that incorporates modular configurations with magnetic bearing technology to ensure optimal efficiency across varying cooling demands. The anticipated benefits of this initiative include lower operating and maintenance expenses, improved system reliability and a 28% reduction in annual energy consumption.



WE SOURCE RESPONSIBLY AND SUSTAINABLY

We are committed to maintaining a responsible supply chain that reflects our sustainability values. Our suppliers are required to adhere to our Supplier Code of Conduct, which outlines our business and ESG expectations. To strengthen oversight, we have integrated ESG screening into our supplier evaluation process, using an accredited third-party tool to identify risks such as bribery, human rights violations, environmental breaches and sanctions. In addition, suppliers complete an ESG self-declaration questionnaire to complement the screening process. These measures help us ensure ethical sourcing and promote transparency across our supply network.

Suppliers identified through our screening process as having ESG risks or who do not meet our expectations are further reviewed and assessed to determine if corrective actions are required. We will re-evaluate our business relationships with suppliers who violate our ESG criteria or are unwilling to comply with our Supplier Code of Conduct.

In 2025, we did not identify any suppliers with significant negative environmental or social impact.

SUSTAINABILITY

WE SHAPE OUR CULTURE

Central to our sustainability journey is fostering an environmentally conscious culture among our employees. Through initiatives like tree planting days, we encourage sustainable habits in our workplaces and in the communities where we live and work.



Restoring Natural Ecosystems and Promoting Environmental Stewardship

We are committed to restoring natural ecosystems and promoting environmental stewardship as part of our broader sustainability efforts across our global operations. To date, we have achieved close to 40% of our \$1 million tree planting contribution target over five years to support Singapore's 'City in Nature' vision.

Working with various partners, our employees planted trees and microforests at various locations in Singapore. These tree planting activities serve a dual purpose – while contributing to carbon sequestration, they also provide valuable educational opportunities for our employees to raise environmental awareness across our workforce.

Beyond Singapore, our ST Engineering MRAS business unit in the U.S. participated in an Arbor Day tree planting event at Chapel Road Park in Havre de Grace, Maryland, where employee volunteers planted 130 native trees. This initiative supports Harford County's long-standing efforts to restore local ecosystems. ST Engineering MRAS is proud to contribute to environmental stewardship and regularly engages in volunteer activities that strengthen its connection to the community.



Recognising Employees' Environmental Efforts at our Annual Sustainability Champion Awards

We acknowledge and commend the exceptional efforts of our employees and business units in integrating sustainability into our operations, through our annual Sustainability Champion Awards.

At ST Engineering's 2025 Annual Convention, we recognised our Marine business for its commendable decarbonisation efforts. Some of the key initiatives undertaken include the electrification of its vehicle fleet and material handling equipment, upgrading to energy-efficient equipment, maximising onsite solarisation and optimising processes to reduce fuel and electricity consumption.

ENABLING OUR CUSTOMERS

We increase resilience within our value chain by identifying risks, exploring opportunities and partnering with our suppliers and customers to promote sustainable growth. We continually adapt our assessments and collaboration with stakeholders as our business and the global environment evolve.

The growing emphasis on technology and innovation allows us to apply our core capabilities to address sustainability challenges.



HubGen: Powering a Cleaner, Decentralised Energy Future

ST Engineering Energy Solutions, based in Germany, is dedicated to delivering energy solutions that help customers advance energy and climate resilience. Its flagship energy solution – the HubGen 1-MW hydrogen electrolyser – is the first in the HubGen hydrogen solutions product line, and features a decentralised approach to accelerate hydrogen adoption in the global energy transition.

Through a containerised electrolyser, HubGen brings hydrogen closer to where the demand is, eliminating the need for trucked-in gas, while offering a cleaner energy alternative.

HubGen supports sustainability goals and infrastructure resilience. It represents a key outcome of our innovative energy solutions capability in advancing the global energy transition, energy sovereignty and sustainable growth.

Smart Tolling for a Sustainable Future by TransCore

TransCore's AI-powered tolling system, implemented in New York City's Central Business District Tolling Programme exemplifies how smart infrastructure can drive sustainability. The solution leverages all-overhead technology to reduce vehicle volume in Manhattan's Congestion Relief Zone, lowering emissions from idling and inefficient traffic flow. Its centralised transaction processing system applies complex pricing models that discourage peak-hour travel and encourage shared mobility services. The compact, overhead design minimises environmental disruption during installation and maintenance by providing automated vehicle identification and classification without in-ground sensors, reducing physical footprint and maximising operational efficiency. TransCore's solution delivers measurable improvements in air quality, travel speed and urban livability, setting a new benchmark for sustainable mobility in dense metropolitan environments.



SUSTAINABILITY

Social

We Develop our People for Success and Harness the Strength of our Diverse Workforce

ATTRACTING FUTURE TALENT

Our talent attraction efforts are centred on engaging, assessing and hiring a diverse pool of qualified candidates, based on the specific skills, knowledge and experience they can bring to the job.

We are committed to nurturing future generations in the communities where we operate. We enhanced our outreach efforts to students and interns by organising regular engagement sessions, fireside chat events and site tours, to pique their interest in building their careers with us.



Cultivating Future Leaders through Scholarship Programmes

We are committed to cultivating future talent through strategic scholarship programmes that support workforce development.

In 2025, we marked our 14th year offering the Singapore-Industry Scholarship (SgIS) – the only multi-industry scholarship programme in partnership with the Singapore government, to groom future leaders in technology, defence and engineering. To date, we have awarded 157 scholarships.

In Florida, U.S., our Commercial Aerospace's business unit, ST Engineering Pensacola Aerospace, has partnered with the Mayor's Office of Pensacola since 2019 to offer a scholarship programme, supporting local students pursuing post-secondary aviation education and developing the next generation of aerospace professionals. We have awarded 27 scholarships to date, celebrating academic excellence and reinforcing our commitment to workforce development in the local community.



STRONG EMPLOYEE ATTRACTIVENESS AMONG ENGINEERING/ NATURAL SCIENCES STUDENTS

Top 5

of the 100 Most Attractive Employers in Singapore by global employer branding leader, Universum



Building a Pipeline of Future Aerospace Professionals

To drive a strong and sustainable talent pipeline, our Commercial Aerospace business and the Institute of Technical Education (ITE) launched Onboarding@SKILL, Singapore's first aircraft engine MRO training facility developed in partnership between industry and academia.



IN 2025, WE HOSTED

1,115 interns

Located at ITE College Central, the facility replicates real-world MRO processes and integrates technologies like augmented reality, robotics and digital task cards. It will train over 380 students annually, supporting ITE's Higher Nitec and Work-Study Diploma programmes. An MOU signed at the launch outlines collaboration in curriculum development, staff capability building and internships to nurture future aerospace professionals.

BUILDING AN AGILE WORKFORCE

We are committed to building an agile workforce equipped to excel in a rapidly changing market environment. By investing in continuous learning, embracing innovation and fostering a culture of adaptability, we empower our employees to develop the skills and mindset needed to thrive in a dynamic environment. This approach not only ensures our long-term success but also provides our employees with the necessary skills, competencies and opportunities to reach their full potential.

Our ongoing investments in employee development include targeted training in skills and competencies, mentorship programmes and structured rotations.

We regularly review our leadership development framework to support employees in cultivating essential leadership competencies. These initiatives aim to enhance our employees' repertoire of experiences, skills and knowledge, supporting the Group's aspiration to become a global technology, defence and engineering powerhouse.

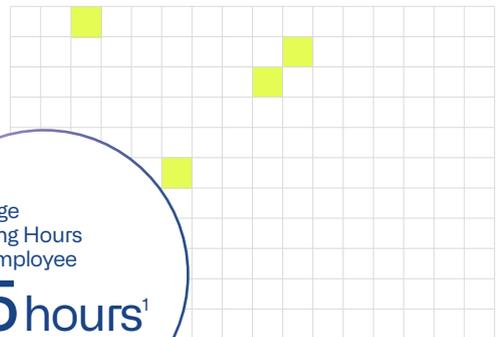


Powering Smart Urban Mobility

Our Urban Solutions employees in Chennai, India, completed specialised training on platform screen door installation, commissioning and maintenance, equipping them with advanced skills for efficient project delivery. This upskilling initiative enhanced their technical competencies and helped to reduce rework, save costs and minimise system downtime, thereby strengthening operational excellence and ensuring reliable service for our customers.

Empowering our Workforce Digitally

We enhance employee productivity through the adoption of digital tools and AI-enabled technologies, including robotic process automation. The phased rollout of our global HR system streamlines performance and learning management, while people analytics and data visualisation tools support informed decision-making and workforce planning.



Company Training Committees (CTCs)

To ensure that our workforce is future-ready and agile to market needs, the CTCs at the respective business areas, in close partnership with National Trades Union Congress and ST Engineering Staff Union, help identify skills needs in critical areas such as digitalisation, AI and automation, and offer relevant upskilling and reskilling programmes to our employees. 700 employees are involved in close to 50 improvement projects, allowing them to apply their enhanced skill sets to achieve better outcomes for the business.



¹ Based on December 2024 to November 2025 data.



SUSTAINABILITY

FOSTERING CONNECTIONS, COLLABORATIONS AND GLOBAL EXPERIENCES

We offer international exposure and collaboration opportunities across the Group to help employees thrive in a global economy. Our mentorship programme connects employees with business leaders, fostering meaningful interactions and learning that develop future leaders, equipping them with the skills and attitude to succeed at ST Engineering.



I've transitioned from a ship repair supervisor in the Marine business, where I developed technical and project management skills in a hands-on, outdoor environment, to a business development role in the United Arab Emirates (UAE) under the Defence and Public Security cluster. This experience has broadened my skill set, expanded my strategic thinking, and helped me identify my strengths and interests across diverse work environments.

ABDUL MALEK BIN MOHAMED YUSOFF (right)
Business Development Manager
Regional Office (UAE)
Defence and Public Security



Collaboration fuels progress. My global journey at ST Engineering has empowered me to lead with purpose in delivering greater value for customers while growing alongside extraordinary teams.

LIM CHIEN KAI (left)
Chief of Staff
ST Engineering iDirect (U.S.)



International experiences across China and the U.S. have been pivotal in shaping my global mindset and reinforcing an appreciation and commitment for innovation, collaboration and the courage to challenge established norms. From cultivating trusted partnerships in Asia to driving strategic alignment in the U.S., I have learnt to bridge cultural and operational differences effectively. I am grateful for the opportunity to grow with the Group and contribute to its continued global success.

SOH CHEONG KEAT (right)
Chief Financial Officer
ST Engineering North America



COMMUNICATING AND ENGAGING OUR EMPLOYEES ACTIVELY

Listening to and engaging with our employees are critical aspects of our strategy to improve employee experiences at work. We conduct regular town hall meetings, including our Annual Convention, as well as focus group sessions with our Group P&CEO and business leaders.

Our communication channels provide employees with a platform to receive updates and engage in meaningful discussions on strategy, market trends and business challenges. By facilitating open dialogues and conducting regular employee surveys, we enable both employees and leaders to listen to diverse perspectives, fostering more effective collaboration and driving us towards greater success.

Annual Convention 2025

The event saw a turnout of close to 3,500 employees from around the globe, including those who attended virtually.

In line with the theme “Collaborative Innovation for Global Excellence”, participants gained valuable insights from our EXCO members on the Group’s strategic direction and business priorities, and how collaboration across businesses and borders is vital for our collective success.



International Business Conference 2025

The International Business Conference, held in Singapore, was a key platform for our global business leaders to network, discuss growth strategies and develop collaborative synergies across the Group.



Global Employee Engagement Survey

To better understand our employees’ experiences and priorities, we conducted a global employee engagement survey which achieved an impressive 90% participation rate. The feedback gathered will help us to improve workplace culture and employee experience. By fostering open dialogue and acting on insights, we continue to build a more inclusive and empowered organisation.

Forming Bonds through Dumpling-making Experience

Colleagues from Infa Systems, a subsidiary of our Urban Solutions business in Hong Kong, gathered for a dumpling-making experience that brought tradition and teamwork together. As they prepared Chinese dumplings from scratch, colleagues from different departments worked side by side, strengthening relationships in a fun and interactive setting.

SUSTAINABILITY

CELEBRATING DIVERSITY AND INCLUSION

OUR COMMITMENT STATEMENT

We embrace diverse perspectives, backgrounds and experiences of our employees, and create an inclusive environment that provides equitable opportunities, enabling our people to contribute to the best of their abilities.



We aim to cultivate an environment that encourages mutual respect and provides opportunities for the exchange of ideas, innovation and personal development. We achieve this through four key areas:



GENDER

We focus on building a gender diverse workforce where individuals have equitable opportunities to advance and grow at work through initiatives such as Women@ST Engineering, Women@Work and various training programmes.



GENERATION

We foster an environment that facilitates cross-generation mindsets and work practices to increase cohesion and knowledge sharing.



GEOGRAPHY

We encourage the exchange of ideas and perspectives across diverse work cultures that lead to creative and innovative solutions.



PERSONS WITH DISABILITIES (PwDs)

We nurture an environment where PwDs have fair opportunities to be hired, grow and develop.

Women@ST Engineering

Recognising that nurturing the growth of our employees is essential for building a workplace where everyone can thrive, Women@ST Engineering launched the ST Engineering Mentoring Circle – a new group mentorship programme dedicated to supporting the professional development of our employees. By connecting mentees from diverse backgrounds, we strive to create a nurturing environment that supports our employees' career development, encourages exchange of knowledge and perspectives, and forges enduring professional connections. Our goal is to inspire continuous learning and foster excellence, ensuring a dynamic and supportive workplace for all.

Promoting Workplace Inclusion

As part of our ongoing commitment to foster an inclusive workplace for PwDs, we organised a course to equip stakeholders with practical knowledge and skills to develop and implement effective recruitment strategies for PwDs. Participants also engaged in insightful discussions, exploring how the principles of job analysis and job redesign can be applied to make job roles more accessible and responsive to the diverse needs of PwDs. These initiatives are essential for promoting inclusion and cultivating a supportive environment where every employee can thrive.

STRENGTHENING LABOUR RELATIONS

Supporting our Employees' Families through the ST Engineering-STESU Education Awards

The third edition of the ST Engineering-STESU Education Awards provided support to close to 150 of our employees' children in Singapore on their academic journeys. These education awards are a testament to our unwavering commitment to make a difference in the lives of our employees and their children, and to nurture future generations through the power of education.



CHAMPIONING WORKPLACE SAFETY AND HEALTH

We are committed to enhancing employee wellbeing and strengthening workplace safety and health. We are guided by the fundamental principle of **"Safety Before Profit"**, which emphasises the importance of people over financial gain. **Our aspiration is to achieve a zero-accident workplace**, where all employees return home safely every day, supported by a robust system of safety policies, programmes and practices. Providing a safe and healthy work environment is not just a legal obligation, but also an ethical responsibility that promotes wellbeing and drives long-term success.

WE UPHOLD GLOBAL STANDARDS OF SAFETY AND HEALTH

Across the Group, business entities reference and, where applicable, adopt and implement internationally recognised standards such as the ISO 45001 Occupational Health and Safety Management Systems to guide their workplace health and safety practices. By embedding these standards into our daily operations, we ensure our safety management system not only reflects best practices and regulatory requirements but also drives a proactive and shared commitment to safety across the Group. Coupled with rigorous internal reviews and independent third-party assessments, we continuously validate that our practices uphold these high standards, reinforce compliance and foster ongoing improvements in our overall safety performance.



Innovative Safety Technologies

We leverage cutting-edge technologies, such as robotics, automation and IoT-based monitoring systems, to proactively prevent workplace incidents. At our Digital Systems' warehouse, AGIL[®] Vision was one of multiple layers of safety mechanisms introduced to ensure only authorised staff with the appropriate level of personal protective equipment are allowed to operate various machinery or equipment.



Annual EXCO Safety Walkabout

A key leadership-driven initiative is the annual EXCO Safety Walkabout, where senior executives engage employees on-site to reinforce safety culture and ensure adherence to protocol. Our Urban Solutions business held a walkabout at the Jurong Region Line Tengah Depot to showcase safety excellence and digital innovation in a major infrastructure project, reflecting the leadership's visible commitment to a safe and productive work environment.

Occupational Health Programmes

The health and personal wellbeing of our employees is a key priority. We offer a range of health and wellness programmes, including regular medical check-ups that incorporate audiometric examinations and heat stress monitoring. These are complemented by wellness workshops, mental health support services and access to fitness initiatives, all aimed at helping employees maintain a healthy and balanced lifestyle while thriving in the workplace.

24-Hour Employee Support Programme

Since 2022, our Employee Support Programme has provided 24-hour access to confidential guidance for employees and their immediate family members, supporting both personal and work-related challenges. In 2025, we enhanced the programme with legal and financial consultations, as well as tailored support for parents returning to work. To raise awareness, we conducted roadshows and orientation sessions, supported by communications through email broadcasts and our intranet throughout the year. Similar programmes have been progressively rolled out to our operations in the U.S. and Europe. In time, we aim to bring this to our global workforce, empowering our employees to focus on what matters most, both professionally and personally.



SUSTAINABILITY

We Contribute to the Communities We Operate In

OUR ECONOMIC CONTRIBUTIONS

We make economic contributions to the communities where we operate through local procurement, both direct and indirect employment, dividends for shareholders, taxes paid to governments and investments in community programmes.

Group Economic Contribution

Value Add	(\$b)
Bought-in materials and services	7.4
Employee wages, salaries and benefits	3.3
Dividends and interest paid	0.7
Government taxes and levies	0.2
Total	11.6

WE BUY LOCALLY AND WORK WITH SMES

We maintain a diverse supply chain with a strong emphasis on local procurement across our operating locations.

In 2025, our Singapore business units spent \$1.4b on procurement from Singapore-based SMEs. We actively invest in and collaborate with these partners to enhance their capabilities and support local economic growth. In addition, the majority of our spending in Singapore is directed to local suppliers. These partnerships not only strengthen regional ecosystems but also advance our technological development, product innovation and competitive positioning.

SINGAPORE
BUSINESS UNITS
SPENT
\$1.4b
ON PROCUREMENT
FROM SINGAPORE-
BASED SMES



Supporting SMEs' Growth as a SkillsFuture Queen Bee

We support the growth and transformation of local SMEs through participation in the SkillsFuture Queen Bee Programme, a collaborative initiative formalised through an MOU with SkillsFuture Singapore and the National Trades Union Congress. Our Land Systems business organised masterclasses and brought industry experts to provide SMEs with valuable insights and best practices. This enables SMEs to access valuable training and funding, transforming their processes and upskilling their workforce in areas such as precision engineering, digital manufacturing and data analytics. This collaboration creates a positive cycle of mutual growth, ensuring our suppliers remain future-ready and competitive.

WE SERVE OUR COMMUNITIES

ST Engineering recognises that our lives and business are deeply intertwined with the communities we operate in. We persevere to do right and do good as we do well because we believe in building an inclusive, resilient and vibrant society in which people can thrive and stay safe.

We support various causes including healthcare and eldercare, education and environment. Our outreach efforts are guided by our three focus pillars that align with our corporate purpose and the UN SDGs, enabling us to contribute to the sustainable growth of the communities we operate in.



Improving Lives through Charitable Gifts



Empowering Lives through Education



Transforming Lives through Technology and Innovation

CONTRIBUTED A TOTAL OF **\$3.0m*** IN COMMUNITY CONTRIBUTIONS

\$550k

to President's Challenge 2025

\$583k

to Community Chest's SHARE Programme, and

\$1.9m

of other donations, sponsorships and employee volunteering hours

* Includes contributions from the Group, employees and other stakeholders. Matching grants from public and social development initiatives are excluded.

IMPROVING LIVES THROUGH CHARITABLE GIFTS

MOVE-ing for a Lasting Impact

ST Engineering MOVEment, our month-long flagship employee wellness initiative, once again rallied colleagues across the world to stay healthy, keep fit and do good. Now in its fifth year, ST Engineering MOVEment brought together about 8,600 employees across 24 markets, who collectively walked, ran and cycled a total of 1.05 million kilometres. This initiative raised over \$870,000 for community causes, proving that when we MOVE together, we make a lasting impact. The funds raised were donated to various charities aligned with the Group's supported causes. In Singapore, our donation of \$550,000 to President's Challenge 2025 will support selected beneficiaries. The remaining funds were contributed to several charitable organisations and events including Hao Ren Hao Shi, PSALT Care, Singapore Botanic Gardens Herbarium and Earthopia 2025 in Singapore; Communities in Schools and Homes for our Troops in the U.S.; Special Olympics Deutschland in Germany; as well as Township of Langley Firefighters Charitable Society in Canada.



SUSTAINABILITY



Enriching Seniors' Lives with Care and Connection

Recognising the importance of supporting elderly individuals, particularly those from lower-income backgrounds, our employees in Singapore participated in befriending programmes and interactive activities to help seniors lead active lives filled with dignity, meaningful connections and happiness. In 2025, our employees engaged with 700 seniors across various charities such as St John's Home for Elderly Persons, Orange Valley Nursing Home and PCF Sparkle Care. These engagements uplifted spirits, built meaningful connections, and gave our volunteers a deeper sense of purpose through service.

EFW's Day of Giving: Strengthening Communities Together

Driven by a shared purpose, over 70 employees from our German joint venture, Elbe Flugzeugwerke (EFW), devoted a day to giving back through three impactful initiatives. The team joined a bone marrow typification drive with VKS Deutschland to provide hope for those fighting blood cancer, helped refurbish the Panama adventure playground for children and partnered with Hatikva e.V. to promote cultural education. This day of service fostered a spirit of shared responsibility and made a positive impact on the community.



Kindness in the Mart

In line with our commitment to regular giving and community support, we partnered with Hao Ren Hao Shi in Singapore, to uplift the lives of low-income families through donations and volunteering initiatives. Over a six-month period, we volunteered at their community mart, Happy Mart@Fernvale. Our employees stocked shelves and assisted beneficiaries in their selection of groceries and household items. More than just logistics, our employees brought them warmth and empathy, and genuinely connected with them through shared stories and smiles. Through these meaningful interactions, our employees not only supported the community but also found personal fulfilment and purpose in giving back.



EMPOWERING LIVES THROUGH EDUCATION

Learning Journey to Seletar Air Base

Our Defence Aerospace business welcomed students from SHINE Children and Youth Services to our aerospace facility at Seletar Aerospace Park and introduced them to the world of aerospace and engineering. The students were given a comprehensive tour of our hangar and were shown how checks, maintenance and repairs were conducted on a Gulfstream aircraft. They also had the rare opportunity to 'fly' a jet on the flight training simulator, with guidance from our instructors from Pacific Flight Services who are former Republic of Singapore Air Force pilots. Through this experience, the students gained a vivid, real-world understanding of how science, technology, engineering and mathematics (STEM) fields come together to deliver powerful practical applications in the aerospace industry. This immersive experience also ignited the students' curiosity and enthusiasm for STEM careers while reinforcing our commitment to inspiring and nurturing the next generation of pilots, engineers, technologists and innovators.



ST Engineering MRAS STEM and Culture Day

Our ST Engineering MRAS employees hosted a vibrant STEM and Culture Day, bringing together employees, students and the local community for a hands-on celebration of innovation, diversity and community engagement. The event featured interactive activities such as rocket launches, LEGO® challenges, robot dog demonstrations and the creation of homemade bouncy balls – all designed to spark curiosity and inspire interest in STEM. Beyond promoting STEM education, the event also served as a platform to strengthen community ties and support charitable causes, reinforcing our commitment to making a positive social impact through inclusive and educational outreach.

TRANSFORMING LIVES THROUGH TECHNOLOGY AND INNOVATION

Empowering Communities through Technology

For the second consecutive year, our U.S. entities proudly served as a Gold Sponsor of the Ruby for Good community hackathon. Ruby for Good is a non-profit initiative that delivers specialised software solutions to support other non-profits for underserved groups. Volunteers from our U.S. businesses joined engineers nationwide for a four-day event at Shepherd's Spring Camp and Retreat Centre near Washington, D.C. Participants collaborated closely with non-profit organisations such as Human Essentials, Court Appointed Special Advocate, and A Window Between Worlds, to understand their operational challenges and co-develop solutions. The team enhanced digital platforms by fixing bugs, adding new features and improving user interfaces. These upgrades streamlined workflows, improved usability and strengthened the ability of these organisations to serve communities effectively.



Improving Safety in Care Environments

Committed to improving safety and responsiveness in care environments, our Land Systems business collaborated with Moral Welfare Home in Singapore to upgrade its alert system. The enhanced system now includes modified sound alerts integrated with visual indicators such as flashing lights and a digital board for real-time notifications, ensuring clearer and more timely communication during emergencies. This initiative strengthened operational efficiencies and enhanced the safety of residents.



CORPORATE GOVERNANCE REPORT

While Holding Ourselves to High Ethical Standards

Good corporate governance is the foundation for long-term value creation. This report sets out ST Engineering's corporate governance processes and practices in 2025 with specific reference to the Singapore Code of Corporate Governance 2018 (the Code). The Board confirms that the Company has complied with the principles and largely with the provisions of the Code. Deviations from any provision of the Code are explained in this report.

BOARD MATTERS

The Board's Conduct of its Affairs (Principle 1)

The Board is accountable to shareholders for overseeing the effective management of the Company. To this end, the Board relies on the integrity, commitment, skills and due diligence of its Management, its external advisors and auditor and holds Management accountable for performance. The Board puts in place a Code of Business Conduct and Ethics, sets appropriate tone from the top and desired organisational culture, and ensures proper accountability within the Company. In addition to its statutory responsibilities, the Board reserves the following key matters for its decision:

- Setting the Group's strategic objectives including appropriate focus on value creation, innovation and sustainability and ensuring that decisions made are consistent with these objectives;

- Appointment of the Group President & Chief Executive Officer (Group President & CEO), Board succession and appointments on Board and Board Committees;
- Appointment and removal of the Company Secretary;
- Approval of terms of reference of Board Committees and any revisions;
- Review of the risk management framework and sustainability performance; and
- Approval of the unaudited half-yearly and audited full-year results, and quarterly dividend payout.

In the discharge of its functions, the Board is supported by six Board Committees to which it delegates specific areas of responsibilities for reviewing and decision making. The Board decides on matters that require its approval and clearly communicates this to Management. The Board Committees are formed with clear terms of reference setting out their compositions, authorities and duties, including reporting back to the Board.

Details of authorities and duties and summary of key activities of the respective Board Committees are disclosed under the sub-section of each Board Committee in this report.

The Group President & CEO, Vincent Chong Sy Feng, is accountable to the Board. He is supported by the other Key Management Executives of the Group (EXCO) comprising:

- Group Chief Financial Officer (Group CFO);
- Group Chief Operating Officer (Technology & Innovation) and President Defence & Public Security;
- Group Chief Commercial Officer (Market Development) and President Smart City & Digital Solutions; and
- Group Chief Operating Officer (Operations Excellence) and President Commercial Aerospace.

None of the Directors and EXCO members have been employees or partners of ST Engineering's external auditing firm in the past two years.

Director Induction, Training/Development

Upon the appointment of a new Board member, a formal letter is sent to the Director outlining his/her statutory obligations, duties and responsibilities. This letter includes key information about the Group and the Company, along with the terms of reference for the respective Board Committees.

An induction programme is organised for a new Director on the Group's strategic direction, sustainability efforts and performance of the Group as well as his/her statutory duties and obligations under the corporate governance framework. The induction programme includes briefings by Presidents/Business Heads of various business areas supplemented by facility visits, where applicable, to enable Directors to gain a comprehensive understanding of the Group's businesses and operations.

In addition to the induction programme and Board/Board Committee meetings, there are various opportunities for the Directors to attend Group events and visit our key subsidiaries and operations in the countries where we operate. These events and visits provide insight into our global operations while fostering direct interactions with the local management.

The Board is routinely updated on the relevant laws, Singapore Exchange Securities Trading Limited (SGX-ST or the Exchange) continuing listing obligations and accounting standards requiring compliance and their implications to the Group. This ensures that our Directors are well-equipped to discharge their responsibilities as Board members and Board Committee members.

To further enhance their skills and knowledge, Directors are sponsored to attend relevant courses, conferences and seminars tailored to their backgrounds. The Company covers these expenses, providing opportunities for continuous professional development. In cases of significant statutory or regulatory changes affecting Directors' obligations, the Company organises briefings led by experts/consultants.

The Directors were also informed of relevant courses organised by Singapore Institute of Directors and other professional organisations.

In 2025, the Directors participated in a range of briefings and training sessions to stay informed on key developments. Notably, an Agentic AI briefing was included as part of the Directors' training during one of our quarterly Board meetings. Additionally, the Directors received multiple briefings on critical topics, including Environmental, Social & Governance (ESG) issues, anti-bribery and corruption and updates on relevant legislative or regulatory changes. Directors were also invited to attend several ST Engineering events, including the Geopolitical Dialogue with a Political Office Holder, Innotech Conference 2025, various Innovation Seminars on AI Technologies, Business Products & Strategies, and Smart MRO & Manufacturing, as well as the System Safety Seminar 2025.

Board Meetings

The Board convenes scheduled meetings on a quarterly basis to review the business performance and key activities of the Group and to deliberate significant business proposals. All Board and Board Committee meetings, and the Annual General Meetings (AGMs) are scheduled well in advance in consultation with the Directors.

CORPORATE GOVERNANCE REPORT

Robust decision-making by the Board is enabled through active participation by the Board members in constructive discussions. Where warranted by particular circumstances, *ad-hoc*/special Board meetings may be convened to consider corporate actions requiring the Board's guidance or approval.

To facilitate the Board and Board Committees' decision-making process, the Company's Constitution provides for Directors to participate in virtual meetings. If a Director is unable to attend a Board or Board Committee meeting, he/she will still receive all the materials to be tabled for discussion at that meeting, and where required, separate briefing sessions are arranged. Decisions of the Board and Board Committees may also be obtained via circulation.

At the end of every quarterly Board meeting, the Chairman allocates time for its non-executive Directors to meet without Management. These sessions allow non-executive Directors, including the Chairman of each Board Committee to provide feedback to the Chairman on any matters requiring the Chairman's attention.

Information furnished to the Board is an ongoing process, which includes updates on major projects/matters, monthly consolidated management reports on the financial performance of the Group and its businesses.

On a quarterly basis, the management reports would also include key business highlights and capital expenditure of the Group to keep the Board apprised of business investments, performance updates and progress of mid-term targets communicated at Investor Day from time to time.

The Board also has separate and unrestricted access to the Senior Management, the Company Secretaries, internal and external auditor, risk management and sustainability teams. The Board may also, at the Company's expense, seek independent professional advice, if necessary, to enable them to discharge their duties effectively.

The Board and Board Committee members are provided with complete, adequate, and timely information (at least three working days) on matters to be discussed or considered at meetings.

The Board has, at all times, exercised independent judgment to make decisions, using its collective wisdom and experience to act in the best interests of the Company as a whole and not of any particular group of shareholders or stakeholders.

Any Director who has an interest that may conflict with a subject under discussion by the Board, will declare his/her interest and recuses himself/herself from the information, discussion and decision of the matter. Each Director is also required to submit details of his/her associates upon appointment to the Board and on an annual basis or as and when relevant changes occur, for the purpose of monitoring interested persons transactions.

The Company adopts half-yearly reporting and provides business updates in the first and third quarters to the market and analysts alike. Board, Audit Committee as well as Risk and Sustainability Committee meetings continue to be held quarterly.

During the year, the Board met quarterly to consider, among other things, the approval and release of the FY2024 and 1H2025 results, including the review of the 1Q2025 and 3Q2025 Market Updates, declaration of quarterly interim dividend, updates on significant events relating to the Group and information concerning industry-related developments. A Board Strategy Workshop was also held during the year to discuss the Group's long-term strategy.

Board met
5 times
in 2025

Details and attendance at Board and Board Committee meetings in 2025 are tabulated below.

Board Members' Details			Meeting Attendance Report*							
Names	Independent (I)/ Non-Independent (NI)	Executive (E)/ Non-Executive (NE)	Chair of the Board/ Board Committee				Member of the Board/ Board Committee			
			Board~	AC	ERCC	NC	RITE	RSC	SFC#	AGM
			Number of meetings held in FY2025							
			5	5	3	2	3	5	12#	1
Teo Ming Kian (Chairman)	I	NE	● 5/5		● 3/3	● 2/2	● 3/3		● 12/12	● 1/1
Vincent Chong Sy Feng (Group President & CEO)	NI	E	● 5/5				● 3/3	● 5/5	● 12/12	● 1/1
VADM Aaron Beng Yao Cheng	NI	NE	● 5/5					● 5/5		● 1/1
Kevin Kwok Khien	I	NE	● 5/5	● 5/5				● 5/5		● 1/1
Philip Lee Sooi Chuen	I	NE	● 5/5		● 3/3	● 2/2			● 5/5	● 1/1
Lien Siaou-Sze	I	NE	● 5/5	● 5/5						● 1/1
Lim Chin Hu	I	NE	● 5/5		● 3/3	● 2/2	● 3/3		● 8/8	● 1/1
Neo Gim Huay	I	NE	● 5/5					● 5/5		● 1/1
Ng Bee Bee (May)	I	NE	● 5/5		● 3/3	● 2/2				● 1/1
Ong Su Kiat Melvyn	NI	NE	● 5/5							● 1/1
Song Su-Min	I	NE	● 5/5	● 5/5				● 5/5		● 1/1
Tan Peng Yam	NI	NE	● 5/5				● 3/3			● 1/1

Note:

AC-Audit Committee, ERCC-Executive Resource and Compensation Committee, NC-Nominating Committee, RITE-Research, Innovation, Technology and Enterprise Committee, RSC-Risk and Sustainability Committee, SFC-Strategy and Finance Committee, AGM-Annual General Meeting

* Refers to meetings held and attended by each Director.

~ Includes a Board Strategy Workshop.

SFC convened 12 meetings during the year of which 11 meetings were for evaluation of tenders. Such SFC (Tender) meetings require attendance of three members of which Chairman and Group President & CEO are permanent attendees. The third attendee will be drawn from the remaining members.

CORPORATE GOVERNANCE REPORT

Role of Company Secretary

The Company Secretaries attend all Board meetings, ensuring that procedures are followed and preparing minutes of Board proceedings. They facilitate communication between the Board, its Committees and Management, while also advising the Board on governance matters including their disclosure obligations.

The Company Secretaries also assist with the induction of new Directors and the coordination of training for Board members to keep the Board informed on corporate governance matters. The appointment and removal of the Company Secretaries are determined by the Board.

Board Composition and Guidance (Principle 2)

Board Composition and Diversity

The Board maintains an appropriate level of independence and diversity of thought and background ensuring robust decisions made in the best interests of the Company.

The Board comprises 12 Directors and an Alternate Director. COL Chong Shi Hao is an Alternate Director to VADM Aaron Beng Yao Cheng to attend Board meetings in the event that VADM Aaron Beng Yao Cheng has to be away on duties in his position as Chief of Defence Force of Ministry of Defence. COL Chong is fully apprised of all Board matters, receives notices to attend Board meetings and Board papers, as well as Board resolutions by circulation. As an Alternate Director, he is in a position to act on behalf of VADM Aaron Beng in the latter's absence.

The Directors' ages range from the forties to seventies and they have served on the Board for various tenures. The Board comprises members with established track records in defence and business leadership as well as expertise in energy, finance (including audit and accounting), investment banking, engineering and technology, law, business management, human resources, cybersecurity, sustainability and risk management domains. Each Director brings an independent perspective to the Board, drawing on their professional expertise to support the Board in making balanced and well-considered decisions.

The Directors with their combined business, management and professional experience, knowledge and expertise, provide the core competencies to allow for diverse and objective perspectives on the Group's businesses and strategic directions. Having considered the scope and nature of the Group's operations, the Nominating Committee (NC) and the Board are satisfied that the current composition and size of the Board provide for diversity and allow for informed and constructive discussions and effective decision making at Board/ Board Committees meetings.

The Board has adopted a Board Diversity Policy to ensure an appropriate balance of perspectives, skills and experience on the Board. The Company recognises and embraces the benefits of diversity on the Board, and views diversity at the Board as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The Board Diversity Policy has provisions to reflect the commitment to female representation on the NC as well as to ensure the inclusion and consideration of female candidates in the Board appointment selection process. The NC will consider candidates on merit against objective criteria and with due regard for diversity on the Board.

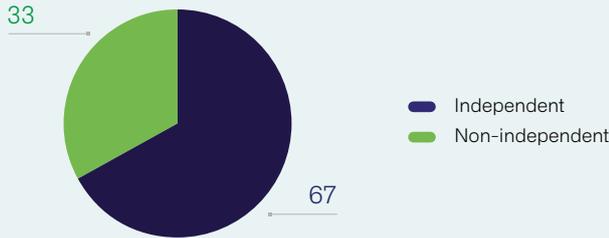
The Board, through the NC, has robust processes in reviewing and assessing the size and composition of the Board as well as succession planning, taking into consideration the age, skill sets, knowledge, experience, background, gender, tenure, independence of Directors and other relevant factors. The Board also recognises that diversity is not limited merely to gender or any personal attributes and believes that having experienced Directors with an independent mindset is important for the Board to be effective.

The Company has achieved its goal of establishing a diverse Board and would continue to maintain and strengthen this diversity.

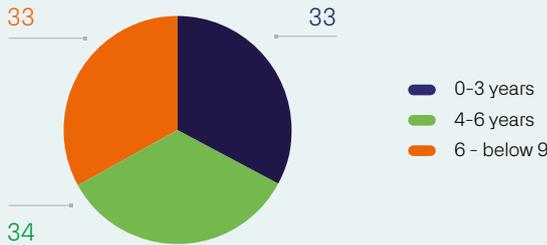
The Board, through the NC, is satisfied that the Company has a diverse Board composition in terms of age, gender, tenure, skill sets, expertise (domain and industry) and experience (domestic and global) which provide a variety of perspectives for effective governance, innovation and robust decision making. The Company will continue to uphold this diversity on the Board to support its strategic goals.

Details of the Board composition are as follows:

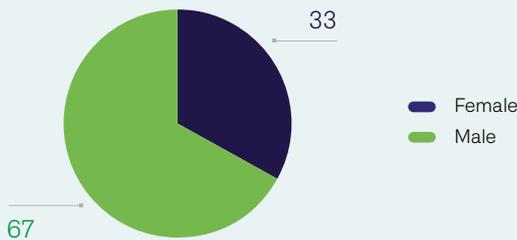
INDEPENDENCE (%)



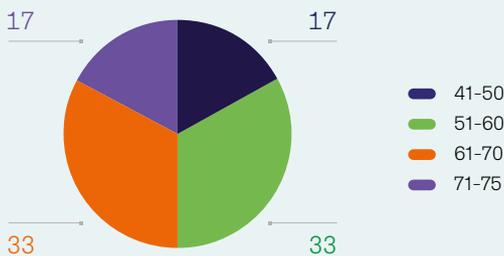
TENURE (%)



GENDER (%)



AGE (%)



Board Independence

The Board has 11 non-executive Directors of whom eight are independent Directors. The Code requires non-executive Directors to make up a majority of the Board and the SGX-ST Listing Manual requires one-third of the Board to comprise independent Directors. Our Board composition is in compliance with these requirements.

We have not appointed a lead Independent Director as our Chairman is independent.

The independence of each Director is determined upon appointment and reviewed annually by the NC, and as and when circumstances arise. This determination is made in accordance with the requirements of the SGX-ST Listing Manual, the Code and where relevant, the recommendations set out in the Practice Guidance accompanying the Code.

The Board, taking into account the views of the NC, affirmed that the independent Directors are Teo Ming Kian, Kevin Kwok Khien, Philip Lee Sooi Chuen, Lien Siaou-Sze, Lim Chin Hu, Neo Gim Huay, Ng Bee Bee (May) and Song Su-Min. The Board comprises majority independent Directors, including Board Chairman.

Each member of the NC and the Board recused themselves from the deliberations on their own independence.

Teo Ming Kian, Kevin Kwok Khien, Philip Lee Sooi Chuen, Lien Siaou-Sze, Lim Chin Hu, Neo Gim Huay, Ng Bee Bee (May) and Song Su-Min declared that each of them does not have any relationship with the substantial shareholder, no management relationship and no business relationship with the Company and its group of companies, that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement in the best interests of the Company.

Teo Ming Kian stepped down as a non-executive Director of Temasek Holdings (Private) Limited (Temasek), which is a substantial shareholder of the Company, in September 2022. During his tenure in Temasek, he was not a nominee of Temasek on the Board of ST Engineering. His role on the Temasek board was non-executive in nature and he was not involved in the day-to-day conduct of the business of Temasek.

CORPORATE GOVERNANCE REPORT

Mr Teo was also not directly associated with Temasek in that he was not accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of Temasek in relation to the corporate affairs of ST Engineering. It also did not generate any issue that may affect his independence as a Director of ST Engineering. The NC had previously determined that Mr Teo's position in Temasek would not have any conflict or did not impair his ability to act with independent judgement in the discharge of his duties and responsibilities as a Director. The Board had also previously viewed that the relationships set out above do not interfere with the exercise of Mr Teo's independent business judgement in the best interests of the Company. Mr Teo remains as an independent Director.

Neo Gim Huay serves as an advisor on United Overseas Bank (UOB) Sustainability Advisory Panel. UOB is one of the many banks which ST Engineering group of companies have a banking relationship with. All transactions between UOB and ST Engineering group of companies are conducted in the ordinary course of business and based on normal commercial terms. Ms Neo does not hold 5% or more interest in UOB, and her role in UOB is non-executive in nature, not involving day-to-day business operations. As an advisor, she provides independent advice on sustainability strategies and initiatives, which is separate from UOB's core business operations. Similarly, as a Director of ST Engineering, Ms Neo is not involved in ST Engineering's daily business operations and receives only Director's fees. In the event of any engagement with UOB requiring the Board's approval, Ms Neo will recuse herself from discussions and decisions involving UOB's dealings with ST Engineering group of companies. Given these circumstances, the NC has determined that business relationships between ST Engineering group of companies and UOB do not affect Ms Neo's independence. The Board considers that the relationships described do not interfere with Ms Neo's ability to exercise independent business judgement in the best interests of ST Engineering and therefore, she is considered an independent Director.

Sister of Ng Bee Bee (May) is an Executive Director (Corporate Banking) in UOB Singapore, but she does not manage UOB's banking relationships with ST Engineering group of companies with UOB. UOB is one of the many banks which ST Engineering group of companies have a banking relationship with. All transactions between UOB and ST Engineering group

of companies are conducted in the ordinary course of business and based on normal commercial terms. The NC determined that the sister of Ng Bee Bee (May)'s position in UOB would not have any conflict or affect Ms Ng's independence. In the event of any engagement of UOB requiring the Board's approval, Ms Ng will recuse herself from discussions on UOB's dealings with ST Engineering group of companies. The Board is of the view that the relationships set out above do not interfere with the exercise of Ms Ng's independent business judgement in the best interests of ST Engineering and therefore, she is considered an independent Director.

Song Su-Min is a partner of Allen & Gledhill LLP (A&G). A&G is one of the many law firms which provides legal services to the Group. Ms Song does not hold 5% or more interest in A&G. Ms Song's role in A&G is non-executive in nature and she is not involved in the day-to-day conduct of the business of A&G. The fees received by A&G for the services rendered to ST Engineering group of companies were not material or significant in the context of A&G or ST Engineering Group for the relevant period. Ms Song is not involved in legal services rendered by A&G to ST Engineering group of companies nor in the selection and appointment of legal counsels for the provision of legal services to ST Engineering group of companies. She is not involved in the day-to-day business operations of ST Engineering. She only receives Director's fees. In the event of any engagement of A&G requiring the Board's approval, Ms Song will recuse herself from discussions and decisions involving A&G's dealings with ST Engineering group of companies. The Company has engaged A&G in the preparation of Letter to Shareholders for certain resolutions to be tabled at AGMs. Such advisory work was done by corporate regulatory and compliance team in A&G. Ms Song who specialises in M&A and private equity, was not involved in advising the Company in this Letter to Shareholders. With the aforesaid, the NC determined that business relationships between ST Engineering group of companies and A&G would not affect Ms Song's independence. The Board is of the view that the relationships set out above do not interfere with the exercise of Ms Song's independent business judgement in the best interests of the Group and therefore, she is considered an independent Director.

VADM Aaron Beng Yao Cheng is considered as non-independent non-executive Director given his position as Chief of Defence Force of Ministry of Defence.

Ong Su Kiat Melvyn is considered as non-independent non-executive Director given his positions as Permanent Secretary (Defence Development) of Ministry of Defence and as Permanent Secretary (Sustainability and the Environment) of Ministry of Sustainability and the Environment.

Tan Peng Yam is considered as non-independent non-executive Director given his position as Chief Defence Scientist of Ministry of Defence.

NC met
2 times
in 2025

Chairman and Chief Executive Officer (Principle 3)

The Chairman and Group President & CEO roles and responsibilities are kept separate in order to maintain effective oversight. The recommendation in the Code for a lead independent Director is not applicable as the Chairman and the Group President & CEO are separate individuals and are not related. No individual or small group of individuals dominates the Board's decision-making process. The Group President & CEO and Senior Management regularly consult with individual Board members and seek the advice of Board Committee members through meetings, telephone calls and emails.

The Chairman is responsible for leading the Board and ensuring the effective functioning of the Board to act in the best interests of the Company and its shareholders. The Chairman facilitates the relationship between the Board, Group President & CEO and Senior Management, engaging them in open dialogue over various matters including strategic issues, sustainability, safety, risks and business planning processes and promotes robust corporate governance. He ensures that discussions at the Board level are conducted objectively and professionally where all views are heard and key issues are debated in a fair and open manner. The Chairman also ensures that adequate time is provided for discussion of strategic issues and key concerns at Board meetings. He represents the views of the Board to the shareholders and ensures effective communication with shareholders and other stakeholders.

Vincent Chong Sy Feng as an executive Director and Group President & CEO, is accountable to the Board for the conduct and performance of the Group. He collaborates closely with other Directors for the long-term success of the Group. He has been delegated authority to make decisions within certain financial limits authorised by the Board. He is supported in his work by Senior Management.

Board Membership and Board Performance (Principles 4 and 5)

The Board is supported by the following Board Committees:

- Audit Committee
- Executive Resource and Compensation Committee
- Nominating Committee
- Research, Innovation, Technology and Enterprise Committee
- Risk and Sustainability Committee
- Strategy and Finance Committee

Nominating Committee

Lim Chin Hu (Chairman)
Philip Lee Sooi Chuen
Ng Bee Bee (May)
Teo Ming Kian

The Nominating Committee (NC) comprises four members, all of whom, including the NC Chairman, are independent Directors.

The NC is responsible for assessing and determining the independence of non-executive Directors annually, ensuring compliance with governance requirements; conducting evaluations of the Board's performance evaluation, facilitating continuous improvement in governance practices; reviewing the diversity of the Board; and evaluating and recommending Director training and professional development programmes according to the needs of each Director.

CORPORATE GOVERNANCE REPORT

Selection and Appointment Process

The NC conducts review of Board composition annually to plan for Board succession and future needs. The NC is also continually engaged in the Board renewal process of ST Engineering, having regard to the skills, experience and industry expertise needed for achieving a balanced Board composition to, among other things, oversee governance, safety, risks and sustainability within the Group's businesses.

When the need for a new Director is identified, potential candidates are identified from various sources including independent professional firm of consultants, internal references or recommendations made by Directors. The NC will ensure that female candidates are included for consideration. Nevertheless, Board appointments will be made based on merits, taking into account the attributes, contributions and the experiences the candidates can bring to enhance the Board's effectiveness. The NC will assess a shortlist of candidates according to the type of expertise needed. The NC will also assess a candidate's character, independence and experience to ensure that he/she has the requisite standard of competence to carry out his/her duties as a Director of a listed company. The NC will then make recommendations to the Board for approval.

Succession Planning

The NC is responsible for overseeing and reviewing the succession planning process for Board renewal, including that of the Chairman of the Board, having regard to achieving a balanced composition of skills, diversity, independence, knowledge and attributes required of an effective Board. The NC also oversees and reviews the succession planning process for the Group President & CEO and Key Management Executives. While reviewing the succession plans, the NC will take into consideration the Company's strategy and objectives including the factors that affect the long-term success of the Company, the orderly replacement of Directors and Key Management Executives and contingency planning for preparedness against sudden and unforeseen changes.

A formal process has been put in place for Board renewal including the selection and appointment of new Directors. A skills matrix is used to assess and monitor the overall balance, diversity and quality of the Board, to shape succession plans, Board evaluation

and the appointment and reappointment of Directors to ensure that the Board has an optimal composition that contributes to higher effectiveness and aligns with the Company's strategy and objectives. Board and Board Committee appointments require the approval of the Board.

The NC recognises the importance of succession planning for Group President & CEO and Key Management Executives. The Company has established a robust succession planning process which involves:

- Reviewing the key proficiencies and qualities required for identified positions;
- Identifying and developing internal and external candidates;
- Ensuring that candidates possess the necessary proficiencies and qualities;
- Catering for contingency succession needs; and
- Driving development and retention plans for potential candidates.

Maximum Board Representation

The NC reviews directorships of the Board and determines if a Director is able to and has been adequately carrying out his or her duties as a Director, taking into consideration the Director's number of listed company board representations and/or other principal commitments, the results of the recent peer assessment of the Directors, and their actual conduct and Board involvement on the Board and/or Board Committees, including availability and attendance at the scheduled meetings and *ad-hoc* meetings.

Based on the FY2025 individual Director assessment, all Directors were well prepared for the Board and Board Committee meetings and provided thoughtful and constructive feedback during meetings. The Board also achieved full attendance for all the Board and Committee meetings and the Annual General Meeting (AGM) in this reporting year.

The Board has considered and agreed not to set guidelines for a maximum directorship that a Director can hold. Annually, an incumbent Director is asked to affirm that he/she has adequate time to devote to his/her Board responsibilities. The Company's Board members are selected on the basis of their ability to contribute to the Board through their relevant skill sets,

experience, calibre and willingness to devote time. In addition, each Director is required to provide an annual affirmation of commitment to his/her Board responsibilities. Given these measures, the Board is of the view that setting a maximum number of board representations for our Directors is not needed. While the Board does not have a maximum limit set, none of our Directors has more than three directorships in other listed companies.

Re-election of Directors

At each AGM, one-third of the Directors with those longest in office since his/her last re-election have to retire pursuant to the Constitution. Effectively, this results in all Directors having to retire at least once every three years or even earlier, in compliance with Rule 720(5) of the SGX-ST Listing Manual. A retiring Director may submit himself/herself for re-election. Under this provision, Vincent Chong Sy Feng, Lim Chin Hu, Ng Bee Bee (May) and Ong Su Kiat Melvyn will retire at the 2026 AGM. The retiring Directors, being eligible, have offered themselves for re-election. The information relating to the retiring Directors seeking re-election can be found on page 17 of this Annual Report.

Each of the retiring non-executive Directors has confirmed that he/she does not have any relationship with his/her fellow Directors nor with the Company and its substantial shareholders. The Board, acting on the recommendation of the NC and taking into consideration the composition and progressive renewal of the Board as well as each retiring Director's competencies, contribution and performance (such as attendance, preparedness and participation), proposes that each of the retiring Directors be re-elected at the Company's 2026 AGM. Each of the members of the NC and the Board recused himself/herself from participating in his/her own review.

Board Evaluation

The NC has the responsibility of developing and overseeing the process and criteria for the annual performance evaluation of the Board, each of its Board Committees and individual Directors, and may engage an external facilitator to assist in the conduct and performance evaluation process. The NC will propose the objective performance criteria and structured evaluation process for the Board's approval prior to conducting the assessment.

The NC is of the view that the engagement of an independent external consultant once every three years to conduct the Board evaluation process will provide the Board with an independent perspective of the Board's performance, including benchmarking against peer boards and provide insights on best practices.

For FY2025, the NC conducted an annual Board Evaluation internally to gauge the effectiveness of the Board and Board Committees as well as the individual Board member's performance.

The performance criteria for the Board and Board Committees included Board composition, information management, board processes, environment, social and governance, managing company's performance, human capital management, Director development and management, risk management, Committee self-evaluation and open questions for Directors to provide their feedback.

The performance criteria for an individual Director's peer evaluation included contribution, knowledge and abilities, teaming, integrity and overall performance to the Board and/or Board Committee(s). The Director's evaluation of individual Director's performance aims to assess whether a Director is willing and able to constructively challenge and contribute effectively to the Board and demonstrate commitment to his/her roles on the Board.

The evaluation was conducted by having each Director complete a questionnaire covering the performance of the Board and Board Committees and Directors' peer evaluation. A report on Board and Committees evaluation and the Directors' feedback was reviewed by the NC and shared with the Board, in consultation with the NC. The report indicated that the Board and Board Committees continue to function effectively. The Board also took onboard the recommendations and feedback in the report on areas for improvement. For the individual Director's performance, the NC Chairman and Board Chairman will act on the results of the evaluation and arrange for a one-to-one feedback session with the Director, where necessary.

The assessment of the Group President & CEO's performance is undertaken by the Chairman of the Board together with the members of the NC and ERCC and the results are reviewed by the Board.

CORPORATE GOVERNANCE REPORT

Strategy and Finance Committee

Teo Ming Kian (Chairman)
Vincent Chong Sy Feng
Philip Lee Sooi Chuen
Lim Chin Hu

The Strategy and Finance Committee (SFC)'s role includes guiding Management in the development and execution of the Group's annual and five-year plans, growth strategies, as well as deliberating and approving tender proposals which meet established contract value limits. The SFC also provides guidance in assessing strategic opportunities and safeguarding the Company's long-term value creation as well as reviews the Budget prior to submission to the Board for approval.

The SFC has incorporated sustainability and ESG factors in the Group's five-year plan. Details of the Group's efforts in this area can be found in our Sustainability Report. The SFC also reviewed the 2026 Budget prior to submission to the Board for approval.

A full day strategy session, attended by all Directors, was conducted in mid-2025 to discuss the Group's long-term strategy.

Research, Innovation, Technology and Enterprise Committee

Tan Peng Yam (Chairman)
Vincent Chong Sy Feng
Lim Chin Hu
Teo Ming Kian
Chua Kee Lock (Co-opted)

The Research, Innovation, Technology and Enterprise Committee (RITE) gives greater focus on our go-to-market strategy beyond R&D, expands the deployment of dual-use technology and develops an innovation ecosystem.

Under its terms of reference, the RITE's role includes setting policies and direction for strategic R&D investments and related activities, promoting R&D and inculcating innovative culture, identifying areas of synergy with respect to R&D capabilities, facilities and resources, as well as identifying new technologies that will enhance the core businesses of the Group. In particular, RITE had provided guidance on key technology focus areas such as Artificial Intelligence (AI), Advanced Materials, Robotics, Quantum Technology and Green Technology.

RITE's terms of reference also allow the appointment of co-opted members. Chua Kee Lock was appointed as a co-opted member in FY2023. He possesses a strong global network and deep familiarity with the technology and start-up ecosystem, enabling him to provide valuable insights and perspectives to the Committee.

In 2025, ST Engineering focused on "AI Execution". RITE provided guidance on AI Execution and the development of an AI Governance and Security framework, and the launch of Physical AI Research Translation@ST Engineering. ST Engineering will be partnering both local and overseas universities, research labs and startups to develop capabilities and commercialise technologies in various fields of robotics.

SFC met
12 times
in 2025

RITE met
3 times
in 2025

ERCC met
3 times
in 2025

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies (Principle 6)

Level and Mix of Remuneration (Principle 7)

Disclosure on Remuneration (Principle 8)

Executive Resource and Compensation Committee

Teo Ming Kian (Chairman)
Philip Lee Sooi Chuen
Lim Chin Hu
Ng Bee Bee (May)

The Executive Resource and Compensation Committee (ERCC) comprises four members, all of whom, including the ERCC Chairman, are independent Directors. The ERCC performs the role of the remuneration committee as per the requirements of the SGX-ST Listing Manual and the Code. The members of the ERCC have held senior positions in large organisations and are experienced in the area of executive remuneration policies and trends.

All decisions at any meeting of the ERCC are decided by a majority of votes of the ERCC members present and voting (the decision of the ERCC shall at all times exclude the vote, approval or recommendation of any member who has a conflict of interest in the subject matter under consideration).

Under its terms of reference, the ERCC performs the following duties and responsibilities:

Executive Remuneration General Framework

- Reviews and recommends to the Board the Group's general framework for determining executive remuneration including the remuneration of the Group President & CEO, Key Management Executives and other senior management executives (collectively referred to as "Senior Management Executives"). This includes all aspects of remuneration including termination benefits to ensure that such benefits are fair.

Executive Director and Senior Management Executives

- Reviews and recommends to the Board the entire specific remuneration package and service contract terms for the Group President & CEO, who is also the executive Director, and Key Management Executives.
- Considers, reviews, approves and/or varies (if necessary) the entire specific remuneration packages and service contract terms for the Senior Management Executives of the Group. For FY2025, the Board reviewed and approved the specific remuneration packages and service contract terms for the Group President & CEO and Key Management Executives.

Non-Executive Director Remuneration

- Reviews and recommends to the Board the remuneration framework (including Directors' fees) and specific remuneration for the non-executive Directors.

Equity-based Plans

- Approves the design of equity-based plans and reviews and administers such plans.

Executive and Leadership Development

- Oversees the development of Management with the aim of a continual build-up of talent and renewal of strong and sound leadership to ensure the continued success of the Group and its businesses.
- Approves appointments to Senior Management Executive positions within the Group.

For FY2025, Aon Solutions Singapore Pte. Ltd. (Aon) was engaged as remuneration consultant (Remuneration Consultant) to provide professional advice on Board and executive remuneration matters. Aon and its principal consultant are independent and are not related to the Group or any of its Directors.

Executive Remuneration Structure

- Remuneration for the Senior Management Executives comprises a fixed compensation, variable cash-based incentives, share-based incentives and market-related benefits. The remuneration mix is intended to attract, retain and motivate Senior Management Executives to manage the Company for the long term and to align their interests with those of shareholders and other stakeholders.

A. Fixed Compensation:

The fixed compensation comprises the base salary and compulsory employer's Central Provident Fund (CPF) contributions.

CORPORATE GOVERNANCE REPORT

B. Variable Cash-based Incentives:

The variable cash-based incentives include the Performance Target Bonus and EVA-based Incentive Scheme.

Performance Target Bonus (PTB)

The PTB is a cash-based incentive for Senior Management Executives which is linked to the achievement of annual performance targets that will vary depending on their job requirements.

Individual performance objectives are set at the beginning of each financial year. The performance targets are in financial, people, operational, customer and sustainability areas aligned to the business' strategic goals. These objectives are cascaded down to a select group of key executives creating alignment between the performance of the Group, Company and the individual.

The individual PTB payouts for the Group President & CEO and Key Management Executives are determined by the ERCC based on the Group's, Company's and individual performance at the end of the financial year.

EVA-based Incentive Scheme

The EVA-based Incentive Scheme (EBIS), which is linked to the Company's economic value-add and financial performance, forms part of the short-term incentives for the Senior Management Executives.

Under the plan, a portion of EBIS bonus declared for the financial year will be paid out annually, while the remaining portions will be deferred in an EVA bank. Amounts in the EVA bank are at risk because negative EVA will result in a clawback of EVA accumulated in the bank. This mechanism encourages the Senior Management Executives to work for sustained EVA generation and to adopt strategies that are aligned with the long-term interests of the Group.

In addition, the Group has a clawback facility with respect to the EVA bank in the event of a restatement of the financial results of the Group subsequent to an earlier misstatement, and provisions for the forfeiture of the remaining EVA bank balance on termination due to misconduct or fraud resulting in any financial loss to the Group.

The ERCC has determined that the Group has met the EVA targets set for FY2025.

C. Share-based Incentives:

Share awards were granted in FY2025 pursuant to the Singapore Technologies Engineering Performance Share Plan 2020 (PSP2020) and the Singapore Technologies Engineering Restricted Share Plan 2020 (RSP2020 and together with the PSP2020, the 2020 Share Plans) which were approved and adopted by shareholders of the Company at the 23rd AGM held on 15 May 2020.

The 2020 Share Plans have malus and clawback rights which allow the ERCC to cancel all or part of any award to the extent not yet released to the participant, and to exercise the right to clawback the monetary value of shares which have been released to the participant within a six-year clawback period, if certain exceptional circumstances occur in relation to that participant. Such exceptional circumstances include:

- The grant of the relevant award being based on inaccurate financial statements;
- The participant having engaged in conduct which resulted in or contributed to any financial loss or reputational harm to the Company or the Group; and
- The participant having engaged in misconduct or committed fraud or breach of trust or duty in relation to the Company or the Group.

The number of shares comprising awards granted under the 2020 Share Plans during FY2025 did not exceed 0.5% of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings), which is the yearly limit set by the ERCC for the 2020 Share Plans.

The aggregate number of shares issued and/or to be issued and the aggregate number of existing shares (including treasury shares) delivered and/or to be delivered, pursuant to the 2020 Share Plans, is limited to 5% of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings).

Details of the abovementioned share plans and grants are set out in the Share Plans section of the Directors' Statement from pages 115 to 117 of this Annual Report.

PSP2020

The objective of the PSP2020 is to motivate Senior Management Executives to strive for sustained growth and performance of the Group.

Performance share awards are generally granted on an annual basis and are conditional on the Group meeting targets set for a three-year performance period. The performance measures used in performance share grants are:

- Absolute Total Shareholder Return (TSR) taking reference to the Group's Cost of Equity; and
- Earnings Per Share (EPS) growth against predetermined EPS growth targets.

Performance share awards may also be granted to selected senior leaders which are conditional on the Group meeting targets set for a six-year performance period. Apart from Absolute TSR and EPS performance measures, such awards will also include additional performance measures based on Environmental, Social & Governance (ESG) metrics.

A minimum threshold performance is required for any shares to be released at the end of the applicable performance period. The actual number of performance shares released will depend on the achievement of predetermined performance targets over the applicable performance period, capped at 170% of the shares granted.

The release of the shares is also conditional on satisfactory individual performance at the end of the performance period.

The performance share awards granted during FY2023 were conditional upon the performance of the Group from FY2023 to FY2025. For this grant, the ERCC has determined that the Group has met the PSP targets set.

RSP2020

The objective of the RSP2020 is to retain and motivate managers and above to strive for sustained long-term growth of the Group. The plan also aims to foster a share ownership culture among employees within the Group and to better align employees' incentives with shareholders' interests. The RSP2020 allows for restricted share awards to be granted to non-executive Directors (NED Awards) as part of their remuneration in respect of their office as such in lieu of cash. Such awards, which are meant to align the interests of the Directors with those of shareholders, will consist of fully paid shares with no vesting periods or performance conditions imposed, although the Directors will be required to hold the shares for certain moratorium periods.

Restricted share awards are generally granted on an annual basis. Save for NED Awards, restricted share awards are generally conditional on the Group meeting a target set for a one-year performance period. The performance measure used in such restricted share grants is:

- Return on Capital Employed (ROCE)

Under such awards, a minimum threshold performance is required for any shares to be released after the end of the applicable performance period. The shares will vest equally over a four-year period, subject to continued employment with the Group and maintaining a satisfactory performance rating for the financial year preceding each tranche of vesting.

The restricted share awards granted during FY2025 were conditional upon the performance of the Group in FY2025. For this grant, the ERCC has determined that the Group has met the RSP target set.

D. Market-related Benefits:

The benefits provided are comparable with local market practices.

Details of the remuneration package for the Group President & CEO are provided in the Summary Remuneration Table for Executive Director and Group President & CEO on page 91. Details of the remuneration packages for the Key Management Executives are provided in the Summary Remuneration Table for Key Management Executives on pages 91 to 92.

In performing the duties as required under its Terms of Reference, the ERCC ensures that remuneration paid to the Senior Management Executives are strongly linked to the achievement of business and individual performance targets.

This link is achieved in the following ways:

- a. Allocating a significant portion of executives' remuneration to be subjected to performance conditions and vesting schedules.
- b. Incorporating appropriate individual performance objectives for awarding of annual PTB. The performance targets are in financial, people, operational, customer and sustainability areas aligned to the business' strategic goals.

CORPORATE GOVERNANCE REPORT

- c. Linking variable incentives to the Group's performance conditions such as EVA, ROCE, EPS growth and Absolute TSR and requiring those conditions to be met for the incentives to be awarded or vested.
- d. Setting realistic yet stretched performance targets each year to motivate a high degree of business performance with emphasis on both short and long-term quantifiable objectives.

An annual Pay-for-Performance Alignment study was conducted by the Remuneration Consultant and reviewed by the ERCC. The findings indicate strong Pay-for-Performance alignment for the Group in terms of both absolute and relative performance.

Under the Practice Guidance accompanying the Code, the compensation system should take into account the risk policies of the Group, be symmetric with risk outcomes and be sensitive to the time horizon of risks. Having considered this, the ERCC has incorporated the following risk adjustments in the remuneration structure:

- a. Setting a prudent funding mechanism for annual bonus;
- b. Subjecting the vesting of awards granted under the 2020 Share Plans to pre-determined performance conditions and potential forfeiture under malus and clawback rights;
- c. Requiring the executive Director and key management personnel to hold a minimum number of shares under the share ownership guidelines; and
- d. Applying discretion, whenever necessary, to ensure that remuneration outcomes align with the long-term interests and performance of the Group and discourage excessive risk-taking.

The ERCC undertakes periodic reviews of the compensation system to identify potential compensation-related risks and consider policies and processes to manage risk exposures identified.

The ERCC is of the view that the level and structure of remuneration align with the long-term interests and risk management policies of the Group.

During FY2025, there were no termination, retirement and post-employment benefits granted to Directors, Group President & CEO and Key Management Executives other than in accordance with the standard contractual agreement.

There were no employees who were immediate family members of a Director or the Group President & CEO and whose remuneration exceeded \$100,000 during FY2025.

Non-Executive Director Remuneration

The Non-Executive Director (NED) Remuneration Framework comprises a basic retainer, attendance and additional fees for serving on Board Committees.

The Directors' remuneration structure is set out in the table on page 89.

For services rendered in FY2025, eligible NEDs received 70% of the total Directors' fees in cash (paid half-yearly in arrears) and 30% of the total Directors' fees will be paid in the form of restricted shares which are governed by the terms of RSP2020. The share component of the Directors' fees for FY2025 is intended to be paid after the 2026 AGM.

As the restricted shares are granted in lieu of Directors' remuneration in cash, the shares will be granted outright as fully paid shares with no performance conditions attached and no vesting periods imposed. To encourage the alignment of interests of the NEDs with the interests of shareholders, the share grant has a moratorium on selling. Each eligible NED is required to hold shares in the Company worth the lower of: (a) the total number of shares in the Company granted to such NED as payment of the shares component of the NEDs' fees; or (b) the number of shares of equivalent value to the prevailing annual basic retainer fee for an NED. A NED can sell all granted shares one year after the end of his/her Board tenure (see additional moratorium requirements for the Chairman described on page 89).

The computation of the NEDs' remuneration (for NEDs who are not holding public sector appointments) is based on the following rates.

	From Private Sector (\$) FY2025
Chairman Fee (all-in)	750,000
Board Basic Retainer Fee	
Director	90,000
Additional/Committee Fees	
Audit Committee:	
- Chairman	62,000
- Member	35,000
ERCC, SFC, RITE and RSC:	
- Chairman	42,000
- Member	22,000
Other Committees (including NC):	
- Chairman	35,000
- Member	17,000
Attendance Fees	
Per Board Meeting	5,000
Per Board Committee Meeting	2,500

The Chairman's fee is a fixed fee covering Board basic retainer, Board Committee and meeting attendance fees. The fee is paid in a combination of cash (70%) and shares (30%). The shares granted, as part of the fee, are fully paid with no performance conditions attached and no vesting period imposed. However, the shares will have to be held for at least two years from the date of grant, and the two-year moratorium will apply even in the event of retirement.

Fees for NEDs who hold public sector appointments follow the Directorship & Consultancy Appointments Council's (DCAC) guidelines as set out below.

	Public Sector NED fees (\$) FY2025
Chairman	45,000
Deputy Chairman/Chairman Executive Committee/Chairman Audit Committee	33,750
Member Executive Committee/Member Audit Committee/Chairman of Other Board Committee(s)	22,500
Member of other sub-committees/Board member/Director	11,250

NEDs who hold public sector appointments will not be eligible for the shares component of the NEDs' remuneration. 100% of their remuneration in cash is payable to DCAC, where applicable.

The NEDs' remuneration payable in respect of FY2025 is \$2,316,000 (FY2024: \$2,148,562). Details of the Directors' remuneration are provided in the Summary Remuneration Table for NEDs set out on the next page. The Company will be seeking shareholders' approval for the NEDs' remuneration of up to \$2,800,000 for FY2026 (FY2025: up to \$2,800,000) at the upcoming AGM to be held in April 2026.

CORPORATE GOVERNANCE REPORT

SUMMARY REMUNERATION TABLE FOR NON-EXECUTIVE DIRECTORS FOR FY2025

Payable by the Company

Non-Executive Directors	Directors' Total Fees		Total
	Cash-based \$	Share-based \$	
Teo Ming Kian ^(a)	525,000	225,000	750,000
VADM Aaron Beng Yao Cheng ^(b)	11,250	-	11,250
Kevin Kwok Khien	156,800	67,200	224,000
Philip Lee Sooi Chuen	142,450	61,050	203,500
Lien Siaou-Sze	113,750	48,750	162,500
Lim Chin Hu	179,200	76,800	256,000
Neo Gim Huay	104,650	44,850	149,500
Ng Bee Bee (May)	116,550	49,950	166,500
Ong Su Kiat Melvyn ^(b)	11,250	-	11,250
Song Su-Min	151,900	65,100	217,000
Tan Peng Yam ^(c)	115,150	49,350	164,500
Total for Non-Executive Directors	1,627,950	688,050	2,316,000

Payable by Subsidiary

Non-Executive Director	Directors' Total Fees		Total
	Cash-based \$	Share-based \$	
Lim Chin Hu	17,222	-	17,222
Total for Non-Executive Director	17,222	-	17,222

^(a) Teo Ming Kian's benefits-in-kind amounts to \$37,885. Including the aforesaid, his total remuneration comprises cash (67%), shares (28%) and benefits-in-kind (5%).

^(b) Fee for public sector NED is payable to a government agency, the DCAC in cash (100%).

^(c) Director's fee is paid based on private sector NED remuneration fee structure.

SUMMARY REMUNERATION TABLE FOR EXECUTIVE DIRECTOR AND GROUP PRESIDENT AND CHIEF EXECUTIVE OFFICER FOR FY2025

The Group President & CEO, as an executive Director, does not receive Directors' fees from ST Engineering. His compensation comprises two components: cash compensation (salary, allowances, cash-based incentives and benefits) and share-based incentives which are conditional upon meeting certain performance targets over a performance period. For more information on the performance shares and restricted shares granted, please refer to the Executive Remuneration Structure section in the Corporate Governance Report from page 86 to 87.

Cash Remuneration for Executive Director and Group President & CEO				
Name of Executive Director and Group President & CEO	Salary ¹ S\$	Variable cash-based Incentives ² S\$	Benefits ³ S\$	Total Cash Remuneration S\$
Vincent Chong Sy Feng	1,215,945	2,513,638	135,229	3,864,812
Share Remuneration for Executive Director and Group President & CEO				
Contingent Grant under RSP2020 ⁴ No. of Shares (vesting of 0 – 100% shares over 4 years based on ROCE key performance indicator (KPI))	130,084 restricted shares to be granted for FY2025 (Fair value per share: S\$8.01)			
Contingent Grant under PSP2020 ⁵ No. of Shares (vesting of 0 – 170% shares after 3 years based on Absolute TSR & EPS KPIs)	171,376 performance shares to be granted for FY2025 (Fair value per share: S\$6.08)			
Contingent Grant under PSP2020 ⁶ No. of Shares (vesting of 0 – 170% shares after 6 years based on Absolute TSR, EPS & ESG KPIs)	176,905 performance shares to be granted for FY2025 (Fair value per share: S\$5.89)			

The Group President & CEO's total remuneration comprises salary (17%), variable cash-based incentives (36%), benefits (2%) and share-based incentives (45%).

¹ Salary includes base salary and employer CPF for FY2025.

² Variable cash-based incentives include Performance Target Bonus & EVA-based incentive declared. In addition, a one-off EVA-based incentive payout of \$670,000 per year from 2026 to 2028 was awarded to recognise achievements that have supported the Group's long-term growth. In accordance with the Group's EVA-based incentive framework, this award was funded from Group EVA incentives accrued prior to FY2025, and remains subject to clawback terms.

³ Benefits provided for employees are comparable with local market practices. These include medical, dental, insurances, transport, etc.

⁴ This conditional award is subject to a performance target set over a one-year performance period. If the performance target is attained, the restricted shares comprised in this conditional award will be released according to the stipulated vesting periods. The restricted shares will vest annually over four years, subject to the recipient's continued employment with the Group and maintaining a satisfactory performance rating for the financial year preceding each tranche of vesting.

⁵ A minimum threshold performance over a three-year period is required for any performance shares to be released and the actual number of performance shares to be released is capped at 170% of the conditional award.

⁶ A minimum threshold performance over a six-year period is required for any performance shares to be released and the actual number of performance shares to be released is capped at 170% of the conditional award.

SUMMARY REMUNERATION TABLE FOR KEY MANAGEMENT EXECUTIVES FOR FY2025

The ERCC is of the view that the Key Management Executives (KME) shall comprise members of the EXCO (Vincent Chong, Cedric Foo, Jeffrey Lam, Tan Lee Chew, Mervyn Tan (appointed on 1 June 2025) and Ravinder Singh (retired on 31 May 2025)). Their compensation comprises two components: cash compensation (salary, allowances, cash-based incentives and benefits) and share-based incentives which are conditional upon meeting certain performance targets over a performance period. For more information on the performance shares and restricted shares granted, please refer to the Executive Remuneration Structure section in the Corporate Governance Report from page 86 to 87.

CORPORATE GOVERNANCE REPORT

Cash Remuneration for Key Management Executives

KME	Salary ¹ %	Variable cash-based Incentives ² %	Benefits ³ %	Total Cash Remuneration %
Members of the EXCO (excluding Group President & CEO)	35%	60%	5%	100%

Total Cash Remuneration for KME (S\$): 8,647,678

Share Remuneration for Key Management Executives

Contingent Grant under RSP2020 ⁴ No. of Shares (vesting of 0 – 100% shares over 4 years based on ROCE KPI)	260,957 restricted shares to be granted for FY2025 (Fair value per share: S\$8.01)
Contingent Grant under PSP2020 ⁵ No. of Shares (vesting of 0 – 170% shares after 3 years based on Absolute TSR & EPS KPIs)	286,495 performance shares to be granted for FY2025 (Fair value per share: S\$6.08)
Contingent Grant under PSP2020 ⁶ No. of Shares (vesting of 0 – 170% shares after 6 years based on Absolute TSR, EPS and ESG KPIs)	295,736 performance shares to be granted for FY2025 (Fair value per share: S\$5.89)

¹ Salary includes base salary and employer CPF for FY2025.

² Variable cash-based incentives include Performance Target Bonus & EVA-based incentive declared. In addition, a one-off EVA-based incentive payout totaling \$870,000 per year from 2026 to 2028 was awarded to recognise achievements that have supported the Group's long-term growth. In accordance with the Group's EVA-based incentive framework, this award was funded from Group EVA incentives accrued prior to FY2025, and remains subject to clawback terms.

³ Benefits provided for employees are comparable with local market practices. These include medical, dental, insurances, transport, etc.

⁴ This conditional award is subject to a performance target set over a one-year performance period. If the performance target is attained, the restricted shares comprised in this conditional award will be released according to the stipulated vesting periods. The restricted shares will vest annually over four years, subject to the recipient's continued employment with the Group and maintaining a satisfactory performance rating for the financial year preceding each tranche of vesting.

⁵ A minimum threshold performance over a three-year period is required for any performance shares to be released and the actual number of performance shares to be released is capped at 170% of the conditional award.

⁶ A minimum threshold performance over a six-year period is required for any performance shares to be released and the actual number of performance shares to be released is capped at 170% of the conditional award.

Provision 8.1(b) of the Code provides, inter alia, that the names, amounts and breakdown of remuneration of at least the top five key management personnel (who are not Directors or the chief executive officer) be disclosed in bands no wider than \$250,000. The Board has deliberated this matter carefully and has decided it is in the interests of the Company not to disclose the individual remuneration of the KME (excluding the Group President & CEO), having considered the confidential and commercial sensitivities associated with remuneration matters and the highly competitive conditions for talents in the industry. The Board believes that notwithstanding the deviation from Provision 8.1(b) of the Code, taken as a whole, the remuneration disclosures set out in this Corporate Governance Report are meaningful and sufficiently transparent in giving an understanding of the remuneration of the Company's key management, the Company's remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls (Principle 9)

The Board is responsible for the governance of risk and ensures that Management maintains a sound risk management and internal control system to safeguard the interests of the Company and its shareholders.

The Board has received assurance from the Group President & CEO and the Group CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances.

Risk and Sustainability Committee

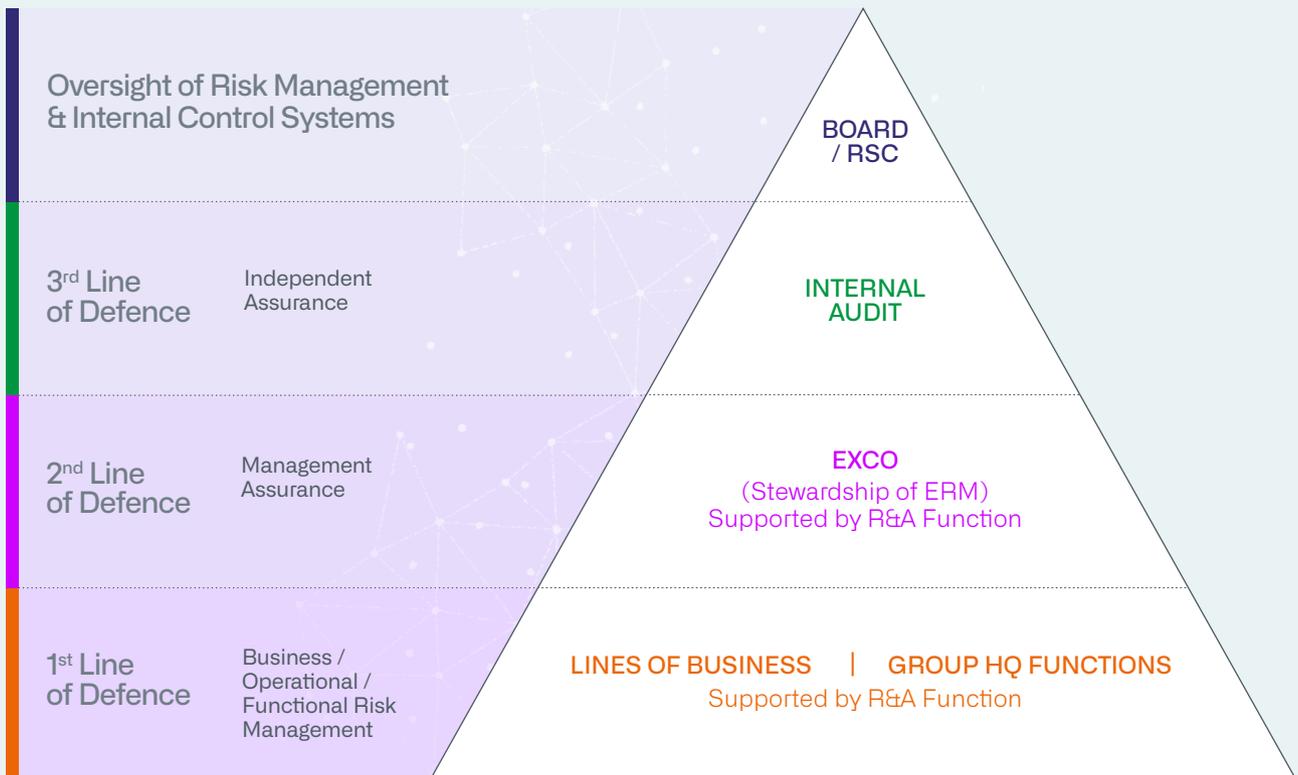
- Song Su-Min (Chairman)
- VADM Aaron Beng Yao Cheng
- Vincent Chong Sy Feng
- Kevin Kwok Khien
- Neo Gim Huay

The Risk and Sustainability Committee (RSC) has been established to assist the Board in its oversight role in ensuring that Management has adequate oversight over the awareness and handling of health and safety, risk and sustainability matters.

For the Board to discharge its duties objectively over risks and internal controls, Management of ST Engineering met with the Board and Board Committees frequently during the year.



RISK GOVERNANCE AND MANAGEMENT



CORPORATE GOVERNANCE REPORT

Under its terms of reference, the RSC performs the following duties and responsibilities:

a) Sustainability Oversight

The RSC oversees the Group’s sustainability matters, including those related to climate change. It provides direction on sustainability strategies (short, medium and long term) and monitors progress on sustainability plans and commitments.

Information on sustainability is reported to the RSC via the Group Strategy and Sustainability Office.

Details on RSC’s governance and oversight of sustainability are in our Sustainability Report.

b) Workplace Safety and Health

Under the Workplace Safety and Health (WSH) Act, the RSC assists the Board in its oversight role in ensuring a safe and healthy workplace. This includes establishing and maintaining effective WSH management systems, allocating sufficient resources and demonstrating due diligence in preventing workplace accidents.

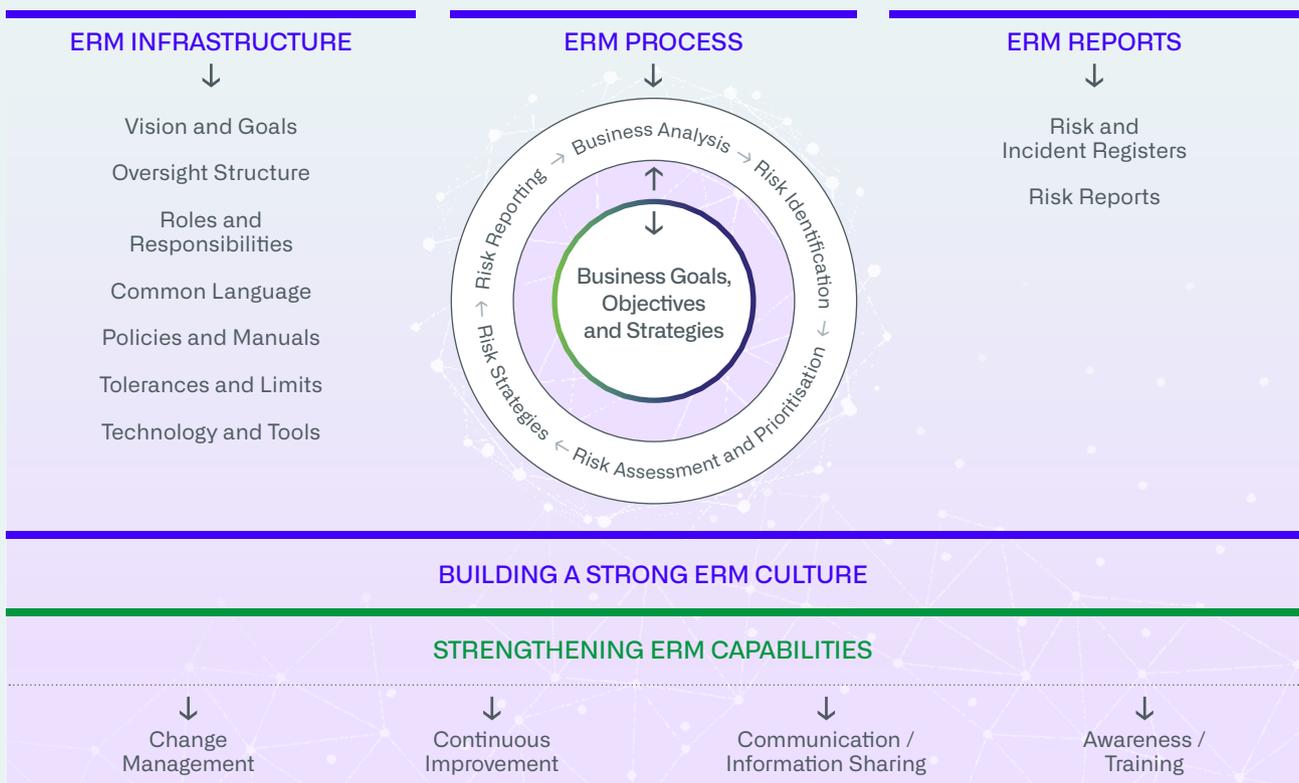
c) Risk Governance

The RSC assists the Board in its risk governance responsibility, overseeing the responsibilities delegated to Management to ensure that there is a sound system of controls in place for identifying and managing risks to safeguard stakeholders’ interests and the Company’s assets and reputation.

ST Engineering adopts the ‘three lines of defence’ model of risk governance and management to define the relationships and roles of different functions and operations across the Group in managing risk:

- The first line of defence refers to various Lines of Business’ operational teams that identify risks and implement controls.
- The second line of defence is led by the EXCO and supported by the Risk and Assurance (R&A) function to establish governance and control mechanisms.
- The third line of defence is represented by Internal Audit (IA), which provides independent assurance to Management and the Board as to whether the systems of risk management and internal controls are adequate and effective.

ENTERPRISE RISK MANAGEMENT FRAMEWORK



Enterprise Risk Management (ERM) Framework

We recognise the importance of a robust risk management framework to safeguard the interests of the Company and its shareholders. We have a comprehensive risk assessment process to identify, assess and mitigate key risks that may impact our businesses. Our risk management process is dynamic and adaptive, with a focus on anticipating and responding to the evolving landscape of challenges faced by our businesses.

Management is actively engaged in reviewing and analysing key and other applicable risks such as ESG (including climate change) and legal risks.

The Group has put in place an ERM framework to identify, assess, monitor, and manage key business risks in the short, medium and long term. The ERM framework sets out a common and consistent understanding of risks and risk tolerance limits across the Group, allowing the Board and Management to cascade the Company's risk management philosophy and overall risk appetite as they establish business strategies and objectives.

To facilitate knowledge sharing across various business areas and continuous improvement of key ERM processes, material risk events and corresponding controls are also captured and updated in a centralised risk repository. This repository supports analysis, risk monitoring and response, and facilitates risk assessments and dashboard reporting. Management feedback loops such as risk escalation protocols, quarterly risk management meetings and risk deep-dives ensure that changes to business priorities, operating environment and external threats are monitored effectively.

a) Risk Appetite Framework

The Risk Appetite Framework defines the risk boundaries in line with our corporate strategy for compliance within the Group. Under this framework, the Board has approved six Group Risk Appetite Statements with respect to our key risks, and in line with the Group's material ESG factors. They serve as a key conduit for aligning the Group's risk profile with the Group's corporate strategy to achieve its business objectives.

Enterprise-wide risk appetite statements are translated into risk tolerances to guide tactical risk-taking at the operational level. Risk tolerance sets the boundaries of acceptable variation in performance in line with the risk appetite for each underlying key risk.



Strategic

We are committed to pursuing sustainable and inclusive growth to enhance our competitive advantage whilst upholding our core values.



ESG

We subscribe to ESG best practices to benefit all stakeholders.



Financial

- We aim to maintain a resilient balance sheet.
- We have a defined governance framework to evaluate and approve all investment and business transactions.



Regulatory Compliance

- We comply with all applicable laws and regulations in the countries where we operate in.
- We adopt a zero tolerance policy towards fraud, bribery and corruption.



Operational

- We are committed to "Safety Before Profits".
- We aim to achieve zero accidents at the workplace.



IT and Cyber

We are committed to protecting our data and systems including those entrusted to us by adopting best practices in cybersecurity.

CORPORATE GOVERNANCE REPORT

RISK APPETITE Fostering Growth & Resilience



The RSC provides oversight to the Group by reviewing the Risk Appetite Framework and risk tolerance which are subject to periodic reviews to take into consideration significant changes in the business environment, ensuring that they continue to support the Group in achieving its strategic objectives.

b) Risk Review Process

Under the ERM framework, our Group's key risks have been established and regularly refreshed to incorporate new and emerging risks. In 2025, risk workshops were conducted with the respective business areas to identify and prioritise their emerging risks. Established action plans and watchpoints for key emerging risks are monitored and communicated regularly to facilitate

informed decision-making. Each Line of Business will update its risk register periodically based on the risk taxonomy, developments on emerging risks and control self-assessment results, ensuring appropriate risk mitigation (comprising preventive, detective and responsive controls) and that the key risks operate within the defined threshold, which is aligned with the Group's business strategies.

Responsibility for implementing newly identified controls and reviewing their effectiveness lies with identified Control Owners and Risk Owners respectively.

A risk heatmap featuring the top business and functional risks is also generated and maintained by each of the Lines of Business, which the R&A function will aggregate into a Group-wide risk heatmap to determine the Group's key risks and overall risk profile. Details on the management of key risks, such as operational risks related to business disruptions and workplace health and safety, can be found on ST Engineering's corporate website under the Key Risks section.



Scan for details or visit <https://www.stengg.com/en/sustainability/framework-and-governance/key-risks/>

Presidents of the business areas and relevant Group HQ functions regularly review the key risks and other applicable risks with the RSC. At the meetings, the risk movements and corresponding risk mitigations are highlighted for discussion, including:

- Emerging trends and issues in each business area and/or Group HQ function;
- New risks or changes to existing risk profile;
- New risk incidents;
- Major risk exposures; and
- Risk mitigations taken on previously identified risks.

The RSC receives regular updates on emerging risks and responses from Management. One such emerging risk was the adoption of AI within the Group to improve its products and productivity. As a result, an AI Governance Framework was adopted in 2025 with guardrails for the safe, ethical and responsible development and use of AI. An AI Governance Committee was also formed to monitor the implementation of the framework and to ensure its efficacy since AI is evolving at a rapid pace.

Other key activities during the year include regulatory compliance reviews, as well as assessment of business disruption risks and their corresponding business continuity plans.

We remain committed to continuously enhance our risk management processes and foster a risk-aware culture across the Group. This commitment to proactive risk management aligns with our dedication to sustainable and responsible business practices, reinforcing our resilience and ability to create long-term value for our shareholders.

c) Control Self-Assessment Process

The Control Self-Assessment (CSA) process plays an essential role in maintaining an adequate and effective internal control system. To promote ownership and accountability for managing risks and embed risk management into business processes, we have formalised the terms of reference for Risk and CSA Champions. The R&A function provides training to equip these Risk and CSA Champions with the required skill sets in the execution of their roles.

d) Risk Communication and Awareness

As part of the annual risk and compliance training programme, key risk and compliance topics covering the ST Engineering Code of Business Conduct and Ethics, Anti-bribery and Corruption, Conflict of Interest, AI Governance & Ethics are shared with staff through e-learning. The RSC is updated regularly on the status of these trainings.



CORPORATE GOVERNANCE REPORT

System of Internal Control and Risk Management

The Board receives, at regular intervals, updates from the Board Committees on the key business risks, the material controls to manage these risks, and the internal audit reports on the operational effectiveness of the material controls. Accordingly, the Board, through the Board Committees and supported by the R&A and Internal Audit functions, is satisfied that internal control issues are identified on a timely basis and remedial actions are taken promptly.

The Board has received assurance from the Group President & CEO and Group CFO on the adequacy and effectiveness of the Company's internal controls and risk management systems. Based on the internal controls and risk management process established and maintained by the Group, the work performed by the internal and external auditors, and reviews performed by Management and various Board Committees, the Board is satisfied that the Group's framework of internal controls (including financial, operational, compliance and information technology controls) as well as the risk management systems are adequate and effective as at 31 December 2025.

The Audit Committee concurs with the Board on the adequacy and effectiveness of the internal controls and risk management systems of the Group. In this regard, the Board also notes that no framework of internal controls can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, fraud or other irregularities.

Audit Committee (Principle 10)

Kevin Kwok Khien (Chairman)
Lien Siaoou-Sze
Song Su-Min

The Audit Committee (AC) comprises all independent Directors with the majority, including the AC Chairman, having relevant accounting or related financial management experience. The AC does not comprise any former partners or directors of ST Engineering's existing external auditing firm within two years preceding their appointment to the AC, and none of them has any financial interests in the auditing firm.

Under its terms of reference, the AC performs the following duties and responsibilities:

- Reviews the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements and all announcements relating to financial performance;
- Reviews the adequacy and effectiveness of internal controls and risk management systems;
- Reviews the assurance from the Group President & CEO and the Group CFO on the financial records and financial statements;
- Makes recommendations to the Board on the appointment, removal, remuneration and the terms of engagement of the external auditor;
- Reviews the adequacy, effectiveness, independence, scope and results of both the external and the internal audit functions;
- Reviews with the internal auditor the scope and results of the internal audits conducted, including the monitoring of Management's responses to ensure appropriate and timely remediation;
- Approves the internal audit plan and reviews the external audit plan;
- Reviews the Whistleblowing Policy and arrangements, and all significant whistleblowing cases;
- Approves the composition and terms of reference of the Whistleblowing Committee. The AC Chairman chairs the Whistleblowing Committee and is supported by the Group CFO, the Group General Counsel, the Group Chief Human Resource Officer, the Group Head, R&A and the Group Head, Internal Audit (Group Head, IA); and
- Reviews all material interested person transactions.

The AC has authority to investigate any matter within its terms of reference and has full cooperation and access to Management. The AC also has full discretion to invite any Director or executive officer to attend its meetings, and to ensure that adequate resources are provided to enable it to discharge its functions.

The Group has an in-house Internal Audit (IA) function led by Group Head, IA, Vanessa Chen. The Group Head, IA reports functionally to the AC Chairman and administratively to the Group President & CEO, ensuring independence and objectivity in audit activities. The IA team, including Group Head, IA, comprises professionals with relevant experience in corporate governance, internal controls, IT security and other relevant disciplines.

Training plans are reviewed annually with regular programmes conducted to enhance technical knowledge and maintain up-to-date skill sets, ensuring continued relevance and competency within the IA function.

The role of IA is to provide independent and objective assurance on the adequacy and effectiveness of the Group's governance, risk management and system of internal controls. IA also undertakes investigations as directed by the Whistleblowing Committee and has unfettered access to all documents, records, properties, and personnel, including direct access to the AC. In addition, IA conducted an independent review of the 2025 Sustainability Report. Recommendations arising from this review were duly considered and incorporated into the report's preparation process.

The AC approves the ST Engineering Internal Audit Charter and assesses at least annually the adequacy of IA's resources, including the headcount, qualifications and skill sets necessary for the function to perform its duties effectively. The AC also reviews and approves decisions relating to the appointment, removal, evaluation and remuneration of the Group Head, IA.

As a corporate member of the Singapore Chapter of the Institute of Internal Auditor (IIA), the IA function adopts the Global Internal Audit Standards and adheres to the IIA Code of Ethics. A programme of continuous improvements and quality assurance reviews is in place to ensure that IA activities conform to the IIA Standards.

IA adopts a risk-based approach in developing its annual internal audit plan, incorporating inputs from senior management and other key stakeholders across the Group. The annual audit plan is developed using a structured framework which assesses the inherent risk and control environment of each auditable unit and is aligned with the Group's key risks. The AC approved the internal audit plan for FY2025.

The AC is satisfied that IA is independent, effective, adequately resourced and has appropriate standing within the Group. In addition, the AC reviewed the adequacy of internal control procedures including cybersecurity matters, interested person transactions and the issues raised in both the external and internal audit reports.

External Auditor

The appointment of external auditor is subject to approval at each AGM. In making its recommendations to shareholders on the appointment and reappointment of external auditor, the Board relies on the review and recommendations of the AC. The AC reviews the adequacy, effectiveness, independence, scope and results of the external audit and makes recommendations to the Board on the appointment, removal, remuneration and the terms of engagement of the external auditor. In this assessment, the AC considers the Audit Quality Indicators Disclosure Framework issued by the Accounting and Corporate Regulatory Authority (ACRA). In compliance with the SGX-ST Listing Manual, an audit engagement partner may only be in charge of an audit for up to five consecutive years. The audit engagement partner for the Group, Mr Lee Chian Yorn, first appointed in FY2025, has met this requirement.

The AC reviews the audit and the non-audit fees paid to the external auditor and was satisfied that the non-audit services provided by the external auditor did not compromise their independence. The Company confirms that it has complied with Rules 712 and 715 of the SGX-ST Listing Manual in relation to the engagement of its auditor.

During the year, the AC held five meetings, including a joint meeting with the RSC to review significant risks of the Company and related key controls. The AC also met with the external auditor, and with the internal auditor, in each case without the presence of Management, during the year.



CORPORATE GOVERNANCE REPORT

The AC reviewed the financial statements of the Group with the external auditor and Management before the announcement of the Group's half-yearly and full-year results. Amongst the matters discussed, the following significant matters having an impact on the financial statements were considered by the AC in relation to their materiality and appropriateness in approach, methodology and assessment:

Significant matters	How the AC reviewed these matters
Impairment assessment of non-financial assets – goodwill	The AC reviewed the reasonableness of cash flow projections, as well as the long-term growth rates used in valuation models for the assessment of goodwill and intangible asset impairment. The AC also reviewed the stress testing of the valuations and their sensitivity to changes in key assumptions used in the valuation models.
Revenue recognition based on stage of completion	The AC reviewed the accounting and reporting processes applied by the Group in the recognition of revenues and profits from contracts with customers to ensure that the estimates used in determining the amount of revenue and costs recognised for the performance obligations were appropriate.

The key audit matters (KAMs) that were raised by the external auditor for the financial year ended 31 December 2025 have been addressed by the AC. The KAMs in the audit report for the financial year ended 31 December 2025 can be found on pages 120 to 121 of this Annual Report. The AC has concluded that the accounting treatment and estimates used by the Group are appropriate for the above significant matters. The AC was kept regularly updated on relevant changes in accounting standards and their implications on the financial statements.

Whistleblowing Policy

The AC has reviewed the ST Engineering Whistleblowing Policy and is satisfied with the procedures through which employees and other stakeholders may, in confidence, raise concerns about possible improprieties in business conduct, financial reporting, or other matters without the fear of reprisals. No form of retaliation to the informant (internal or external) is tolerated for any report made in good faith. As far as practicable, reasonable and appropriate actions, subject to applicable laws, are taken to protect whistleblowers who raise a concern in good faith. Appropriate disciplinary action will be taken against employees found to have retaliated against a whistleblower.

ST Engineering is committed to conducting business with integrity and adopts a zero-tolerance attitude towards any malpractice, impropriety, statutory non-compliance and/or any wrongdoing by Board members, employees, and any other parties with a business relationship with the Group.

The Whistleblowing Committee, with the assistance of the Group Head, IA, reviews and deliberates the concerns reported and determines the corrective and remediation measures, following the appropriate inquiries and investigations (internal or external). The AC reviews the adequacy of these investigations together with their corresponding outcomes. Under the framework, arrangements are in place for the independent investigation of concerns reported and for appropriate follow-up actions to be taken.

The Group's whistleblowing policy facilitates the in-confidence reporting of possible impropriety or noncompliance. Reports may be submitted anonymously and are handled with strict confidentiality. Whistleblowers (with contactable details) are notified upon the conclusion of investigations. The harassment or victimisation of whistleblowers is not tolerated.

All stakeholders, including employees, customers, suppliers, and the general public, can report incidents through various reporting channels that are independently managed.

Whistleblowing Procedure

Employees and other stakeholders may raise their concerns anonymously and write to seek advice on ST Engineering's anti-bribery programme through the various whistleblowing communication channels (i.e. dedicated email account, postal address, 24 geographical telephone numbers and web reporting hosted by an independent external provider).

Any whistleblowing report involving any member of the Board of Directors or the Group Head, IA may be reported directly to the Chairman of the Board and the AC Chairman via a dedicated email address. The reporting channels are published on the Group's website and intranet for accessibility and awareness.

Interested Person and Related Party Transactions

The Group has established policies and procedures for reviewing and approving (i) interested person transactions (IPTs) in accordance with the general mandate from shareholders and (ii) related party transactions (RPTs) in accordance with Group policy, to ensure that such transactions are conducted fairly, on arm's length basis, and will not be prejudicial to the interest of the Group and/or its minority shareholders.

The Group maintains a register of interested persons and related parties to facilitate the identification of IPTs and RPTs.

IA reviews IPTs on a quarterly basis and reports the results to the AC. These reviews assess the accuracy and completeness of disclosures and ensure compliance with the requirements under Chapter 9 of the SGX Listing Manual. RPTs are reviewed by the external auditor as part of the annual audit process.

Where an IPT requires shareholders' approval, the interested person will abstain from voting and the decision will be made by other shareholders.

The general mandate from shareholders is put up for approval at each AGM and stipulates the review procedures to ensure IPTs are undertaken on an arm's length basis and on normal commercial terms consistent with the Group's usual business practices and policies, which are generally no more favourable to the interested persons than those extended to unrelated third parties. IPTs exceeding \$425.9m or \$709.9m in value would require an SGX announcement or shareholders' approval respectively.¹

RPTs of the Group are approved in accordance with approval limits prescribed by the Board. Significant transactions, which exceed thresholds ranging from \$20m to \$500m, depending on transaction type, require the Board's approval.

Details of IPTs and RPTs entered into by the Group for financial year 2025 are set out respectively on pages 258 and 249 of this Annual Report.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings (Principle 11)

The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Shareholders Meeting

ST Engineering's AGM is held in a wholly physical format whereby shareholders conduct a live voting. The Company provides shareholders with a 28-day notice period, allowing ample time to plan for their attendance at the general meetings and to properly consider the items of business on the agenda.

The Annual Report, Notice of AGM and Proxy Form for the AGM were made available via SGXNet and our corporate website. To facilitate shareholder engagement, shareholders were able to submit their questions ahead of the AGM and our responses were published on SGXNet and on our corporate website before the AGM. Shareholders who were unable to attend the AGM had the option to appoint the Chairman or others as their proxy(ies) to vote on their behalf.

The Company addresses the substantial and relevant questions received from shareholders by publishing the answers via SGXNet and our corporate website 48 hours before the deadline to submit the proxy form, allowing shareholders to decide on their votes. To cater to shareholders who do not submit their questions in advance or who have additional questions, we allow time for "live" Q&A with the Board during the meeting. The Chairman and Group President & CEO address all questions asked by shareholders at the meeting.

At the start of each AGM, our Group President & CEO typically delivers a presentation on the Group's performance and strategic developments. This presentation, along with the related materials, is made accessible to shareholders via SGXNet and our corporate website.

The Directors' attendance at the 2025 AGM is disclosed on page 77 in the Corporate Governance Report of this Annual Report.

Shareholders are entitled to attend general meetings and are accorded the opportunity to participate effectively in and vote at general meetings (including through the appointment of up to two proxies, if they are unable to attend in person or in the case of a corporate shareholder, through its appointed representative). The CPF Board and relevant intermediaries (as defined in Section 181 of the Companies Act 1967) may appoint more than two proxies to attend, speak and vote on their behalf.

¹ The Company received SGX-ST's approval to utilise the average of its daily end-of-day market capitalisation for the month of December 2024 as an alternative reference point (in lieu of using the latest audited consolidated net tangible assets of the Group) to determine the materiality of its IPTs under Rules 905 and 906 of the Listing Manual, for the financial year ended 31 December 2025. The average of the Company's daily end-of-day market capitalisation for the month of December 2024 was approximately \$14,197.0m (3% of which is \$425.9m and 5% of which is \$709.9m).

CORPORATE GOVERNANCE REPORT

Shareholders are informed of the rules governing general meetings. We have implemented electronic poll voting for all the resolutions tabled for approval at the general meetings. An independent scrutineer is appointed to conduct the electronic poll voting procedures and review the proxy verification procedures. The voting procedures are briefed to the shareholders by the independent scrutineer at the beginning of general meetings. All resolutions are put to the vote by electronic poll voting.

Generally, all Directors, including the respective Board Committee Chairmen, are present for the entire duration of general meetings together with Management, external auditor and legal advisors to address shareholders' queries. Queries on matters related to the conduct of audit and the preparation and content of the auditor's report may be addressed by the external auditor. The Chairman of the meeting allows specific Directors, such as Board Committee Chairmen, to answer queries on matters related to their roles. The Chairman also facilitates constructive dialogue between shareholders and the Directors, Management, external auditor and legal advisors (where necessary).

On voting, each proposal is put to vote as a separate resolution. We do not "bundle" resolutions unless the issues are interdependent and linked so as to form one significant proposal. If there are resolutions which are interdependent and linked, we will explain the reasons and material implications in the notice of the meeting. Detailed information on each resolution is provided in the explanatory notes to the notice of general meetings to enable shareholders to exercise their votes on an informed basis. For resolutions on the election or re-election of Directors, we provide sufficient information on the background of the Directors, their contributions to ST Engineering, and the Board and Board Committee positions they are expected to hold upon election.

All proxy votes are received by the 72-hour deadline prior to the meeting and are verified by the appointed independent scrutineers. The results of all resolutions are put to vote, showing the number of votes cast for and against each resolution and the respective percentages, are tallied and shown live on-screen to shareholders immediately after the vote has been cast. The results are also announced via SGXNet immediately after the conclusion of the meeting.

The Company Secretaries prepare the minutes of general meetings which are published on our corporate website

and where required, on SGXNet, as soon as practicable after such meetings. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management.

Provision 11.4 of the Code provides for a company's constitution to allow for absentia voting at general meetings of shareholders. Presently, absentia voting (such as by mail, email or fax) is not permitted under the Company's Constitution. The Company does not intend to amend its Constitution to provide for absentia voting until security, integrity and other pertinent issues relating to absentia voting are satisfactorily resolved. Nevertheless, the Company is of the view that notwithstanding its deviation from Provision 11.4 of the Code, shareholders are treated fairly and equitably and have the opportunity to communicate their views on matters affecting the Company. For instance, shareholders may appoint proxies to attend, speak and vote, on their behalf, at general meetings if they are unable to attend.

Dividend Policy

FY2025 Dividend

For FY2025, the Company declared an interim dividend of 4.0 cents per share for each of the first three quarters. The Board has proposed a final dividend of 6.0 cents per share.

In line with the Group's objective of returning value to shareholders, the Board has proposed a special dividend of 5.0 cents per share, as a result of the \$705m in net cash proceeds generated by the completed divestments in 2025.

Both the final dividend and special dividend will be subject to shareholders' approval at the AGM on 23 April 2026. If approved, total dividend for FY2025 will be 23.0 cents per share, comprising total ordinary dividend of 18.0 cents per share and special dividend of 5.0 cents per share.

Notwithstanding these dividend payments, the Group remains financially strong to re-invest to pursue growth and pay down debt, supported by solid business fundamentals and strong credit ratings.

New Dividend Policy – Effective for FY2026 and onwards

The Company is targeting further growth in revenue, operating cash flow and net profit with an objective to improve TSR. It intends to re-invest for growth while rewarding shareholders with dividends as described on the following page.

Barring unforeseen circumstances, as the Company achieves progressively higher full-year net profit, it will pay out about one-third of its year-on-year increase in net profit as incremental dividends. The Company will pay dividends on a quarterly basis.

Clarification of Dividend Policy Application for FY2026

The total dividend for FY2026 shall comprise (i) 18.0 cents per share (FY2025 total ordinary dividend), and (ii) one-third of the year-on-year incremental net profit per share, measured against the FY2025 BOP Net Profit of \$850.8m as the base.

The computation of the year-on-year incremental net profit shall exclude one-off effects of major divestments and impairments.

Such an approach aligns with sustainable operating performance and avoids fluctuations in ordinary dividends resulting from non-operating, one-off effects of major divestments and impairments.

Engagement with Shareholders (Principle 12)

ST Engineering practises regular, fair and effective communications with its shareholders. The Company ensures that all communication of material information, including price-sensitive and trade-sensitive information, are timely, balanced and fair and in compliance with the SGX-ST Listing Manual and the Code.

The Investor Relations (IR) department serves as a vital link between the Company and the investment community. Supporting the Group President & CEO and Group CFO, the IR team fosters close and active engagement with shareholders, investors and financial analysts. Through a comprehensive multi-channel communication programme, the IR team ensures stakeholders receive clear, balanced, and insightful updates on the Company's performance, strategic position, and future prospects.

Targeted events such as Investor Day, investor conferences, road shows, group briefings and one-on-one meetings offer opportunities for Senior Management to interact first-hand with shareholders and the investment community to understand their views, gather feedback and address concerns. Similarly, the AGM serves as a dedicated platform for retail shareholders to engage directly with Senior Management and Directors.

Material information relating to the Company's financial performance, business and strategic developments are published on SGXNet, and/or on our corporate website at www.stengg.com.

A dedicated "Investor Relations" section on our website houses current and past annual reports, half-yearly financial reports and webcasts, quarterly market updates, as well as information on AGM and other information considered to be of interest to shareholders and the investment community. ST Engineering's Annual Report is available on our corporate website within 120 days from the end of the Group's financial year-end. A printed copy of the latest Annual Report can be ordered at no cost upon request via email at ir@stengg.com.

ST Engineering publishes half-yearly and full-year financial reports comprising detailed financial statements and management commentaries on the financial and business performance of the Group within 45 and 60 days from the end of each respective financial period. Release dates of half-yearly financial reports are disclosed four weeks prior to the announcement date via SGXNet.

Briefings to present the half-yearly and full-year financial results are held for the media and sell-side analysts upon release. Shareholders can also participate by listening in to these briefings. Registration links to live webcasts are posted on SGXNet and our corporate website, and audio playback is made available on our website after the event. In addition, we augment our half-yearly briefings with 1Q and 3Q Market Updates for sell-side analysts. All relevant press statements, presentation materials and financial statements are published on SGXNet and our corporate website before or after trading hours, ensuring timely and comprehensive access to information.

In addition to the investment community, the IR team engages ESG research and rating agencies to communicate the Company's sustainability framework, approach and goals. Relevant functions or departments such as Sustainability, Human Resource and Risk & Assurance may also participate in these engagements.

The Company's Investor Relations Policy, available in the "Investor Relations" section on our website, sets out general communication principles and mechanisms of shareholder engagement.

Contact details of the IR team are available on the corporate website. We value opportunities to engage with our shareholders and investors, who can contact the IR team via email. The IR team endeavours to respond to shareholders' queries in accordance with our disclosure policy while ensuring that no selective disclosure is made of any material information of the Group.

CORPORATE GOVERNANCE REPORT

We welcome the investment community to subscribe to news alerts or follow our social media channels to stay updated on our business developments and happenings.

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders (Principle 13)

The Company engages its material stakeholders, including customers, employees, local communities, suppliers and partners, shareholders and investors, regulators and governments. Details can be found in the Sustainability Report on pages 12 and 13 and on our corporate website at www.stengg.com.

Dealings in Securities

The Company has in place a policy which prohibits our Directors and officers of the Company and the Group from dealing in ST Engineering's securities for one month before the announcement of the half-yearly and full-year financial results as well as two weeks before the announcement of the 1Q and 3Q voluntary Market Updates (the black-out period). They are informed of the commencement date for each black-out period and are regularly reminded not to deal in ST Engineering's securities at all times if they are privy to any unpublished material price-sensitive or trade-sensitive information.

They are also advised to observe the insider trading laws at all times even when engaging in dealings in ST Engineering's securities within the permitted window periods, and not to deal in ST Engineering's securities on short-term considerations.

The Company will not purchase or acquire its securities during the black-out period and at any time after a price-sensitive or trade-sensitive development has occurred or has been the subject of a decision until the price-sensitive or trade-sensitive information has been publicly announced.

Directors are required to comply with the disclosure obligations under the Securities and Futures Act 2001 to notify the Company of any interests or changes in interests in ST Engineering's securities or of any of its related corporations within two business days after they acquire or dispose such interests or after they become aware of the changes. Upon receipt of the notification of interests and change in interests in ST Engineering's securities from the Director, the Company will notify the SGXNet by the end of the next business day following such notification. In any event, the Directors who are currently our shareholders hold an insignificant number of shares in ST Engineering.

CODE OF BUSINESS CONDUCT & ETHICS

ST Engineering's Code of Business Conduct and Ethics (Code) is developed based on the Group's Core Values – Integrity, Value Creation, Courage, Commitment and Compassion. The Code forms the foundation of the Group's commitment to ethical business conduct and regulatory compliance.

Read more about our Code and how it relates to the Group's commitment to ethical business conduct and regulatory compliance in our Sustainability Report

ANTI-BRIBERY & CORRUPTION

The Group has zero tolerance for fraud and corruption, reinforced by our detailed policies and compliance procedures related to anti-bribery and corruption. The Group has dedicated policies on topics such as whistleblowing, corruption, conflicts of interest, gifts and hospitality and the appointment of intermediaries.

Read more about our approach to anti-bribery and corruption and how it relates to the Group's commitment to ethical business and regulatory compliance in our Sustainability Report

EXPORT CONTROL

ST Engineering's Export Control Policy aims to ensure that all the Group's exports are kept out of the hands of unauthorised users and are not used for unauthorised purposes. The Group complies with all applicable export control regimes governing the export of Controlled Items in the jurisdictions where the Group operates. This commitment extends to transactions undertaken by any party operating on behalf of the Group.

Read more about our approach to export control and how it relates to the Group's commitment to ethical business and regulatory compliance in our Sustainability Report

CYBERSECURITY & DATA PROTECTION

ST Engineering understands the need for strong cybersecurity and data protection as digital technology permeates economies and businesses. We adopt a holistic approach in managing cybersecurity and data protection risks. We do this by keeping abreast of the threat landscape and business environment, as well as implementing a multi-layered security framework to ensure that there are relevant preventive, detective and recovery measures in place.

Read more about our approach to cybersecurity and data protection in our Sustainability Report

FINANCIAL REPORT

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DIRECTORS' STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2025
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

We are pleased to submit this annual report to the members of the Company together with the audited financial statements of the Group for the financial year ended 31 December 2025 and the statement of financial position of the Company as at 31 December 2025.

In our opinion:

- (a) the consolidated financial statements of the Group and the statement of financial position of the Company set out on pages 125 to 255 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The Directors of the Company in office at the date of this statement are as follows:

Teo Ming Kian	(Chairman)
Vincent Chong Sy Feng	
VADM Aaron Beng Yao Cheng	
Kevin Kwok Khien	
Philip Lee Sooi Chuen	
Lien Siaou-Sze	
Lim Chin Hu	
Neo Gim Huay	
Ng Bee Bee (May)	
Ong Su Kiat Melvyn	
Song Su-Min	
Tan Peng Yam	
COL Chong Shi Hao	(Alternate Director to VADM Aaron Beng Yao Cheng)

Arrangements to enable Directors to acquire shares or debentures

Except for the Singapore Technologies Engineering Performance Share Plan 2020 (PSP2020) and the Singapore Technologies Engineering Restricted Share Plan 2020 (RSP2020) (collectively, the ST Engineering Share Plans), neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2025
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

Directors' Interests

Except as disclosed in this statement, no Director who held office at the end of the financial year had interests in shares, debentures, warrants, share options or awards of the Company or of related corporations either at the beginning of the financial year or date of appointment if later, or at the end of the financial year.

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act 1967, particulars of interests of Directors who held office at the end of the financial year in shares, debentures, warrants, share options and awards in the Company and its related corporations were as follows:

	Holdings in the name of the Director, spouse or infant children	
	1 January 2025	31 December 2025
The Company		
Ordinary Shares		
Teo Ming Kian	72,200	102,700
Vincent Chong Sy Feng	4,479,780 ^{#1}	5,686,435 ^{#1}
Kevin Kwok Khien	202,800	211,100
Philip Lee Sooi Chuen	–	3,900
Lien Siaou-Sze	–	1,800
Lim Chin Hu	154,600 ^{#1}	163,300 ^{#1}
Neo Gim Huay	–	4,600
Ng Bee Bee (May)	35,300	41,000
Song Su-Min	70,700	77,600
Tan Peng Yam	36,311	41,811
Conditional Award of Shares under PSP2020 to be delivered after 2024		
Vincent Chong Sy Feng (579,987 shares)	0 to 985,978 ^{#1}	— ^{#2}
Conditional Award of Shares under PSP2020 to be delivered after 2025		
Vincent Chong Sy Feng (487,839 shares)	0 to 829,326 ^{#1}	0 to 829,326 ^{#1}

DIRECTORS' STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2025
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

Directors' Interests (continued)

	Holdings in the name of the Director, spouse or infant children	
	1 January 2025	31 December 2025
The Company		
Conditional Award of Shares under PSP2020 to be delivered after 2026		
Vincent Chong Sy Feng (520,865 shares)	0 to 885,471 ^{#1}	0 to 885,471 ^{#1}
Conditional Award of Shares under PSP2020 to be delivered after 2027		
Vincent Chong Sy Feng (472,635 shares)	–	0 to 803,480 ^{#1}
Conditional Award of Shares under PSP2020 to be delivered after 2030		
Vincent Chong Sy Feng (71,429 shares)	–	0 to 121,429 ^{#3}
Unvested restricted shares under RSP2020 to be delivered after 2021		
Vincent Chong Sy Feng (174,311 shares)	43,580 ^{#4}	–
Unvested restricted shares under RSP2020 to be delivered after 2022		
Vincent Chong Sy Feng (218,925 shares)	109,463 ^{#4}	54,732 ^{#4}
Unvested restricted shares under RSP2020 to be delivered after 2023		
Vincent Chong Sy Feng (247,689 shares)	185,767 ^{#4}	123,845 ^{#4}
Conditional Award of restricted shares under RSP2020 to be delivered after 2024		
Vincent Chong Sy Feng	241,777 ^{#5}	–
Unvested restricted shares under RSP2020 to be delivered after 2024		
Vincent Chong Sy Feng (241,777 shares)	–	181,333 ^{#4}
Conditional Award of restricted shares under RSP2020 to be delivered after 2025		
Vincent Chong Sy Feng	–	234,831 ^{#6}

DIRECTORS' STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2025
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

Directors' Interests (continued)

	Holdings in the name of the Director, spouse or infant children	
	1 January 2025	31 December 2025
Related Corporations		
Altrium Private Equity Fund I GP Limited Limited Partner Interests in the Altrium PE Fund I F&F L.P. fund for a commitment amount		
Teo Ming Kian	US\$300,000	US\$300,000
Altrium Private Equity Fund II GP Limited Limited Partner Interests in the Altrium PE Fund II F&F L.P. fund for a commitment amount		
Teo Ming Kian	US\$300,000	US\$300,000
Astrea 8 Pte. Ltd. US\$200 million 6.35% Class A-2 Secured Fixed Rate Bonds due 2039		
Lim Chin Hu	110,000* ¹	110,000* ¹
Astrea 9 Pte. Ltd. \$615 million 3.4% Class A-1 Secured Fixed Rate Bonds due 2040		
Lim Chin Hu	–	50,000* ¹
CapitaLand Ascendas REIT Management Limited Unit holdings in CapitaLand Ascendas REIT		
VADM Aaron Beng Yao Cheng	13,000	15,000
Kevin Kwok Khien	300,000	300,000
Philip Lee Sooi Chuen	160,080	160,080
Lim Chin Hu	66,755* ¹	117,755* ¹
Tan Peng Yam	4,000	4,000

DIRECTORS' STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2025
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

Directors' Interests (continued)

	Holdings in the name of the Director, spouse or infant children	
	1 January 2025	31 December 2025
Related Corporations		
CapitaLand Ascott Trust Management Limited		
<i>Stapled securities in CapitaLand Ascott Trust</i>		
Teo Ming Kian	1,399	1,399
VADM Aaron Beng Yao Cheng	57	57
<i>CapitaLand Ascott Trust Perpetual Bond</i>		
Teo Ming Kian	\$250,000	–
CapitaLand Integrated Commercial Trust Management Limited		
<i>Unit holdings in CapitaLand Integrated Commercial Trust</i>		
Teo Ming Kian	43,186	43,403
VADM Aaron Beng Yao Cheng	154	154
Philip Lee Sooi Chuen	75,600	75,600
Tan Peng Yam	51,917	51,917
CapitaLand Investment Limited		
<i>Ordinary Shares</i>		
Teo Ming Kian	7,000	7,000
VADM Aaron Beng Yao Cheng	1,000	1,000
Kevin Kwok Khien	80,000	180,000
Tan Peng Yam	10,000	10,000
Mapletree Industrial Trust Management Ltd.		
<i>Unit holdings in Mapletree Industrial Trust</i>		
Lim Chin Hu	46,621* ¹	48,921* ¹
COL Chong Shi Hao	2,000	2,000

DIRECTORS' STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2025
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

Directors' Interests (continued)

	Holdings in the name of the Director, spouse or infant children	
	1 January 2025	31 December 2025
Related Corporations		
Mapletree Logistics Trust Management Ltd.		
Unit holdings in Mapletree Logistics Trust		
Philip Lee Sooi Chuen	285,175	285,175
Lim Chin Hu	98,298* ¹	138,298* ¹
Tan Peng Yam	1,000	1,000
Mapletree Logistics Trust 3.725% Perpetual Bond, Call date 2 Nov 2026		
Teo Ming Kian	\$250,000	\$250,000
Mapletree Real Estate Advisors Pte. Ltd.		
Unit holdings in Mapletree Global Student Accommodation Private Trust (MGSA) – Class A units @ USD85		
Kevin Kwok Khien	2,000	2,000
Unit holdings in MGSA – Class B units @ GBP57		
Kevin Kwok Khien	2,000	2,000
Unit holdings in Mapletree US & EU Logistics Private Trust (MUSEL) – Great Cities Logistics (US) Trust units @ USD1,000		
Kevin Kwok Khien	300	300
Unit holdings in MUSEL – Great Cities Logistics (Europe) Trust units @ EUR305		
Kevin Kwok Khien	300	300

DIRECTORS' STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2025
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

Directors' Interests (continued)

	Holdings in the name of the Director, spouse or infant children	
	1 January 2025	31 December 2025
Related Corporations		
Mapletree Real Estate Advisors Pte. Ltd.		
Unit holdings in Mapletree US Income Commercial Trust (MUSIC) – units @ USD552		
Kevin Kwok Khien	US\$414,000	US\$414,000
Lim Chin Hu	US\$250,000*1	US\$250,000*1
Mapletree Treasury Services Limited		
\$700 million 3.95% Subordinated Perpetual Securities issued in 2017		
Teo Ming Kian	\$250,000	\$250,000
MPACT Management Ltd		
Unit holdings in Mapletree Pan Asia Commercial Trust		
Philip Lee Sooi Chuen	110,000	110,000
Lim Chin Hu	140,000*1	225,000*1
Tan Peng Yam	2,000	2,000
Olam Group Limited		
Ordinary Shares		
Teo Ming Kian	12,000	12,000
SIA Engineering Company Limited		
Ordinary Shares		
VADM Aaron Beng Yao Cheng	10,000	10,000

DIRECTORS' STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2025
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

Directors' Interests (continued)

	Holdings in the name of the Director, spouse or infant children	
	1 January 2025	31 December 2025
Related Corporations		
Singapore Airlines Limited		
Ordinary Shares		
Teo Ming Kian	24,000	24,000
VADM Aaron Beng Yao Cheng	4,000	4,000
COL Chong Shi Hao	400	400
<i>\$700 million 3.035% Notes due 2025</i>		
Teo Ming Kian	\$250,000	–
Singapore Technologies Telemedia Pte Ltd		
<i>\$500 million 4.2% Subordinated Perpetual Securities</i>		
Teo Ming Kian	\$250,000	\$250,000
<i>5.500% Perpetual Bond</i>		
Lim Chin Hu	\$250,000 ¹	\$250,000 ¹
Singapore Telecommunications Limited		
Ordinary Shares		
Teo Ming Kian	380	380
Kevin Kwok Khien	131,000	31,000
Philip Lee Sooi Chuen	560	560
Lim Chin Hu	38,000 ^{*1}	58,000 ^{*1}
Song Su-Min	190	190
Tan Peng Yam	40,380	40,380
StarHub Ltd		
Ordinary Shares		
VADM Aaron Beng Yao Cheng	660	660
Tan Peng Yam	10,000	10,000

DIRECTORS' STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2025
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

Directors' Interests (continued)

	Holdings in the name of the Director, spouse or infant children	
	1 January 2025	31 December 2025
Related Corporations		
Temasek Financial (IV) Private Limited \$500 million 1.8% Guaranteed Notes due 2026		
Neo Gim Huay	\$50,000	\$50,000
The LifeSciences Innovation Fund Pte. Ltd. Preference Shares		
Teo Ming Kian	1,000	1,000
Vertex Master Fund II (GP) Pte. Ltd. Limited Partner Interests in VMII Affiliates Fund LP for a commitment amount		
Teo Ming Kian	US\$200,000	US\$200,000
Vertex Venture Holdings Ltd \$250,000 denomination VVH Ltd 7-years 3.3% Bonds due 28 Jul 2028		
Teo Ming Kian	\$500,000	\$500,000

^{†1} Includes interest held in trust by a trustee company/nominee bank on behalf of the Director.

^{#1} A minimum threshold performance over a 3-year period is required for any performance shares to be released and the actual number of performance shares to be released is capped at 170% of the conditional award.

^{#2} For this period, Vincent Chong Sy Feng was vested 985,978 shares upon achievement of targets set for the conditional award covering the 2022 to 2024 performance period.

^{#3} A minimum threshold performance over a 6-year period is required for any performance shares to be released and the actual number of performance shares to be released is capped at 170% of the conditional award.

^{#4} Balance of unvested restricted shares to be released according to the stipulated vesting periods.

^{#5} This conditional award is subject to a performance target set over a one-year performance period from 1 January 2024 to 31 December 2024. If the performance target is attained, the restricted shares comprised in this conditional award will be released according to the stipulated vesting periods. The restricted shares will vest annually over four years, subject to the recipient's continued employment with the Group and maintaining a satisfactory performance rating for the financial year preceding each tranche of vesting.

^{#6} This conditional award is subject to a performance target set over a one-year performance period from 1 January 2025 to 31 December 2025. If the performance target is attained, the restricted shares comprised in this conditional award will be released according to the stipulated vesting periods. The restricted shares will vest annually over four years, subject to the recipient's continued employment with the Group and maintaining a satisfactory performance rating for the financial year preceding each tranche of vesting.

There was no change in any of above-mentioned Directors' interest in the Company between the end of the financial year and 21 January 2026.

DIRECTORS' STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2025
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

Share Plans

The Executive Resource and Compensation Committee (ERCC) is responsible for administering the ST Engineering Share Plans.

The ERCC members are Teo Ming Kian (Chairman), Philip Lee Sooi Chuen, Lim Chin Hu and Ng Bee Bee (May).

As of 31 December 2025, pursuant to the release of awards granted under the ST Engineering Share Plans, no participants have received 5% or more of the total number of shares available under the ST Engineering Share Plans.

In relation to the ST Engineering Share Plans:

- no share awards have been granted to controlling shareholders of the Company or their associates;
- the persons to whom the share awards were granted have no right by virtue of these awards to participate in any share issue of any other company;
- the disclosure requirements in Rule 852(1)(c) of the SGX-ST Listing Manual relating to the grant of options to Directors and employees of the parent company and its subsidiaries is not applicable; and
- the disclosure requirements in Rule 852(1)(d) of the SGX-ST Listing Manual relating to the grant of options at a discount is not applicable.

Except as otherwise disclosed in this Directors' Statement, there were no share options or share awards granted by the Company to any person to take up unissued shares of the Company.

(a) **PSP2020 (PSP)**

The PSP is established with the objective of motivating Senior Management Executives to strive for sustained long-term growth and performance of the Group. Awards of performance shares are granted conditional on performance targets set based on the corporate objectives of the Group.

Performance share awards are generally granted on an annual basis and are conditional on targets set over a performance period, which is currently prescribed at 3 or 6 years.

The performance shares will only be released to the recipient at the end of the applicable performance period. The actual number of performance shares released will depend on the achievement of set targets over the performance period. A minimum threshold performance is required for any performance shares to be released and the actual number of performance shares to be released is capped at 170% of the conditional award.

The performance measures used in performance share grants are Absolute Total Shareholder Return (TSR) taking reference to the Group's Cost of Equity, Earnings Per Share (EPS) Growth against pre-determined EPS Growth targets and Environmental, Social & Governance (ESG) metrics over the relevant performance period. The release of the shares is additionally conditional upon satisfactory individual performance.

DIRECTORS' STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2025
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

Share Plans (continued)

(a) **PSP2020 (PSP)** (continued)

Details of the awards granted under the PSP are as follows:

Participant	Conditional awards granted during the financial year under review	Awards released during the financial year under review*	Aggregate conditional awards granted since commencement to end of financial year under review	Aggregate awards released since commencement to end of financial year under review	Aggregate conditional awards not released as at end of financial year under review
PSP2020					
Director of the Company					
Vincent Chong Sy Feng	0 to 924,909	985,978	0 to 4,327,403	1,485,438	0 to 2,639,706
Group Executives (including Vincent Chong Sy Feng)					
	0 to 4,691,731	4,149,433	0 to 20,707,982	5,985,055	0 to 13,425,232

* All PSP2020 awards released to participants during the financial year under review were satisfied by way of the transfer of treasury shares to participants.

(b) **RSP2020 (RSP)**

The RSP is established with the objective of retaining and motivating managers and above to strive for sustained long-term growth of the Group. The plans also aim to foster a share ownership culture among employees within the Group and to better align employees' incentives with shareholders' interests. The RSP also allows for restricted share awards to be granted to non-executive Directors ("NED Awards") as part of their remuneration in respect of their office as such in lieu of cash. Such awards are meant to align the interests of the Directors with those of shareholders.

Restricted share awards are generally granted on an annual basis. Save for NED Awards, restricted share awards are generally conditional on the Group meeting a target set for a one-year performance period. The performance measure used in such restricted share grants is Return on Capital Employed (ROCE). Under such awards, a minimum threshold performance is required for any shares to be released after the end of the applicable performance period. The shares will vest equally over a four-year period, subject to continued employment with the Group and maintaining a satisfactory performance rating for the financial year preceding each tranche of vesting.

NED Awards consisting of fully paid shares are granted to non-executive Directors (other than those who hold public sector appointments and who will not be eligible for the shares component of the non-executive Directors' remuneration) with no performance and vesting conditions but with a requirement for the Directors to hold the shares for certain moratorium periods. These shares will form up to 30% of their total Directors' remuneration with the remaining 70% payable in cash.

DIRECTORS' STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2025
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

Share Plans (continued)

(b) **RSP2020 (RSP)** (continued)

Details of the awards granted under the RSP are as follows:

Participant	Awards granted during the financial year under review	Awards released during the financial year under review*	Aggregate awards granted since commencement to end of financial year under review	Aggregate awards released since commencement to end of financial year under review	Aggregate awards not released as at end of financial year under review
RSP2020					
Directors of the Company					
Teo Ming Kian	30,500	30,500	102,700	102,700	–
Vincent Chong Sy Feng	234,831	220,677	1,117,533	522,792	594,741
Kevin Kwok Khien	8,300	8,300	41,100	41,100	–
Philip Lee Sooi Chuen	3,900	3,900	3,900	3,900	–
Lien Siaou-Sze	1,800	1,800	1,800	1,800	–
Lim Chin Hu	8,700	8,700	88,900	88,900	–
Neo Gim Huay	4,600	4,600	4,600	4,600	–
Ng Bee Bee (May)	5,700	5,700	41,000	41,000	–
Song Su-Min	6,900	6,900	75,600	75,600	–
Tan Peng Yam	5,500	5,500	32,800	32,800	–
Non-Executive Directors of the Company	75,900	75,900	755,300	755,300	–
Group Executives (including Vincent Chong Sy Feng)	8,100,989	6,549,206	38,169,717	16,909,774	18,769,028

* All RSP2020 awards released to participants during the financial year under review were satisfied by way of the transfer of treasury shares to participants.

DIRECTORS' STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2025
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

Audit Committee

The Audit Committee comprises three independent Directors, one of whom is also the Chairman of the Committee. The members of the Audit Committee at the date of this report are as follows:

Kevin Kwok Khien (Chairman)
Lien Siaou-Sze
Song Su-Min

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967, the SGX-ST Listing Manual and the Code of Corporate Governance.

The Audit Committee met during the year to review the scope of the internal audit function and the scope of work of the external auditors, and the results arising therefrom, including their evaluation of the system of internal controls. The Audit Committee also reviewed the assistance given by the Company's officers to the auditors. The consolidated financial statements of the Group and the financial statements of the Company were reviewed by the Audit Committee prior to their submission to the Directors of the Company for adoption.

In addition, the Audit Committee has reviewed the requirements for approval and disclosure of interested person transactions, reviewed the procedures set up by the Group and the Company to identify, report and where necessary, seek approval for interested person transactions and, with the assistance of the internal auditors, reviewed interested person transactions.

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee has recommended to the Board of Directors that PricewaterhouseCoopers LLP, be nominated for re-appointment as the external auditors at the forthcoming Annual General Meeting of the Company.

The Company has complied with Rules 712 and 715 of the SGX-ST Listing Manual in relation to the engagement of its external auditors.

Auditors

The independent auditor, PricewaterhouseCoopers LLP, have expressed its willingness to accept re-appointment.

On behalf of the Board of Directors



Teo Ming Kian
Director



Vincent Chong Sy Feng
Director

Singapore
26 February 2026

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
SINGAPORE TECHNOLOGIES ENGINEERING LTD

Report On The Audit Of The Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of Singapore Technologies Engineering Ltd (“the Company”) and its subsidiaries (“the Group”) and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (“the Act”) and Singapore Financial Reporting Standards (International) (“SFRS(I)s”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

What we have audited

The financial statements of the Group and the Company comprise:

- the consolidated income statement of the Group for the year ended 31 December 2025;
- the consolidated statement of comprehensive income of the Group for the year then ended;
- the consolidated statement of financial position of the Group as at 31 December 2025;
- the consolidated statement of changes in equity of the Group for the year then ended;
- the consolidated statement of cash flows of the Group for the year then ended;
- the notes to the consolidated financial statements, including material accounting policy information;
- the statement of financial position of the Company as at 31 December 2025; and
- the notes to the statement of financial position of the Company, including material accounting policy information.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
SINGAPORE TECHNOLOGIES ENGINEERING LTD

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the year ended 31 December 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Impairment assessment of non-financial assets – goodwill</p> <p>Refer to Note C3 to the financial statements.</p> <p>As at 31 December 2025, the carrying value of the Group's goodwill amounted to \$2,477,501,000.</p> <p>Goodwill is allocated to the Group's cash generating units ("CGU") - Aerostructure & Systems, Aerospace MRO, Smart Utilities & Infrastructure, Mobility (Rail & Road), Satcom, Specialty Vehicles, Robotics & Autonomous Systems, Mission Software & Services, Training & Simulation Systems, Advanced Networks & Sensors, Cyber and Defence Aerospace. There is a risk of impairment of certain CGUs in the United States which are operating in a challenging business environment.</p> <p>In accordance with SFRS(I) 1-36, management is required to perform an impairment assessment of goodwill annually by comparing the recoverable amount of the CGU with its carrying amount to determine whether there is any impairment loss.</p> <p>For the purpose of impairment testing, the recoverable amount of the CGU is determined based on the value-in-use calculations, using cash flow projections.</p> <p>During the current year, impairment charge of \$415,782,000 was recorded to reduce the carrying amount of the goodwill allocated to Satcom CGU in the United States. The impairment was attributed to (i) a fast-evolving and weakening operating environment, (ii) customer adoption of iDirect group's next-generation platform taking longer than expected, (iii) continued revenue and EBITDA decline, and (iv) deteriorating near-term business outlook.</p> <p>We focused on this area because of the significant judgements required in estimating the revenue growth rate, gross profit margins, discount rate and terminal growth rate applied in computing the recoverable amount of the CGU.</p>	<p>We have assessed the appropriateness of management's identification of CGU and critically assessed the key assumptions used in the goodwill impairment assessment.</p> <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • evaluated management's key assumptions relating to revenue growth rates, gross profit margins, discount rates and terminal growth rates and understood how management has considered the impact of the market uncertainty in their estimates. • reviewed the basis and methodology used to derive the recoverable amount of the CGU. • assessed the appropriateness of management's assumptions by comparing to past historical performance and considering current developments. • performed sensitivity analysis on management's assumptions relating to revenue growth rates, gross profit margins, discount rates and terminal growth rates. • involved our valuation experts to evaluate the appropriateness of management's assumptions, relating to terminal growth rates and discount rates, by developing an independent expectation using economic and industry forecasts and rates of comparable companies with consideration for specific jurisdiction factors. • considered the adequacy of the disclosures in the financial statements. <p>Based on the audit procedures performed above, we found management's judgement and assumptions in relation to the determination of the recoverable amount and impairment charge to be appropriate, and the disclosure in this respect to be adequate.</p>

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
SINGAPORE TECHNOLOGIES ENGINEERING LTD

Our Audit Approach (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Revenue recognition based on stage of completion</p> <p>Refer to Note B2 to the financial statements.</p> <p>During the year ended 31 December 2025, the Group recognised revenue of \$12,346,426,000 relating to sale of goods, service income and contract revenue. Some of these revenue are recognised based on the stage of completion of performance obligations of each individual contract, which are measured by reference to either assessment or surveys of work performed (output method) or the cost incurred relative to total estimated costs (input method).</p> <p>We focused on this area because of the significant management's judgement required in:</p> <ul style="list-style-type: none"> determining each performance obligation within a contract; forecasting the costs to be incurred; forecasting the overall margins of these performance obligations; and assessing the stage of completion of each performance obligation. 	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> understood the end-to-end processes and validated key controls relating to revenue and receivables cycle. assessed the relevant internal control relating to customer contract acceptance and terms, change orders, monitoring of project development, cost incurred and estimating cost to complete. assessed the terms of the customer contracts and the appropriateness of the revenue recognition policies. assessed the contractual terms and evaluated the work status of the customer contracts and to ascertain the appropriateness of revenue recognised based on the stage of completion of each performance obligation. selected sample of contracts and assessed management's assumptions for determining stage of completion including estimated profit and cost to complete through interviews with management and verification to supporting documents. performed analysis and retrospective reviews of completed contracts to assess the appropriateness of management's assumptions applied. <p>Based on the audit procedures performed above, we found the basis of the identification of performance obligations and the revenue recognised based on the stage of completion of each performance obligation to be appropriate.</p>

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the annual report ("the Other Sections"), which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
SINGAPORE TECHNOLOGIES ENGINEERING LTD

Other Information (continued)

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and take appropriate actions in accordance with SSAs.

Responsibilities Of Management And Directors For The Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

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 SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
SINGAPORE TECHNOLOGIES ENGINEERING LTD

Auditor's Responsibilities For The Audit Of The Financial Statements (continued)

- 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 the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report On Other Legal And Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lee Chian Yorn.



PricewaterhouseCoopers LLP

Public Accountants and Chartered Accountants
Singapore, 26 February 2026

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CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2025
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

Group	Note	2025 \$'000	2024 \$'000
Revenue	B2	12,346,426	11,275,659
Cost of sales		(10,187,924)	(9,101,384)
Gross profit		2,158,502	2,174,275
Distribution and selling expenses		(208,852)	(206,606)
Administrative expenses		(878,440)	(797,380)
Other operating expenses		(653,717)	(192,783)
Other income, net	B4	425,623	28,034
Profit from operations	B3	843,116	1,005,540
Non-operating income/(expense), net		249	(59)
Share of results of associates and joint ventures, net of tax		61,595	70,986
Earnings before interest and tax		904,960	1,076,467
Finance income		22,009	37,862
Finance costs		(225,997)	(251,644)
Finance costs, net	E2	(203,988)	(213,782)
Profit before taxation		700,972	862,685
Taxation	B6	(205,186)	(133,480)
Profit after taxation		495,786	729,205
Attributable to:			
Shareholders of the Company		462,770	702,256
Non-controlling interests	F3	33,016	26,949
		495,786	729,205
Earnings per share (cents)	B5		
Basic		14.84	22.53
Diluted		14.71	22.35

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

Group	Note	2025 \$'000	2024 \$'000
Profit after taxation		495,786	729,205
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Defined benefit plan remeasurements		24,739	13,246
Net fair value changes on equity investment at FVOCI		(19,689)	(1,937)
		5,050	11,309
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Net fair value changes of cash flow hedges reclassified to income statement		(16,190)	(9,209)
Effective portion of changes in fair value of cash flow hedges		58,456	(58,259)
Share of net fair value changes on cash flow hedges of joint ventures		(7,017)	3,858
Foreign currency translation differences		(19,652)	26,976
Share of foreign currency translation differences of associates and joint ventures		(18,039)	10,744
Reserves released on disposal of subsidiaries		28,318	2,007
		25,876	(23,883)
Other comprehensive income/(loss) for the year, net of tax		30,926	(12,574)
Total comprehensive income for the year, net of tax		526,712	716,631
Total comprehensive income attributable to:			
Shareholders of the Company		454,922	713,020
Non-controlling interests	F3	71,790	3,611
		526,712	716,631

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2025
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

Group	Note	2025 \$'000	2024 \$'000
ASSETS			
Non-current assets			
Property, plant and equipment	C1	2,221,588	2,114,590
Right-of-use assets	C2	704,866	605,254
Associates and joint ventures	F4	483,001	621,455
Investments	E3	42,233	63,006
Intangible assets	C3	3,891,580	4,989,775
Long-term trade receivables	C6	33,190	36,510
Deferred tax assets	B6	273,649	264,484
Amounts due from related parties	C4	11,169	49,015
Advances and other receivables	C7	239,059	144,126
Derivative financial instruments	C16	31,115	9,433
Post-employment benefits	D3	7,153	–
		7,938,603	8,897,648
Current assets			
Inventories	C5	2,291,022	2,061,236
Contract assets	C13	2,960,481	2,567,423
Trade receivables	C6	1,481,887	1,461,259
Amounts due from related parties	C4	59,611	77,860
Advances and other receivables	C7	691,806	714,672
Derivative financial instruments	C16	32,258	10,559
Bank balances and other liquid funds	C8	576,438	430,642
		8,093,503	7,323,651
Total assets		16,032,106	16,221,299

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2025
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

Group	Note	2025 \$'000	2024 \$'000
EQUITY AND LIABILITIES			
Current liabilities			
Contract liabilities	C13	1,388,124	1,193,627
Deposits from customers		15,811	21,348
Trade payables and accruals	C9	3,860,740	3,485,697
Amounts due to related parties	C10	25,281	51,619
Provisions	C11	311,857	339,066
Provision for taxation		225,119	148,777
Borrowings	E4	1,636,606	2,945,104
Deferred income	C12	10,685	9,363
Post-employment benefits	D3	3,802	3,112
Derivative financial instruments	C16	8,498	40,884
		7,486,523	8,238,597
Net current assets/ (liabilities)		606,980	(914,946)

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2025
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

Group	Note	2025 \$'000	2024 \$'000
Non-current liabilities			
Contract liabilities	C13	1,912,732	1,599,390
Trade payables and accruals	C9	92,974	100,484
Provisions	C11	56,907	39,921
Deferred tax liabilities	B6	169,380	185,506
Borrowings	E4	3,196,227	2,876,432
Deferred income	C12	14,369	18,424
Post-employment benefits	D3	175,298	190,893
Derivative financial instruments	C16	6,451	20,805
		5,624,338	5,031,855
Total liabilities		13,110,861	13,270,452
Net assets		2,921,245	2,950,847
Share capital and reserves			
Share capital	E6	895,926	895,926
Treasury shares	E7	(53,137)	(32,806)
Capital reserves	E8	75,802	88,733
Other reserves	E9	(69,142)	(60,851)
Retained earnings		1,724,189	1,779,371
Equity attributable to owners of the Company		2,573,638	2,670,373
Non-controlling interests	F3	347,607	280,474
		2,921,245	2,950,847
Total equity and liabilities		16,032,106	16,221,299

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

Group	Share capital \$'000	Treasury shares \$'000
At 1 January 2025	895,926	(32,806)
Total comprehensive income for the year		
Profit after taxation	–	–
Other comprehensive income		
Defined benefit plan remeasurements	–	–
Net fair value changes on equity investment at FVOCI	–	–
Net fair value changes of cash flow hedges reclassified to income statement	–	–
Effective portion of changes in fair value of cash flow hedges	–	–
Share of net fair value changes on cash flow hedges of joint ventures	–	–
Foreign currency translation differences	–	–
Share of foreign currency translation differences of associates and joint ventures	–	–
Reserves released on disposal of subsidiary	–	–
Other comprehensive income for the year, net of tax	–	–
Total comprehensive income for the year, net of tax	–	–
Hedging gains and losses and cost of hedging transferred to the cost of inventory	–	–
Transactions with owners of the Company, recognised directly in equity		
Contributions by and distributions to owners of the Company		
Capital contribution by non-controlling interests	–	–
Cost of share-based payment	–	–
Purchase of treasury shares	–	(69,533)
Treasury shares reissued pursuant to share plans	–	49,202
Dividends paid	–	–
Dividends paid to non-controlling interests	–	–
Total contributions by and distributions to owners of the Company	–	(20,331)
Changes in ownership interests in subsidiaries		
Acquisition of non-controlling interests in a subsidiary without a change in control	–	–
Total transactions with owners of the Company	–	(20,331)
Transfer from retained earnings to statutory reserve	–	–
Balance at 31 December 2025	895,926	(53,137)

The accompanying notes are an integral part of the financial statements.

Capital reserves \$'000	Other reserves \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
88,733	(60,851)	1,779,371	2,670,373	280,474	2,950,847
–	–	462,770	462,770	33,016	495,786
–	–	18,183	18,183	6,556	24,739
–	(19,689)	–	(19,689)	–	(19,689)
–	(15,201)	–	(15,201)	(989)	(16,190)
–	36,578	–	36,578	21,878	58,456
–	(7,017)	–	(7,017)	–	(7,017)
–	(30,981)	–	(30,981)	11,329	(19,652)
–	(18,039)	–	(18,039)	–	(18,039)
–	28,318	–	28,318	–	28,318
–	(26,031)	18,183	(7,848)	38,774	30,926
–	(26,031)	480,953	454,922	71,790	526,712
–	99	–	99	–	99
–	–	–	–	6,172	6,172
–	48,454	–	48,454	135	48,589
–	–	–	(69,533)	–	(69,533)
(12,931)	(36,167)	–	104	(104)	–
–	–	(530,422)	(530,422)	–	(530,422)
–	–	–	–	(9,555)	(9,555)
(12,931)	12,287	(530,422)	(551,397)	(3,352)	(554,749)
–	(359)	–	(359)	(1,305)	(1,664)
(12,931)	11,928	(530,422)	(551,756)	(4,657)	(556,413)
–	5,713	(5,713)	–	–	–
75,802	(69,142)	1,724,189	2,573,638	347,607	2,921,245

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

Group	Share capital \$'000	Treasury shares \$'000
At 1 January 2024	895,926	(29,644)
Total comprehensive income for the year		
Profit after taxation	–	–
Other comprehensive income		
Defined benefit plan remeasurements	–	–
Net fair value changes on equity investment at FVOCI	–	–
Net fair value changes of cash flow hedges reclassified to income statement	–	–
Effective portion of changes in fair value of cash flow hedges	–	–
Share of net fair value changes on cash flow hedges of joint ventures	–	–
Foreign currency translation differences	–	–
Share of foreign currency translation differences of associates and joint ventures	–	–
Reserves released on disposal of subsidiaries	–	–
Other comprehensive income for the year, net of tax	–	–
Total comprehensive income for the year, net of tax	–	–
Hedging gains and losses and cost of hedging transferred to the cost of inventory	–	–
Transactions with owners of the Company, recognised directly in equity		
Contributions by and distributions to owners of the Company		
Cost of share-based payment	–	–
Purchase of treasury shares	–	(33,325)
Treasury shares reissued pursuant to share plans	–	30,163
Dividends paid	–	–
Dividends paid to non-controlling interests	–	–
Total contributions by and distributions to owners of the Company	–	(3,162)
Changes in ownership interests in subsidiaries		
Acquisition of non-controlling interests in a subsidiary without a change in control	–	–
Disposal of subsidiary	–	–
Total transactions with owners of the Company	–	(3,162)
Transfer from retained earnings to statutory reserve	–	–
Transfer from other reserves to retained earnings	–	–
Balance at 31 December 2024	895,926	(32,806)

The accompanying notes are an integral part of the financial statements.

Capital reserves \$'000	Other reserves \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
93,464	(63,346)	1,562,940	2,459,340	292,996	2,752,336
–	–	702,256	702,256	26,949	729,205
–	–	13,418	13,418	(172)	13,246
–	(1,937)	–	(1,937)	–	(1,937)
–	(13,857)	–	(13,857)	4,648	(9,209)
–	(37,029)	–	(37,029)	(21,230)	(58,259)
–	3,858	–	3,858	–	3,858
–	35,828	–	35,828	(8,852)	26,976
–	10,744	–	10,744	–	10,744
–	(261)	–	(261)	2,268	2,007
–	(2,654)	13,418	10,764	(23,338)	(12,574)
–	(2,654)	715,674	713,020	3,611	716,631
–	443	–	443	–	443
–	31,392	–	31,392	83	31,475
–	–	–	(33,325)	–	(33,325)
(4,731)	(25,350)	–	82	(82)	–
–	–	(498,883)	(498,883)	–	(498,883)
–	–	–	–	(11,840)	(11,840)
(4,731)	6,042	(498,883)	(500,734)	(11,839)	(512,573)
–	(1,696)	–	(1,696)	(2,008)	(3,704)
–	–	–	–	(2,286)	(2,286)
(4,731)	4,346	(498,883)	(502,430)	(16,133)	(518,563)
–	259	(259)	–	–	–
–	101	(101)	–	–	–
88,733	(60,851)	1,779,371	2,670,373	280,474	2,950,847

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

Cash and cash equivalents comprise cash balances and fixed deposits. Cash equivalents are short-term and highly liquid investments that are readily convertible to known amounts of cash and that are subject to insignificant risk of changes in value.

Group	2025 \$'000	2024 \$'000
Cash flows from operating activities		
Profit before taxation	700,972	862,685
Adjustments:		
Share of results of associates and joint ventures, net of tax	(61,595)	(70,986)
Share-based payment expense	48,589	31,475
Depreciation charge	367,830	355,919
Property, plant and equipment written off	3,142	2,645
Intangible assets written off	–	4,603
Amortisation of other intangible assets	162,743	181,915
Amortisation of deferred income	(4)	(4)
Impairment/(write-back) of property, plant and equipment	42,236	(24)
Impairment of right-of-use assets	5,573	–
Impairment of goodwill and other intangible assets	637,321	–
Impairment of associate	22,218	–
Impairment losses on loan to associate	2,269	1,635
Gain on disposal of property, plant and equipment	(7,837)	(11,490)
Gain on termination of leases	(6,234)	–
(Gain)/loss on disposal of subsidiaries, net	(138,560)	59
Gain on disposal of associates and joint venture	(223,170)	–
Loss/(gain) on ineffective portion/discontinuation of cash flow hedges	191	(2,910)
Changes in fair value of associates	1,306	1,869
Changes in fair value of investments	2,263	10,538
Changes in fair value of financial instruments and hedged items	(8,441)	27,166
Interest expense	198,172	224,459
Interest income	(12,890)	(17,409)
Unrealised currency translation losses/(gains)	54,233	(14,068)
Operating profit before working capital changes	1,790,327	1,588,077
Changes in:		
Inventories	(335,764)	(109,279)
Contract assets	(420,570)	(293,965)
Trade receivables	(72,799)	109,354
Amounts due from related parties	(13,958)	(7,417)
Advances and other receivables	(64,426)	(247,404)
Contract liabilities	523,033	520,991
Deposits from customers	7,186	(10,371)
Trade payables and accruals	427,337	313,014
Amounts due to related parties	(1,673)	707
Provisions	(1,184)	(2,053)
Deferred income	(2,729)	185
Cash generated from operations	1,834,780	1,861,839
Interest received	18,300	15,939
Income tax paid	(144,773)	(159,721)
Net cash from operating activities	1,708,307	1,718,057

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

Group	Note	2025 \$'000	2024 \$'000
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		14,739	190,872
Proceeds from disposal of associates and joint venture		316,340	–
Purchase of property, plant and equipment		(506,016)	(480,494)
Purchase of investments		(4,626)	(10,778)
Additions to other intangible assets		(74,500)	(64,519)
Dividends from associates and joint ventures		57,042	48,213
Investments in associates and joint ventures		(25,648)	(18,677)
Repayment of loans by joint venture		45,900	–
Loans to associates and joint ventures		(2,781)	(24,166)
Acquisition of controlling interests in subsidiary, net of cash acquired		–	(54,782)
Disposal of subsidiary, net of cash disposed		349,611	–
Net cash from/(used in) investing activities		170,061	(414,331)
Cash flows from financing activities			
Proceeds from bank loans		112,410	568,222
Proceeds from medium-term note issuance		969,415	–
Proceeds from issuance of commercial papers		828,567	1,821,720
Proceeds from settlement of derivatives		–	2,910
Proceeds from finance lease receivables		–	220
Repayment of bank loans		(47,244)	(843,689)
Repayment of commercial papers		(1,800,958)	(1,934,270)
Repayment of lease liabilities		(84,120)	(78,694)
Redemption of medium-term note		(986,100)	–
Purchase of treasury shares		(69,533)	(33,325)
Acquisition of non-controlling interests in a subsidiary		(1,305)	(2,008)
Capital contribution from non-controlling interests of a subsidiary		6,172	–
Dividends paid to shareholders of the Company		(530,422)	(498,883)
Dividends paid to non-controlling interests		(9,555)	(11,840)
Interest paid		(188,950)	(211,385)
Restricted cash		815	(795)
Net cash used in financing activities		(1,800,808)	(1,221,817)
Net change in cash and cash equivalents			
		77,560	81,909
Cash and cash equivalents at beginning of the year		429,826	353,316
Effect of exchange rate changes on cash and cash equivalents		69,051	(5,399)
Cash and cash equivalents at end of the year	C8	576,437	429,826

The accompanying notes are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

A. About this report

General

The Company is a public limited company domiciled and incorporated in Singapore. The address of the Company's registered office and principal place of business is 1 Ang Mo Kio Electronics Park Road #07-01 ST Engineering Hub, Singapore 567710.

The principal activity of the Company is that of an investment holding company.

The Company's immediate and ultimate holding company is Temasek Holdings (Private) Limited, a company incorporated in Singapore.

The consolidated financial statements of Singapore Technologies Engineering Ltd and its subsidiaries (collectively referred to as the Group) as at 31 December 2025 and for the year then ended were authorised and approved by the Board of Directors for issuance on 26 February 2026.

Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)).

The financial statements have been prepared on the historical cost convention, except as otherwise described in the accounting policies below.

Accounting policies, estimates and critical accounting judgements applied to the preparation of the financial statements are disclosed together with the related accounting balance or financial statement matters discussed.

Information is only being included in the financial report to the extent it has been considered material and relevant to the understanding of the financial statements. A disclosure is considered material and relevant if:

- dollar amount is significant in value
- dollar amount is significant by nature
- financial results cannot be understood without specific disclosure
- critical to allow user to understand significant changes in group businesses

The financial statements are presented in Singapore dollars (SGD) which is the Company's functional currency. All values are rounded to the nearest thousand (\$'000) unless otherwise indicated.

Material accounting policy information

The accounting policies have been applied consistently by the Group entities to all periods presented in these financial statements unless otherwise indicated.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

Foreign currency

The major functional currencies of the Group entities are the Singapore dollar (SGD), the United States dollar (USD) and the Euro (EUR).

Transactions, assets and liabilities denominated in foreign currencies are translated into SGD at reporting date using the following applicable exchange rates:

Foreign currency amount	Applicable exchange rate
Transactions	Date of transaction
Monetary assets and liabilities	Reporting date
Non-monetary assets and liabilities carried at fair value	Date fair value is determined
Non-monetary assets and liabilities carried at cost	Date of transaction

Foreign exchange gains and losses resulting from translation of monetary assets and liabilities are recognised in the income statement, except for qualifying cash flow hedges, which are recognised in Other Comprehensive Income (OCI).

On consolidation, the assets, liabilities, income and expenses of foreign operations are translated into SGD using the following applicable exchange rates:

Foreign currency amount	Applicable exchange rate
Income and expenses	Average exchange rate
Assets and liabilities	Reporting date
Equity	Historical date

Foreign exchange differences resulting from translation of foreign operations are initially recognised in the foreign currency translation reserve and subsequently transferred to profit or loss on disposal of the foreign operation.

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B. Business Performance

The highlights of the Group's financial performance during the financial year are:

- Revenue of \$12.3 billion, up 9%
- Earnings before interest and tax of \$905.0 million, down 16%
- Profit before taxation of \$701.0 million, down 19%
- Profit attributable to shareholders of \$462.8 million, down 34%
- Earnings per share of 14.84 cents per share, down 34%

B1 Segment information

B4 Other income, net

B2 Revenue

B5 Earnings per share

B3 Profit from operations

B6 Taxation

B1 Segment information

The Group drives commercial business growth through businesses in Commercial Aerospace, and Urban Solutions & Satcom domains, which are also reportable business segments.

The Defence & Public Security segment integrates capabilities organised as a single segment which is a reportable business segment, comprising Digital Systems & Cyber, Land Systems, Marine and Defence Aerospace business areas.

Management reviews the segments' operating results regularly in order to allocate resources to the segments and to assess the segments' performance.

The principal activities of the business segments are outlined below:

Segments	Principal activities
Commercial Aerospace	Airframe, engines and components maintenance, repair and overhaul, original equipment manufacturer for nacelles, composite floorboard and passenger-to-freighter conversions and aviation asset management.
Defence & Public Security	Defence, public safety and security, critical information infrastructure solutions and others, including Group HQ functions.
Urban Solutions & Satcom	Smart mobility, smart utilities & infrastructure, urban environment solutions and satcom.

Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

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B1 Segment information (continued)

Inter-segment pricing is based on terms negotiated between the parties which are intended to reflect competitive terms.

2025	Commercial Aerospace \$'000	Defence & Public Security \$'000	Urban Solutions & Satcom \$'000	Elimination \$'000	Group \$'000
Revenue					
External sales	4,986,105	5,334,155	2,026,166	–	12,346,426
Inter-segment sales	56,200	52,502	57,345	(166,047)	–
	5,042,305	5,386,657	2,083,511	(166,047)	12,346,426
Reportable segment profit from operations	487,412	911,771	(556,067)	–	843,116
Non-operating income, net	–	249	–	–	249
Share of results of associates and joint ventures, net of tax	55,028	6,581	(14)	–	61,595
Earnings before interest and tax	542,440	918,601	(556,081)	–	904,960
Finance income					22,009
Finance costs					(225,997)
Profit before taxation					700,972
Taxation					(205,186)
Non-controlling interests					(33,016)
Profit attributable to shareholders					462,770
Other assets	5,398,822	7,050,944	4,947,074	(2,697,822)	14,699,018
Associates and joint ventures	441,166	41,835	–	–	483,001
Segment assets	5,839,988	7,092,779	4,947,074	(2,697,822)	15,182,019
Deferred tax assets					273,649
Bank balances and other liquid funds					576,438
Total Assets					16,032,106
Segment liabilities	2,285,294	6,934,215	1,299,301	(2,635,281)	7,883,529
Provision for taxation					225,119
Deferred tax liabilities					169,380
Borrowings					4,832,833
Total Liabilities					13,110,861
Capital expenditure	451,847	263,610	80,253	(4,473)	791,237
Depreciation and amortisation	189,164	175,955	169,137	(3,683)	530,573
Allowance for inventory obsolescence, net	20,305	19,049	4,953	–	44,307
Impairment losses	15,009	27,553	667,055	–	709,617

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B1 Segment information (continued)

2024	Commercial Aerospace \$'000	Defence & Public Security \$'000	Urban Solutions & Satcom \$'000	Elimination \$'000	Group \$'000
Revenue					
External sales	4,384,398	4,934,508	1,956,753	–	11,275,659
Inter-segment sales	55,874	36,472	52,414	(144,760)	–
	<u>4,440,272</u>	<u>4,970,980</u>	<u>2,009,167</u>	<u>(144,760)</u>	<u>11,275,659</u>
Reportable segment profit from operations	342,294	620,950	42,296	–	1,005,540
Non-operating expenses, net	26	–	(85)	–	(59)
Share of results of associates and joint ventures, net of tax	57,859	15,418	(2,291)	–	70,986
Earnings before interest and tax	400,179	636,368	39,920	–	1,076,467
Finance income					37,862
Finance costs					(251,644)
Profit before taxation					<u>862,685</u>
Taxation					(133,480)
Non-controlling interests					(26,949)
Profit attributable to shareholders					<u>702,256</u>
Other assets	4,835,204	6,680,634	6,011,880	(2,623,000)	14,904,718
Associates and joint ventures	499,310	102,765	19,380	–	621,455
Segment assets	<u>5,334,514</u>	<u>6,783,399</u>	<u>6,031,260</u>	<u>(2,623,000)</u>	<u>15,526,173</u>
Deferred tax assets					264,484
Bank balances and other liquid funds					430,642
Total Assets					<u>16,221,299</u>
Segment liabilities	1,939,312	6,217,255	1,098,336	(2,140,270)	7,114,633
Provision for taxation					148,777
Deferred tax liabilities					185,506
Borrowings					5,821,536
Total Liabilities					<u>13,270,452</u>
Capital expenditure	286,151	195,046	117,450	(21,881)	576,766
Depreciation and amortisation	183,371	167,785	190,635	(3,957)	537,834
Allowance for inventory obsolescence, net	7,189	27,306	7,636	–	42,131
Write-back of impairment loss	–	(24)	–	–	(24)

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B1 Segment information (continued)

Analysis by country of incorporation

Revenue is based on the subsidiaries' country of incorporation regardless of where the goods are produced or services rendered. Non-current assets, excluding deferred tax assets, derivative financial instruments and post-employment benefits, are based on the location of those assets.

	Revenue		Non-current assets	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Asia	8,095,048	6,771,555	2,720,936	2,574,923
U.S.	3,212,487	3,200,408	3,890,931	4,713,784
Europe	994,704	1,239,089	930,160	1,242,354
Others	44,187	64,607	84,659	92,670
	12,346,426	11,275,659	7,626,686	8,623,731

For the year ended 31 December 2025:

- Within Europe, revenue of approximately \$731,281,000 (2024: \$927,494,000) was from subsidiaries located in Germany.
- Within Asia, most of the revenue was from subsidiaries located in Singapore.
- The remaining revenue from subsidiaries in Asia, Europe and Others was individually insignificant.

As at 31 December 2025:

- Within Europe, non-current assets of approximately \$671,693,000 (2024: \$570,696,000), \$15,406,000 (2024: \$370,868,000) and \$184,628,000 (2024: \$227,840,000) were from subsidiaries located in Germany, Belgium and Ireland respectively.
- Within Asia, most of the non-current assets were from subsidiaries located in Singapore.
- The remaining non-current assets located in Asia, Europe and Others were individually insignificant.

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B2 Revenue

Disaggregation of revenue

In the following table, revenue is disaggregated by major products/services lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

	Commercial Aerospace		Defence & Public Security	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Major products/services lines				
Sale of goods	1,707,694	1,561,049	1,295,064	1,453,696
Service income	644,496	476,230	2,237,791	2,010,012
Contract revenue	2,690,115	2,402,993	1,853,802	1,507,272
	5,042,305	4,440,272	5,386,657	4,970,980
Timing of revenue recognition				
Transferred at a point in time	2,219,807	2,108,391	2,072,593	2,069,574
Transferred over time	2,822,498	2,331,881	3,314,064	2,901,406
	5,042,305	4,440,272	5,386,657	4,970,980

Urban Solutions & Satcom		Elimination		Group	
2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
342,676	436,411	(39,087)	(29,063)	3,306,347	3,422,093
844,843	738,968	(43,807)	(46,470)	3,683,323	3,178,740
895,992	833,788	(83,153)	(69,227)	5,356,756	4,674,826
2,083,511	2,009,167	(166,047)	(144,760)	12,346,426	11,275,659
646,688	703,892	(100,727)	(84,271)	4,838,361	4,797,586
1,436,823	1,305,275	(65,320)	(60,489)	7,508,065	6,478,073
2,083,511	2,009,167	(166,047)	(144,760)	12,346,426	11,275,659

		Group	
		2025 \$'000	2024 \$'000
Primary geographical markets			
Asia		6,754,427	5,794,836
U.S.		2,317,803	2,599,341
Europe		2,499,469	2,130,103
Others		774,727	751,379
		12,346,426	11,275,659

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(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

B2 Revenue (continued)

Revenue from contracts with customers

Revenue is measured based on the consideration specified in contracts with customers. The Group recognises revenue when it transfers control over a good or service to the customer.

The following provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

(a) Revenue from sale of goods

Revenue is recognised when goods are delivered to the customer and the criteria for acceptance has been satisfied. Where applicable, a portion of the contract consideration is received in advance from the customers and the remaining consideration is received after delivery.

(b) Revenue from services rendered

Revenue from services rendered are recognised as performance obligations are satisfied. Payments are due from customers based on the agreed billing milestones stipulated in the contracts or based on the amounts certified by the customers.

Where performance obligations are satisfied over time as work progresses, revenue is recognised progressively based on the percentage of completion method. The stage of completion is assessed by reference to assessment of work performed (output method) or the cost incurred relative to total estimated costs (input method) depending on which method commensurate with the pattern of transfer of control to the customer. The related costs are recognised in profit or loss when they are incurred, unless they relate to future performance obligations.

If the value of services rendered for the contract exceeds payments received from the customer, a contract asset is recognised and presented separately on the statement of financial position. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional. If the amounts invoiced to the customer exceed the value of services rendered, a contract liability is recognised and separately presented on the statement of financial position.

(c) Revenue from contracts

The Group creates or enhances an asset that the customers control. The Group also builds specialised assets customised to customers' order for which the Group does not have an alternative use.

(i) Contracts with enforceable right to payment

The Group has determined that for contracts where the Group has an enforceable right to payment, the customer controls all of the work-in-progress. This is because under those contracts, the assets are at the customer's specification and the Group is entitled to reimbursement of costs incurred to date, including a reasonable margin when the contract is terminated by the customer. Progress billings to the customer are based on a payment schedule in the contract that is dependent on the achievement of specified milestones.

Revenue is recognised over time. The stage of completion is typically assessed by reference to either surveys of work performed (output method) or the cost incurred relative to total estimated costs (input method) depending on which method commensurate with the pattern of transfer of control to the customer.

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B2 Revenue (continued)

(c) Revenue from contracts (continued)

(ii) Contracts without enforceable right to payment

For contracts where the Group does not have an enforceable right to payment, customers do not take control of the asset until they are completed. At the inception of the contract, the customers usually make an advance payment that is not refundable if the contract is cancelled. The advance payment is presented as a contract liability. The rest of the consideration is only billed upon acceptance by the customer.

Revenue is recognised at a point in time when the assets are completed and have been accepted by customers.

When the period between the satisfaction of a performance obligation and payment by the customer exceeds a year, the Group adjusts the transaction price with its customer and recognises a financing component. In adjusting for the financing component, the Group uses a discount rate that would be reflected separately as a financing income from contract inception.

For contracts with variable consideration (i.e. liquidated damages, bonus and penalty adjustments), revenue is recognised to the extent that it is highly probable that a reversal of previously recognised revenue will not occur. Therefore, the amount of revenue recognised is adjusted for possibility of delays to the projects and ability to meet key performance indicators stipulated in the contract. The Group reviews the progress of the projects at each reporting date and updates the transaction price accordingly.

The Group accounts for modifications to the scope or price of a contract as separate contracts if the modification adds distinct goods or services at their stand-alone selling prices. For contract modifications that add distinct goods or services but not at their stand-alone selling prices, the Group combines the remaining consideration in the original contract with the consideration promised in the modification to create a new transaction price that is then allocated to all remaining performance obligations to be satisfied. For contract modifications that do not add distinct goods or services, the Group accounts for the modification as a continuation of the original contract and recognises a cumulative adjustment to revenue at the date of modification.

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B2 Revenue (continued)

Key estimates and judgement: Revenue recognition

Judgement is applied in determining:

- *whether performance obligations are distinct.*
Requires an assessment of whether the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer and if the promise is separately identifiable from other promises in the contract.
- *the transaction price for contracts with variable consideration (e.g. bonus, liquidated damages, penalties, etc).*
Requires an evaluation of potential risk and factors which may affect completion or delivery of the contract, in accordance with contract obligations.
- *estimated cost to complete.*
For revenue recognised over time, the percentage of completion is assessed by reference to the contract costs incurred till date in proportion to the total estimated costs for each contract. In making the estimates, management relies on the expertise of its project team and past experience of completed projects. The estimated total costs are reviewed regularly and adjusted where necessary, with the corresponding effect of the change being recognised prospectively from the date of change.

B3 Profit from operations

Profit from operations is arrived at after charging the following items (excluding those disclosed in the other notes to the financial statements):

Group	2025 \$'000	2024 \$'000
After charging/(crediting)		
Auditors' remuneration		
- auditors of the Company	3,199	3,134
- other auditors [#]	2,392	2,261
Non-audit fees		
- auditors of the Company	495	83
- other auditors [#]	131	43
Fees paid to a firm of which a director is a member	247	295
Research, design and development expenses [*]	185,618	189,766
Allowance for inventory obsolescence	44,307	42,131
Short-term lease expense	18,832	18,587
Low-value assets lease expense	7,775	7,484
Property, plant and equipment written off	3,142	2,645
Impairment/(write-back) of property, plant and equipment	42,236	(24)
Impairment of right-of-use assets	5,573	–
Impairment of goodwill and other intangible assets	637,321	–
Intangible assets written off	–	4,603

[#] Includes the network of member firms of PricewaterhouseCoopers International Limited (PwCIL)

^{*} Amount before deducting government grants of \$11,928,000 (2024: \$13,900,000)

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B3 Profit from operations (continued)

Recognition and measurement

Government grants are recognised as a receivable at fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate on a systematic basis. Grants relating to expenses are deducted in reporting the related expenses.

Grants relating to depreciable assets are recognised in profit or loss over the estimated useful lives of the relevant assets.

B4 Other income, net

Group	2025 \$'000	2024 \$'000
Gain on disposal of subsidiary	138,560	–
Gain on disposal of associates	143,779	–
Gain on disposal of joint venture	79,391	–
Impairment of an associate	(22,218)	–
Others	86,111	28,034
	425,623	28,034

Recognition and measurement

The assets and liabilities of the subsidiary, including any goodwill are derecognised when a change in the Group's ownership interest in a subsidiary result in a loss of control over the subsidiary. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific standard.

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B5 Earnings per share

Basic earnings per share

The weighted average number of ordinary shares used in the calculation of earnings per share is arrived at as follows:

Company	2025 '000	2024 '000
<u>Number of shares (excluding treasury shares)</u>		
Issued ordinary shares at beginning of the year	3,114,677	3,114,549
Effect of performance shares and restricted shares released	8,252	6,096
Effect of treasury shares held	(4,579)	(3,853)
Weighted average number of ordinary shares as at end of the year	3,118,350	3,116,792

Diluted earnings per share

When calculating diluted earnings per share, the weighted average number of ordinary shares is adjusted for the effect of all dilutive potential ordinary shares. The Group has two categories of dilutive potential ordinary shares from performance share plans and restricted share plans (2024: two categories of dilutive potential ordinary shares from performance share plans and restricted share plans).

The weighted average number of ordinary shares adjusted for the dilutive potential shares is as follows:

Company	2025 '000	2024 '000
<u>Number of shares</u>		
Weighted average number of ordinary shares (used in the calculation of basic earnings per share)	3,118,350	3,116,792
Adjustment for dilutive potential ordinary shares	26,666	25,122
Weighted average number of ordinary shares (diluted) during the year	3,145,016	3,141,914

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B6 Taxation

(i) Tax expenses

Group	2025 \$'000	2024 \$'000
Current income tax		
Current year	262,198	174,406
Overprovision in respect of prior years	(14,176)	(5,100)
	248,022	169,306
Deferred income tax		
Current year	(34,964)	(25,217)
Overprovision in respect of prior years	(7,167)	(10,167)
Effect of change in tax rates	(705)	(442)
	(42,836)	(35,826)
	205,186	133,480

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the year ended 31 December is as follows:

Group	2025 \$'000	2024 \$'000
Profit before taxation	700,972	862,685
Taxation at Singapore statutory tax rate of 17% (2024: 17%)	119,165	146,656
Adjustments:		
Income not subject to tax	(33,568)	(11,518)
Expenses not deductible for tax purposes	106,159	23,052
Different tax rates of other countries	4,818	3,134
Overprovision in respect of prior years	(21,343)	(15,267)
Effect of change in tax rates	(705)	(442)
Effect of results of associates and joint ventures presented net of tax	(10,469)	(12,069)
Tax incentives	(4,683)	(5,343)
Deferred tax assets not recognised	48,346	7,011
Deferred tax assets previously not recognised now utilised/recognised	(3,035)	(2,311)
Others	501	577
	205,186	133,480

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B6 Taxation (continued)

(ii) Deferred tax assets and liabilities

(a) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group	Assets		Liabilities	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Property, plant and equipment	(2,053)	(2,014)	172,077	231,508
Intangible assets	(4,662)	(4,591)	245,601	201,305
Allowance for doubtful debts	(2,938)	(3,281)	1	–
Allowance for inventory obsolescence	(56,742)	(55,455)	294	415
Provisions and accruals	(254,496)	(204,214)	381	8,066
Lease liabilities	(150,507)	(131,900)	–	–
Unabsorbed capital allowances and unutilised tax losses	(157,034)	(107,361)	40,957	9,459
Fair value of derivative financial instruments designated as cash flow hedges	(904)	(12,503)	13,586	1,031
Fair value of defined benefit plans	(431)	(6,644)	16,844	14,800
ROU assets	–	–	141,540	127,774
Unutilised tax benefits	(120,555)	(162,938)	–	–
Other items	(5,205)	(5,091)	19,977	22,656
Deferred tax (assets)/liabilities	(755,527)	(695,992)	651,258	617,014
Set off of tax	481,878	431,508	(481,878)	(431,508)
Net deferred tax (assets)/ liabilities	(273,649)	(264,484)	169,380	185,506

The Group's lease payments are deductible upon payment for tax purposes. In accounting for the deferred tax relating to the lease, the Group considers the asset and liability collectively and accounts for the deferred taxation on a net basis.

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B6 Taxation (continued)

(ii) Deferred tax assets and liabilities (continued)

(b) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

Group	2025 \$'000	2024 \$'000
Tax losses	337,793	335,975
Deductible temporary differences	12,123	11,971
	349,916	347,946

The Group has unrecognised deferred tax assets for the above items which have no expiry date except for the amount of \$35,776,000 (2024: \$38,135,000) which will expire from 2026 to 2045 (2024: 2025 to 2044). The unrecognised deferred tax assets can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by companies with unrecognised tax losses and capital allowances in their respective countries of incorporation.

(c) Unrecognised temporary differences relating to investments in subsidiaries

As at 31 December 2025, a deferred tax liability of \$298,249,000 (2024: \$209,610,000) for temporary difference of \$1,314,109,000 (2024: \$927,090,000) related to undistributed earnings of certain subsidiaries was not recognised as the Group has determined that the undistributed profits of its overseas subsidiaries will not be remitted to Singapore in the foreseeable future, but will be retained for organic growth and acquisitions.

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B6 Taxation (continued)

(ii) Deferred tax assets and liabilities (continued)

(d) Movement in deferred tax balances during the year

Group	As at 1 January 2024 \$'000	Recognised in profit or loss \$'000	Recognised in other comprehensive income \$'000	Acquisition of subsidiary \$'000	Utilisation of tax losses \$'000
Property, plant and equipment	198,195	20,869	–	–	–
Intangible assets	162,806	28,420	–	2,876	–
Allowance for doubtful debts	(2,775)	(438)	–	–	–
Allowance for inventory obsolescence	(40,327)	(9,929)	–	–	–
Provisions and accruals	(183,310)	(32,155)	–	–	130
Lease liabilities	(97,935)	(4,279)	–	–	–
Unabsorbed capital allowances and unutilised tax losses	(114,325)	(12,947)	–	–	27,173
Fair value of derivative financial instruments designated as cash flow hedges	6,441	–	(17,689)	–	–
Fair value of defined benefit plans	3,436	(9)	4,182	–	–
ROU assets	103,014	213	–	–	–
Unutilised tax benefits	(99,897)	(25,168)	–	–	–
Other items	6,921	(403)	–	–	–
	(57,756)	(35,826)	(13,507)	2,876	27,303

Reclassification	Exchange difference	As at 31 December 2024	Recognised in profit or loss	Recognised in other comprehensive income	Deconsolidation of subsidiary	Utilisation of tax losses	Exchange difference	As at 31 December 2025
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
6,492	3,938	229,494	(49,828)	–	(2,459)	–	(7,183)	170,024
(88)	2,700	196,714	84,322	–	(32,960)	–	(7,137)	240,939
(5)	(63)	(3,281)	143	–	64	–	137	(2,937)
(3,867)	(917)	(55,040)	(4,580)	–	1,291	–	1,881	(56,448)
21,956	(2,769)	(196,148)	(66,535)	–	1,734	(300)	7,134	(254,115)
(28,816)	(870)	(131,900)	(20,459)	–	603	–	1,249	(150,507)
2,972	(775)	(97,902)	(30,594)	–	124	11,096	1,199	(116,077)
(19)	(205)	(11,472)	–	24,805	–	–	(651)	12,682
2,364	(1,817)	8,156	(30)	9,535	–	–	(1,248)	16,413
23,675	872	127,774	15,526	–	(573)	–	(1,187)	141,540
(33,672)	(4,201)	(162,938)	31,829	–	1,609	–	8,945	(120,555)
9,008	2,039	17,565	(2,630)	–	–	–	(163)	14,772
–	(2,068)	(78,978)	(42,836)	34,340	(30,567)	10,796	2,976	(104,269)

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(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

B6 Taxation (continued)

(ii) Deferred tax assets and liabilities (continued)

(d) Movement in deferred tax balances during the year (continued)

Group	As at 1 January 2023 \$'000	Recognised in profit or loss \$'000	Recognised in other comprehensive income \$'000	Utilisation of tax losses \$'000	Reclassification \$'000
Property, plant and equipment	160,925	39,405	–	10	–
Intangible assets	158,675	11,189	–	(5,670)	–
Allowance for doubtful debts	(2,182)	(632)	–	–	–
Allowance for inventory obsolescence	(43,418)	2,568	–	–	–
Provisions and accruals	(116,640)	(67,978)	–	(427)	–
Lease liabilities	(84,821)	(13,060)	–	(23)	–
Unabsorbed capital allowances and unutilised tax losses	(185,156)	16,599	–	52,502	–
Fair value of derivative financial instruments designated as cash flow hedges	(9,185)	3	15,700	23	–
Fair value of defined benefit plans	2,542	(3,360)	3,046	–	1,457
ROU assets	85,090	17,936	–	2	–
Unutilised tax benefits	(2,235)	(98,841)	–	(496)	–
Other items	5,649	2,755	–	(219)	(1,457)
	(30,756)	(93,416)	18,746	45,702	–

Exchange difference \$'000	As at 31 December 2023 \$'000	Recognised in profit or loss \$'000	Recognised in other comprehensive income \$'000	Acquisition of subsidiary \$'000	Utilisation of tax losses \$'000	Reclassification \$'000	Exchange difference \$'000	As at 31 December 2024 \$'000
(2,145)	198,195	20,869	–	–	–	6,492	3,938	229,494
(1,388)	162,806	28,420	–	2,876	–	(88)	2,700	196,714
39	(2,775)	(438)	–	–	–	(5)	(63)	(3,281)
523	(40,327)	(9,929)	–	–	–	(3,867)	(917)	(55,040)
1,735	(183,310)	(32,155)	–	–	130	21,956	(2,769)	(196,148)
(31)	(97,935)	(4,279)	–	–	–	(28,816)	(870)	(131,900)
1,730	(114,325)	(12,947)	–	–	27,173	2,972	(775)	(97,902)
(100)	6,441	–	(17,689)	–	–	(19)	(205)	(11,472)
(249)	3,436	(9)	4,182	–	–	2,364	(1,817)	8,156
(14)	103,014	213	–	–	–	23,675	872	127,774
1,675	(99,897)	(25,168)	–	–	–	(33,672)	(4,201)	(162,938)
193	6,921	(403)	–	–	–	9,008	2,039	17,565
1,968	(57,756)	(35,826)	(13,507)	2,876	27,303	–	(2,068)	(78,978)

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(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

B6 Taxation (continued)

(ii) Deferred tax assets and liabilities (continued)

(e) OECD Pillar Two model rules

The Group is within the scope of the OECD Pillar Two model rules, and it applies the SFRS(I) 1-12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. In December 2024, Singapore enacted the Pillar Two legislation and implemented the Income Inclusion Rule (“IIR”) and a Domestic Minimum Top-up Tax (“DTT”), effective from 1 January 2025. Under the legislation, the Group is liable to pay a top-up tax for the difference between its GloBE effective tax rate in each jurisdiction and the 15% minimum rate.

Certain jurisdictions where the Group operates have implemented the Pillar Two legislation with effect from 1 January 2025. As of 31 December 2025, the Group has assessed that it does not have significant operations in jurisdictions where the effective tax rate is less than 15%. Accordingly, no top-up tax has been recognised for the financial year ended 31 December 2025.

Recognition and measurement

Current tax

Current tax is measured at the amount expected to be recovered from or paid to the tax authorities, using tax rates and tax laws that are enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is accounted for in respect of temporary differences arising from differences between the carrying amount of assets and liabilities and the corresponding tax base.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that sufficient future taxable profits will be available to utilise them.

However, deferred tax assets and liabilities are not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination which affects neither accounting nor taxable profit or loss; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists and they relate to taxes levied by the same tax authority on the same taxable entity.

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(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

B6 Taxation (continued)

Deferred tax (continued)

Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Pillar Two related top-up tax expenses are recognised and disclosed separately from other current income tax expenses. Qualified domestic top-up tax expenses are recognised and presented as current income tax expenses by the relevant entities in the Group that have the legal obligation to settle qualifying domestic top-up taxes with the tax authorities. This includes the designated filing entity and any other entities that have elected to pay a portion of the qualified domestic top-up tax expenses.

Estimates and judgement: Income taxes

The Group is subject to income taxes in Singapore and jurisdictions where it has foreign operations. Judgement is required in determining the worldwide provision for income taxes and in assessing whether deferred tax balances are recognised on the statement of financial position. Changes in circumstances will alter expectations, which may impact the amount of provision for income taxes and deferred tax balances recognised.

Estimates and judgement: Recovery of deferred tax assets

Deferred tax assets are recognised for tax losses and deductible temporary differences to the extent that it is probable that sufficient future taxable profits will be available to utilise them. Judgement and estimates are required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences and subsidiaries that have suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates.

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(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

C. Operating Assets and Liabilities

This section provides information relating to the operating assets and liabilities of the Group.

The Group maintains a strong financial position and credit rating to support the Group's strategy to maximise returns to the shareholders through efficient use of capital, taking into consideration the Group's expenditures, growth and investment requirements.

C1	Property, plant and equipment	C9	Trade payables and accruals
C2	Right-of-use assets	C10	Amounts due to related parties
C3	Intangible assets	C11	Provisions
C4	Amounts due from related parties	C12	Deferred income
C5	Inventories	C13	Contract balances
C6	Trade receivables	C14	Financial risk management objectives and policies
C7	Advances and other receivables	C15	Classification and fair value of financial instruments
C8	Bank balances and other liquid funds	C16	Derivative financial instruments

C1 Property, plant and equipment

Group	Freehold land*, buildings and improvements \$'000	Wharves, floating docks and boats \$'000	Plant and machinery \$'000
Cost			
At 1 January 2025	1,579,219	119,867	1,291,503
Additions	131,365	236	33,293
Disposals/write-off	(70,745)	(16,226)	(64,713)
Disposal of subsidiary	(7,792)	–	(21,470)
Reclassifications	41,863	9,672	43,729
Translation difference	(7,046)	–	(13,447)
At 31 December 2025	1,666,864	113,549	1,268,895
Accumulated depreciation and impairment			
At 1 January 2025	941,969	105,163	755,706
Depreciation charge	70,451	1,968	64,733
Impairment losses	15,266	–	4,519
Disposals/write-off	(69,145)	(16,193)	(58,176)
Disposal of subsidiary	(5,442)	–	(8,742)
Reclassifications	(874)	–	(1,679)
Translation difference	(7,523)	–	(9,916)
At 31 December 2025	944,702	90,938	746,445
Net book value			
At 31 December 2025	722,162	22,611	522,450

* Freehold land is recognised at cost of \$35,947,000 and is non-depreciable.

** Others comprise transportation equipment, vehicles and satellites.

During the year, the Group performed an impairment assessment and recognised an impairment loss of \$42,236,000 on certain property, plant and equipment as the value-in-use is below the carrying amount.

Production tools and equipment \$'000	Furniture, fittings, office equipment and others** \$'000	Aircraft and aircraft engines \$'000	Construction -in-progress \$'000	Total \$'000
606,340	589,946	559,159	210,176	4,956,210
48,449	52,168	6,744	224,989	497,244
(21,752)	(26,203)	(16,464)	(62)	(216,165)
–	(7,966)	–	(1,132)	(38,360)
16,933	7,503	(24,659)	(133,936)	(38,895)
(12,845)	(9,587)	(22,747)	(3,334)	(69,006)
637,125	605,861	502,033	296,701	5,091,028
433,303	422,598	182,881	–	2,841,620
41,859	62,900	25,529	–	267,440
17,080	5,340	–	31	42,236
(20,621)	(25,677)	(16,278)	(31)	(206,121)
–	(6,990)	–	–	(21,174)
(1,562)	(1,681)	(10,078)	–	(15,874)
(10,269)	(6,863)	(4,116)	–	(38,687)
459,790	449,627	177,938	–	2,869,440
177,335	156,234	324,095	296,701	2,221,588

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(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

C1 Property, plant and equipment (continued)

Group	Freehold land*, buildings and improvements \$'000	Wharves, floating docks and boats \$'000	Plant and machinery \$'000
Cost			
At 1 January 2024	1,483,219	118,318	1,219,193
Additions	48,276	91	51,678
Disposals/write-off	(13,851)	–	(40,213)
Acquisition of subsidiary	6,682	–	123
Reclassifications	52,112	1,458	54,433
Translation difference	2,781	–	6,289
At 31 December 2024	1,579,219	119,867	1,291,503
Accumulated depreciation and impairment			
At 1 January 2024	887,548	103,483	716,769
Depreciation charge	62,845	1,680	69,940
Impairment losses	–	–	–
Disposals/write-off	(12,572)	–	(34,433)
Reclassifications	565	–	(2,134)
Translation difference	3,583	–	5,564
At 31 December 2024	941,969	105,163	755,706
Net book value			
At 31 December 2024	637,250	14,704	535,797

* Freehold land is recognised at cost of \$5,465,000 and is non-depreciable.

** Others comprise transportation equipment, vehicles and satellites.

In the prior year, the Group performed an impairment assessment and recognised a write-back of impairment loss of \$24,000 on certain property, plant and equipment. The recoverable amounts of these property, plant and equipment were determined based on the fair market value of the property, plant and equipment, net of selling costs.

Reclassifications due to changes in the use of assets:

- (a) Property, plant and equipment with net book value amounting to \$23,021,000 (2024: \$18,267,000) were reclassified to inventories.

Production tools and equipment \$'000	Furniture, fittings, office equipment and others** \$'000	Aircraft and aircraft engines \$'000	Construction -in-progress \$'000	Total \$'000
560,271	552,311	612,626	205,819	4,751,757
54,518	57,660	111,360	151,769	475,352
(20,012)	(31,473)	(185,346)	(17)	(290,912)
13	903	–	225	7,946
5,320	6,213	6,298	(149,396)	(23,562)
6,230	4,332	14,221	1,776	35,629
606,340	589,946	559,159	210,176	4,956,210
405,987	390,827	170,934	–	2,675,548
41,955	58,212	25,889	–	260,521
(2)	(22)	–	–	(24)
(19,392)	(29,165)	(13,323)	–	(108,885)
(794)	(232)	(2,700)	–	(5,295)
5,549	2,978	2,081	–	19,755
433,303	422,598	182,881	–	2,841,620
173,037	167,348	376,278	210,176	2,114,590

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(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

C1 Property, plant and equipment (continued)

Operating lease

Included in the tables below are property, plant and equipment that the Group leases out, comprising aircraft and aircraft engines, furniture, fittings, office equipment and others*. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Movements in these assets that are subject to operating leases are presented below.

Group	Furniture, fittings, office equipment and others* \$'000	Aircraft and aircraft engines \$'000	Total \$'000
Cost			
At 1 January 2025	1,908	362,329	364,237
Additions	351	–	351
Disposals/write-off	(809)	–	(809)
Reclassifications	(380)	(29,580)	(29,960)
Translation difference	(107)	(19,114)	(19,221)
At 31 December 2025	963	313,635	314,598
Accumulated depreciation			
At 1 January 2025	1,410	76,399	77,809
Depreciation charge	61	16,026	16,087
Disposals/write-off	(804)	–	(804)
Reclassifications	–	(10,078)	(10,078)
Translation difference	(79)	(3,527)	(3,606)
At 31 December 2025	588	78,820	79,408
Net book value			
At 31 December 2025	375	234,815	235,190
Cost			
At 1 January 2024	1,434	452,083	453,517
Additions	430	93,265	93,695
Disposals/write-off	–	(180,124)	(180,124)
Reclassifications	–	(16,198)	(16,198)
Translation difference	44	13,303	13,347
At 31 December 2024	1,908	362,329	364,237
Accumulated depreciation			
At 1 January 2024	889	67,827	68,716
Depreciation charge	486	17,924	18,410
Disposals/write-off	–	(8,528)	(8,528)
Reclassifications	–	(2,702)	(2,702)
Translation difference	35	1,878	1,913
At 31 December 2024	1,410	76,399	77,809
Net book value			
At 31 December 2024	498	285,930	286,428

* Others comprise transportation equipment, vehicles and satellites.

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(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

C1 Property, plant and equipment (continued)

(a) Property, plant and equipment pledged as security

Property, plant and equipment of certain overseas subsidiaries of the Group with a carrying value of \$nil (2024: \$17,140,000) are pledged as security for bank loans.

(b) Major properties

Major land, buildings and improvements to premises are:

Location	Description	Tenure	Land area (sq. m.)	Net book value	
				2025 \$'000	2024 \$'000
Singapore					
1 Ang Mo Kio Electronics Park Road	Industrial and commercial buildings	30 years from 1.11.2011	25,272	31,881	33,184
3 Ang Mo Kio Electronics Park Road	Industrial and commercial buildings	30 years from 1.12.2015	36,225	93,546	102,720
100 Jurong East Street 21	Industrial and commercial buildings	30 years from 1.11.2018	11,232	37,498	39,881
249 Jalan Boon Lay	Industrial and commercial buildings	27 years from 1.10.2001 to 31.12.2028 renewable to 10.10.2065	216,370	81,746	80,119
People's Republic of China					
No 2, Huayu Road, Huli District, Xiamen 361017, Fujian	Factory building	50 years from 20.11.2008	38,618	37,836	34,517
Germany					
Grenzstr. 1, Dresden	Industrial and commercial buildings	Freehold	395,234	161,413	73,783

For this purpose, freehold land, buildings and improvements to premises are considered major properties if the net book value of these assets represents 5% or more of the Group's aggregated net book value in these categories.

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(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

C1 Property, plant and equipment (continued)

Recognition and measurement

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

Cost comprises expenditure that is:

- directly attributable to the acquisition of the asset;
- subsequent costs incurred to replace parts that are eligible for capitalisation; and/or
- transfers from equity on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Disposals

Gains or losses on disposal of property, plant and equipment are included in profit or loss.

Depreciation

Depreciation of property, plant and equipment is recognised in profit or loss on a straight-line basis over their useful lives, except for freehold land which are not depreciated. The estimated useful lives are as follows:

Item #		Useful life
Buildings and improvements	-	2 to 50 years [^]
Wharves, floating docks and boats	-	10 to 20 years
Plant and machinery	-	2 to 25 years
Production tools and equipment	-	2 to 20 years
Furniture, fittings, office equipment and others*	-	2 to 12 years
Aircraft and aircraft engines	-	2 to 30 years

Property, plant and equipment purchased specifically for projects are depreciated over the useful life or the duration of the project, whichever is shorter.

[^] Refer to Note C1(b) Major Properties for details of the lease tenure used to approximate the useful lives of the leasehold land, buildings and improvements.

* Others comprise transportation equipment, vehicles and satellites.

Impairment

The carrying amounts of property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indications exist, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash generating unit exceeds its estimated recoverable amount.

Estimates and judgement: Depreciation charge

Management estimates the useful lives based on factors such as changes in the expected level of usage and technological developments. These are reassessed at each reporting date, and adjusted prospectively, where appropriate.

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C2 Right-of-use assets

The Group leases many assets including land, vehicles, machinery and IT equipment. Information about leases for which the Group is a lessee is presented below.

Group	Leasehold land \$'000	Wharves, floating docks and boats \$'000	Plant and machinery \$'000	Production tools and equipment \$'000	Furniture, fittings, office equipment and others * \$'000	Total \$'000
At 1 January 2025	582,820	545	6,462	925	14,502	605,254
Additions	204,508	5,395	335	314	8,941	219,493
Disposal of subsidiary	(7,222)	–	–	–	(233)	(7,455)
Modifications of lease	54,042	–	(30)	–	90	54,102
Lease termination	(53,651)	–	–	(15)	(112)	(53,778)
Depreciation charge	(86,311)	(635)	(2,975)	(676)	(9,793)	(100,390)
Impairment losses	(5,573)	–	–	–	–	(5,573)
Translation difference	(6,651)	–	(80)	(1)	(55)	(6,787)
At 31 December 2025	681,962	5,305	3,712	547	13,340	704,866

* Others comprise transportation equipment, vehicles and satellites.

Group	Leasehold land \$'000	Wharves, floating docks and boats \$'000	Plant and machinery \$'000	Production tools and equipment \$'000	Furniture, fittings, office equipment and others * \$'000	Total \$'000
At 1 January 2024	623,728	1,141	11,763	488	13,989	651,109
Additions	26,219	–	1,087	1,020	7,523	35,849
Acquisition of subsidiary	2,852	–	–	–	–	2,852
Modifications of lease	9,215	–	(373)	12	44	8,898
Lease termination	(163)	–	(2,861)	–	(69)	(3,093)
Depreciation charge	(83,034)	(596)	(3,175)	(596)	(7,997)	(95,398)
Translation difference	4,003	–	21	1	1,012	5,037
At 31 December 2024	582,820	545	6,462	925	14,502	605,254

* Others comprise transportation equipment, vehicles and satellites.

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(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

C3 Intangible assets

Group	Goodwill \$'000	Dealer network and customer relationships \$'000	Development expenditure \$'000
Cost			
At 1 January 2025	3,203,212	1,057,883	864,730
Additions	–	–	63,083
Disposal of subsidiary	(96,537)	(8,881)	–
Write-off	–	–	(1,377)
Translation difference	(172,082)	(40,706)	(17,066)
At 31 December 2025	2,934,593	1,008,296	909,370
Accumulated amortisation and impairment losses			
At 1 January 2025	55,392	257,208	391,685
Amortisation for the year *	–	68,673	37,475
Impairment losses +	415,782	–	187,738
Disposal of subsidiary	(9,963)	(8,881)	–
Write-off	–	–	(1,377)
Translation difference	(4,119)	(9,924)	(23,295)
At 31 December 2025	457,092	307,076	592,226
Net book value			
At 31 December 2025	2,477,501	701,220	317,144

Commercial and intellectual property rights \$'000	Brands \$'000	Licenses \$'000	Others \$'000	Total \$'000
815,036	80,718	48,525	77,264	6,147,368
49	–	–	11,368	74,500
(4,763)	(73,744)	–	–	(183,925)
(11,765)	–	(3,129)	–	(16,271)
(42,936)	(4,344)	(91)	(4,231)	(281,456)
755,621	2,630	45,305	84,401	5,740,216
349,797	22,384	41,199	39,928	1,157,593
55,295	784	513	3	162,743
33,801	–	–	–	637,321
(4,607)	(19,650)	–	–	(43,101)
(11,765)	–	(3,129)	–	(16,271)
(13,074)	(1,059)	(25)	1,847	(49,649)
409,447	2,459	38,558	41,778	1,848,636
346,174	171	6,747	42,623	3,891,580

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C3 Intangible assets (continued)

Group	Goodwill \$'000	Dealer network and customer relationships \$'000	Development expenditure \$'000
Cost			
At 1 January 2024	3,091,480	1,026,859	806,740
Additions	–	–	58,977
Acquisition of subsidiary	19,927	8,882	–
Write-off	–	–	(4,603)
Reclassification	–	–	–
Translation difference	91,805	22,142	3,616
At 31 December 2024	3,203,212	1,057,883	864,730
Accumulated amortisation and impairment losses			
At 1 January 2024	55,248	183,393	330,391
Amortisation for the year *	–	70,441	52,096
Write-off	–	–	–
Reclassification	–	–	–
Translation difference	144	3,374	9,198
At 31 December 2024	55,392	257,208	391,685
Net book value			
At 31 December 2024	3,147,820	800,675	473,045

* Amortisation charge of \$162,743,000 (2024: \$181,915,000) was recognised in the income statement as part of:

- Other operating expenses of \$40,800,000 (2024: \$42,922,000); and
- Cost of sales of \$121,935,000 (2024: \$138,993,000)

+ Impairment losses of \$637,321,000 (2024: \$nil) was recognised in the income statement as part of:

- Other operating expenses of \$447,470,000 (2024: \$nil); and
- Cost of sales of \$189,851,000 (2024: \$nil)

Commercial and intellectual property rights \$'000	Brands \$'000	Licenses \$'000	Others \$'000	Total \$'000
780,139	78,452	48,495	83,308	5,915,473
6,570	–	18	–	65,565
7,096	–	–	–	35,905
–	–	–	(150)	(4,753)
–	–	–	(9,173)	(9,173)
21,231	2,266	12	3,279	144,351
815,036	80,718	48,525	77,264	6,147,368
288,163	20,678	40,711	38,731	957,315
57,689	1,172	514	3	181,915
–	–	–	(150)	(150)
–	–	–	611	611
3,945	534	(26)	733	17,902
349,797	22,384	41,199	39,928	1,157,593
465,239	58,334	7,326	37,336	4,989,775

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C3 Intangible assets (continued)

During the year, the recoverable value of Satcom CGU, which comprised iDirect group, was determined to be below its carrying amount and a total impairment of \$667,055,000 was consequently recorded. This comprised impairments of goodwill of \$415,782,000, other intangible assets of \$216,204,000, property, plant and equipment of \$29,496,000, and right-of-use assets of \$5,573,000. The impairment was attributed to (i) a fast-evolving and weakening operating environment, (ii) customer adoption of iDirect group's next-generation platform taking longer than expected, (iii) continued revenue and EBITDA decline, and (iv) deteriorating near-term business outlook.

Recognition and measurement

(i) Goodwill

Goodwill represents the excess of:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

(ii) Other intangible assets

Class of intangible assets	Background	Valuation method	Useful lives
Dealer network and customer relationships	Includes customer relationships and networks acquired	Initial recognition: Separately acquired intangible assets are recognised at cost.	1 to 25 years
Commercial and intellectual property rights	Relates to intellectual property	Intangible assets arising from business combinations are recognised at fair value at the date of acquisition.	5 to 15 years
Brands	Includes brands of road construction equipment		20 years
Licenses	Relates to licenses to - conduct commercial aviation activities - purchase and lease Boeing parts - develop MRO capabilities for specific aircraft types	Subsequent measurement: Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses following initial recognition. Amortisation is calculated on a straight-line basis over the estimated useful lives.	10 to 38 years

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C3 Intangible assets (continued)

Recognition and measurement (continued)

(ii) Other intangible assets (continued)

Class of intangible assets	Background	Valuation method	Useful lives
Development expenditure	Development expenditure on an individual project is recognised as an intangible asset when the Group can demonstrate the technical and commercial feasibility of development. The capitalised costs are directly attributable to activities preparing the asset for its intended use, and capitalised borrowing costs. In any other circumstances, development costs are recognised in profit or loss as incurred.	(i) Initially recognised at cost (ii) Subsequently, post development, the expenditure is carried at cost less any accumulated amortisation and accumulated impairment losses	PTF: 8 to 41 years Others: 2 to 10 years

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated intangible assets, is recognised in profit or loss as incurred.

Impairment review

The Group tests intangible assets for impairment to ensure they are not carried at above their recoverable amounts annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

These tests are performed by assessing the recoverable amount of each individual asset or, if this is not possible, then the recoverable amount of the cash generating unit (CGU) to which the asset belongs. CGUs are the lowest levels at which assets are grouped and generate separately identifiable cash flows.

The recoverable amount is the higher of an asset or a CGU's fair value less costs to sell and value-in-use. The value-in-use calculations are based on discounted cash flows expected to arise from the asset.

Reversal of impairment

Intangible assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Key estimates and judgement: Recognition and measurement of intangible assets

Key assumptions used in estimating the recoverable amount, useful life of an intangible asset (reassessed at each reporting date) requires management's judgement.

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C3 Intangible assets (continued)

Aggregate carrying amounts of goodwill allocated to each CGU within the business segments and the key assumptions used in determining the recoverable amount of each CGU are as follows:

Group			Pre-tax discount rate		Terminal growth rate	
	2025 \$'000	2024 \$'000	2025 %	2024 %	2025 %	2024 %
<u>Commercial Aerospace</u>						
Aerostructure & Systems	59,197	59,863	13.2 – 13.9	15.1 – 16.0	1.6 – 3.0	1.6 – 3.0
Aerospace MRO	16,415	17,089	16.7	16.9	4.0	4.0
<u>Defence & Public Security</u>						
Specialty Vehicles	10,740	103,998	13.4	11.2 – 12.4	2.3	2.3
Robotics & Autonomous Systems	33,617	35,590	14.3	10.7	2.5	2.5
Mission Software & Services	12,320	12,320	9.0	9.0	2.0	2.0
Training & Simulation Systems	14,620	15,479	12.1	15.0	3.0	3.0
Advanced Networks & Sensors	34,890	36,836	11.3	11.7	3.0	3.0
Cyber	19,927	19,927	13.4	15.0	2.0	2.0
Defence Aerospace	701	701	NA	NA	NA	NA
<u>Urban Solutions & Satcom</u>						
Smart Utilities & Infrastructure	71,171	75,699	16.4	12.2	3.0	3.0
Mobility (Rail & Road)	2,203,903	2,333,262	8.7	7.0	4.0	4.0
Satcom	–	437,056	13.6	11.2	2.0	3.0
	2,477,501	3,147,820				

Recognition and measurement

The recoverable amounts of the CGUs are determined based on value-in-use calculations, using cash flow projections derived from the financial budgets approved by management for the next five to ten years. The key assumptions used in the calculation of recoverable amounts are as follows:

- The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.
- The long-term terminal growth rate has been determined based on either the nominal GDP rates for the country in which the CGU is based or the long-term growth rate estimated by management by reference to forecasts included in industry reports and expected market development.
- The revenue growth rate and gross profit margins are determined based on the past performance and expectations of market developments.

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C3 Intangible assets (continued)

Sensitivity to changes in assumptions:

- (a) Management has identified the following key assumption for which a change as set out below could cause the carrying amount to exceed the recoverable amount.

Business Segment	Assumption	Change required for carrying amount to equal the recoverable amount	
		2025 %	2024 %
Defence & Public Security	Revenue growth rate (average of next 5 years)	6.6	0.3

- (b) No sensitivity analysis was disclosed for the remaining CGUs as the Group believes that any reasonable possible change in the key assumptions is unlikely to result in any material impairment to the CGUs.

Key estimates and judgement: Impairment of goodwill

Determination of potential impairment requires an estimation of the recoverable amount of the CGUs to which goodwill are allocated. Key assumptions made to the projected cash flows requiring judgement include growth rate estimates and discount rates.

C4 Amounts due from related parties

Group	2025 \$'000	2024 \$'000
Trade:		
Associates	26,698	22,857
Joint ventures	24,056	25,519
Related parties	5,445	17,411
	56,199	65,787
Non-trade*:		
Associates	15,635	11,723
Joint ventures	4,417	52,515
Related parties	86	138
	20,138	64,376
Allowance for doubtful debts	(5,557)	(3,288)
	70,780	126,875
Receivable:		
Within 1 year	59,611	77,860
After 1 year	11,169	49,015
	70,780	126,875

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C4 Amounts due from related parties (continued)

Amounts due from related parties denominated in currencies other than the respective entities' functional currencies as at 31 December are as follows:

- \$2,093,000 (2024: \$1,581,000) denominated in USD
 - \$2,191,000 (2024: \$5,632,000) denominated in EUR
- * Included in non-trade are:
- (a) a long-term, unsecured, interest free loan of \$4,256,000 (2024: \$4,456,000) to an associate;
 - (b) a long-term, unsecured, 6% (2024: 6%) per annum interest-bearing loan of \$7,131,000 (2024: \$6,688,000) to an associate, repayable from 2029 to 2030;
 - (c) short-term, unsecured, interest free loans of \$11,200,000 (2024: \$nil) to associates, repayable in 2026; and
 - (d) loans of \$4,314,000 (2024: \$50,237,000) to joint ventures, bearing interest of 6.38% (2024: 3.00% to 6.38%) per annum, which are the effective interest rates. The loans are unsecured and repayable in 2029 (2024: 2025 to 2029).

C5 Inventories

Group	2025 \$'000	2024 \$'000
Inventories of equipment and spares	2,291,022	2,061,236

In 2025, raw materials, consumables and changes in finished goods and work-in-progress recognised as cost of sales amounted to \$5,586,568,000 (2024: \$5,422,427,000).

Allowance for inventory obsolescence

As at 31 December 2025, the inventories are stated after allowance for inventory obsolescence of \$343,921,000 (2024: \$343,154,000).

Recognition and measurement

Inventories are measured at the lower of cost and net realisable value. Cost (comprising direct labour, material costs, direct expenses and an appropriate allocation of production overheads) is calculated on a first-in, first-out basis or weighted average cost basis depending on the nature and pattern of use of the inventories.

Cost may also include transfers from equity on qualifying cash flow hedges of foreign currency purchases of inventories. Allowance is made for deteriorated, damaged, obsolete and slow-moving inventories.

Net realisable value represents the estimated selling price in the ordinary course of business, less estimated costs to sell.

Estimates and judgement: Allowance for inventory obsolescence

The allowance for inventory obsolescence is based on estimates from historical trends and expected utilisation of inventories. The actual amount of inventory write-offs could be higher or lower than the allowance made.

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C6 Trade receivables

Group	2025 \$'000	2024 \$'000
Gross receivables	1,539,489	1,524,849
Allowance for doubtful debts	(24,412)	(27,080)
Trade receivables, net	1,515,077	1,497,769
Receivable:		
Within 1 year	1,481,887	1,461,259
After 1 year	33,190	36,510
	1,515,077	1,497,769

Trade receivables denominated in currencies other than the respective entities' functional currencies as at 31 December are as follows:

- \$245,007,000 (2024: \$277,024,000) denominated in USD
- \$10,263,000 (2024: \$33,420,000) denominated in EUR

C7 Advances and other receivables

Group	2025 \$'000	2024 \$'000
Deposits	15,157	15,323
Interest receivables	180	5,607
Finance lease receivables	27,393	5,611
Other receivables	100,208	68,546
Advance payments to suppliers	533,595	549,270
Prepayments	251,233	210,928
Housing and car loans and advances to staff	3,099	3,513
	930,865	858,798
Receivable:		
Within 1 year	691,806	714,672
After 1 year	239,059	144,126
	930,865	858,798

The Group entered into finance lease arrangements with customers with terms ranging from 3.0 years to 8.1 years (2024: 5.4 years to 8.1 years) and effective interest rates ranging from 0.97% to 3.99% (2024: 0.97% to 3.99%) per annum.

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C8 Bank balances and other liquid funds

Group	2025 \$'000	2024 \$'000
Fixed deposits with financial institutions	6,022	5,262
Cash and bank balances	570,416	425,380
Bank balances and other liquid funds	576,438	430,642
Restricted cash	(1)	(816)
Cash and cash equivalents in the statement of cash flows	576,437	429,826

Fixed deposits with financial institutions mature at varying periods within 5 months (2024: 5 months) from the financial year end. Interest rates range from 0.8% to 4.2% (2024: 1.5% to 5.2%) per annum, which are also the effective interest rates.

Included in cash and cash equivalents are bank deposits amounting to \$54,176,000 (2024: \$61,767,000) which are not freely remissible for use by the Group because of currency exchange restrictions.

Cash and cash equivalents denominated in currencies other than the respective entities' functional currencies as at 31 December are as follows:

- \$131,982,000 (2024: \$139,273,000) denominated in USD
- \$6,478,000 (2024: \$29,638,000) denominated in EUR

C9 Trade payables and accruals

Group	2025 \$'000	2024 \$'000
Trade payables	1,387,486	1,220,334
Non-trade payables	133,760	104,024
Purchase of property, plant and equipment	31,810	40,582
Accrued operating expenses*	2,382,150	2,204,368
Accrued interest payable	18,508	16,873
	3,953,714	3,586,181
Payable:		
Within 1 year	3,860,740	3,485,697
After 1 year	92,974	100,484
	3,953,714	3,586,181

Trade payables denominated in currencies other than the respective entities' functional currencies as at 31 December are as follows:

- \$153,401,000 (2024: \$191,053,000) denominated in USD
- \$43,084,000 (2024: \$51,413,000) denominated in EUR

* Included in the accrued operating expenses is an amount of \$499,905,000 (2024: \$463,521,000) for the Group's obligations under its employee compensation schemes.

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C10 Amounts due to related parties

Group	2025 \$'000	2024 \$'000
Trade:		
Associates	17,943	38,258
Joint ventures	978	1,119
Related parties	3,090	4,758
	22,011	44,135
Non-trade:		
Associates	83	449
Joint ventures*	3,175	7,018
Related parties	12	17
	3,270	7,484
	25,281	51,619
Payable:		
Within 1 year	25,281	51,619

Amounts due to related parties denominated in currencies other than the respective entities' functional currencies as at 31 December are \$5,146,000 (2024: \$4,818,000) denominated in USD.

* Included in the amounts due to joint ventures (non-trade) is an amount of \$nil (2024: \$3,999,000) placed by joint ventures with a subsidiary of the Group under a cash pooling arrangement. The 2024 effective interest rates ranging from 2.0% to 4.4% per annum are charged on the outstanding balance.

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C11 Provisions

Movements in provisions are as follows:

Group	Warranties \$'000	Onerous contracts \$'000	Closure costs \$'000	Restoration costs \$'000	Total \$'000
2025					
At 1 January 2025	229,475	99,442	849	49,221	378,987
Charged/(written back) to profit or loss	25,899	25,234	(249)	1,369	52,253
Disposal of subsidiary	(6,409)	–	(600)	–	(7,009)
Additions	–	–	–	16,732	16,732
Utilised	(39,788)	(26,212)	–	(891)	(66,891)
Translation difference	(3,105)	(1,979)	–	(224)	(5,308)
At 31 December 2025	206,072	96,485	–	66,207	368,764

Group	Warranties \$'000	Onerous contracts \$'000	Closure costs \$'000	Restoration costs \$'000	Total \$'000
2024					
At 1 January 2024	225,823	101,733	936	48,266	376,758
Charged to profit or loss	50,787	4,988	–	566	56,341
Acquisition of subsidiary	569	120	–	300	989
Additions	–	–	–	1,235	1,235
Utilised	(48,598)	(8,556)	(87)	(1,275)	(58,516)
Translation difference	894	1,157	–	129	2,180
At 31 December 2024	229,475	99,442	849	49,221	378,987

Group	2025 \$'000	2024 \$'000
Provisions:		
Within 1 year	311,857	339,066
After 1 year	56,907	39,921
	368,764	378,987

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C11 Provisions (continued)

Recognition and measurement

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

(i) Warranties

The warranty provision represents the best estimate of the Group's contractual obligations at the reporting date.

Under the terms of the revenue contracts with key customers, the Group is obligated to make good, by repair or replacement, engineering or manufacturing defects that become apparent within the warranty period from the date of sale. The warranty obligation varies from 0.1 year to 15 years. The Group's experience of the proportion of its products sold that requires repair or replacement differs from year to year as every contract is customised to the specification of the customers.

The estimation of the provision for warranty expenses is based on the Group's past claim experience over the duration of the warranty period and the industry average in relation to warranty exposures and represents the best estimates of the costs expected to incur per dollar of sales.

The warranty provision made as at 31 December 2025 is expected to be incurred over the applicable warranty periods.

(ii) Onerous contracts

Provision for onerous contracts on uncompleted contracts is recognised immediately in profit or loss when it is determinable.

(iii) Closure costs

Provision for closure costs is made in respect of the expected costs that the Group will undertake between the cessation of certain operations of the Group to the completion of their liquidation.

(iv) Restoration costs

Provision for restoration costs is made for dismantlement, removal or restoration costs expected to be incurred on expiry of lease agreements.

Estimates and judgement: Provision for warranty

The provision for warranty is based on estimates from known and expected warranty work to be performed after completion. The warranty expense incurred could be higher or lower than the provision made.

Estimates and judgement: Provision for onerous contracts

The Group conducts a critical review of all its long-term contracts regularly. Judgement is used to estimate the total cost to complete as the long-term contracts progress. When it is probable that the total unavoidable costs of meeting the obligations under the contract exceed the long-term contracts revenue, a provision for onerous contract is recognised immediately.

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C12 Deferred income

Group	2025 \$'000	2024 \$'000
Government grants	23,320	26,029
Deferred rents	1,734	1,758
	25,054	27,787
Recognise:		
Within 1 year	10,685	9,363
After 1 year	14,369	18,424
	25,054	27,787

Government grants relate mainly to grants received to subsidise the cost of capital assets.

C13 Contract balances

The following table provides information about contract assets and contract liabilities from contracts with customers.

Group	2025 \$'000	2024 \$'000	2023 \$'000
Contract assets	2,960,481	2,567,423	2,240,100
Contract liabilities	(3,300,856)	(2,793,017)	(2,252,967)

The timing of revenue recognition, billings and cash collections results in billed accounts receivable (included in trade receivables), unbilled receivables (contract assets), and customer advances (contract liabilities) on the statement of financial position.

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. If the value of services rendered exceeds payments received from the customer, a contract asset is recognised and presented separately. Costs to fulfil are recognised in profit and loss when the related revenue is recognised. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional.

Contract assets include costs to fulfil of \$1,244,270,000 (2024: \$879,755,000). Costs to fulfil of \$1,937,937,000 (2024: \$1,699,786,000) were recognised in profit and loss during the year.

The contract liabilities primarily relate to advance consideration received from customers for contract revenue. If the amounts invoiced to the customer exceed the value of services rendered, a contract liability is recognised and presented separately.

These assets and liabilities are reported on the statement of financial position on a contract-by-contract basis at each reporting date.

The contract assets balance increased as the Group provided more services and transferred more goods ahead of the agreed payment schedules.

The contract liabilities increased due to more consideration received by the Group ahead of the provision of services and goods.

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C13 Contract balances (continued)

Revenue recognised in relation to contract liabilities

Group	2025 \$'000	2024 \$'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	621,383	631,774

Transaction price allocated to the remaining performance obligations

The aggregate amount of transaction price allocated to the remaining performance obligations as at 31 December 2025 is \$33,237,778,000 and the Group expects to recognise \$9,885,726,000 as revenue relating to the unsatisfied (or partially unsatisfied) performance obligations in 2026 with the remaining \$23,352,052,000 in 2027 and beyond.

As at 31 December 2024, the aggregate amount of transaction price allocated to the remaining performance obligations was \$28,535,966,000 and the Group expected to recognise \$8,846,859,000 as revenue relating to the unsatisfied (or partially unsatisfied) performance obligations in 2025 with the remaining \$19,689,107,000 in 2026 and beyond.

Variable consideration that is constrained and therefore not included in the transaction price is excluded in the amount presented above.

Estimates and judgement: Contract balances

Judgements are used to estimate these total contract costs to complete. In making these estimates, management has relied on past experience of completed projects. The estimated total contract costs are reviewed every reporting period and adjusted where necessary, with the corresponding effect of change being recognised prospectively from the date of change.

C14 Financial risk management objectives and policies

The Group has exposure to the following financial risks arising from its operations and the use of financial instruments:

- Interest rate
- Foreign exchange
- Market
- Liquidity
- Credit

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C14 Financial risk management objectives and policies (continued)

The Group's principal financial instruments, other than foreign exchange contracts and derivatives, comprise bank guarantees, performance bonds and bank loans, finance leases and hire purchase contracts, investments, cash and short-term deposits.

All financial transactions with the banks are governed by banking facilities duly accepted with Board of Directors' resolutions, with banking mandates, which define the permitted financial instruments and facilities limits. All financial transactions require dual signatories. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

It is the Group's policy not to engage in foreign exchange and/or derivatives speculation. The purpose of engaging in treasury transactions is solely for hedging. The Group's treasury mandates allow only foreign exchange spot, forward or non-deliverable forward, foreign exchange swap, cross currency swap, purchase of foreign exchange call, put or collar option, forward rate agreement, interest rate swap, purchase of interest rate cap, floor or collar option. These instruments are generic in nature with no embedded or leverage features and any deviation from these instruments would require specific approval from the Board of Directors.

The policies for managing each of these risks are broadly summarised below:

Interest rate risk

As at reporting date, the interest rate profile of the interest-bearing financial instruments is:

Group	2025 \$'000	2024 \$'000
Fixed rate instruments		
Financial assets	60,316	72,254
Financial liabilities	(3,938,172)	(4,027,016)
	(3,877,856)	(3,954,762)
Variable rate instruments		
Financial liabilities	(894,661)	(1,798,519)
	(894,661)	(1,798,519)

The Group has cash balances placed with reputable banks and financial institutions. The Group manages its interest rate risk on its interest income by placing the cash balances in varying maturities and interest rate terms with due consideration to operating cash flow requirements and optimising yield.

The Group's debts include bank loans, medium-term notes, commercial papers and lease liabilities (2024: bank loans, medium-term notes, commercial papers and lease liabilities). The Group seeks to minimise its interest rate risk exposure through tapping different sources of funds to refinance the debt instruments and/or enter into interest rate swaps.

An increase/decrease of 50 basis points in interest rate, with all other variables being held constant, would lead to a reduction/increase of the Group's profit or loss by approximately \$4.5 million (2024: \$9.0 million).

The Group's policy is to maintain at least 50% of its borrowings at fixed rate, using floating-to-fixed interest rate swaps to achieve this when necessary. During 2025 and 2024, the Group's borrowings at variable rate were mainly denominated in USD.

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C14 Financial risk management objectives and policies (continued)

Interest rate risk (continued)

The Group's borrowings and receivables are carried at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

Hedge ineffectiveness/discontinuation of cash flow hedge for interest rate swaps is assessed using the same principles as for hedges of foreign currency purchases. It may occur due to:

- the credit value/debit value adjustment on the interest rate swaps which is not matched by the loan;
- differences in critical terms between the interest rate swaps and loans;
- early repayment of loans.

Loss on ineffective portion/discontinuation of cash flow hedge of \$421,000 has been recognised in relation to the interest rate swaps in finance income or finance costs in profit or loss for 2025 (2024: Gain \$2,914,000).

Information relating to the Group's interest rate risk exposure is also disclosed in the notes on the Group's borrowings, investments and loans receivable, where applicable.

Foreign exchange risk

The Group is exposed to foreign exchange risk from its global operations and revenues, costs and borrowings denominated in a currency other than the respective entities' functional currencies. The Group's foreign exchange exposures are primarily from USD and EUR and manages its exposure through forward currency contracts and embedded derivatives.

The Group's centralised Treasury Unit monitors the current and projected foreign currency cash flows within the Group and aims to reduce the exposure of the net position by transacting with the banks where appropriate.

No foreign exchange sensitivity analysis was disclosed as a reasonable change in the exchange rates would not result in any significant impact on the Group's results.

Market risk

The Group has strategic investments in unquoted equity shares. The market value of these investments will fluctuate with market conditions.

No sensitivity analysis was disclosed as a reasonable change in the market value of these investments would not result in any significant impact on the Group's results.

Liquidity risk

To manage liquidity risk, the Group monitors its net operating cash flows and maintains an adequate level of cash and cash equivalents and secured committed funding facilities from financial institutions. In assessing the adequacy of these funding facilities, management reviews its working capital requirements regularly.

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C14 Financial risk management objectives and policies (continued)

Liquidity risk (continued)

The table below analyses the maturity profile of the Group's financial liabilities based on the contractual undiscounted cash flows including estimated interest payments and excluding impact of netting arrangements.

Group	Contractual cash flow \$'000	Within 1 year \$'000	Between 1 and 5 years \$'000	More than 5 years \$'000
2025				
Bank loans	(464,323)	(94,250)	(370,073)	–
Commercial papers	(828,567)	(828,567)	–	–
Medium-term notes	(3,167,452)	(725,204)	(2,044,671)	(397,577)
Lease liabilities	(762,810)	(85,692)	(241,934)	(435,184)
Trade and other payables	(3,978,995)	(3,886,021)	(91,935)	(1,039)
Derivative financial instruments:				
• Gross-settled forward currency contracts				
– payments	(2,796,525)	(2,317,169)	(465,799)	(13,557)
– receipts	2,828,027	2,337,910	477,006	13,111
• Net-settled interest rate swaps	(3,733)	(2,621)	(1,112)	–
Financial guarantees	(77,407)	(9,066)	(41,171)	(27,170)
2024				
Bank loans	(403,363)	(26,492)	(365,991)	(10,880)
Commercial papers	(1,821,720)	(1,821,720)	–	–
Medium-term notes	(3,223,919)	(1,083,014)	(1,709,216)	(431,689)
Lease liabilities	(740,636)	(99,787)	(242,793)	(398,056)
Trade and other payables	(3,637,800)	(3,537,316)	(99,380)	(1,104)
Derivative financial instruments:				
• Gross-settled forward currency contracts				
– payments	(2,463,756)	(1,853,563)	(610,193)	–
– receipts	2,401,798	1,812,095	589,703	–
• Net-settled interest rate swaps	3,636	1,636	2,000	–
Financial guarantees	(82,333)	–	(43,981)	(38,352)

Except for the cash flows arising from the intra-group financial guarantee, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

At the reporting date, the Group does not consider it probable that a claim will be made against the Group under the financial guarantees.

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C14 Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Recognition and measurement

Financial guarantees are financial instruments issued by the Group to joint ventures that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees are recognised initially at fair value and are classified as financial liabilities. Subsequently, they are measured at the higher of the loss allowance determined in accordance with SFRS(I) 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15.

Expected credit loss (ECL) is a probability-weighted estimate of credit losses. ECLs are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Group expects to recover.

Credit risk

Credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Where appropriate, the Company or its subsidiaries obtain collaterals from customers or arrange master netting agreements. Cash terms, advance payments, and letters of credit or bank guarantees are required for customers of lower credit standing.

The carrying amounts of financial assets and contract assets represent the Group's maximum exposures to credit risk, before taking into account any collateral held.

Group	2025 \$'000	2024 \$'000
Investments	42,233	63,006
Derivative financial instruments	63,373	19,992
Contract assets	2,960,481	2,567,423
Trade receivables	1,515,077	1,497,769
Amounts due from related parties	70,780	126,875
Advances and other receivables	146,037	98,600
Bank balances and other liquid funds	576,438	430,642
	5,374,419	4,804,307

Impairment losses/(reversal of impairment losses) on financial assets and contract assets recognised in profit or loss are as follows:

Group	2025 \$'000	2024 \$'000
Trade receivables	688	(76)
Contract balances arising from contracts with customers	1,952	(6,789)
	2,640	(6,865)

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C14 Financial risk management objectives and policies (continued)

Exposure to credit risk

As at 31 December 2025, 35% (2024: 22%) of trade receivables and contract assets relate to three major customers of the Group.

The table below analyses the trade receivables and contract assets by the Group's main reportable segments:

Group	Carrying amount	
	2025 \$'000	2024 \$'000
Commercial Aerospace	1,007,221	943,987
Defence & Public Security	2,407,650	2,000,497
Urban Solutions & Satcom	1,060,687	1,066,491
	4,475,558	4,010,975

A summary of the Group's exposures to credit risk for trade receivables and contract assets is as follows:

Group	2025		2024		2023	
	Not credit impaired \$'000	Credit impaired \$'000	Not credit impaired \$'000	Credit impaired \$'000	Not credit impaired \$'000	Credit impaired \$'000
<i>Receivables measured at lifetime ECL:</i>						
Trade receivables and contract assets	4,475,558	44,249	4,010,975	45,497	3,832,675	68,820
Loss allowance	–	(44,249)	–	(45,497)	–	(68,820)
Total	4,475,558	–	4,010,975	–	3,832,675	–

Expected credit loss assessment

Trade receivables and contract assets

For specific trade receivables and contract assets identified by the Group to be credit impaired, the Group recognised a loss allowance equal to lifetime ECL. Hence, the recoverability of these balances is assessed separately from the allowance matrix.

For the remaining trade receivables and contract assets, the Group uses an allowance matrix to measure the ECL of trade receivables and contract assets from its customers. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the common credit risk characteristics.

In calculating the ECL rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. Based on this assessment, the Group has concluded that the ECLs from these trade receivables and contract assets are immaterial.

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C14 Financial risk management objectives and policies (continued)

Expected credit loss assessment (continued)

The table below shows the aging and loss allowance analysis of the Group's trade receivables as at 31 December 2025 and 2024:

	Not past due \$'000	1 – 90 days \$'000	91 – 180 days \$'000	181 – 360 days \$'000	> 360 days \$'000	Total \$'000
2025						
Commercial Aerospace						
Trade receivables and contract assets	940,908	66,154	7,345	6,792	3,284	1,024,483
Loss allowance	(7,553)	(2,107)	(2,039)	(3,155)	(2,408)	(17,262)
Defence & Public Security						
Trade receivables and contract assets	2,312,820	90,919	11,278	1,907	3,591	2,420,515
Loss allowance	(9,140)	(493)	(126)	(20)	(3,086)	(12,865)
Urban Solutions & Satcom						
Trade receivables and contract assets	1,010,903	36,121	9,713	9,225	8,847	1,074,809
Loss allowance	(3,309)	(584)	(930)	(1,025)	(8,274)	(14,122)
2024						
Commercial Aerospace						
Trade receivables and contract assets	884,070	65,138	4,453	3,752	3,415	960,828
Loss allowance	(9,376)	(3,006)	(571)	(1,194)	(2,694)	(16,841)
Defence & Public Security						
Trade receivables and contract assets	1,898,051	101,981	8,034	1,728	3,943	2,013,737
Loss allowance	(9,105)	(598)	(167)	(66)	(3,304)	(13,240)
Urban Solutions & Satcom						
Trade receivables and contract assets	993,243	63,172	10,831	5,341	9,320	1,081,907
Loss allowance	(1,448)	(1,785)	(1,538)	(1,325)	(9,320)	(15,416)

The movement in the allowance for impairment in respect of trade receivables and contract assets during the year were as follows:

Group	Lifetime ECL	
	2025 \$'000	2024 \$'000
At 1 January	45,497	68,820
Impairment losses/(reversal of impairment losses) recognised	2,640	(6,865)
Amounts written off	(2,435)	(16,149)
Disposal of subsidiary	(277)	–
Translation difference	(1,176)	(309)
At 31 December	44,249	45,497

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C14 Financial risk management objectives and policies (continued)

Expected credit loss assessment (continued)

Bank balances and other liquid funds

Bank balances and other liquid funds are placed with financial institutions, which mainly have long-term rating of A3 by Moody's or A- by Standard & Poor's or the equivalent by a reputable credit rating agency. Impairment on bank balances and other liquid funds has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its bank balances and other liquid funds to have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on bank balances and other liquid funds is insignificant.

Other financial assets

Other financial assets comprise amounts due from related parties and other receivables, which are mostly short-term in nature. Impairment on other financial assets has been measured on the 12-month expected loss basis and reflects the short maturities of exposures. The Group considers its other financial assets to have low credit risk and the amount of the allowance on other financial assets is insignificant.

Recognition and measurement

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost, contract assets (as defined in SFRS(I) 15), and debt investments at FVOCI, but not for equity investments.

Loss allowances of the Group are measured using either the simplified or general approach.

The Group applies the simplified approach to provide for ECLs for all trade receivables (including lease receivables) and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset remains outstanding for more than the reasonable range of past due days, taking into consideration historical payment track record, current macroeconomics situation as well as general industry trend.

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C14 Financial risk management objectives and policies (continued)

Expected credit loss assessment (continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or payment remains outstanding for more than a reasonable range of past due days;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Estimates and judgement: Impairment of financial assets and contract assets

Impairment of financial assets and contract assets are estimated based on historical loss experience for assets with similar credit risk characteristics. The estimated ECL is reviewed every reporting period and adjusted where necessary, with the corresponding effect of change being recognised prospectively from the date of change.

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C15 Classification and fair value of financial instruments

Group	← Carrying amount →		
	Amortised cost \$'000	FVTPL \$'000	Fair value – hedging instruments \$'000
2025			
Financial assets measured at fair value			
Investments	–	2,850	–
Associates	–	7,155	–
Derivative financial instruments	–	14,805	48,568
	–	24,810	48,568
Financial assets at amortised cost			
Trade receivables	1,515,077	–	–
Amounts due from related parties	70,780	–	–
Advances and other receivables	146,037	–	–
Bank balances and other liquid funds	576,438	–	–
	2,308,332	–	–
Financial liabilities measured at fair value			
Derivative financial instruments	–	(10,863)	(4,086)
Financial liabilities at amortised cost			
Trade payables and accruals	–	–	–
Amounts due to related parties	–	–	–
Borrowings	–	–	–
	–	–	–

← Carrying amount →			← Fair value →				
FVOCI – equity instruments \$'000	Other financial liabilities \$'000	Total carrying amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	
39,383	–	42,233	–	13,264	28,969	42,233	
–	–	7,155	–	–	7,155	7,155	
–	–	63,373	–	63,373	–	63,373	
39,383	–	112,761	–	76,637	36,124	112,761	
–	–	1,515,077					
–	–	70,780					
–	–	146,037					
–	–	576,438					
–	–	2,308,332					
–	–	(14,949)	–	(14,949)	–	(14,949)	
–	(3,953,714)	(3,953,714)					
–	(25,281)	(25,281)					
–	(4,832,833)	(4,832,833)					
–	(8,811,828)	(8,811,828)					

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C15 Classification and fair value of financial instruments (continued)

Group	← Carrying amount →		
	Amortised cost \$'000	FVTPL \$'000	Fair value – hedging instruments \$'000
2024			
Financial assets measured at fair value			
Investments	–	5,364	–
Associates	–	8,208	–
Derivative financial instruments	–	8,337	11,655
	–	21,909	11,655
Financial assets at amortised cost			
Trade receivables	1,497,769	–	–
Amounts due from related parties	126,875	–	–
Advances and other receivables	98,600	–	–
Bank balances and other liquid funds	430,642	–	–
	2,153,886	–	–
Financial liabilities measured at fair value			
Derivative financial instruments	–	(26,408)	(35,281)
Financial liabilities at amortised cost			
Trade payables and accruals	–	–	–
Amounts due to related parties	–	–	–
Borrowings	–	–	–
	–	–	–

← Carrying amount →			← Fair value →			
FVOCI – equity instruments	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
57,642	–	63,006	–	9,145	53,861	63,006
–	–	8,208	–	–	8,208	8,208
–	–	19,992	–	19,992	–	19,992
57,642	–	91,206	–	29,137	62,069	91,206
–	–	1,497,769				
–	–	126,875				
–	–	98,600				
–	–	430,642				
–	–	2,153,886				
–	–	(61,689)	–	(61,689)	–	(61,689)
–	(3,586,181)	(3,586,181)				
–	(51,619)	(51,619)				
–	(5,821,536)	(5,821,536)				
–	(9,459,336)	(9,459,336)				

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C15 Classification and fair value of financial instruments (continued)

Movements in Level 2 and 3 financial instruments measured at fair value

The following table presents the reconciliation for all financial instruments measured at fair value based on significant unobservable inputs (Level 2 and 3).

Group	2025 \$'000	2024 \$'000
Associates		
At 1 January	8,208	9,970
Addition during the year	385	–
Total unrealised losses recognised in profit or loss, other income, net	(1,306)	(1,869)
Translation difference	(132)	107
At 31 December	7,155	8,208
Equity instruments (unquoted), at FVTPL		
At 1 January	5,364	15,606
Total unrealised losses recognised in profit or loss, other income, net	(2,263)	(10,538)
Translation difference	(251)	296
At 31 December	2,850	5,364
Equity instruments (unquoted), at FVOCI		
At 1 January	57,642	47,469
Addition during the year	4,626	11,445
Disposal during the year	–	(668)
Changes in fair value of investments	(19,689)	(1,836)
Translation difference	(3,196)	1,232
At 31 December	39,383	57,642
	49,388	71,214

Recognition and measurement

(a) Non-derivative financial assets and liabilities

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case, all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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C15 Classification and fair value of financial instruments (continued)

Recognition and measurement (continued)

(a) Non-derivative financial assets and liabilities (continued)

Classification and subsequent measurement (continued)

Financial assets	Classification	Subsequent measurement
Amortised cost	<ul style="list-style-type: none"> The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and The contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. 	Measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	<ul style="list-style-type: none"> The asset is held within a business model whose objective is achieved by collecting contractual cash flows and selling financial assets; and The contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. 	Measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.	Measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.
FVTPL*	<p>All other financial assets are classified as measured at FVTPL. Financial assets that are held-for-trading or are managed, and whose performance is evaluated on a fair value basis, are measured at FVTPL.</p> <p>* <i>On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.</i></p>	Measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

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C15 Classification and fair value of financial instruments (continued)

Recognition and measurement (continued)

(a) Non-derivative financial assets and liabilities (continued)

Classification and subsequent measurement (continued)

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice;
- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risks that affect the performance of the business model and how those risks are managed;
- How managers of the portfolio are compensated; and
- The frequency, volume and timing of disposals in prior periods, the reasons for such disposals and its expectations about future activity.

Assessment of whether contractual cash flows are solely payments of principal and interest

For assessment purposes, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers contingent events, leverage features, modifications of the time value of money and other limiting terms in the contractual terms of the instrument, which changes the timing or amount of contractual cash flows such that the cash flows of the instrument would not be reflective of solely payments of principal and interest.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing those financial assets.

Financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or FVTPL.

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

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C15 Classification and fair value of financial instruments (continued)

Recognition and measurement (continued)

(b) Fair value

The Group has an established approach with respect to the measurement of fair values.

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The following table shows the levels of fair value hierarchy and the respective valuation technique used in measuring the fair values, as well as significant unobservable inputs:

	Types of financial instruments	Valuation method
Level 1	FVOCI - Equity investments (quoted)	Determined by reference to their quoted bid prices for these investments as at reporting date.
	FVTPL - Equity investments (quoted)	Determined by reference to their quoted bid prices for these investments as at reporting date.
Level 2	FVOCI - Equity investments (unquoted)	Determined by reference to the most recent purchase price.
	Derivatives - Forward currency contracts - Interest rate swaps - Embedded derivatives	Determined based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.
	FVTPL - Investment in associates - Equity investments (unquoted)	Determined by reference to the most recent purchase price.
Level 3	FVOCI - Equity investment (unquoted)	Determined based on latest funding round.
	FVTPL - Investment in associates - Equity investments (unquoted)	Determined based on valuation performed using adjusted market multiples. Changing one or more of the inputs to reasonable alternative assumptions is not expected to have a material impact on the changes in fair value.

Measurement of fair values

The Group regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair value, then the Group assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SFRS(I)s, including the level in the fair value hierarchy the resulting fair value estimate should be classified.

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C15 Classification and fair value of financial instruments (continued)

Recognition and measurement (continued)

(b) Fair value (continued)

Measurement of fair values (continued)

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred. In 2025 and 2024, there were no transfers between the different levels of fair value hierarchy.

The following methods and assumptions are used to estimate the fair value of other classes of financial instruments:

Types of financial instruments	Valuation method
Bank balances, other liquid funds and short-term receivables	Carrying amounts approximate fair values due to the relatively short-term maturity of these instruments.
Short-term borrowings and other current payables	
Long-term receivables	Estimated based on the expected cash flows discounted to present value.
Long-term payables	Estimated based on present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

C16 Derivative financial instruments

Cash flow hedges

At 31 December 2025, the Group held the following instruments to hedge exposures to changes in foreign currency and interest rates:

Group	Within 1 year	Between 1 to 5 years	More than 5 years
2025			
Foreign currency risk			
<i>Nominal amount of forward exchange contracts (in thousands of SGD)</i>	809,531	413,843	–
- Average EUR:USD forward contract rate	1.1310	1.1578	–
- Average USD:SGD forward contract rate	1.2823	1.3183	–
- Average EUR:SGD forward contract rate	1.4800	1.4696	–
- Average CAD:SGD forward contract rate	0.9844	0.9602	–
<i>Nominal amount of embedded derivatives (in thousands of SGD)</i>	136,953	498,821	38,687
- Average USD:SGD	1.3357	1.2371	1.1845
- Average EUR:SGD	1.4426	1.4452	1.4201
- Average GBP:SGD	1.5947	1.5470	1.5001
Interest rate risk			
<i>Nominal amount of interest rate swaps</i>	–	300,000	–
- Average fixed interest rate	–	2.1921	–

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C16 Derivative financial instruments (continued)

Cash flow hedges (continued)

Group	Within 1 year	Between 1 to 5 years	More than 5 years
2024			
Foreign currency risk			
<i>Nominal amount of forward exchange contracts (in thousands of SGD)</i>			
	820,831	545,248	–
- Average EUR:USD forward contract rate	1.0841	1.1233	–
- Average USD:SGD forward contract rate	1.3008	1.3343	–
- Average EUR:SGD forward contract rate	1.4406	–	–
- Average CAD:SGD forward contract rate	0.9907	0.9657	–
<i>Nominal amount of embedded derivatives (in thousands of SGD)</i>			
	63,079	473,630	138,261
- Average USD:SGD	1.3376	1.2886	1.2219
- Average EUR:SGD	1.4733	1.4377	1.4292
- Average GBP:SGD	1.5930	1.5532	1.5137
Interest rate risk			
<i>Nominal amount of interest rate swaps</i>			
	43,588	300,000	–
- Average fixed interest rate	2.7883	2.1921	–

The amounts at the reporting date relating to items designated as hedged items are as follows:

Group	Changes in value used for calculating hedge ineffectiveness \$'000	Cash flow hedge reserve \$'000
2025		
Foreign currency risk		
Sales	41,402	20,004
Receivables	411	(323)
Purchases	18,182	17,502
Payables	140	(106)
Interest rate risk		
Variable rate borrowings	(8,024)	34,293
2024		
Foreign currency risk		
Sales	(41,503)	(20,437)
Receivables	(411)	(734)
Purchases	(9,534)	(3,140)
Payables	(294)	(269)
Interest rate risk		
Variable rate borrowings	4,263	58,941

There are no balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied.

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C16 Derivative financial instruments (continued)

Cash flow hedges (continued)

The amounts relating to items designated as hedging instruments and hedge ineffectiveness are as follows:

Group	2025			Line item in the statement of financial position where the hedging instrument is included
	Nominal amount \$'000	Assets \$'000	Liabilities \$'000	
Foreign currency risk				
Forward exchange contracts	1,223,374	35,237	(3,879)	Derivative financial instruments, advances and other receivables and trade payables and accruals
Embedded derivatives	674,462	16,881	–	Derivative financial instruments
Interest rate risk				
Interest rate swaps	300,000	–	(3,709)	Derivative financial instruments

During the year 2025						
Changes in the value of the hedging instrument recognised in OCI \$'000	Hedge ineffectiveness recognised in profit or loss \$'000	Line item in profit or loss that includes hedge ineffectiveness	Amount from hedging reserve transferred to cost of inventory \$'000	Amount reclassified from hedging reserve to profit or loss \$'000	Line item in profit or loss affected by the reclassification	
48,032	–	–	99	1,423	Revenue/ Cost of sales / Operating expenses/ Finance costs, net	
12,103	–	–	–	–	–	
(8,024)	–	–	–	(16,624)	Finance costs	

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C16 Derivative financial instruments (continued)

Cash flow hedges (continued)

Group	2024			Line item in the statement of financial position where the hedging instrument is included
	Nominal amount \$'000	Assets \$'000	Liabilities \$'000	
Foreign currency risk				
Forward exchange contracts	1,366,078	5,105	(49,184)	Derivative financial instruments, advances and other receivables and trade payables and accruals
Embedded derivatives	674,969	5,263	(485)	Derivative financial instruments
Interest rate risk				
Interest rate swaps	343,588	3,509	(261)	Derivative financial instruments

During the year 2024

Changes in the value of the hedging instrument recognised in OCI \$'000	Hedge ineffectiveness recognised in profit or loss \$'000	Line item in profit or loss that includes hedge ineffectiveness	Amount from hedging reserve transferred to cost of inventory \$'000	Amount reclassified from hedging reserve to profit or loss \$'000	Line item in profit or loss affected by the reclassification
(45,215)	–	–	443	9,069	Revenue/ Cost of sales / Operating expenses/ Finance costs, net
(6,527)	–	–	–	–	–
4,263	–	–	–	(22,926)	Finance costs

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C16 Derivative financial instruments (continued)

Cash flow hedges (continued)

The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting:

Group	Hedging reserve	
	2025 \$'000	2024 \$'000
Balance at 1 January	41,046	87,631
Change in fair value:		
Foreign currency risk	60,135	(51,742)
Interest rate risk	(8,024)	4,263
Equity accounted joint ventures	(7,017)	3,858
Amount reclassified to profit or loss:		
Foreign currency risk	1,423	9,069
Interest rate risk	(16,624)	(22,926)
Amount included in the cost of non-financial items:		
Foreign currency risk – inventory purchases	99	443
Tax movements on reserves during the year	(15,533)	10,450
Balance at 31 December	55,505	41,046

Derivative financial instruments and hedge accounting

The derivative financial instruments are initially recognised at fair value on the date of which a derivative contract is entered into. Attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivative financial instruments are remeasured at their fair values.

Any gains or losses arising from changes in the fair value of derivatives that do not qualify for hedge accounting are taken directly to the profit or loss.

Designation of hedges

At inception or upon reassessment of the hedge arrangement, the Group documents the relationship between hedging instrument and hedged item, and the methods that will be used to measure the effectiveness of the hedged relationship, as well as risk management policies and strategies in undertaking various hedged transactions.

The Group also documents its assessment, both at inception and on an ongoing basis, the economic relationship between hedging instruments and hedged item, including whether derivatives designated as hedging instruments are highly effective in offsetting changes in fair values or cash flows of the hedged item.

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C16 Derivative financial instruments (continued)

Cash flow hedges (continued)

Derivative financial instruments and hedge accounting (continued)

Category	Subsequent measurement
(1) Cash flow hedges	<p>When a derivative is designated in a cash flow hedge, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income limited to the cumulative changes in the fair value of the hedged item and presented in the fair value reserve. Any ineffective portion of changes in the fair value of the derivative (i.e. the extent to which changes in the fair value of the hedge instrument do not match the changes in fair value of the hedged item) is recognised immediately in profit or loss.</p> <p>The amount accumulated in equity is retained in other comprehensive income, and depending on the nature of the hedged item, will either be transferred to the profit or loss in the same period that the underlying transaction affects profit or loss or be capitalised in the initial carrying amount of the non-financial item.</p> <p>If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in the fair value reserve remains there until the forecast transaction occurs. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.</p>
(2) Fair value hedges	<p>Changes in the fair value of derivative financial instruments that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.</p>
(3) Net investment hedges	<p>The Group designates certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.</p> <p>When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.</p>

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D. Employee Benefits

The Group uses the following programmes to reward and recognise employees and key executives, including key management personnel.

- Economic Value Added (EVA)-based Incentive Scheme
- Defined contribution plans
- Post-employment benefits
- Share plans

The Group believes that these programmes reinforce the value of ownership and incentivise and drive performance both individually and collectively to maximise returns to the shareholders.

D1	Economic Value Added (EVA)-based Incentive Scheme	D3	Post-employment benefits
D2	Personnel expenses	D4	Share-based payment arrangements

D1 Economic Value Added (EVA)-based Incentive Scheme

The Group adopts an incentive compensation plan, which is tied to the creation of EVA, as well as attainment of individual and Group performance goals for its key executives. An EVA bank is used to hold incentive compensation credited in any year.

Typically, a portion of EVA-based bonus declared in the financial year is paid out in cash each year, with the balance being deferred for payment in the following years.

Estimates and judgement: EVA-based Incentive Scheme (EBIS)

Estimates of the Group's obligations arising from the EBIS at the reporting date may be affected by future events, which cannot be predicted with any certainty. The assumptions and estimates are made based on management's knowledge and experience and may vary from actual experience so that the actual liability may vary considerably from the best estimates. Negative EVA will result in a clawback of EVA bonus accumulated in previous years.

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D2 Personnel expenses

Group	2025 \$'000	2024 \$'000
Wages and salaries	2,631,192	2,566,567
Contributions to defined contribution plans	265,175	246,889
Defined benefit obligation expenses	16,157	15,578
Share-based payments	75,591	39,375
Other personnel expenses	358,637	356,322
	3,346,752	3,224,731

Recognition and measurement

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund and will have no legal or constructive obligation to pay further amounts. The Group's contributions to the defined contribution plans are recognised in the income statement as expenses in the financial year to which they relate.

D3 Post-employment benefits

Group	2025 \$'000	2024 \$'000
Net defined benefit asset	7,153	–
Total post-employment benefit asset	7,153	–
Net defined benefit liabilities	179,100	194,005
Total post-employment benefit liabilities	179,100	194,005
Non-current	175,298	190,893
Current	3,802	3,112
	179,100	194,005

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D3 Post-employment benefits (continued)

Movement in net defined benefit liability/(asset)

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit liability/(asset) and its components:

Group	Defined benefit obligation		Fair value of plan assets		Net defined benefit liability/(asset)	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Balance at 1 January	517,969	534,004	(323,964)	(325,078)	194,005	208,926
Included in profit or loss						
Current service cost	6,398	5,678	–	–	6,398	5,678
Past service credit	22	–	–	–	22	–
Interest cost/(income)	24,564	24,182	(16,061)	(15,351)	8,503	8,831
Administrative expenses	885	(92)	349	1,161	1,234	1,069
	31,869	29,768	(15,712)	(14,190)	16,157	15,578
Included in OCI						
Remeasurement loss/(gain):						
• Actuarial loss/(gain) arising from:						
– financial assumptions	(14,101)	(26,358)	(107)	(283)	(14,208)	(26,641)
– experience assumptions	(5,017)	42	(238)	(167)	(5,255)	(125)
• Return on plan assets excluding interest income	–	–	(15,525)	8,051	(15,525)	8,051
	(19,118)	(26,316)	(15,870)	7,601	(34,988)	(18,715)
Others						
Contributions paid by the employer	(3,350)	(6,187)	(3,057)	(4,242)	(6,407)	(10,429)
Benefits paid	(21,762)	(21,369)	19,599	21,364	(2,163)	(5)
Translation difference	(11,360)	8,069	16,703	(9,419)	5,343	(1,350)
Balance at 31 December	494,248	517,969	(322,301)	(323,964)	171,947	194,005

The expenses are recognised in the following line items in profit or loss:

Group	2025 \$'000	2024 \$'000
Cost of sales	12,913	12,520
Administrative expenses	1,717	1,470
Other operating expenses	719	812
Finance cost, net	808	776
Defined benefit obligation expenses	16,157	15,578

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D3 Post-employment benefits (continued)

Movement in net defined benefit liability/(asset) (continued)

The fair value of plan assets in each category are as follows:

Group	2025 \$'000	2024 \$'000
Equity securities	81,292	96,374
Government bonds	65,541	58,660
Derivatives	794	406
Property occupied by the Group	14,251	14,480
Funds managed by a trustee	144,193	140,559
Funds with insurance companies	16,230	13,485
Fair value of plan assets	322,301	323,964

All equity securities and government bonds have quoted prices in active markets. All government bonds have an average rating of AA+.

In the case of the funded plans, the Group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the pension schemes. Within this framework, the Group's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

Defined benefit obligation

(a) Actuarial assumptions

The following relates to the actuarial assumptions of significant post-employment defined benefit plans for subsidiaries in Germany and United States of America. The remaining defined benefit plans are not material to the Group and additional disclosures are not shown at the reporting date.

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

Group	2025 %	2024 %
Discount rate	4.6	4.2
Future salary growth	3.0	3.1
Future pension growth	2.0	2.1

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D3 Post-employment benefits (continued)

Defined benefit obligation (continued)

(a) Actuarial assumptions (continued)

Assumptions regarding future mortality have been based on published statistics and mortality tables. The current longevities underlying the values of the defined benefit obligation at the reporting date are as follows:

Group	2025		2024	
	Germany	U.S.	Germany	U.S.
<i>Longevity at age 65 for current pensioners:</i>				
Males	21.0	20.3	20.9	20.3
Females	24.4	22.3	24.3	22.3
<i>Longevity at age 65 for current members aged 45:</i>				
Males	23.7	21.9	23.6	21.8
Females	26.6	23.8	26.5	23.7

At 31 December 2025, the weighted average duration of the defined benefit obligation was 18.2 years (2024: 19.6 years) for the subsidiaries in Germany and 10.1 years (2024: 10.2 years) for the subsidiary in United States of America.

(b) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Group	2025		2024	
	Increase \$'000	Decrease \$'000	Increase \$'000	Decrease \$'000
Discount rate (0.5% movement)	(25,373)	29,955	(28,161)	33,291
Future salary growth (0.25% movement)	38	(36)	67	(57)
Future pension growth (0.25% movement)	1,161	(1,115)	1,238	(1,192)
Future mortality (10% movement)	(8,964)	10,497	(9,088)	10,307

Recognition and measurement

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The fair value of any plan assets is deducted. The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset).

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D4 Share-based payment arrangements

PSP2020 (PSP)

The PSP is established with the objective of motivating Senior Management Executives to strive for sustained long-term growth and performance in ST Engineering and its subsidiaries (ST Engineering Group or the Group). Awards of performance shares are granted conditional on performance targets set based on the ST Engineering Group corporate objectives.

The performance measures used in PSP grants are Absolute Total Shareholder Return (TSR) taking reference to the Group's Cost of Equity, Earnings Per Share (EPS) Growth against pre-determined EPS growth targets and Environmental, Social & Governance (ESG) metrics. In addition to the PSP performance targets being met, final award for PSP is conditional upon satisfactory performance of the recipient.

RSP2020 (RSP)

The RSP is established with the objective of retaining and motivating managers and above to strive for sustained long-term growth of the Group. The plan also aims to foster a share ownership culture among employees within the Group and to better align employees' incentive with shareholders' interests.

A minimum threshold performance is required for any shares to be released to the recipients at the end of the performance period. The shares will vest equally over a four-year performance period, subject to continued employment with the Group and maintaining a satisfactory performance rating for the financial year preceding each tranche of vesting.

Movement in the number of shares under the PSP and RSP are as follows:

Group	2025		2024	
	PSP	RSP	PSP	RSP
Outstanding awards				
Balance at 1 January	7,585,088	17,537,281	6,356,672	16,241,986
Granted	4,468,433	8,176,889	3,065,506	8,147,708
Lapsed	(6,893)	(320,036)	(1,468)	(679,285)
Released	(4,149,433)	(6,625,106)	(1,835,622)	(6,173,128)
Balance at 31 December	7,897,195	18,769,028	7,585,088	17,537,281

These shares were awarded by reissuance of treasury shares.

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D4 Share-based payment arrangements (continued)

Singapore Technologies Engineering Performance Share Plan (PSP) and Singapore Technologies Engineering Restricted Share Plan (RSP)

Group	PSP		RSP	
	Year of grant		Year of grant	
	2025	2024	2025	2024
Volatility of the Company's shares (%)	18.16 – 20.22	13.22	16.57 – 21.73	11.29 – 14.41
Risk-free rate (%)	2.49 – 2.60	3.12	2.49 – 2.58	3.04 – 3.61
Share price (\$)	6.62	3.97	6.62	3.97
Dividend yield	(–Management's forecast in line with dividend policy–)		(–Management's forecast in line with dividend policy–)	

The fair value of the performance and restricted shares is determined on grant date using the Monte Carlo simulation model.

During the current year, ERCC has determined that the Group has met the PSP targets set and hence 4,149,433 performance shares were released in respect of the grant made in 2022 under PSP2020. In the prior year, 1,835,622 performance shares were released in respect of the grant made in 2021 under PSP2020.

The Group also provides cash-settled share-based payments for eligible employees.

Group	2025 \$'000	2024 \$'000
Expense arising from cash-settled share-based payment transactions	26,880	8,328
Closing balance of liability for cash-settled share-based payment	25,355	9,270

Recognition and measurement

The Group operates a number of share-based payment plans. A description of each type of share-based payment arrangement that existed at any time during the period is described in the Directors' Statement.

Equity-settled share-based payment plan

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards.

The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

Cash-settled share-based payment plan

The fair value of the employee services received in exchange for the grant is recognised as an expense with the recognition of a corresponding liability over the vesting period. Until the liability is settled, it is remeasured at each reporting date with changes in fair value recognised in profit or loss.

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E. Capital Structure and Financing

This section provides information relating to the Group's capital structure and how they affect the Group's financial position and performance, and how the risks are managed.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy financial metrics in order to support its business and maximise shareholder value. Capital consists of total shareholders' funds and gross debts.

The Group manages its capital structure and makes adjustment to it, in light of changes in economic and financial market conditions. The Group may adjust the dividend payout to shareholders, buy back or issue new shares to optimise capital structure within the Group.

E1 Capital management	E6 Share capital
E2 Finance costs, net	E7 Treasury shares
E3 Investments	E8 Capital reserves
E4 Borrowings	E9 Other reserves
E5 Commitments and contingent liabilities	E10 Dividends

E1 Capital management

The Group is currently in a net debt position and will continue to be guided by prudent financial policies of which gearing is an important aspect. Neither the Company nor any of its subsidiaries is subject to externally imposed capital requirements.

Group	2025 \$'000	2024 \$'000
Gross debt		
Bank loans	445,882	379,084
Commercial papers	827,039	1,818,963
Medium-term notes	2,878,028	3,050,174
Lease liabilities	681,884	573,315
	4,832,833	5,821,536

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E1 Capital management (continued)

Group	2025 \$'000	2024 \$'000
Shareholders' funds		
Share capital	895,926	895,926
Treasury shares	(53,137)	(32,806)
Capital and other reserves	6,660	27,882
Retained earnings	1,724,189	1,779,371
	2,573,638	2,670,373
Non-controlling interests	347,607	280,474
	2,921,245	2,950,847
Gross debt/equity ratio	1.7	2.0
Gross debt	4,832,833	5,821,536
Less: cash and cash equivalents	(576,437)	(429,826)
Net debt	4,256,396	5,391,710

E2 Finance costs, net

Group	2025 \$'000	2024 \$'000
Finance income		
Interest income		
- bank deposits	8,473	9,356
- finance lease	432	146
- others	3,985	7,907
Exchange gain, net	–	17,524
Fair value changes of financial instruments		
- gain on forward currency contract not designated as hedging instrument	9,119	19
Gain on ineffective portion/discontinuation of cash flow hedges	–	2,910
	22,009	37,862

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E2 Finance costs, net (continued)

Group	2025 \$'000	2024 \$'000
Finance costs		
Interest expense		
- bank loans and overdrafts	(12,818)	(21,341)
- medium-term notes and commercial papers	(157,855)	(180,908)
- lease liabilities	(23,913)	(19,367)
- contracts with customers	(828)	(927)
- others	(2,758)	(1,916)
Exchange loss, net	(26,956)	-
Fair value changes of financial instruments		
- loss on forward currency contract not designated as hedging instrument	-	(26,795)
- loss on forward currency contract designated as hedging instrument	(476)	(390)
- loss on interest rate swap designated as hedging instrument	(202)	-
Loss on ineffective portion/discontinuation of cash flow hedges	(191)	-
	(225,997)	(251,644)
Finance costs, net, recognised in profit or loss	(203,988)	(213,782)

Recognition and measurement

Finance income comprises interest income, dividend income, gains on disposal and fair valuation of financial assets and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss when the shareholder's right to receive payment is established.

Finance costs comprise interest expense, losses on disposal and fair valuation of financial assets, and losses on hedging instruments that are recognised in profit or loss. Interest expense that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and liabilities are reported on a net basis as either finance income or finance cost.

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E3 Investments

Group	2025 \$'000	2024 \$'000
Equity shares, at FVTPL		
- unquoted	2,850	5,364
Equity shares, at FVOCI		
- unquoted	39,383	57,642
Total investments, net of impairment losses	42,233	63,006
Represented by:		
Long-term investments	42,233	63,006
	42,233	63,006

E4 Borrowings

Group	Note	Non-current \$'000	Current \$'000	Total \$'000
31 December 2025				
Bank loans	(a)	362,170	83,712	445,882
Commercial papers	(b)	–	827,039	827,039
Medium-term notes	(c)	2,236,175	641,853	2,878,028
Lease liabilities	(d)	597,882	84,002	681,884
		3,196,227	1,636,606	4,832,833
31 December 2024				
Bank loans	(a)	369,129	9,955	379,084
Commercial papers	(b)	–	1,818,963	1,818,963
Medium-term notes	(c)	2,030,465	1,019,709	3,050,174
Lease liabilities	(d)	476,838	96,477	573,315
		2,876,432	2,945,104	5,821,536

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E4 Borrowings (continued)

(a) Bank loans

	Currency	Effective interest rate		Maturity		Group	
		2025 %	2024 %	2025	2024	2025 \$'000	2024 \$'000
Bank loans	EUR	1.5 – 3.6	1.4 – 1.6	2027 – 2030	2026 – 2029	59,296	34,409
	SGD	2.5	2.5	2027	2027	300,000	300,000
	CNH	2.1 – 2.7	2.7	2026 – 2027	2026 – 2027	86,586	44,675
						445,882	379,084
- Unsecured						445,882	361,943
- Secured						–	17,141
At the end of the year						445,882	379,084

There are bank loans which are secured by assets as follows:

Secured by	Loan amount (\$)
Certain property, plant and equipment of subsidiaries	– \$nil (2024: \$6,355,000)
Subsidiary's land use right	– \$nil (2024: \$10,786,000)

All bank loans are denominated in the respective entities' functional currency.

(b) Commercial papers

Group	2025 \$'000	2024 \$'000
Principal	828,567	1,821,720
Unamortised interest	(1,384)	(2,577)
Unamortised costs	(144)	(180)
	827,039	1,818,963

At the end of the financial year, commercial papers issued under the US\$3.0 billion U.S. Commercial Paper Programme, which are denominated in United States Dollars, are unsecured and due in 2026 (2024: 2025) with interest rates ranging from 3.76% to 4.06% (2024: 4.42% to 4.66%) per annum.

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E4 Borrowings (continued)

(c) Medium-term notes

Group	2025 \$'000	2024 \$'000
Principal	2,890,350	3,060,000
Unamortised discount	(12,322)	(9,826)
	2,878,028	3,050,174
Unamortised discount:		
At the beginning of the year	9,826	12,599
Additions	6,255	–
Amortisation for the year	(3,259)	(3,107)
Translation difference	(500)	334
At the end of the year	12,322	9,826

On 5 May 2022, the Group issued US\$700 million of 5-year bonds and US\$300 million of 10-year bonds under its S\$5.0 billion Multicurrency Medium Term Note Programme. The bonds bore interest at a fixed rate of 3.375% and 3.75% per annum and interest was payable every six months from the date of issue. The bonds were unconditionally and irrevocably guaranteed by the Company. On 24 May 2023, the Group issued US\$500 million of 3-year bonds. The bonds bore interest at a fixed rate of 4.125% per annum and interest was payable every six months from the date of issue. The bonds were unconditionally and irrevocably guaranteed by the Company. On 8 May 2025, the Group issued US\$750 million of 5-year bonds. The bonds bore interest at a fixed rate of 4.25% per annum and interest was payable every six months from the date of issue. The bonds were unconditionally and irrevocably guaranteed by the Company.

(d) Lease liabilities

The Group leases various assets including real estate leases, vehicles, machinery and IT equipment. Information about leases for which the Group is a lessee is presented below.

Group	2025 \$'000	2024 \$'000
Maturity analysis – contractual undiscounted cash flows		
Within 1 year	85,692	99,787
Between 1 and 5 years	241,934	242,793
After 5 years	435,184	398,056
Total undiscounted lease liabilities at 31 December	762,810	740,636
Lease liabilities included in the statement of financial position at 31 December	681,884	573,315
Repayable:		
Within 1 year	84,002	96,477
After 1 year	597,882	476,838
	681,884	573,315

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E4 Borrowings (continued)

(d) Lease liabilities (continued)

The total cash outflow for leases recognised in the statement of cash flows is \$107,177,000 (2024: \$97,106,000).

(i) Real estate leases

The Group leases land and buildings for its office space, hangar and production facilities. The leases run for a period of 5 years to 30 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases provide for additional rent payments that are based on changes in local price indices. Some also require the Group to make payments that relate to the property taxes levied on the lessor and insurance payments made by the lessor; these amounts are generally determined annually.

The Group sub-leases some of its properties under operating and finance leases.

Extension options

Some leases of office buildings contain extension options exercisable by the Group up to the day before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

Estimates and judgement: Extension options – Lease terms

Extension option is included in the lease term if the lease is reasonably certain to be extended. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise the extension option. The leases for office buildings contain extension periods, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension options. The Group negotiates extension options to optimise 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.

2025 Group	Lease liabilities recognised (discounted) \$'000	Potential future lease payments not included in lease liabilities (discounted) \$'000
Office buildings	52,297	63,868
2024 Group	Lease liabilities recognised (discounted) \$'000	Potential future lease payments not included in lease liabilities (discounted) \$'000
Office buildings	57,007	77,278

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E4 Borrowings (continued)

(d) Lease liabilities (continued)

(ii) Other leases

The Group leases vehicles and equipment, with lease terms of 3 years to 5 years. In some cases, the Group has options to purchase the assets at the end of the contract term.

The Group monitors the use of these vehicles and equipment and reassesses the estimated amount payable under the residual value guarantees at the reporting date to remeasure lease liabilities and right-of-use assets.

The Group also leases IT equipment and machinery. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Reconciliation of movements of liabilities and assets to cash flows arising from financing activities

Group	Liabilities		Assets	
	Borrowings \$'000	Trade payables and accruals \$'000	Restricted cash \$'000	Total \$'000
Balance at 1 January 2025	5,821,536	3,586,181	(816)	9,406,901
Changes from financing cash flows				
Proceeds from bank loans	112,410	–	–	112,410
Proceeds from commercial papers	828,567	–	–	828,567
Proceeds from medium term note issuance	969,415	–	–	969,415
Repayment of bank loans	(47,244)	–	–	(47,244)
Repayment of commercial papers	(1,800,958)	–	–	(1,800,958)
Repayment of lease liabilities	(84,120)	–	–	(84,120)
Redemption of medium term notes	(986,100)	–	–	(986,100)
Interest paid	(176,020)	(12,930)	–	(188,950)
Restricted cash	–	–	815	815
Total changes from financing cash flows	(1,184,050)	(12,930)	815	(1,196,165)
The effect of changes in foreign exchange rates	(208,971)	(30,832)	–	(239,803)
Liability-related other changes				
Working capital changes	–	397,624	–	397,624
New leases	219,817	–	–	219,817
Interest expense	184,501	13,671	–	198,172
Total liability-related other changes	404,318	411,295	–	815,613
Balance at 31 December 2025	4,832,833	3,953,714	(1)	8,786,546

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(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

E4 Borrowings (continued)

Reconciliation of movements of liabilities and assets to cash flows arising from financing activities (continued)

Group	Liabilities		Assets	Total \$'000
	Borrowings \$'000	Trade payables and accruals \$'000	Restricted cash \$'000	
Balance at 1 January 2024	6,108,092	3,214,184	(21)	9,322,255
Changes from financing cash flows				
Proceeds from bank loans	568,222	–	–	568,222
Proceeds from commercial papers	1,821,720	–	–	1,821,720
Repayment of bank loans	(843,689)	–	–	(843,689)
Repayment of commercial papers	(1,934,270)	–	–	(1,934,270)
Repayment of lease liabilities	(78,694)	–	–	(78,694)
Interest paid	(124,216)	(87,169)	–	(211,385)
Restricted cash	–	–	(795)	(795)
Total changes from financing cash flows	(590,927)	(87,169)	(795)	(678,891)
The effect of changes in foreign exchange rates	127,096	4,382	–	131,478
Liability-related other changes				
Working capital changes	–	369,186	–	369,186
New leases	38,414	–	–	38,414
Interest expense	138,861	85,598	–	224,459
Total liability-related other changes	177,275	454,784	–	632,059
Balance at 31 December 2024	5,821,536	3,586,181	(816)	9,406,901

E5 Commitments and contingent liabilities

(i) Capital commitments

Group	2025 \$'000	2024 \$'000
Capital expenditure contracted but not provided for in the financial statements*	360,064	414,384

* Major capital expenditure included hangars, data centres, plant and machinery, production tools and equipment.

(ii) Leases – As lessee

As at 31 December 2025, the Group has certain non-cancellable future minimum lease payments for short-term leases or leases for low-value assets amounting to \$2,449,000 (31 December 2024: \$3,161,000).

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E5 Commitments and contingent liabilities (continued)

(iii) Leases – As lessor

The Group has entered into non-cancellable operating leases on its aircraft, aircraft engines and certain property, plant and equipment. The remaining lease terms range from 0.1 year to 8 years (2024: 0.1 year to 9 years).

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

Group	2025 \$'000	2024 \$'000
Less than 1 year	14,586	16,250
1 to 2 years	15,108	9,625
2 to 3 years	11,779	7,638
3 to 4 years	5,508	6,049
4 to 5 years	5,583	5,536
More than 5 years	17,218	19,333
Total undiscounted lease payments	69,782	64,431

(iv) Contingent liabilities (unsecured)

The Group is a party to various claims that arise in the normal course of the Group's business. The total liabilities on these matters cannot be determined with certainty. However, in the opinion of management, the ultimate liability, to the extent not otherwise provided for, will not materially impact the consolidated financial statements of the Group.

The Company has issued corporate guarantees to banks and other lenders for the borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the lenders if the related parties fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Recognition and measurement

As a 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 consideration. Reassessment is only required when the terms and conditions of the contract are changed.

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 measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and 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.

These 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 asset or the end of the lease term.

Right-of-use assets (except for those which meets the definition of an investment property) are presented in Note C2.

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(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

E5 Commitments and contingent liabilities (continued)

Recognition and measurement (continued)

As a lessee (continued)

The lease liability is initially measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease components. The Group has elected to not separate lease and non-lease components for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured 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 liability is remeasured with a corresponding adjustment to the right-of-use asset or is recorded in profit or loss 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, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

As a lessor

The Group leases equipment under finance leases and office spaces under operating leases to non-related parties.

Finance leases are leases where the Group has transferred substantially all risks and rewards incidental to ownership of the leased assets to the lessees.

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(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

E5 Commitments and contingent liabilities (continued)

Recognition and measurement (continued)

As a lessor (continued)

The leased asset is derecognised and the present value of the lease receivable is recognised on the statement of financial position and included in “Trade and other receivables”. The difference between the gross receivable and the present value of the lease receivable is recognised as unearned finance income.

Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and the unearned finance income. The finance income is recognised in profit or loss on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable.

Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to finance lease receivables and reduces the amount of income recognised over the lease term.

Operating leases are leases where the Group retains substantially all risks and rewards incidental to ownership. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognises the net investment in the sublease within “Trade and other receivables”. Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. Lease liability relating to the head lease is retained in the statement of financial position, which represents the lease payments owed to the head lessor.

When the sublease is assessed as an operating lease, the Group recognises lease income from sublease in profit or loss within “Other income”. The right-of-use asset relating to the head lease is not derecognised.

For contracts which contain lease and non-lease components, the Group allocates the consideration based on a relative stand-alone selling price basis.

E6 Share capital

Company

	2025 S'000	2024 S'000
Issued and fully paid, with no par value		
At the beginning and end of the year 3,122,495,197 ordinary shares	895,926	895,926

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E6 Share capital (continued)

Included in share capital is a special share issued to the Minister for Finance. The special share enjoys all the rights attached to the ordinary shares. In addition, the special share carries the right to approve any resolution to be passed by the Company, either in general meeting or by its Board of Directors, on certain matters specified in the Company's Constitution. The special share may be converted at any time into an ordinary share.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

Recognition and measurement

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares are recognised as a deduction from equity, net of any tax effects.

E7 Treasury shares

Company	2025 \$'000	2024 \$'000
At the beginning of the year	(32,806)	(29,644)
Purchased during the year	(69,533)	(33,325)
Reissuance of treasury shares pursuant to share plans	49,202	30,163
At the end of the year	(53,137)	(32,806)

Treasury shares relate to ordinary shares of the Company that are held by the Company.

During the year, the Company purchased 9,500,000 (2024: 7,880,700) of its ordinary shares by way of on-market purchases. The shares, held as treasury shares, were included as deduction against shareholders' equity. 10,774,539 (2024: 8,008,750) treasury shares, at a cost of \$49,202,000 (2024: \$30,163,000), were reissued pursuant to its RSP and PSP.

Recognition and measurement

When ordinary shares are reacquired by the Company, the consideration paid is recognised as a deduction from equity. Reacquired shares are classified as treasury shares. When treasury shares are sold, or reissued subsequently, the cost of treasury shares is reversed from the treasury shares account and the realised gain or loss on transaction is presented as a change in equity of the Company. No gain or loss is recognised in profit or loss.

Treasury shares have no voting rights and no dividends are allocated to them.

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E8 Capital reserves

Included in capital reserves are:

- (a) an amount of \$115,948,000 (2024: \$115,948,000) relating to share premium of the respective pooled enterprises, namely ST Engineering Aerospace Ltd., ST Engineering Urban Solutions Ltd., ST Engineering Land Systems Ltd. and ST Engineering Marine Ltd. classified as capital reserve upon the pooling of interests during the year ended 31 December 1997; and
- (b) an amount of \$40,146,000 (2024: \$27,215,000) relating to realised loss (2024: realised loss) on reissuance of treasury shares under share-based payment arrangements as at 31 December 2025.

Capital reserves are non-distributable.

E9 Other reserves

Group	2025 \$'000	2024 \$'000
Foreign currency translation reserve	(200,082)	(179,380)
Statutory reserve	8,427	2,714
Fair value reserve	33,791	39,021
Share-based payment reserve	105,826	93,539
Premium paid on acquisition of non-controlling interests	(17,104)	(16,745)
	(69,142)	(60,851)
Fair value reserve movement arising from other comprehensive income comprises:		
Net fair value changes on financial assets:		
- Net fair value changes during the year for FVOCI equity instruments	(19,689)	(1,937)
Foreign currency translation reserve movement arising from other comprehensive income comprises:		
Foreign currency translation differences arising from:		
- Translation of loans forming part of net investments in foreign entities	10,741	(4,186)
- Share of translation difference of associates and joint ventures	(18,039)	10,744
- Reserves released on disposal of subsidiaries	28,318	(261)
- Translation of foreign entities	(41,722)	40,014
	(20,702)	46,311

Other reserves are non-distributable.

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E9 Other reserves (continued)

Type of reserve	Nature
Foreign currency translation reserve	Comprises foreign exchange differences arising from the translation of the financial statements of foreign entities, effective portion of the hedging instrument which is used to hedge against the Group's net investment in foreign currencies as well as from the translation of foreign currency loans used to hedge or form part of the Group's net investments in foreign entities.
Statutory reserve	Statutory reserve comprises transfers from revenue reserve in accordance with the regulations of the foreign jurisdiction in which the Group's subsidiaries and joint ventures operate, principally in the People's Republic of China, Taiwan and France where the subsidiaries and joint ventures are required to make appropriation to a Statutory Reserve Fund and Enterprise Expansion Fund. The laws of these countries restrict the distribution and use of these statutory reserves.
Fair value reserve	Fair value reserve comprises the cumulative fair value changes of financial instruments at FVOCI and the effective portion of hedging instruments, until they are disposed or impaired.
Share-based payment reserve	Represents the cumulative value of services received for the issuance of the options and shares under the share plans of the Company issued to employees and non-executive directors.
Premium paid on acquisition of non-controlling interests	Difference between the consideration paid on acquisition of non-controlling interests and the carrying value of the proportionate share of the net assets acquired.

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E10 Dividends

Company	2025 \$'000	2024 \$'000
Final dividend paid in respect of the previous financial year of 5 cents (2024: 4 cents) per ordinary share	156,098	124,795
Interim dividends paid in respect of the current financial year of 12 cents (2024: 12 cents) per ordinary share	374,324	374,088
	530,422	498,883

The Directors propose a final dividend of 6 cents (2024: 5 cents) per ordinary share amounting to \$187.0 million (2024: \$156.1 million) and 5 cents special dividend per share amounting to \$155.8 million (2024: \$nil), in respect of the financial year ended 31 December 2025. These dividends have not been recognised as a liability as at year end as they are subject to the approval by shareholders at the Annual General Meeting of the Company.

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F. Group Structure

This section explains significant aspects of ST Engineering's group structure, including joint arrangements that the Group has interest in, its controlled entities and how changes have affected the Group structure. It also provides information on business acquisitions and disposals made during the financial year as well as information relating to ST Engineering's related parties, the extent of related party transactions and the impact they had on the Group's financial performance and position.

F1	Subsidiaries	F4	Associates and joint ventures
F2	Acquisition and disposal of controlling interests in subsidiaries in 2025/2024	F5	Related party information
F3	Non-controlling interests in subsidiaries		

F1 Subsidiaries

Details of the significant subsidiaries of the Group are as follows:

	Country of incorporation	Effective equity interest held by the Group	
		2025 %	2024 %
STE MRAS, LLC (formerly known as MRA Systems, LLC.) ¹	U.S.	100	100
ST Engineering Aerospace Ltd.	Singapore	100	100
ST Engineering Defence Aviation Services Pte. Ltd.	Singapore	100	100
ST Engineering Digital Systems Pte. Ltd.	Singapore	100	100
STE iDirect, Inc. (formerly known as ST Engineering iDirect, Inc.) ¹	U.S.	100	100
ST Engineering IHQ Pte. Ltd.	Singapore	100	100
ST Engineering Land Systems Ltd.	Singapore	100	100
ST Engineering Marine Ltd.	Singapore	100	100
STE North America, Inc. (formerly known as ST Engineering North America, Inc.) ¹	U.S.	100	100
ST Engineering RHQ Ltd. ²	United Kingdom	100	100
ST Engineering Urban Solutions Ltd.	Singapore	100	100
STE TransCore Holdings, Inc. ¹	U.S.	100	100
TransCore Partners, LLC ¹	U.S.	100	100

¹ Audited by PricewaterhouseCoopers U.S. for consolidation purposes.

² Audited by Gravita Audit LLP in country of incorporation for local statutory audit and PricewaterhouseCoopers LLP Singapore for consolidation purposes.

All significant subsidiaries that are required to be audited under the law in the country of incorporation are audited by PricewaterhouseCoopers LLP Singapore and network of member firms of PricewaterhouseCoopers International Limited (PwCIL), except as indicated above.

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F2 Acquisition and disposal of controlling interests in subsidiaries in 2025/2024

Acquisition of controlling interest in subsidiary in 2025

There was no acquisition of subsidiary in 2025.

Acquisition of controlling interest in subsidiary in 2024

Acquisition of controlling interests in D'Crypt Pte. Ltd. (D'Crypt)

On 29 February 2024, the Group acquired 100% of D'Crypt for a net cash consideration of \$77,869,000. D'Crypt's main principal activity is cryptographic technology.

D'Crypt contributed revenue of \$62,847,000 and net profit of \$7,194,000 to the Group for the period from 29 February 2024 to 31 December 2024.

Had the above business been consolidated from 1 January 2024, the Group's consolidated revenue and net profit for the year ended 31 December 2024 would have been higher by \$8,433,000 and lower by \$4,186,000 respectively.

Identifiable assets acquired and liabilities assumed

The acquisition had the following effect on the Group's assets and liabilities on acquisition date:

	Fair values recognised on acquisition 2024 \$'000
Property, plant and equipment	7,946
Right-of-use assets	2,852
Intangible assets	15,978
Inventories	6,846
Contract assets	19,345
Trade receivables	1,881
Advances and other receivables	10,204
Bank balances and other liquid funds	23,087
Contract liabilities	(13,449)
Trade payables and accruals	(8,360)
Amounts due to related parties	(78)
Provisions	(689)
Provision for taxation	(651)
Non-current contract liabilities	(451)
Non-current trade payables and accruals	(3,643)
Deferred tax liabilities	(2,876)
Total identifiable net assets	57,942
Goodwill arising on consolidation	19,927
Total purchase consideration	77,869
Cash outflow on acquisition:	
Cash consideration paid	77,869
Less: cash acquired	(23,087)
Net cash outflow on acquisition	54,782

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F2 Acquisition and disposal of controlling interests in subsidiaries in 2025/2024 (continued)

Identifiable assets acquired and liabilities assumed (continued)

The Group incurred acquisition-related transaction expenses of \$419,000 on professional fees, which have been included in administrative expenses in the Group's income statement.

De-consolidation and disposal of controlling interests in subsidiaries in 2025

In September 2025, the Group divested 100% equity interest in ST Engineering LeeBoy, Inc.

During the year, the Group completed the liquidation of LeeBoy Brazil Equipamentos De Construção Ltda. and Singapore Commuter Private Limited as part of the Group's portfolio rationalisation. The subsidiaries were dormant prior to disposal.

The financial effects arising from the de-consolidation and disposal of subsidiaries are as follows:

	Total \$'000
Property, plant and equipment	17,186
Right-of-use assets	7,455
Goodwill	86,574
Intangible assets	54,250
Deferred tax assets	5,425
Inventories	85,156
Trade receivables	25,058
Amounts due from related parties	1,985
Advances and other receivables	4,957
Bank balances and other liquid funds	22,263
Trade payables and accruals	(32,387)
Current lease liabilities	(1,411)
Amounts due to related parties	(17,241)
Provision	(7,009)
Provision for taxation	(5,170)
Non-Current lease liabilities	(6,103)
Deferred tax liabilities	(35,992)
Net assets disposed	204,996
Realisation of reserves	28,318
Gain on disposal	138,560
Sales consideration, net of transaction cost	371,874
Less: bank balances and other liquid funds in subsidiaries disposed	(22,263)
Net cash inflow on disposal	349,611

De-consolidation and disposal of controlling interests in subsidiaries in 2024

During the year, the Group completed the liquidation of VT Hackney, S.A. de C.V., ST Kinetics International Pte. Ltd., ST Engineering Electronics (Tianjin) Co., Ltd and ST Engineering Aerospace Seats Pte. Ltd. as part of the Group's portfolio rationalisation. The subsidiaries were dormant prior to disposal.

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F3 Non-controlling interests in subsidiaries

The following table summarises the information relating to each of the Group's subsidiaries with material non-controlling interests (NCI), based on their respective (consolidated) financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences from the Group's accounting policies. The summarised financial information is not adjusted for percentage ownership held by NCI.

Name of subsidiary 2025	ST Engineering Aerospace Services Company Pte. Ltd. \$'000
NCI percentage	20%
Principal place of business/Country of incorporation	Singapore
Revenue	386,076
Profit after taxation	30,436
Other comprehensive income/(loss)	5,410
Total comprehensive income	35,846
Attributable to NCI:	
- Profit	6,087
- Other comprehensive income/(loss)	1,082
- Total comprehensive income	7,169
Non-current assets	241,082
Current assets	230,434
Non-current liabilities	(78,791)
Current liabilities	(159,277)
Net assets	233,448
Net assets attributable to NCI	46,690
Cash flows generated from/(used in) operating activities	73,229
Cash flows used in investing activities	(75,543)
Cash flows (used in)/from financing activities *	(13,533)
Net changes in cash and cash equivalents	(15,847)
* including dividends to NCI	-

ST Aerospace Technologies (Xiamen) Company Ltd \$'000	Elbe Flugzeugwerke GmbH \$'000	Other individually immaterial subsidiaries \$'000	Intra-group elimination \$'000	Total \$'000
20% China	45% Germany			
628,945	784,827			
44,855	32,496			
(918)	73,976			
43,937	106,472			
8,971	14,623	2,400	935	33,016
(184)	33,290	(235)	4,821	38,774
8,787	47,913	2,165	5,756	71,790
58,307	560,039			
276,354	478,995			
(14,331)	(308,657)			
(197,206)	(251,812)			
123,124	478,565			
24,625	215,354	73,614	(12,676)	347,607
(12,968)	70,340			
(9,280)	(93,649)			
26,834	10,962			
4,586	(12,347)			
(2,938)	(3,225)			

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F3 Non-controlling interests in subsidiaries (continued)

Name of subsidiary 2024	ST Engineering Aerospace Services Company Pte. Ltd. \$'000
NCI percentage	20%
Principal place of business/Country of incorporation	Singapore
Revenue	369,713
Profit after taxation	19,502
Other comprehensive (loss)/income	(7,123)
Total comprehensive income/(loss)	12,379
Attributable to NCI:	
- Profit	3,900
- Other comprehensive (loss)/income	(1,425)
- Total comprehensive income	2,475
Non-current assets	168,219
Current assets	253,886
Non-current liabilities	(68,388)
Current liabilities	(156,269)
Net assets	197,448
Net assets attributable to NCI	39,490
Cash flows from operating activities	54,434
Cash flows used in investing activities	(19,463)
Cash flows (used in)/from financing activities *	(24,226)
Net changes in cash and cash equivalents	10,745
* including dividends to NCI	(4,000)

ST Aerospace Technologies (Xiamen) Company Ltd \$'000	Elbe Flugzeugwerke GmbH \$'000	Other individually immaterial subsidiaries \$'000	Intra-group elimination \$'000	Total \$'000
20% China	45% Germany			
414,324	1,005,217			
24,855	38,953			
267	(40,561)			
25,122	(1,608)			
4,971	17,529	4,553	(4,004)	26,949
53	(18,252)	2,463	(6,177)	(23,338)
5,024	(723)	7,016	(10,181)	3,611
53,772	526,310			
170,956	453,135			
(65,752)	(333,935)			
(65,101)	(247,974)			
93,875	397,536			
18,775	178,892	57,412	(14,095)	280,474
11,419	40,367			
(6,326)	(21,548)			
780	(13,290)			
5,873	5,529			
(738)	-			

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F4 Associates and joint ventures

Group	2025	2024
	\$'000	\$'000
Unquoted shares, at fair value	7,155	8,208
Unquoted shares, at cost	384,921	514,215
Goodwill on acquisition	38	38
Share of net assets acquired	384,959	514,253
Impairment in associates	(22,218)	(8,000)
Share of post-acquisition reserves	113,105	106,994
	475,846	613,247
	483,001	621,455
Represented by:		
Interest in associates	218,347	345,896
Interest in joint ventures	264,654	275,559
	483,001	621,455

In the current financial year, the Group divested its equity interest of 46.5%, 49%, 27.7% and 51% in CityCab Pte Ltd, Shanghai Technologies Aerospace Company Limited, Timoney Holdings Limited and SPTel Pte. Ltd. respectively for total cash consideration of \$316,340,000.

Details of material associates and joint ventures are as follows:

Name	Principal activities	Country of incorporation/ place of business	Effective equity interest held by the Group	
			2025 %	2024 %
Associates				
Shanghai Technologies Aerospace Company Limited ¹	Aircraft and component maintenance, repair, overhaul and other related maintenance business	People's Republic of China	–	49
ST Aerospace (Guangzhou) Aviation Services Company Limited ¹	Aircraft and component maintenance, repair, overhaul and other related maintenance business	People's Republic of China	44	44
Turbine Coating Services Pte. Ltd.	Repair, refurbishment and upgrading of aircraft jet engine turbine blades and vanes	Singapore	24.5	24.5
Turbine Overhaul Services Pte. Ltd.	Repair and service of gas and steam turbine components	Singapore	49	49
CityCab Pte. Ltd. ¹	Rental of taxis and the provision of charge card facilities	Singapore	–	46.5

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F4 Associates and joint ventures (continued)

Details of material associates and joint ventures are as follows: (continued)

Name	Principal activities	Country of incorporation/ place of business	Effective equity interest held by the Group	
			2025 %	2024 %
Associates (continued)				
Experia Events Pte. Ltd.	Organising and management of conferences, exhibitions and other related activities, including the biennial Singapore Airshow event	Singapore	33	33
Joint ventures				
Total Engine Asset Management Pte. Ltd. ¹	Leasing of engines	Singapore	50	50
Keystone Holdings (Global) Pte. Ltd. ¹	Investment holding	Singapore	50	50
SPTel Pte. Ltd. ¹	Running, operation, management and supply of telecommunications services	Singapore	–	51
Juniper Aviation Investment Pte Ltd ¹	Investment holding	Singapore	50	50

¹ Not audited by PricewaterhouseCoopers LLP Singapore.

The associates and joint ventures listed above are audited by PricewaterhouseCoopers LLP Singapore and network of member firms of PricewaterhouseCoopers International Limited (PwCIL), except as indicated otherwise.

None of the associates and joint ventures of the Group are considered significant in accordance with Rule 718 of The Singapore Exchange Securities Trading Limited – Listing Rules.

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F4 Associates and joint ventures (continued)

Associates

The following table summarises the information of each of the Group's material associates, which are equity-accounted, based on their respective financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisitions and differences with the Group's accounting policies. The summarised financial information is not adjusted for percentage ownership held by the Group.

Name of associate 2025	ST Aerospace (Guangzhou) Aviation Services Company Limited S'000
Percentage of interest	44%
Revenue	193,134
Profit after taxation	34,595
Other comprehensive loss	(507)
Total comprehensive income	34,088
Attributable to NCI	–
Attributable to investee's shareholders	34,088
Non-current assets	126,772
Current assets	118,614
Non-current liabilities	(13,536)
Current liabilities	(30,861)
Net assets	200,989
Attributable to NCI	–
Attributable to investee's shareholders	200,989
Group's interest in net assets of investee at beginning of the year	79,636
Group's share of:	
- Profit/(loss) for the year	15,222
- Total other comprehensive (loss)/income	(223)
Total comprehensive income/(loss)	14,999
Group's contribution during the year	–
Dividends received during the year	(6,199)
Disposal of associates during the year	–
Carrying amount of interest in investee at end of the year	88,436

Fair value changes of unquoted investments held by the Group's Corporate Venture Capital Unit is recognised in Other income, net in the income statement.

Turbine Coating Services Pte. Ltd. \$'000	Turbine Overhaul Services Pte. Ltd. \$'000	Experia Events Pte. Ltd. \$'000	Immaterial associates \$'000	Total \$'000
24.5%	49%	33%		
25,122	298,968	16,473		
12,578	64,484	(5,145)		
(3,156)	(9,284)	–		
9,422	55,200	(5,145)		
–	–	–		
9,422	55,200	(5,145)		
20,259	65,106	33,133		
42,526	117,814	78,017		
(2,261)	(4,653)	(5,982)		
(2,681)	(8,868)	(41,859)		
57,843	169,399	63,309		
–	–	–		
57,843	169,399	63,309		
14,119	88,223	25,800	138,118	345,896
3,081	31,597	(1,698)	(14,084)	34,118
(773)	(4,549)	–	962	(4,583)
2,308	27,048	(1,698)	(13,122)	29,535
–	–	–	2,885	2,885
(2,259)	(32,270)	(3,300)	(9,676)	(53,704)
–	–	–	(106,265)	(106,265)
14,168	83,001	20,802	11,940	218,347

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(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

F4 Associates and joint ventures (continued)

Associates (continued)

Name of associate 2024	Shanghai Technologies Aerospace Company Limited \$'000	ST Aerospace (Guangzhou) Aviation Services Company Limited \$'000
Percentage of interest	49%	44%
Revenue	95,338	176,345
Profit after taxation	15,289	34,961
Other comprehensive income	387	566
Total comprehensive income	15,676	35,527
Attributable to NCI	–	–
Attributable to investee's shareholders	15,676	35,527
Non-current assets	64,686	128,614
Current assets	79,602	94,209
Non-current liabilities	(84)	(41,601)
Current liabilities	(21,213)	(230)
Net assets	122,991	180,992
Attributable to NCI	–	–
Attributable to investee's shareholders	122,991	180,992
Group's interest in net assets of investee at beginning of the year	52,585	64,004
Group's share of:		
- Profit/(loss) for the year	7,491	15,383
- Total other comprehensive income/(loss)	190	249
Total comprehensive income/(loss)	7,681	15,632
Group's contribution during the year	–	–
Dividends received during the year	–	–
Carrying amount of interest in investee at end of the year	60,266	79,636

Fair value changes of unquoted investments held by the Group's Corporate Venture Capital Unit is recognised in Other income, net in the income statement.

Turbine Coating Services Pte. Ltd. \$'000	Turbine Overhaul Services Pte. Ltd. \$'000	CityCab Pte. Ltd. \$'000	Experia Events Pte. Ltd. \$'000	Immaterial associates \$'000	Total \$'000
24.5%	49%	46.5%	33%		
28,522	385,438	87,795	55,549		
10,613	63,115	18,694	17,230		
1,649	5,008	–	–		
12,262	68,123	18,694	17,230		
–	–	58	–		
12,262	68,123	18,636	17,230		
21,648	59,245	90,496	35,556		
46,479	246,134	61,847	63,813		
(3,265)	(4,922)	(38,519)	(5,584)		
(7,232)	(120,415)	(32,752)	(15,614)		
57,630	180,042	81,072	78,171		
–	–	936	–		
57,630	180,042	80,136	78,171		
13,396	80,962	38,641	20,114	37,322	307,024
2,600	30,927	8,666	5,686	(3,937)	66,816
404	2,454	–	–	(1,905)	1,392
3,004	33,381	8,666	5,686	(5,842)	68,208
–	–	–	–	10,000	10,000
(2,281)	(26,120)	(10,044)	–	(891)	(39,336)
14,119	88,223	37,263	25,800	40,589	345,896

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(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

F4 Associates and joint ventures (continued)

Joint ventures

The following table summarises the information of each of the Group's material joint ventures, adjusted for any differences with the Group's accounting policies and reconciles the carrying amount of the Group's interest in joint ventures and the share of profit and other comprehensive income of equity-accounted investment (net of tax). The summarised financial information is not adjusted for the percentage ownership held by the Group.

Name of joint venture 2025	Keystone Holdings (Global) Pte. Ltd. \$'000
Percentage of interest	50%
Revenue	50,859
(Loss)/profit after taxation ^a	(8,280)
Other comprehensive loss	(15,616)
Total comprehensive (loss)/income	(23,896)
^a Includes:	
- Depreciation and amortisation of:	27,429
- Interest expense of:	15,480
- Income tax expense of:	4,382
Non-current assets	368,816
Current assets ^b	108,546
Non-current liabilities ^c	(200,657)
Current liabilities ^d	(80,781)
Net assets excluding goodwill	195,924
^b Includes cash and cash equivalents of:	113,383
^c Includes non-current financial liabilities (excluding trade and other payables and provisions) of:	(200,657)
^d Includes current financial liabilities (excluding trade and other payables and provisions) of:	(74,738)
Group's interest in net assets of investee at beginning of the year	109,471
Share of total comprehensive (loss)/income	(11,948)
Group's contribution during the year	438
Carrying amount of interest in a joint venture reclassified to a subsidiary	–
Disposal of joint ventures during the year	–
Dividends received during the year	–
Carrying amount of interest in investee at end of the year	97,961

Total Engine Asset Management Pte. Ltd. \$'000	Juniper Aviation Investment Pte Ltd. \$'000	Immaterial joint ventures \$'000	Total \$'000
50%	50%		
111,264	40,375		
34,557	(12,731)		
(18,772)	(8,694)		
15,785	(21,425)		
27,043	20,606		
46,476	19,479		
3,882	1,355		
1,154,162	420,997		
48,932	106,198		
(722,634)	(425,119)		
(290,156)	(7,826)		
190,304	94,250		
11,140	40,875		
(722,634)	(417,546)		
(287,443)	(7,065)		
89,598	46,014	30,476	275,559
7,892	(10,713)	(1,730)	(16,499)
–	11,825	8,000	20,263
–	–	8,036	8,036
–	–	(19,367)	(19,367)
(2,338)	–	(1,000)	(3,338)
95,152	47,126	24,415	264,654

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(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

F4 Associates and joint ventures (continued)

Joint ventures (continued)

Name of joint venture 2024	Keystone Holdings (Global) Pte. Ltd. S'000
Percentage of interest	50%
Revenue	54,842
Profit/(loss) after taxation ^a	4,668
Other comprehensive income	10,150
Total comprehensive income/(loss)	14,818
^a Includes:	
- Depreciation and amortisation of:	17,841
- Interest expense of:	16,111
- Income tax expense of:	1,066
Non-current assets	498,687
Current assets ^b	41,613
Non-current liabilities ^c	(230,755)
Current liabilities ^d	(90,603)
Net assets excluding goodwill	218,942
^b Includes cash and cash equivalents of:	48,639
^c Includes non-current financial liabilities (excluding trade and other payables and provisions) of:	(230,755)
^d Includes current financial liabilities (excluding trade and other payables and provisions) of:	(97,448)
Group's interest in net assets of investee at beginning of the year	112,595
Share of total comprehensive income/(loss)	4,829
Group's contribution during the year	49
Dividends received during the year	(8,002)
Carrying amount of interest in investee at end of the year	109,471

Total Engine Asset Management Pte. Ltd. \$'000	SPTel Pte. Ltd. \$'000	Juniper Aviation Investment Pte Ltd. \$'000	Immaterial joint ventures \$'000	Total \$'000
50%	51%	50%		
81,014	71,529	30,571		
10,910	(4,447)	(2,068)		
9,454	–	2,856		
20,364	(4,447)	788		
2,372	9,416	14,076		
4,515	2,393	17,335		
51	–	520		
1,241,354	132,664	344,370		
21,049	30,989	114,039		
(485,487)	(98,113)	(360,758)		
(597,721)	(32,724)	(5,624)		
179,195	32,816	92,027		
8,039	9,319	27,212		
(485,487)	(98,113)	(354,989)		
(592,662)	(6,764)	(4,555)		
78,863	21,671	37,670	9,581	260,380
10,182	(2,291)	394	2,265	15,379
678	–	7,950	–	8,677
(125)	–	–	(750)	(8,877)
89,598	19,380	46,014	11,096	275,559

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(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

F4 Associates and joint ventures (continued)

Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method in accordance with SFRS(I) 3 *Business Combinations* as at the acquisition date, which is the date on which control is transferred to the Group.

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, refer to Note C3.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, any subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Non-controlling interests (NCI) that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustment is made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Consistent accounting policies are applied to like transactions and events in similar circumstances. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the NCI to have a deficit balance.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

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(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

F4 Associates and joint ventures (continued)

Basis of consolidation (continued)

(iii) Acquisitions of entities under amalgamation

The Company's interests in ST Engineering Aerospace Ltd., ST Engineering Urban Solutions Ltd., ST Engineering Land Systems Ltd., and ST Engineering Marine Ltd. (collectively referred to as the Scheme Companies) resulted from the amalgamation of the Scheme Companies pursuant to a scheme of arrangement under Section 210 of the Singapore Companies Act 1967 in 1997.

As the amalgamation of the Scheme Companies constitutes a uniting of interests, the pooling of interests method has been adopted in the preparation of the consolidated financial statements in connection with the amalgamation.

Under the pooling of interests method, the combined assets, liabilities and reserves of the pooled enterprises are recorded at their existing carrying amounts at the date of amalgamation. The excess or deficiency of amount recorded as share capital issued (plus any additional consideration in the form of cash or other assets) over the amount recorded for the share capital acquired is recorded as capital reserve.

(iv) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a financial asset at FVOCI, depending on the level of influence retained.

(v) Investments in associates and joint ventures

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% or more of the voting power of another entity. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in associates and joint ventures are accounted for by the Group using the equity method (except for those acquired by the Group's Corporate Venture Capital Unit) and are recognised initially at cost, which includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income (OCI) from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

F4 Associates and joint ventures (continued)

Basis of consolidation (continued)

(v) Investments in associates and joint ventures (continued)

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, including any long-term interest, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

For investments in associates acquired by the Group's Corporate Venture Capital Unit, the Group has elected to measure its investments in associates at FVTPL in accordance with SFRS(I) 9 *Financial Instruments*.

In the Company's separate financial statements, investments in associates and joint ventures are accounted for at cost, less accumulated impairment losses.

(vi) Transactions eliminated on consolidation

All significant inter-company balances and transactions are eliminated on consolidation.

Recognition and measurement

Goodwill that forms part of the carrying amount of an investment in an associate and/or joint venture is not recognised separately and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate and/or joint venture is tested for impairment as a single asset when there is objective evidence that the investment in an associate and/or joint venture may be impaired.

Estimates and judgements: Judgements made in applying accounting policies

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements relates to assessing whether the Group has control over its investee companies.

During the year, the Group assessed the terms and conditions of the shareholders' agreement of subsidiaries that are not wholly-owned by the Group. The Group made critical judgements over:

- (a) its ability to exercise power over its investees;
- (b) its exposure or rights to variable returns for its investments with those investees; and
- (c) its ability to use its power to affect those returns.

The Group's judgement included considerations of its power exercised at the board of the respective investees and rights and obligations arising from matters reserved for the board as agreed with the other shareholders.

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31 DECEMBER 2025

(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

F5 Related party information

Key management personnel compensation

Group	2025 \$'000	2024 \$'000
Short-term employee benefits	52,335	52,671
Contributions to defined contribution plans	736	736
Share-based payments	15,533	14,694
	68,604	68,101

In addition to related party information disclosed elsewhere in the financial statements, the Group has significant transactions with the following related parties on terms agreed between the parties:

Group	2025 \$'000	2024 \$'000
Associates of the Group		
Sales and services rendered	9,112	9,903
Purchases and services received	(90,804)	(116,180)
Dividend income	53,704	39,336
Joint ventures of the Group		
Sales and services rendered*	169,151	253,532
Purchases and services received	(10,717)	(35,374)
Dividend income	3,338	8,877
Other related parties**		
Sales and services rendered	58,167	71,477
Purchases and services received	(49,158)	(54,536)
Rental expense	(7,180)	(6,888)

* Sales and services rendered to joint ventures of the Group include sales of aircraft of \$nil (FY2024: \$75,162,000) to Keystone 9 Limited and Juniper Aviation Holdings Limited.

** Other related parties refer to subsidiaries, associates and joint ventures of the immediate holding company.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

G. Others	
G1	Adoption of new standards and interpretations
G3	Climate change
G2	New standards and interpretations not adopted

G1 Adoption of new standards and interpretations

On 1 January 2025, the Group has adopted the new or amended SFRS(I)s and Interpretations of SFRS(I)s (“INT SFRS(I)s”) that are mandatory for application for the financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s and INT SFRS(I)s.

The adoption of these new or amended SFRS(I)s and INT SFRS(I)s did not result in substantial changes to the Group’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.

Applicable to 2025 financial statements

- Amendments to SFRS(I) 1-21 *The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability*

G2 New standards and interpretations not adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2026 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are not expected to have a significant impact on the Group’s financial statements, except for SFRS(I) 18 as its impacts on presentation and disclosure are expected to be pervasive, in particular, those related to the consolidated income statement and providing management-defined performance measures within the financial statements. The Group is currently assessing the detailed implication of applying the new standard on the Group’s consolidated financial statements.

Applicable to 2026 financial statements

- Amendments to SFRS(I) 9 *Financial Instruments* and SFRS(I) 7 *Financial Instruments: Disclosures: Amendments to the Classification and Measurement of Financial Instruments*
- Annual Improvements to SFRS(I)s - Volume 11
- Amendments to SFRS(I) 9 *Financial Instruments* and SFRS(I) 7 *Financial Instruments: Disclosures: Contracts Referencing Nature-dependent Electricity*

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

G2 New standards and interpretations not adopted (continued)

Applicable to 2027 financial statements

- SFRS(I) 18 *Presentation and Disclosure in Financial Statements*
- SFRS(I) 19 *Subsidiaries without Public Accountability: Disclosures*

G3 Climate change

In 2025, the Group, building upon its first assessment in 2022, has reviewed the climate-related risks and opportunities impacting its businesses globally, and concluded that impacts from climate-related physical and transition risks remained minimal. Notwithstanding, there remains the risk that evolving demands for stronger protection over the environment, evolving laws and regulations and evolving decarbonisation policies may impact the Group's financial performance in the future. The Group continues to monitor and assess the potential impact of such developments on its operation and financial performance.

STATEMENT OF FINANCIAL POSITION OF THE COMPANY

AS AT 31 DECEMBER 2025

(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

	Note	2025 \$'000	2024 \$'000
ASSETS			
Non-current assets			
Property, plant and equipment	2	252	366
Right-of-use assets		–	134
Subsidiaries	3	2,139,076	1,958,153
Amounts due from related parties	4	16,484	–
		2,155,812	1,958,653
Current assets			
Amounts due from related parties	4	10,357	34,256
Advances and other receivables		201	239
Derivative financial instruments		17	–
Bank balances and other liquid funds	5	62,508	35,484
		73,083	69,979
Total assets		2,228,895	2,028,632
EQUITY AND LIABILITIES			
Current liabilities			
Other payables and accruals	6	8,535	7,210
Amounts due to related parties	4	18,000	36,199
Provision for taxation		48	188
Lease liabilities		–	48
		26,583	43,645
Net current assets		46,500	26,334
Non-current liabilities			
Lease liabilities		–	44
		–	44
Total liabilities		26,583	43,689
Net assets		2,202,312	1,984,943
Share capital and reserves			
Share capital	7	895,926	895,926
Treasury shares	7	(53,137)	(32,806)
Capital reserves	7	(40,297)	(27,342)
Other reserves	7	95,745	83,403
Retained earnings		1,304,075	1,065,762
		2,202,312	1,984,943
Total equity and liabilities		2,228,895	2,028,632

The accompanying notes form an integral part of the financial statements.

NOTES TO THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

AS AT 31 DECEMBER 2025

(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

1. Basis of Preparation and Material Accounting Policy Information

The Statement of Financial Position of the Company is prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)s”). The Statement of Financial Position of the Company has been prepared on the historical cost convention, except as otherwise described in the accounting policies below.

The Statement of Financial Position of the Company are presented in Singapore dollars (SGD) which is the Company’s functional currency. All values are rounded to the nearest thousand (\$’000) unless otherwise indicated.

Accounting policies, estimates and critical accounting judgements applied to the preparation of the Statement of Financial Position of the Company are consistent with the disclosures in the consolidated financial statements.

The Statement of Financial Position and Notes to the Statement of Financial Position of the Company as at 31 December 2025 were authorised and approved by the Board of Directors for issuance on 26 February 2026.

2. Property, plant and equipment

	Furniture, fittings, office equipment and others \$’000	Total \$’000
2025		
<i>Cost</i>		
At 1 January 2025	594	594
Additions	2	2
At 31 December 2025	596	596
<i>Accumulated depreciation</i>		
At 1 January 2025	228	228
Depreciation charge	116	116
At 31 December 2025	344	344
Net book value		
At 31 December 2025	252	252

NOTES TO THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

AS AT 31 DECEMBER 2025

(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

2. Property, plant and equipment (continued)

	Furniture, fittings, office equipment and others \$'000	Total \$'000
2024		
<i>Cost</i>		
At 1 January 2024	588	588
Additions	6	6
At 31 December 2024	594	594
<i>Accumulated depreciation</i>		
At 1 January 2024	112	112
Depreciation charge	116	116
At 31 December 2024	228	228
Net book value		
At 31 December 2024	366	366

3. Subsidiaries

	2025 \$'000	2024 \$'000
<i>Equity investments at cost</i>		
At beginning of the year	1,958,153	1,634,953
Additions	180,923	323,200
At end of the year	2,139,076	1,958,153

4. Amounts due from/to related parties

Amounts due from/to related parties were non-trade related, unsecured, interest-free and repayable on demand.

5. Bank balances and other liquid funds

	2025 \$'000	2024 \$'000
Cash and bank balances	45	51
Amounts placed with a related corporation	62,463	35,433
Bank balances and other liquid funds	62,508	35,484

At the balance sheet date, the amounts placed with a related corporation, ST Engineering Treasury Pte. Ltd., under a cash pooling arrangement bear interest ranging from 0.4% to 4.2% (2024: 2.0% to 4.4%) per annum. The cash pooling arrangement administered by ST Engineering Treasury Pte. Ltd. is operated at the instructions of the Company. These amounts placed with a related corporation are subjected to an arrangement with a bank where bank balances are transferred from/to a bank account of the related corporation on a daily basis.

NOTES TO THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

AS AT 31 DECEMBER 2025

(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

6. Other payables and accruals

	2025 \$'000	2024 \$'000
Accrued operating expenses	8,535	7,210

7. Share capital, treasury shares, capital reserves and other reserves

- Share capital and treasury shares have been explained and disclosed in Note E6 and Note E7.
- Capital reserves is relating to realised gain or loss on re-issuance of treasury shares under share-based payment arrangements as explained and disclosed in Note E8.
- Other reserves is relating to share-based payment reserve as explained and disclosed in Note E9.

8. Financial risk management

- **Interest rate risk:** No interest rate risk exposure was disclosed as the Company had assessed that a reasonable change in the interest rates would not result in any significant impact on the Company's results.
- **Foreign exchange risk:** No foreign exchange sensitivity analysis was disclosed as the Company had assessed that a reasonable change in exchange rates would not result in any significant impact on the Company's results.
- **Liquidity risk:** It is not expected that the cash flows associated with the liabilities of the Company could occur at significantly different amounts.
- **Credit risk:** The Company limits its exposure to credit risk on amounts due from related parties which are mostly short-term in nature and bank balances and other liquid funds placed with reputable financial institutions.

Management actively monitors the credit ratings of its debtors and does not expect any counterparty to fail to meet its obligations.

Derivatives are entered into with financial institutions which have long-term rating of at least A3 by Moody's, A- by Standard & Poor's or the equivalent by a reputable credit rating agency.

Cash and bank deposits are placed with reputable financial institutions.

As at 31 December 2025, there were no significant concentrations of credit risk.

- **Financial instruments by category:** The carrying amount of the different categories of financial instruments are as follows:

	2025 \$'000	2024 \$'000
Financial assets, at amortised cost	89,550	69,979
Financial liabilities, at amortised cost	(26,535)	(43,502)

SHAREHOLDING STATISTICS

AS AT 27 FEBRUARY 2026

SHARE CAPITAL

Paid-Up Capital (including treasury shares)	:	S\$895,925,583.505
Number of issued ordinary shares (excluding treasury shares)	:	3,114,951,550
Number of ordinary shares held in treasury	:	7,543,647 ⁽¹⁾
Number of subsidiary holdings held	:	Nil
Percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of issued ordinary shares	:	0.24%
Class of Shares	:	Ordinary Shares One Special Share held by the Minister for Finance
Voting Rights	:	One vote per share

SHAREHOLDING HELD IN HANDS OF PUBLIC

Based on the information available to the Company as at 27 February 2026, 48.61% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual issued by SGX-ST is complied with.

ANALYSIS OF SHAREHOLDINGS

Range of Shareholdings	No. of Sareholders	%	No. of Shares (excluding treasury shares)	%
1 – 99	1,204	3.36	33,431	0.00
100 – 1,000	7,669	21.40	5,544,834	0.18
1,001 – 10,000	21,516	60.03	92,522,104	2.97
10,001 – 1,000,000	5,421	15.12	201,020,552	6.45
1,000,001 and above	34	0.09	2,815,830,629	90.40
	35,844	100.00	3,114,951,550	100.00

Substantial Shareholder	Direct Interest No. of Shares	Deemed Interest No. of Shares	Total Interest No. of Shares	%*
Temasek Holdings (Private) Limited	1,554,764,574	34,928,920 ⁽²⁾	1,589,693,494	51.03 ⁽³⁾

Notes:

* The percentage of issued ordinary shares is calculated based on the number of issued ordinary shares of the Company as at 27 February 2026, excluding any ordinary shares held in treasury as at that date.

⁽¹⁾ Excludes 1,000,000 shares purchased by the Company on 27 February 2026 by way of market purchases which had not been credited into the Company's securities account with The Central Depository (Pte) Limited as at 27 February 2026.

⁽²⁾ Includes deemed interests held through subsidiaries and associated companies.

⁽³⁾ The percentage figure is rounded down to the nearest 0.01%.

SHAREHOLDING STATISTICS

AS AT 27 FEBRUARY 2026

MAJOR SHAREHOLDERS LIST – TOP 20

No.	Name	No. of Shares Held	%*
1	Temasek Holdings (Private) Limited	1,554,764,574	49.91
2	Citibank Nominees Singapore Pte Ltd	421,495,235	13.53
3	DBSN Services Pte. Ltd.	228,905,749	7.35
4	DBS Nominees (Private) Limited	186,103,512	5.97
5	HSBC (Singapore) Nominees Pte Ltd	154,043,402	4.95
6	Raffles Nominees (Pte.) Limited	126,215,143	4.05
7	BPSS Nominees Singapore (Pte.) Ltd.	33,826,498	1.09
8	Vestal Investments Pte. Ltd.	28,501,000	0.91
9	United Overseas Bank Nominees (Private) Limited	11,159,219	0.36
10	Morgan Stanley Asia (Singapore) Securities Pte Ltd	10,200,587	0.33
11	OCBC Nominees Singapore Private Limited	7,918,330	0.25
12	Philip Securities Pte Ltd	7,104,204	0.23
13	Merrill Lynch (Singapore) Pte. Ltd.	5,760,823	0.18
14	OCBC Securities Private Limited	5,683,141	0.18
15	MOOMOO Financial Singapore Pte. Ltd.	3,679,898	0.12
16	iFAST Financial Pte. Ltd.	2,998,931	0.10
17	BNP Paribas Nominees Singapore Pte. Ltd.	2,994,274	0.10
18	DB Nominees (Singapore) Pte Ltd	2,224,157	0.07
19	Shanwood Development Pte Ltd	2,077,000	0.07
20	ABN AMRO Clearing Bank N.V.	1,721,431	0.06
		2,797,377,108	89.81

* The percentage of issued ordinary shares is calculated based on the number of issued ordinary shares of the Company as at 27 February 2026, excluding any ordinary shares held in treasury as at that date.

SGX LISTING RULES REQUIREMENT

FOR THE YEAR ENDED 31 DECEMBER 2025

(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

INTERESTED PERSON TRANSACTIONS

The Group has obtained a general mandate from shareholders of the Company for interested person transactions in the Annual General Meeting held on 24 April 2025. During the financial year, the following interested person transactions were entered into by the Group:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions (excluding transactions less than \$100,000 and transactions conducted under a shareholders mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under a shareholders mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Transactions for the Sale of Goods and Services					
SATS Ltd. and its Associates	Temasek Holdings (Private) Limited is a controlling shareholder of the Company. The other named interested persons are its associates.	-	-	4,813	2,814
SembCorp Industries Ltd and its Associates		-	-	5,765	52,570
Singapore Airlines Limited and its Associates		-	-	7,681	18,231
Singapore Telecommunications Limited and its Associates		-	-	17,110	1,731
StarHub Ltd and its Associates		-	-	193	162
Temasek Holdings (Private) Limited and its Associates (non-listed)		-	-	78,603	65,760
		-	-	114,165	141,268
Transactions for the Purchase of Goods and Services					
CapitaLand Investment Limited and its Associates	Temasek Holdings (Private) Limited is a controlling shareholder of the Company. The other named interested persons are its associates.	-	-	-	189
SATS Ltd. and its Associates		-	-	801	663
Seatrium Limited and its Associates		-	-	2,806	776
SembCorp Industries Ltd and its Associates		-	-	940	1,335
SIA Engineering Company Limited and its Associates		-	-	-	868
Singapore Airlines Limited and its Associates		-	-	206	-
Singapore Telecommunications Limited and its Associates		-	-	8,040	4,412
StarHub Ltd and its Associates		-	-	716	1,218
Temasek Holdings (Private) Limited and its Associates (non-listed)		-	-	67,462	28,092
		-	-	80,971	37,553
Transaction for Acquisition of Business					
StarHub Ltd and its Associates		-	10,369	-	-
Joint Venture					
Temasek Holdings (Private) Limited and its Associates (non-listed)*	Temasek Holdings (Private) Limited is a controlling shareholder of the Company.	109,416	32,195	-	-
Investment in Venture Fund					
Temasek Holdings (Private) Limited and its Associates (non-listed)	The other named interested persons are its associates.	61	20,429	-	-
Consortium					
Temasek Holdings (Private) Limited and its Associates (non-listed)**		12,257	18,100	-	-
		121,734	81,093	-	-
Total Interested Person Transactions		121,734	81,093	195,136	178,821

* The transactions pertain to (i) equity injections of \$12,963,000 (FY2024: \$9,675,000) by the Group into Juniper Aviation Investments Pte Ltd (Juniper) to partially fund Juniper's aircraft acquisitions from the Group, (ii) FY2025 includes rollover of outstanding principal relating to shareholder loans extended by ST Engineering Group and Singapore Power Group of \$45.9 million and \$44.1 million respectively to their joint venture, SPTel Pte. Ltd. (SPTel), (iii) interest paid by SPTel on the shareholder loans, and (iv) interest paid by ST Engineering Group to SPTel under a group cash sweep arrangement. These transactions occurred prior to the divestment of SPTel on 10 November 2025.

** The transaction pertains to a sales contract secured by a consortium formed by ST Engineering Urban Solutions Ltd and Strides Engineering Pte Ltd.

Save for the interested person transactions disclosed above, there were no other material contracts entered into by the Company and its subsidiaries involving the interests of its Group President and CEO, directors or controlling shareholder, which were either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.



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