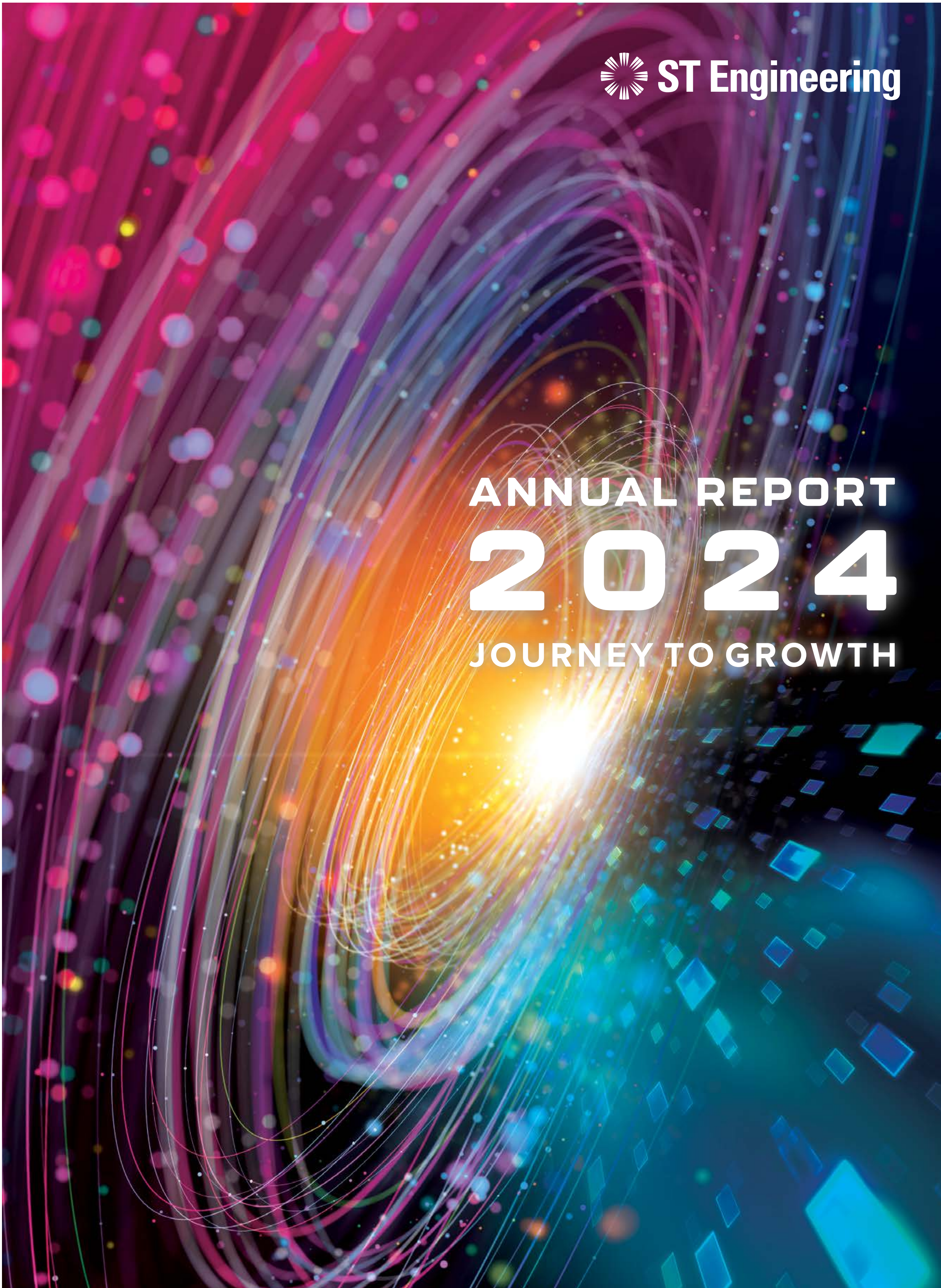


ST Engineering

ANNUAL REPORT 2024

JOURNEY TO GROWTH

CORPORATE OVERVIEW

PERFORMANCE REVIEW

SUSTAINABILITY

FINANCIAL REPORT

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.

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.

FINANCIAL HIGHLIGHTS

REVENUE

$11.3b ▲12%

FY2023: $10.1b

EBITDA

$1,614.3m ▲11%

FY2023: $1,456.1m

PROFIT BEFORE TAX

$862.7m ▲23%

FY2023: $704.2m

NET PROFIT

$702.3m ▲20%

FY2023: $586.5m

EARNINGS PER SHARE

22.53¢ ▲20%

FY2023: 18.82¢

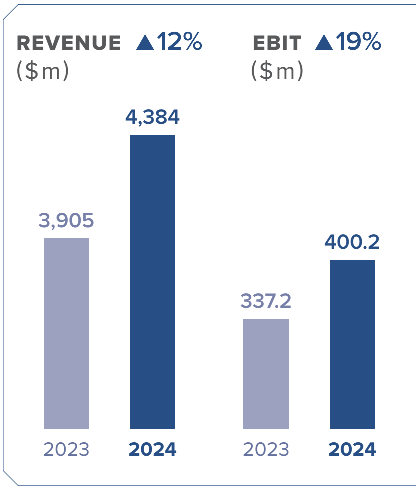
ORDER BOOK

$28.5b ▲4%

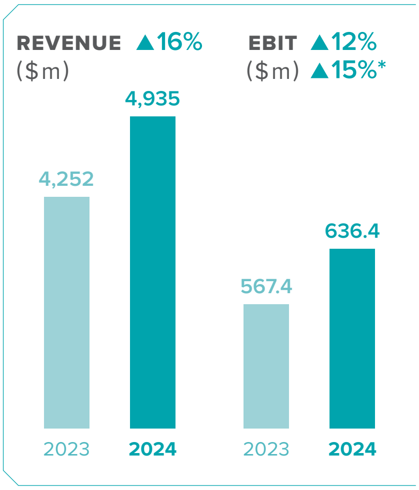
FY2023: $27.4b

SEGMENT HIGHLIGHTS

COMMERCIAL AEROSPACE

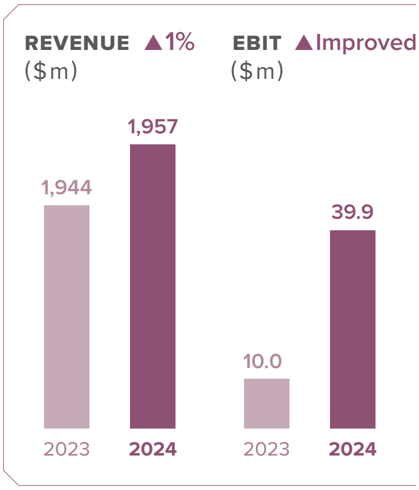


DEFENCE & PUBLIC SECURITY



* Excluding U.S. Marine post-sale completion gain of $16m in 2023

URBAN SOLUTIONS & SATCOM



CREATING VALUE FOR SHAREHOLDERS

DIVIDENDS PER SHARE

17.0¢

▲6%

FY2023: 16.0¢

TOTAL SHAREHOLDER RETURN

23.8%

▲16%

FY2023: 20.5%

RETURN ON EQUITY

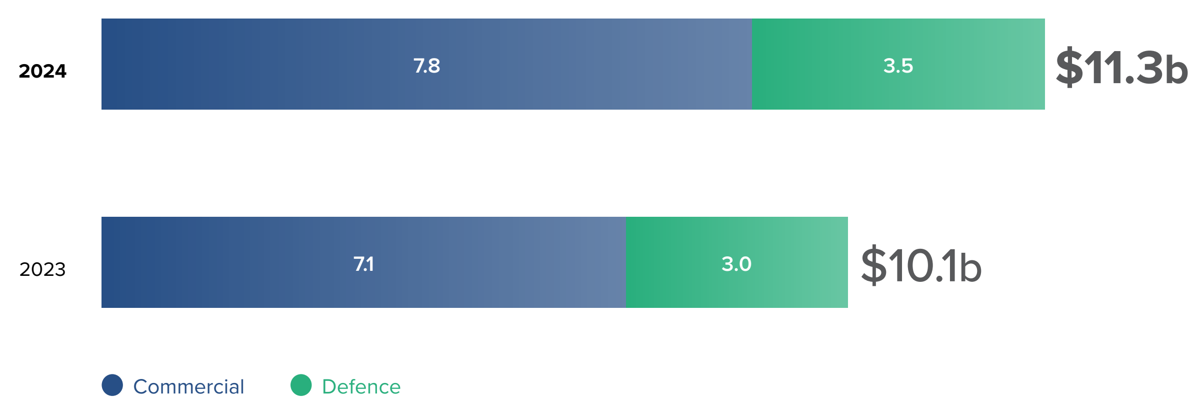
26.3%

▲10%

FY2023: 23.8%

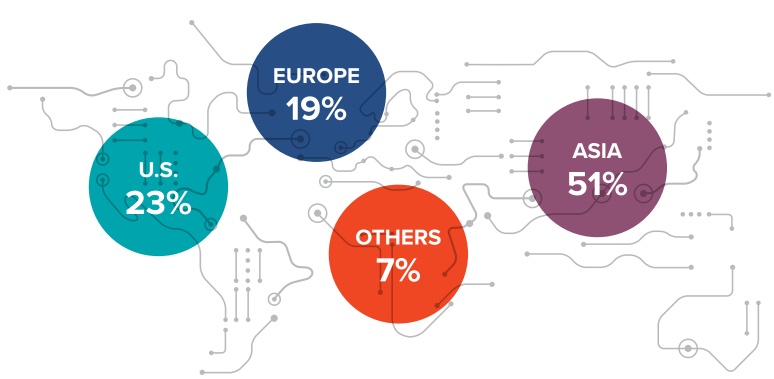
REVENUE BY TYPE* ($b)

▲12%



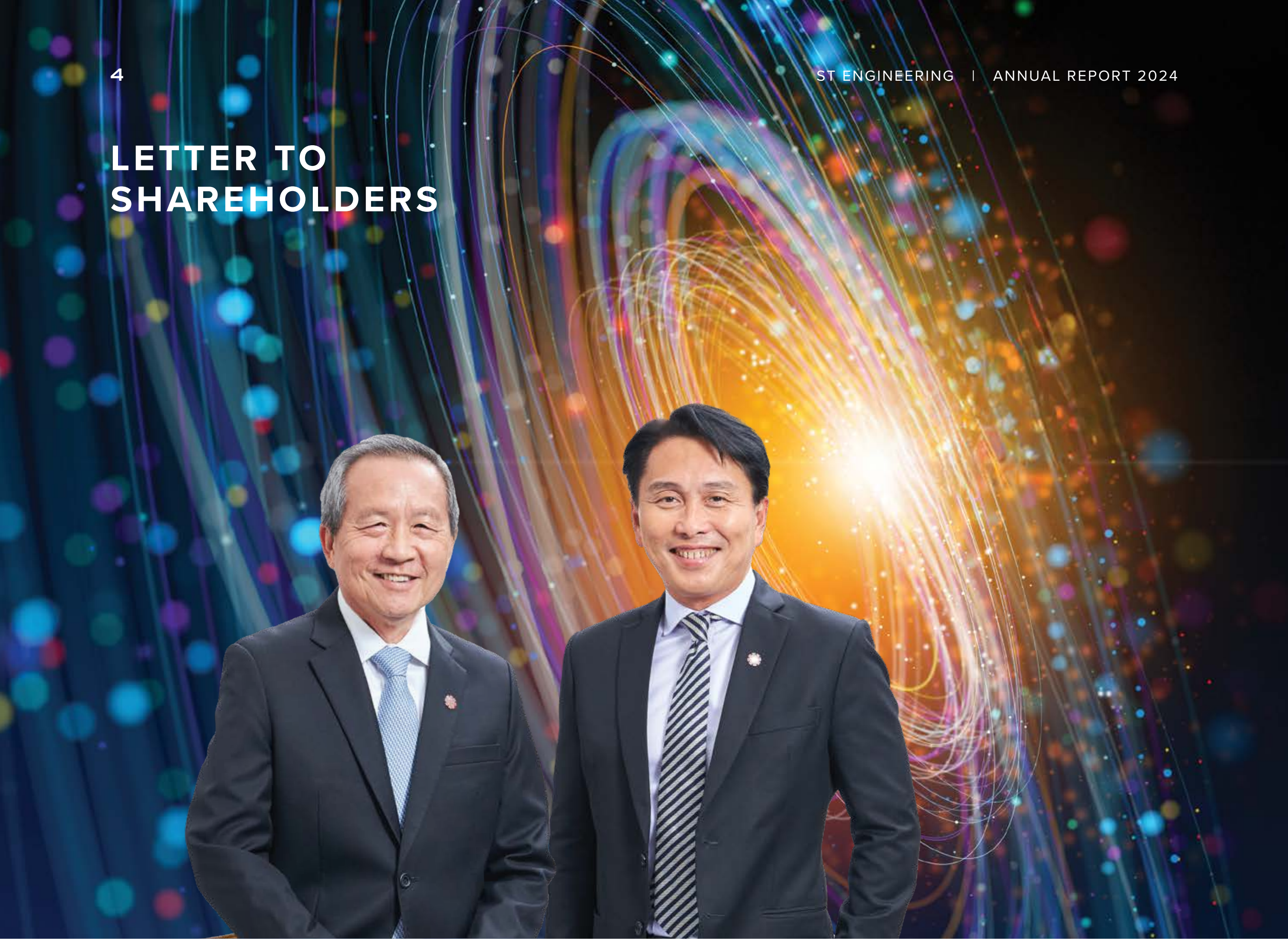
* Refers to revenue by product and service type.

REVENUE BY LOCATION OF CUSTOMERS



Amounts may not add to totals shown due to rounding.

LETTER TO SHAREHOLDERS



TEO MING KIAN
CHAIRMAN

VINCENT CHONG
GROUP PRESIDENT & CEO

> **Group Net Profit increased 20% to reach a new high of $702m**

Dear Shareholders,

ST Engineering did well in 2024. Each of our three segments — Commercial Aerospace, Defence & Public Security and Urban Solutions & Satcom — did its part. This was further augmented by continuous improvement, increasing productivity and strict cost discipline, thereby reducing the ratio of operating expenses over revenue.

The Group reported a 12% year-on-year (y-o-y) increase in revenue to $11.28b, Group EBIT reached $1.08b, marking a 18% y-o-y increase, while Group PBT rose by 23% y-o-y to $863m. Group Net Profit increased 20% to reach a new high of $702m. All three business segments contributed to the stronger y-o-y performance.

This strong set of results was achieved against a backdrop of geopolitical tension and a dynamic market landscape. This could be attributed to the breadth of our customer base and revenue streams across geographies, underscoring our global footprint and balanced portfolio in our diverse segments of Commercial Aerospace, Defence & Public Security and Urban Solutions & Satcom, strategically and painstakingly built up over the years.

FY2024 RESULTS HIGHLIGHTS

REVENUE
$11.3b
▲ 12% (Y-O-Y)
FY2023: $10.1b

EBIT
$1.08b
▲ 18% (Y-O-Y)
FY2023: $915m

PROFIT BEFORE TAX
$863m
▲ 23% (Y-O-Y)
FY2023: $704m

NET PROFIT
$702m
▲ 20% (Y-O-Y)
FY2023: $586m

The business segment details are covered in the Operating Review and Outlook section on pages 26 to 43.

BUILDING ON STRONG FUNDAMENTALS FOR LONG-TERM SUCCESS

Over the past year, we have focused on navigating evolving global events, demonstrating the strength of our fundamentals and long-term strategy, as evidenced by $12.6b worth of new contracts that strengthened our order book to a new high of $28.5b. Our 2024 results further demonstrated our disciplined approach and effective execution of our order book.

A key focus of our Commercial Aerospace business is to address the changing dynamics of the aviation industry. Supply chain constraints have caused production bottlenecks for aircraft OEMs, delaying new aircraft deliveries. As a result, airlines are operating existing fleets for longer periods, driving demand for airframe and engine MRO services and keeping our hangars at near full capacity. While near-term shortages in passenger aircraft feedstock have impacted our Airbus Passenger-to-Freighter conversion (PTF) volume, we have effectively reallocated resources to capitalise on the stronger airframe MRO demand. At the same time, we are strengthening our capability as a Premier MRO provider for CFM LEAP engines as it continues to expand. To ensure continued competitiveness despite inflationary pressures, we continue to seek operational efficiencies, productivity improvements and cost management initiatives. By enhancing our capabilities and maintaining a strong focus on service quality, we aim to strengthen our competitive position in the market.

LETTER TO SHAREHOLDERS

... we ensure that our R&D efforts are both synergistic and impactful, with tangible business outcomes

Another key focus has been the effects of ongoing geopolitical tensions on our defence business. We remain committed to a strategy anchored on sustainable growth, addressing evolving defence needs driven by technology advances. We are also strategic in selecting target markets and focusing on products where we have a clear advantage, such as ammunition, land and naval platforms. Recent successes such as our collaboration with Kazakhstan Paramount Engineering to establish in-country production in Kazakhstan for a new 8x8 amphibious armoured vehicle, and the NATO-standard 155mm ammunition contracts with new European customers affirm both the growing trust in our defence solutions and our competitive edge. In Singapore, our position as the strategic partner in the Singapore defence ecosystem demands that we consistently drive technological advancements and deliver cutting-edge solutions, along with steadfast local support. This commitment ensures superior reliability and responsiveness, reinforcing our role in the operational readiness of our nation's security.

Our Smart City business, particularly Smart Mobility, is integral to our growth strategy. Strong expansion potential is evident through key rail contract wins across Asia and Australia. In addition, we are pushing boundaries in other transformative projects such as our smart water platform enhancing services for Aegea in Brazil and a contract to design and operate an advanced smart city platform for Lusail City in Qatar, marking the city's bold step towards full smart city integration powered by our advanced AI and data-driven technologies. These successes fuel our growth, reinforce our position as a leader in smart city innovation and enable customers to optimise operations while addressing evolving urban challenges. Meanwhile, in the U.S., our TransCore business gains momentum in reinforcing its leadership in tolling technology and back-office solutions through new contract wins and successful project execution. TransCore is now well positioned for expansion into Asia, after securing its first tolling solution contract in Southeast Asia, a beginning of the manifested synergies we anticipated from its acquisition.

While our Smart City business continues its strong trajectory and expands its footprint, we also recognise the challenges in our Satcom business. We remain very focused on its turnaround and long-term success, acknowledging that every transformation inevitably comes with risks and hurdles. Early signs of improvements in the last quarter of 2024 are encouraging but work remains to be done. In the rapidly evolving satellite industry marked by disruptions from new entrants and opportunities from new constellations and technologies, we aim to benefit from our innovative technologies and proactive strategies to capture new revenue opportunities. Our investment in developing 'Intuition', the next-generation, cloud-native, software-defined ground system for multi-orbit environments is one such example.

TOTAL CONTRACT WINS

$12.6b

for FY2024

Commercial Aerospace: $4.7b
Defence & Public Security: $5.3b
Urban Solutions & Satcom: $2.6b

ORDER BOOK

$28.5b

as at 31 December 2024

FOSTERING SYNERGY IN TECH AND INNOVATION THROUGH A COORDINATED APPROACH

As advanced technologies and AI reshape the business landscape, we prioritise synergy across our diverse domains and R&D investments. Through the Group Technology Office and Group Engineering Centre, we drive innovation, develop breakthrough solutions and streamline efforts across the Group, enabling our businesses to focus on core operations while avoiding duplication in developing common core technologies and engineering solutions.

We invest in critical digital technologies, including AI, data analytics, robotics, cybersecurity and 5G connectivity, along with the application of Generative AI and quantum computing. We also develop reusable common modules, such as AI Video Analytics Suite and AI Analytics tools for knowledge mining and risk analysis. These foundational components are embedded in our solutions to accelerate time-to-market and reduce development costs.

By addressing shared challenges through strategic investment in digital technologies, we ensure that our R&D efforts are both synergistic and impactful, with tangible business outcomes. This approach delivers continual value across our aerospace, defence and smart city domains, strengthening our position as an innovation leader while empowering our customers to achieve new levels of security, efficiency and performance.

> We also develop reusable common modules, such as AI Video Analytics Suite and AI Analytics tools... to accelerate time-to-market and reduce development costs

ALIGNING WITH ESG STANDARDS, ADVANCING RESPONSIBLY

As we build on our strategic priorities, we are equally committed to our sustainability agenda. In line with our climate action commitment, we have updated our target to reduce Scope 1 and 2 greenhouse gas emissions by 50% by 2030, revising the base year from 2010 to 2015, being a more challenging target. We also keep abreast of evolving regulatory requirements in sustainability reporting, such as the 2023 European Union Corporate Sustainability Reporting Directive. By ensuring timely and transparent disclosures, we reinforce our dedication to accountability and sustainability.

For a detailed overview of our ESG initiatives, please refer to our Sustainability Report.

REFRESHING OUR BOARD

In 2024, changes were made to our Board as part of our disciplined renewal process. In February, Neo Gim Huay was appointed to the Board and a member of the Risk and Sustainability Committee. In June, Philip Lee Sooi Chuen joined the Board and the Executive Resource and Compensation Committee, the Nominating Committee and the Strategy and Finance Committee. In August, Lien Siaou-Sze was appointed to the Board, subsequently joining the Audit Committee in November. During the year, several directors retired or stepped down from the Board, including Quek See Tiat, Lim Sim Seng and Lim Ah Doo. Each served for many years, making invaluable contributions to our boardroom discussions and strategy deliberations. We thank them for their dedication and commitment.

In January 2025, Song Su-Min assumed the role of Chairman of the Risk and Sustainability Committee, succeeding Kevin Kwok Khien who remains as a committee member.

These changes underscore our dedication to fostering a dynamic and effective Board that upholds robust governance and strategic oversight as we navigate future challenges and opportunities.

> Our robust, forward-looking plan builds on growth momentum and core strengths while pursuing new opportunities

LETTER TO SHAREHOLDERS

DELIVERING SHAREHOLDER VALUE THROUGH RETURNS AND GROWTH

The Board of Directors has proposed a final dividend of 5 cents per ordinary share subject to shareholder approval at the upcoming AGM. Combined with the quarterly interim dividends of 12 cents per ordinary share, the total dividend for FY2024 will be increased to 17 cents per ordinary share from 16 cents per ordinary share in FY2023. This translates to a dividend yield of 3.97%[1].

Our commitment to delivering value to our shareholders is based on strong performance underpinned by a robust balance sheet, as reflected in our Aaa and AA+ ratings from Moody's and S&P respectively. We maintain a forward-looking financial strategy, ensuring that fund allocation — whether for dividends, strategic investments to drive growth, or debt reduction to actively manage our balance sheet — is carefully calibrated to balance immediate returns with long-term value creation.

Building on this foundation, we unveiled our new five-year targets at our Investor Day 2025, finalised as this Letter went to print. These targets reflect the strengths of our fundamentals and the positive growth prospects of our Group.

Our robust, forward-looking plan builds on growth momentum and core strengths while pursuing new opportunities. With a strong track record of disciplined execution, we remain committed to delivering good dividends and capturing growth, positioning us to thrive in a dynamic market and create lasting value for our shareholders.

While our strategies are well-founded, we remain mindful of external factors and the execution risks inherent in any growth plan. We will approach these challenges with resolve, focusing on adaptability and resilience to navigate uncertainties effectively while staying firmly aligned with our growth objectives.

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

TEO MING KIAN
CHAIRMAN
INDEPENDENT DIRECTOR

VINCENT CHONG
GROUP PRESIDENT & CEO
EXECUTIVE DIRECTOR

28 February 2025

> We maintain a forward-looking financial strategy, ensuring that fund allocation... is carefully calibrated to balance immediate returns with long-term value creation

TOTAL DIVIDEND FOR FY2024

17¢

FY2023: 16¢

[1] Computed using the average closing share price of the last trading days of 2024 and 2023.

CORPORATE INFORMATION

(AS AT 28 FEBRUARY 2025)

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

COL 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

AUDITORS

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

Lam Hock Choon
(Partner-in-charge)
Date of Appointment: 15 May 2020

SHARE REGISTRAR

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

BOARD OF DIRECTORS

(AS AT 28 FEBRUARY 2025)

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:
21 April 2022

Date of next 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
- Temasek Trust Ltd.
- TF 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)
- Tessa Therapeutics Pte Ltd (Chairman)
- Tychan Pte. Ltd. (Chairman)
- Vertex Venture Management Pte. Ltd. (Chairman)

Achievements
- Degree of Doctor of Laws honoris causa by Monash University
- The Commander First Class – Royal Order of the Polar Star (Sweden)
- 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

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, NUS (formerly known as "Mechanical Engineering Departmental Consultative Committee", NUS)
- 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.
- Singapore Quality Award Governing Council (Member)
- Temasek Defence Systems Institute (TDSI) 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 (Board Member)
- Singapore Anti-Narcotics Association Board of Management (Vice-President)
- SRCC Pte Ltd (Deputy Chairman)

Other Directorships/Appointments – Past 5 years
- Maritime and Port Authority of Singapore (Board Member)
- Ngee Ann Polytechnic (Council Member and Chairman of Digitalisation Committee)
- Singapore Anti-Narcotics Association Board of Management (Board Member)

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:
21 April 2022

Date of next 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:
N.A.

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

Academic & Professional Qualifications
- Bachelor 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
- Heliconia Capital Management Pte. Ltd.
- Savills plc*
- SPH Media Holdings Pte. Ltd.

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:
N.A.

Date of next 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
Nil

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

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

Other Directorships/Appointments# – Present
- Certis CISCO Security Pte Ltd
- G-Able Public Company Limited*
- Heliconia Capital Management Pte. Ltd. (Co-Opted Member of IPF Committee)
- Hi-P International Pte. Ltd.
- Kulicke & Soffa Inc*@
- 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*

Other Directorships/Appointments – Past 5 years
- Citibank Singapore Limited
- Heliconia Capital Management Pte. Ltd.

Achievements
- The Public Service Medal, 2022

* Listed company
@ Will be retiring as Director from Kulicke & Soffa Inc at its AGM on 5 March 2025
\# Directorships exclude ST Engineering's subsidiary(ies)

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 Engineering (Distinction), Cambridge University, UK
- Master of Business Administration (Arjay Miller Scholar), Stanford University, USA

Other Directorships/Appointments – Present
- China Council for International Cooperation on Environment and Development (Special Advisor)
- Global Battery Alliance (Supervisory Council Member)
- Governing Council, Water Resources Group, World Bank
- LGT Bank (Singapore) Ltd. (Board Member)
- Singapore Institute of Technology (Board Trustee)
- 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
- Intellectual Property Office of Singapore (Board Member)
- Mandai Wildlife Group (Board Member)
- Nestle Shared Value Council (Advisory Board)
- Partnership for Green Growth, World Resources Institute (Member)
- SG Eco Fund Advisory Committee (Member)
- Singapore Library Board (Board Member)
- Singapore Science Centre Global Pte. Ltd. (Board Member)
- South Pole (Board Member)
- Surbana Jurong Private Limited (Board Member)

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

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

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
- Centre for Liveable Cities Limited (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*)
- JTC Corporation (Board Member)
- 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:
21 April 2022

Date of next 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:
21 April 2022

Date of next 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)
- Defence Science and Technology Agency
- DSO National Laboratories
- NUS College of Design and Engineering (CDE) Advisory Board (Member)
- Singapore University of Technology and Design, Board of Trustees (Member)
- SMRT Technical Advisory Panel (Chairman)
- Synapxe Pte. Ltd.
- Temasek Defence Systems Institute (TDSI) Management Board, NUS (Chairman)

Other Directorships/Appointments – Past 5 years
- D'Crypt Pte Ltd
- Government Technology Agency (GovTech) (Board Member)
- Land Transport Authority (Board Member)
- PUB Board Committee for Transformation (Member)
- Tech Vista Pte Ltd (Chairman)
- Temasek Laboratories, Nanyang Technological University (Member)
- Temasek Polytechnic Board of Governors (Board Member)

Achievements
- ASEAN Federation of Engineering Organisations Honorary Fellowship
- 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 AS AT 28 FEBRUARY 2025)

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

	TEO MING KIAN	KEVIN KWOK KHIEN	SONG SU-MIN
Age	73	69	51
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	Ming Kian has a wide network and broad perspective of both local and overseas economies which will benefit ST Engineering in addressing the changing and challenging needs of ST Engineering's operations. His leadership, appropriate qualification, skill sets and vast experience in the various fields will provide an all-rounded perspective to Board deliberations.	Kevin was previously the Head of Assurance & Advisory Business Services - Singapore and ASEAN, Ernst & Young LLP (1990-2012). Given his broad experience in audits and M&A activities across various industries and jurisdictions, public listings and other fund-raising activities as well as his expertise in Corporate Governance and Accounting practices, Kevin will be able to provide strong stewardship and guidance on the Group's Accounting and Financial Management, M&A, Corporate Governance and Risk Management matters to ST Engineering Board's deliberations.	Su-Min specialises in various aspects of corporate law, particularly in M&A, joint ventures and corporate restructuring in which her expertise extends across both single and multi-jurisdictional transactions. She also possesses extensive knowledge in Corporate Governance and Risk Management which she acquired through her professional experience and directorship. Su-Min contributes a specialised legal perspective to Board deliberations, ensuring that governance practices are aligned with strategic goals while effectively addressing potential risks.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director Chairman • Executive Resource and Compensation Committee • Strategy and Finance Committee Member • Nominating Committee • Research, Innovation, Technology and Enterprise Committee	Independent Director Chairman • Audit Committee Member • Risk and Sustainability Committee	Independent Director Chairman • Risk and Sustainability Committee Member • Audit Committee
Working experience and occupation(s) during the past 10 years	Chairman, Vertex Venture Holdings Ltd (since 2012)	Head of Assurance & Advisory Business Services - Singapore and ASEAN, Ernst & Young LLP (retired in 2012)	Partner, Allen & Gledhill LLP (since 2006)

DIRECTORS SEEKING RE-ELECTION

	TAN PENG YAM	PHILIP LEE SOOI CHUEN	LIEN SIAOU-SZE
Age	66	62	74
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	Peng Yam has held various defence positions in the Ministry of Defence, including Chief Executive of Defence Science and Technology Agency. His experience and knowledge will complement the competencies and skills of the present Board members.	With Philip's leadership and background experience in the banking sector, he will be able to contribute an independent financial and commercial perspective to ST Engineering Board's deliberations.	Siaou-Sze is a distinguished executive with a comprehensive background spanning higher education, technology, and the agri-food industry. Her expertise in corporate organisation behaviour is complemented by extensive experience in the IT sector. Siaou-Sze's multifaceted expertise will deepen Board discussions and enhance the overall Board effectiveness.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Independent Director Chairman • Research, Innovation, Technology and Enterprise Committee	Independent Director Member • Executive Resource and Compensation Committee • Nominating Committee • Strategy and Finance Committee	Independent Director Member • Audit Committee
Working experience and occupation(s) during the past 10 years	Chief Defence Scientist, Ministry of Defence (since 2021) Chief Executive, Defence Science and Technology Agency (2011 – 2021)	Vice Chairman of Global Banking, Southeast Asia, HSBC Bank, Singapore (since 2019) Vice Chairman of Southeast Asia and Chief Country Officer, Deutsche Bank AG, Singapore (2013 – 2018)	Partner of Management Alignment Partners GmbH (since 2023) Vice President (University Advancement) at Nanyang Technological University (2020 – 2023) NTU Board of Trustees (2006 – 2019) Executive Coach at Mobley Group Pacific (2006 – 2019)

Teo Ming Kian, Kevin Kwok Khien, Song Su-Min, Tan Peng Yam, Philip Lee Sooi Chuen and Lien Siaou-Sze, 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 pages 108 to 121.

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.

VINCENT CHONG SY FENG

Vincent Chong Sy Feng, 55, is the Group President & CEO of ST Engineering and a Director of the ST Engineering Board since 2016.

Before his current role, he was the President & CEO (Designate) from late 2015, and prior to that, the Group's Deputy CEO (Corporate Development) from late 2014. He joined ST Engineering in 2014 as President of Strategic Plans and Business Development of the Aerospace sector.

Vincent brings to the Group 20 years of global business experience from ExxonMobil, where he spent half of that time being based in Hong Kong, Japan, UK and the U.S. He held a wide span of senior positions in global and regional business management, refinery process engineering, industrial and retail operations, product marketing and strategic planning.

Vincent is a board member of Jurong Port and a member of the Ministry of Trade and Industry's International Advisory Panel for Manufacturing, Trade and Connectivity. He served on the Emerging Stronger Taskforce which reviewed how Singapore can build new sources of dynamism and stay economically resilient in a post-COVID world.

Vincent graduated in 1994 with First Class Honours in Mechanical Engineering from National University of Singapore and attended executive leadership programmes at Thunderbird School of Global Management and Columbia Business School. He is a fellow of the Academy of Engineering Singapore and was conferred the Distinguished Engineering Alumni Award by National University of Singapore in 2021.

GROUP EXECUTIVE COMMITTEE

CEDRIC FOO CHEE KENG

Cedric Foo Chee Keng, 64, is the Group Chief Financial Officer (CFO) of ST Engineering.

Concurrent to his Group CFO role, Cedric oversees Information Technology, Risk & Assurance and Procurement functions for the Group.

In 2024, he received the Best CFO award in the Large Capitalisation category at the Singapore Corporate Awards, recognising his outstanding leadership and strategic vision.

Before joining ST Engineering in October 2016, Cedric was the Group Deputy President and CFO of Neptune Orient Lines Limited. Prior to that, Cedric served at Singapore Airlines as the Senior Vice President, Finance and Administration and subsequently, as the Senior Vice President for West Asia and Africa. Cedric was also Chairman of JTC Corporation from 2008 to 2012 and of SPRING Singapore from 2003 to 2007.

Cedric graduated with a Bachelor of Science in Engineering (Naval Architecture and Marine Engineering) from University of Michigan, Ann Arbor, USA and received his Master of Science (Ocean Systems Management) from Massachusetts Institute of Technology, Cambridge, USA in 1985. He also attended executive programmes at Harvard and Kellogg Business Schools.

RAVINDER SINGH

Ravinder Singh, 60, holds concurrent appointments as the Group Chief Operating Officer (COO) (Technology & Innovation), and President Defence & Public Security of ST Engineering.

Ravinder oversees the development of multi-domain technologies and business innovation across the Group as its COO. He also leads the Group's businesses across Digital Systems, Cyber, Land Systems, Marine and Defence Aerospace as President, Defence & Public Security.

With over 30 years of technology and defence experience, Ravinder has held various management and leadership positions. He was President of the Group's Land Systems sector, then President, Defence Business and President of the Group's Electronics sector before he assumed his concurrent appointments on 1 January 2021. Prior to ST Engineering, Ravinder served as the Chief of Army, Singapore Armed Forces (SAF) and the Deputy Secretary (Technology), Ministry of Defence, Singapore. He was awarded the SAF Overseas Training Award (Academic) and was conferred the Public Administration Medal (Military), Silver and Gold.

Ravinder is a board member of the Agency for Science, Technology and Research (A*STAR), DSO National Laboratories, and the Temasek Defence Systems Institute Management Board of the National University of Singapore, the Independent Review Panel of Ministry of Home Affairs and the Data Protection Appeal Panel for Ministry of Digital Development and Information. He is also a member on the Board of Governors, Nanyang Polytechnic.

Ravinder holds a Bachelor of Arts in Engineering Science (First Class Honours) and a Master of Arts in Engineering Science from University of Oxford. He was awarded the Singapore Armed Forces Postgraduate Scholarship and graduated from Massachusetts Institute of Technology with a Master of Science in Management. He attended the Advanced Management Programme at Wharton Business School.

TAN LEE CHEW

Tan Lee Chew, 61, is Group Chief Commercial Officer (CCO) (Market Development) and President Smart City & Digital Solutions of ST Engineering.

Before her current role, she was the President Commercial from 1 September 2021 to 30 June 2023.

As Group CCO (Market Development), Lee Chew works with business leaders across the Group to build market presence, expand account coverage and strengthen partnerships. In her role as President Smart City & Digital Solutions, she leads the international growth and market expansion for the Smart City and Digital businesses, enabling customers to create digital experiences and transform operational efficiencies through the use of cloud, artificial intelligence, data analytics, the internet of things and digital connectivity.

Lee Chew also has oversight of the Group's Urban Solutions and Satellite Communications businesses, a role she has assumed since joining the Group in September 2021.

Before joining ST Engineering, Lee Chew was the Managing Director, Worldwide Public Sector (ASEAN) of Amazon Web Services (AWS), responsible for leading new business growth through the adoption of AWS services as an enabler to deliver technology transformation at scale for organisations.

Prior to that, she was with Hewlett-Packard Enterprise for more than 20 years, last serving as the Senior Vice President of global Hybrid IT Sales and Category Management based in Palo Alto, California, U.S., where she led the go-to-market planning and execution of product sales strategies for the company's Data Center Infrastructure and Software Defined technology portfolio globally.

Having operated out of Singapore and California with business experiences in North America, Latin America, Europe and Asia, Lee Chew is a firm believer in talent development and a strong advocate for diversity. She is appointed as the President for the Women in Tech Chapter at the Singapore Computer Society, serves on the Board of Infocomm Media Development Authority of Singapore and the Advisory Board of EDPR APAC. In addition, she is a member on the Board of Governors for Temasek Polytechnic.

Lee Chew holds a Bachelor of Arts (Honours) in Philosophy from National University of Singapore.

LAM WAI MENG JEFFREY

Lam Wai Meng Jeffrey, 53, is Group Chief Operating Officer (COO) (Operations Excellence) and President Commercial Aerospace of ST Engineering.

Jeffrey has been serving as President Commercial Aerospace since October 2020 and has spent more than 10 years of his career in the Group's Aerospace business since 2011. He oversees the Group's Commercial Aerospace business cluster. He has held several senior management appointments within the Group including that of President, Aerospace sector of ST Engineering, COO of ST Engineering Aerospace, Vice President/General Manager of ST Engineering Aerospace Engines and Vice President Engine Total Support of the Aerospace sector.

Under Jeffrey's leadership, the Commercial Aerospace business, a key growth driver of the Group, has demonstrated resilience throughout the COVID-19 pandemic and saw significant business growth. In addition to his current portfolio, Jeffrey is also responsible for leading the Group's Continuous Improvement initiatives and Quality & Safety oversight.

Jeffrey holds a Bachelor of Science in Aerospace Engineering, a Bachelor of Arts in French and a Master of Science in Industrial & Operations Engineering from the University of Michigan, USA. He obtained his Diploma in Economics from the Universite d'Aix-Marseille III, France and attended the Advanced Management Programme in Harvard University.

OUR INNOVATION APPROACH

Deepen Capability Building
- Commercially Viable Product Development
- Deep Tech and Core Engineering Capabilities
- Strategic Innovation Units

Drive Innovation Culture
- Internal Innovation Programmes

Broaden Outreach to Leverage External Capabilities
- Research Translation @ ST Engineering
- Corporate Venture Unit

Over the past year, we continued to harness new and emerging technologies, including Generative AI and advanced data analytics to enhance our offerings. By harnessing internal synergies and forging strategic partnerships, we accelerate innovation, expand our reach and deliver smarter solutions faster. This approach empowers us to create greater value for our customers, offering more efficient, tailored and impactful solutions to meet their evolving needs.

TECHNOLOGY & INNOVATION

OUR R&D INVESTMENT

Our R&D approach is strategic and driven by business and product roadmaps, ensuring targeted investments that deliver differentiated products and solutions while supporting our growth.

R&D Activity	Funding Sources	Classification in Financial Statements	2024
Research Projects	Internal/ External	**Research, design and development expenses**	$189.8m[1]
Development Projects/ IP Rights and Licenses	Internal/ External	**Capitalised development expenditure, commercial/intellectual property rights and licenses**	$65.6m[2]
Customer Funded R&D Projects	External	part of **Cost of Sales**	$164.6m
		Total R&D	$420.0m
		R&D Intensity over Revenue	3.7%

[1] See Note B3 in Notes to Financial Statements on page 148

[2] See Note C3 in Notes to Financial Statements on page 168 - 169

STRENGTHENING OUR TECH AND ENGINEERING CORE

Cultivating Engineering Competencies for Future Success

At the heart of advancing technology and engineering hardware lies our most valuable asset: our people. As a leading technology and engineering group, it is crucial for us to foster a culture of continuous learning and development while consistently enhancing the skills and competencies of our engineering workforce.

Our Group Engineering Competency Framework is designed specifically to nurture our people and strengthen their engineering capabilities. It outlines clear career pathways with well-defined competency requirements, helping our engineers better plan and navigate their individual career paths within ST Engineering.

Employees can also leverage this framework to assess their learning needs and acquire the necessary competencies for career advancement.

Fostering Agility with Reusable Common Modules

We are investing in the application of emerging technologies like Generative AI and the competencies of our engineering workforce. This involves developing scalable and adaptable systems that our field engineers can deploy with ease, while allowing our design and development engineers to focus on creating innovative customer-centric solutions.

Fundamental to this is the building of ‘reusable common modules’, which are foundational technology components that embed advanced capabilities such as AI-driven knowledge management, insight extraction and computer vision. We design these modules for seamless integration into a variety of applications, ensuring compatibility with diverse business products such as Intelligent Transport Systems, Ship Management Systems and Smart City Systems.

This approach enhances efficiency, accelerates development cycles and drives innovation across our solutions.

HOR GAR YIN
Group Chief Engineering Officer

Our Video Analytics suite, which is one of our reusable common modules, is embedded into our Intelligent Traffic Management System, reducing the system’s hardware requirements.

TECHNOLOGY
& INNOVATION

Scaling AI-Driven Development with Coding AI Rollout

We successfully rolled out Coding AI across the Group, transforming software development. Now embraced by our engineers, Coding AI utilises advanced AI for code generation, debugging and optimisation. This tool has streamlined workflows, boosted productivity and sped up the time-to-market for new features. By freeing our engineers to focus on creative problem-solving, we are driving efficiency and elevating software quality across the Group.

Innovating to Fortify Cyber Defences

AI-related cyberattacks like deepfakes, prompt injection attacks and hacking of AI tools are serious and ever-changing threats. Deepfakes use AI to create fake but realistic videos or audio that can trick people; prompt injection attacks fool AI systems into giving harmful or wrong answers by changing the instructions they receive; while hackers of AI tools such as those used to process text, look for weaknesses to steal sensitive information. To stay ahead, we continuously innovate and develop advanced defences by integrating proactive, real-time threat detection, robust incident response and AI-driven tools that enhance cybersecurity operations. Additionally, we leverage Generative AI to fortify our cyber platforms and drive innovative solutions for comprehensive data protection.

Empowering Traffic Prediction

By leveraging advanced AI urban computing models, we have been able to enhance the prediction of traffic speed and volume, potentially achieving greater accuracy and surpassing state-of-the-art benchmarks — particularly in forecasting speed fluctuations during congestion. The refined model appears to minimise lag in detecting speed drops and predicting recovery patterns, which could improve responsiveness. This progress may contribute to more effective real-time traffic management, optimised urban mobility and reduced travel delays.

EnLighTen, our next-generation AI-powered traffic signal innovation, enables real-time, adaptive guidance to road users and transport authorities, paving the way for more sustainable transport networks.

Ramesh Iyer Srikrishna, our senior AI Engineer from the Group Technology Office, presented his research at the Empirical Methods in Natural Language Processing (EMNLP) conference in Miami, U.S. In his presentation, he proposed a collaborative learning framework for training large language models (LLMs) more efficiently. This framework aims to reduce computational costs while maintaining the performance of LLMs, aligning with our commitment to research and development in the areas of Generative AI and efficient LLMs.

Strategic AI Collaborations through Research Translation @ ST Engineering

We earned international recognition for our research through presentations at top global conferences. Highlights include innovations in small model cooperation at EMNLP (Miami, U.S.), traffic optimisation solutions at ICITT (Florence, Italy), and leadership in multi-agent systems at CoCoMARL (Amherst, U.S.).

Building on this momentum, we further strengthened our research ecosystem by conferring new Distinguished Professorships under the ST Engineering @ Research Translation programme and establishing strategic collaborations with leading institutions to advance critical AI research. These partnerships include:

- NUS: Agentic workflow management and ethical AI governance.
- Duke-NUS: Real-time healthcare monitoring with wearable tech and empathetic AI.
- NTU: Persona-based simulations for public safety.
- SUTD: Efficient LLMs and AI-driven network optimisation.
- Carnegie Mellon: Swarm robotics for autonomous multi-agent systems.

These initiatives underscore our commitment to leveraging cutting-edge AI technologies to drive innovation.

In 2024, we showcased our latest innovations at various international platforms and industry events, displaying our continuous efforts in solving real-world problems and improving lives. Our key exhibits include:

AirFish

The AirFish is a Wing-in-Ground craft that travels up to 90 knots, offering fast, stable and efficient coastal transport for various applications, including public, luxury, military and emergency services.

AGIL® Smart Energy Building

AGIL® Smart Energy Building is a next-generation smart energy solution powered by IoT, AI, machine learning and automation to optimise building energy use and reduce carbon emissions. With a suite of solutions such as Smart Heating, Ventilation and Air Conditioning, energy recovery, AI-powered airflow, smart metering and smart lighting, it predicts heat loads, reduces energy for building cooling, ensures even zonal cooling and adjusts lighting in real-time based on occupancy and ambient conditions, achieving significant energy savings and efficiency.

Terrex s5

The Terrex s5 is an 8x8 wheeled armoured platform with optional hybrid electric drive technology. It features AI-enabled smart 360° situational awareness, automatic target detection and tracking and mobility systems that warn of positive and negative obstacles. It also includes a smart onboard battery management system and condition-based maintenance supported by a health and usage monitoring system. The Terrex s5 enhances battlefield effectiveness, safety, training and logistics support.

AGIL® Genie Studio

AGIL® Genie Studio is a no-code AI platform that streamlines chatbot creation, AI API development and task automation with scheduled triggers. Its intuitive workflows handle complex conversations and automate responses, enhancing productivity and customer experiences.

AGIL® Trust

AGIL® Trust is a deepfake detection tool that uses multi-modal AI technologies to detect subtle inconsistencies in visual and audio content. With real-time detection, explainability and automated fact-checking, it combats misinformation and safeguards online trust.

Adaptive & Intelligent Cyber Monitoring of OT Systems (AICYMO)

AICYMO is an AI-enabled cybersecurity solution designed for Operational Technology (OT) environments. It detects, recognises and categorises cyber threats and anomalies by integrating data from various OT sources like supervisory control and data acquisition networks and engineering workstations. AICYMO provides comprehensive and actionable insights into security risks across physical and digital layers of their systems.

Next-generation Interactive Counterpart (NICO)

A virtual avatar system designed for training, education and experiential projects, the NICO platform uses lifelike digital avatars that respond to verbal and non-verbal inputs, enabling interactive conversations and instructions. Powered by AI, machine learning and augmented reality, NICO enhances realism in avatar interactions and engagement with digital systems.

OPERATING REVIEW AND OUTLOOK

COMMERCIAL AEROSPACE

WHAT WE ACHIEVED IN 2024

- **Expanded suite of solutions and capabilities that provide new engines of growth**
- **Introduced new products that help to seed the future and further establish us as an innovative OEM**
- **Strengthened partnerships with industry players to support growing maintenance demand**

The airline industry achieved full recovery in total passenger traffic, surpassing pre-pandemic passenger levels in February 2024[1].

Although challenges such as rising manpower costs, parts shortages and geopolitical tensions persisted, the aviation sector remained resilient and adapted to enable air traffic growth.

Under these conditions, our Commercial Aerospace business turned in a favourable performance. Growth was broad-based across all key business segments including the OEM and MRO businesses, while we continued to invest in solutions and initiatives to better navigate challenges, enhance operational efficiency and capture new opportunities.

AEROSTRUCTURES AND SYSTEMS

Our manufacturing business continued to ramp up according to aircraft OEMs' production rates, while we steadily raised our freighter conversion production to meet customers' demands. We also made headway in bringing new solutions such as our AirFish Wing-in-Ground (WIG) craft to market.

Nacelle and Composite Manufacturing

Production volume of our largest nacelle programme continued to grow in line with increased production of the A320neo by Airbus. Aftermarket demand for nacelle spare parts remained on a healthy growth trajectory under continuous global fleet expansion and utilisation.

We continued to see healthy levels of orders in our other nacelle product lines for aircraft such as the Bombardier Global 7500, while our production volume for the COMAC C919 rose steadily to meet COMAC's delivery schedule.

Increased aircraft production rates by Airbus continued to benefit the composite manufacturing activities of our JV in Germany, Elbe Flugzeugwerke GmbH (EFW), the sole supplier of composite floor panels used in Airbus' commercial aircraft. As Airbus' appointed manufacturer for cabin solutions, EFW increased its support for Airbus by setting up a new production line for the Airspace L Bins, a retrofit overhead bin for narrowbody Airbus aircraft.

[1] Source: IATA's February 2024 Air Passenger Market Analysis

Our manufacturing business continued to ramp up… while we steadily raised our freighter conversion production to meet customers' demands

Wing-in-Ground Craft

To advance the AirFish WIG craft's entry to market, our JV, ST Engineering AirX (AirX), entered into a collaboration with Singapore's Maritime and Port Authority on sea trials of the WIG craft off Singapore's shores, and with Bureau Veritas to classify and certify the craft. We also partnered the Technology Centre for Offshore and Marine in Singapore on design development, testing and validation of the AirFish to enhance its safety and performance.

We also signed an LOI with Eurasia Mobility Solutions for an order of up to 10 AirFish WIG craft with options for 10 more. When delivered progressively from 2026, the AirFish will be used to serve Turkey's tourism and private transportation sectors.

Passenger-to-Freighter (P2F) Conversions

To capture opportunities in growth regions such as the Japanese air cargo market, EFW entered into a partnership with MRO Japan, which will see the latter becoming our first third-party conversion site for Airbus narrowbody P2F aircraft in Japan. EFW also received the validation of its Supplemental Type Certificate from Brazil's National Civil Aviation Agency for the A321P2F platform, enabling it to provide the freighter conversion solution to the wider South American market.

To provide customers with more integrated solutions, EFW attained the European Union Aviation Safety Agency's Continuing Airworthiness Management Organisation (CAMO) approval, which allows it to provide worldwide airworthiness management and technical services for passenger and freighter aircraft. With the addition of CAMO approval to its other certifications, EFW can now offer operators end-to-end, turnkey solutions in design development, freighter conversion, maintenance, aviation supply chain management and CAMO support.

Our P2F business reached a milestone with the redelivery of its 100th converted freighter aircraft.

Unmanned Aircraft Systems

We made new inroads in Thailand with the first sale of our unmanned aircraft system solution, DroNet, for power line inspections. In Singapore, we inked a three-year contract extension with PUB, Singapore's national water agency, for the monitoring of reservoirs and also clinched a major contract with a law enforcement agency for deployment and operations across the island.

DID YOU KNOW?

Whenever you step into an Airbus passenger aircraft, you are walking on composite floor panels produced by EFW, our JV with Airbus. Lightweight and load-bearing, the floor panels on all Airbus passenger and freighter aircraft are produced by EFW, which has decades of experience in producing composite products for cabin interiors.

OPERATING REVIEW AND OUTLOOK

AEROSPACE MRO

Our MRO facilities experienced healthy utilisation, reflecting the strong demand for maintenance services that came with increased flying activities. Airlines continued to raise aircraft utilisation rates as both passenger and freight traffic grew. Along with shop visits, we secured several multi-year MRO contracts that underscore rising maintenance demand from airline operators.

Airframe Services

As part of our long-term strategy to capture growth opportunities through increased capacity, we broke ground for a third hangar in Pensacola, U.S. The hangar is part of an airframe MRO complex we are developing to further strengthen our presence in the U.S.

In anticipation of MRO needs arising from the comeback of the Airbus A380 platform post-COVID, EFW re-entered the A380 MRO market and secured contracts from airlines and operators, including Global Airlines, for A380 airframe maintenance.

Other airframe maintenance contracts we secured included a six-year contract from a Canadian airline to service their fleet of Boeing 787 Dreamliner aircraft.

Groundbreaking for our third hangar in Pensacola, U.S. (Photo credit: City of Pensacola)

Component/Engine Services

Our component and engine MRO businesses demonstrated steady performance, with the latter benefitting from the strong recovery of the engine MRO market.

We secured several multi-year engine MRO contracts with airline customers, reflecting the high demand by airlines for long-term engine support. These included an exclusive 15-year contract with Akasa Air to provide the first Performance Restoration Shop Visit (PRSV) service for their entire Boeing 737 MAX fleet including future deliveries, a contract with PT Lion Group for exclusive CFM56-7B engine maintenance and a contract with Lucky Air for CFM LEAP-1A engine maintenance.

Our engine MRO business clinched an exclusive 15-year MRO contract with Akasa Air to support its LEAP-1B engines with their first Performance Restoration Shop Visit service.

We continued to strengthen strategic partnerships with OEMs to enhance our MRO capabilities. These included a collaboration with Liebherr Aerospace and Transportation to explore Airbus A220 landing gear MRO services and the extension of our network agreement with Honeywell for mechanical, avionics and LEAP engine components service and repair.

We also increased our support for Safran Aircraft Engines to provide module repair offload support for the LEAP-1A and LEAP-1B engines. This collaboration adds to other offload maintenance support we are providing to Safran Aircraft Engines for the CFM56-5B, CFM56-7B, LEAP-1A and LEAP-1B engines.

Our MRO facilities experienced healthy utilisation, reflecting the strong demand for maintenance services that came with increased flying activities

Aviation Asset Management

We continued to grow our Aviation Asset Management business by building up our lease portfolio of passenger aircraft, aircraft engines and converted freighters. Clocking another year of growth, our total aircraft assets under management exceeded US$2.3b at end-2024.

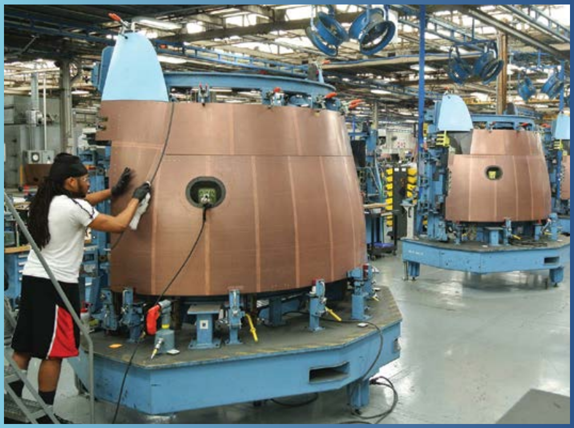
During the year, we delivered converted freighters and new-generation aircraft engines to new and existing lessees, amongst which were TUI, Sky Vision and Cebu Pacific. We also saw strong demand on the current generation of aircraft assets, remarketed and extended leases on aircraft and aircraft engines to new and existing lessees.

We continued to work with our various joint ventures – Keystone Holdings, Juniper Holdings and Total Engine Asset Management – in line with our strategy to grow our Aviation Asset Management business and improve capital efficiency.

Our efforts were recognised when Airline Economics conferred Keystone Holdings with the "Asia Pacific Portfolio of the Year" award in November for a nine-aircraft portfolio purchase and financing transaction.

DID YOU KNOW?

Nacelles act like a protective casing for aircraft engines to protect them from damage. Our engineering team developed nacelle designs that can contain engine damage from bird and lightning strikes and reduce engine noise emissions. Our nacelles also have a patented anti-icing feature to prevent buildup of ice during flight.



OPERATING REVIEW AND OUTLOOK

OUTLOOK

Barring unforeseen events, the aviation industry is expected to continue growing along an upward trajectory, driven by increasing fleet utilisation rates, fleet growth and higher passenger and cargo demand. Aviation Week[2] predicts the global MRO demand to grow at a compound annual growth rate (CAGR) of 3.2% between 2025 – 2034.

We expect our OE manufacturing business and MRO business to grow in tandem with the air travel market. With freighter conversion activity normalising after the surge in demand for cargo capacity during the COVID-19 pandemic, our P2F business is expected to sustain at a moderate pace.

Nevertheless, challenges remain. After three years of facing COVID-19 and shortages in raw materials and labour, the aerospace industry continues to grapple with supply chain issues and a shortage of skilled technicians.

The availability of essential aircraft parts and components has been challenging, leading to delays in deliveries and services. As airlines extend the operation of aircraft while waiting for the delivery of new aircraft, the short-term unavailability of feedstock for P2F has also caused deferment of some freighter conversion inductions.

OEMs and MRO providers hence need to navigate a rapidly shifting landscape with agility, adjusting their strategies to maintain service quality and operational efficiency.

POSITIONING FOR GROWTH

Despite ongoing challenges, our Commercial Aerospace team continued to innovate and adapt. The team remains steadfast in incorporating technological and digital solutions aimed at enhancing efficiency.

We continue to enhance our supply chains through various proactive measures that mitigate risks and invest in talent development programmes to strengthen our global workforce. At the same time, we maintain nimble footing to align swiftly with market conditions and reposition ourselves to compete for work and seize growth opportunities.

We are increasingly using AI-powered solutions in our operations to empower our engineers and technicians with data insights.

Driving Efficiency

To drive higher efficiency across our various businesses, we will increasingly leverage technologies that enable us to do more with less. For instance, at our aerostructures manufacturing facility in Baltimore, U.S., we are further digitising our supply chain and shop floor to enhance manufacturing processes, making them less manual and more paperless. In addition to using technologies to drive efficiency, we continually adjust and optimise resource allocation, such as by streamlining our freighter conversion sites and reallocating hangar capacity to support airframe MRO.

Adding Value through Innovations

Through continuous innovation in our products and solutions, we strive to better meet the market's evolving needs and deliver greater value to our customers. Seeding the future with our unmanned aircraft system solutions, we built on our drone portfolio to develop DrN-40, a fixed-wing drone which can carry out middle-mile deliveries with longer endurance and heavier payload. At our engine MRO facilities, we implemented AI-powered solutions such as an Engine Health Monitoring programme, which empower our engineers with data insights to optimise customers' engine maintenance schedules.

[2] Source: 2025 Commercial Aviation Fleet & MRO Forecast, Aviation Week Network

Deepening Capabilities

Capability development is integral to our growth strategy and staying relevant to our customers. As airlines transition to new-generation aircraft platforms and engines, we make sure we have the capabilities to support their evolving MRO needs. For instance, to support operators that power their aircraft with the LEAP-1A and LEAP-1B engines, we are setting up the infrastructure to carry out PRSV services as early as 2025. We are also actively pursuing approvals to perform airframe MRO services on more aircraft types.

We set up testing capabilities for LEAP-1A and LEAP-1B engines, taking another step in preparing ourselves to provide PRSV services in 2025.

Expanding Capacity

Riding on the growth momentum of air travel, we remain steadfast in our expansion plans to meet future demand. New MRO facilities in Asia and the U.S. will progressively come online from 2025 to help us meet the anticipated rise in airframe MRO demand. These new facilities will enable us to better support fleet operators and their flying activities.

Building Talent Pipeline

We continue to build on our ongoing partnerships and collaborate with technical and academic institutions to set up talent development programmes, including apprenticeship schemes in communities where we have an operational presence. In addition to ensuring a robust talent pipeline that can support our growth plans, we will continue our efforts to attract and retain talent by offering training and rewarding career paths to our technicians and engineers.

DID YOU KNOW?

When you stow your luggage or grip the seat armrest onboard an aircraft, you could be using one of our innovative 3D-printed cabin interior solutions. We help airlines with their hard-to-procure or frequently-damaged cabin interior parts such as components in armrests and overhead bins using additive manufacturing technology, through redesigning and printing on demand. Our 3D-printed replacement parts also offer improved durability and availability.

KEY FOCUSES FOR 2025

- **Improve profitability by driving operational efficiency through continuous improvement and network optimisation efforts**
- **Ramp up nacelle and composite manufacturing capacity to meet aircraft OEMs' delivery targets and support rising MRO demand with hangar facility expansion in Asia and the U.S.**
- **Fortify talent pipeline through partnerships with technical and academic institutions to support growth and capacity building plans**
- **Enhancement of our facilities and shop floor processes with digital AI technologies to sharpen competitive edge and improve productivity and safety**

OPERATING REVIEW AND OUTLOOK

DEFENCE & PUBLIC SECURITY

WHAT WE ACHIEVED IN 2024

- **Secured new customers for 40mm and 155mm ammunition**
- **Operationalised Gul Yard, a new smart shipyard, and commenced development of our fourth data centre to meet increasing demand**
- **Launched a suite of AI-enabled products and solutions that are designed to meet customer needs across defence, digital, cyber and marine segments**

The Defence & Public Security segment continued to demonstrate robust growth and innovation, delivering contract wins, new solutions, technological advancements and strengthened partnerships across key markets. Amidst a rapidly evolving global security landscape and accelerating digital transformation, our focus remained on delivering superior performance, enhancing operational efficiency and ensuring sustainable value creation for our stakeholders.

We continued to contribute actively to the modernisation of Singapore's defence capabilities, through investments in integrating new technologies such as AI, 5G and strengthening our engineering capabilities to offer best-in-class solutions.

Our international defence business expanded its footprint in key markets, capitalising on emerging opportunities to secure new contracts, while enhancing product offerings and strengthening partnerships within the global defence ecosystem.

Our international defence business made significant progress, advancing growth through localisation, in-country operational support and strategic licensing agreements. This approach aligns with growing customer demand for enhanced indigenous military capabilities and resilient supply chains.

We also forged new partnerships across key markets, including Europe, the UK and the Middle East, leveraging complementary expertise and technologies to co-create effective solutions that deliver value to customers.

To strengthen our global presence, we showcased our advanced capabilities at major defence exhibitions, engaging customers and partners through live demonstrations that highlighted the breadth and depth of our solutions.

Amidst a rapidly evolving global security landscape and accelerating digital transformation, our focus remained on delivering superior performance, enhancing operational efficiency and ensuring sustainable value creation for our stakeholders

DID YOU KNOW?

AGIL® Trust is an advanced AI-driven solution designed to identify deepfakes and combat misinformation in real-time. Scalable, efficient, and easy to integrate, AGIL® Trust can be applied across business sectors to detect manipulated content across video, audio and text formats, providing enhanced security for its users.

DIGITAL SYSTEMS & CYBER

The Digital Systems business achieved several significant milestones across its business segments, including Cloud, Software & AI and Cybersecurity. These achievements included the establishment of new facilities, the introduction of new products and advancements in innovation.

We broke ground for a fourth data centre located in Jalan Boon Lay, Singapore, further strengthening our digital business offerings in Cloud, AI Analytics and Cybersecurity. To be completed in 2026, the new seven-storey facility will increase the Group's total IT capacity to more than 30MW across four locations in Singapore. The facility is designed for future AI and GPU-based workloads.

Addressing some of the most pressing needs for businesses and critical sectors, we launched several new products and new AI-enabled applications including AGIL® Trust for advanced fraud and deepfake detection and Merlin AI Assistant for guided crime analysis, as well as for real-time emergency response and the optimisation of hospital operations and resources.

Another innovation is the new 5G System-on-Chip (SoC) Small Cell which offers both 5G cellular and Wi-Fi 7 technologies to deliver high speed, low latency and reliable connectivity in a single compact device. The 5G SoC Small Cell has already secured customers in Singapore and Southeast Asia, including the Singapore University of Technology and Design, for the creation, testing and integration of a 5G testbed.

These innovations were among more than 20 AI-powered solutions that were showcased during the Group's annual InnoTech Conference. Attended by over 2,000 participants, prominent tech speakers and captains of industry, the conference is establishing itself as a much anticipated event in the industry.

Amidst evolving challenges like data security, scalability, and flexible IT demand, our Digital Systems business excels in delivering secure, high-performance private cloud solutions. Leveraging expertise in mission-critical systems and hybrid multi-cloud infrastructures, we provided seamless integration across edge, public and private cloud environments for secure data storage, multi-cloud management, critical application hosting and disaster recovery, all while meeting strict security standards.

Our new data centre, which will be completed in 2026, will further strengthen our digital business offerings in Cloud, AI Analytics and Cybersecurity.

OPERATING REVIEW AND OUTLOOK

Our sensemaking and command and control systems are further enhanced with AI, machine learning algorithms and predictive analytics, boosting efficiency, facilitating seamless collaboration across agencies. These AI-powered solutions strengthen our track record in developing sophisticated advanced systems for aviation, defence, healthcare and security.

During the year, our Cyber business continued to strengthen their core capabilities in Cybersecurity Operations Centres, encryption products and solutions, managed security services and vulnerability assessment penetration testing. These include SCA-LE, a zero client device for secure access to Virtual Desktop Infrastructure from anywhere; WiZ-Knight Cloud, a cloud-based device for secure endpoint isolation and network segregation; as well as AI Cyber Analyst, which enhances the efficiency of Security Operations Centres using Large Language Models to detect anomalies and generate solutions.

These serve to offer full spectrum cybersecurity for customers in the defence, government and critical infrastructure segments, as well as enterprise customers in the financial and public healthcare segments.

Our training and simulation business delivered tailored modelling and simulation solutions to defence and commercial customers around the world, meeting diverse individual and collective training needs. From education to aircraft simulation, naval to combat training, our solutions demonstrate versatility and scalability, providing hands-on, interactive training for multiple participants in controlled and immersive settings.

In April, we expanded our strategic partnership with the Home Team Science and Technology Agency (HTX) through a five-year agreement focused on driving innovation in critical science and technology domains. This collaboration covers the joint development of innovative solutions to identify next-generation capabilities, operational support, talent development and training.

With HTX driving the scope and design, we successfully developed and delivered more than 250 Next-Generation Fast Response Cars (NGFRCs) to the Singapore Police Force. These vehicles feature smart technologies including automated number plate recognition, integrated dashboard for seamless function control, RFID equipment tracking and in-vehicle video system to enhance incident management.

LAND SYSTEMS

Amidst ongoing geopolitical conflicts and a rise in global ammunition stockpiling, the Group experienced strong demand for its small arms and ammunition. We secured new customers in new markets for our NATO standard 155mm ammunition as well as for our suite of 40mm ammunition solutions, reinforcing our position as a leading provider of 40mm solutions and our reputation for strong engineering ability and reliability.

The Land Systems business inked its first significant international land platform contract in recent years through a collaboration with Kazakhstan Paramount Engineering (KPE) to set up in-country production capability for a new 8x8 amphibious multi-purpose armoured vehicle. This agreement also marked our entry into a new market in Central Asia where we will provide engineering and technical expertise for the design and production of the vehicle, based on our field-tested Terrex Infantry Fighting Vehicle.

Interest in the ExtremV, the all-terrain amphibious vehicle, remained strong and units of the vehicles were delivered to customers in Thailand, Finland, Sweden and India. The vehicle proved its versatility and robustness in southern Thailand, where it was deployed to deliver vital supplies and support rescue operations when the area was hit by severe floods in December.

We continued to invest in technology enhancements incorporating AI, data analytics and other relevant new technologies into new solutions that meet the dynamic requirements of modern warfare.

New platforms include the Terrex s5 Infantry Fighting Vehicle and the Taurus Multi-Role Unmanned Ground

The Terrex s5, the newest addition to the Group's family of land platforms, comes equipped with advanced vetronics and a hybrid electric drive option.

DID YOU KNOW?

The new Taurus UGV is a fully electric vehicle with regenerative fast charging on-the-move. It can function as a mobile generator, powering other unmanned vehicles, robots and personal devices like computers. While it can power floodlights or water purification systems for more than a day, its true strength lies in its customisable modularity and adaptability, making it essential for surveillance, logistics and disaster relief operations.

Vehicle (UGV). The Terrex s5 is the newest addition to our land platforms and comes equipped with advanced vetronics and a Hybrid Electric Drive (HED) option. The Taurus Multi-Role UGV is fully electric and offers regenerative charging on-the-move, a unique feature which allows the vehicle to be charged while moving, making it an energy-efficient and versatile platform for surveillance, logistics and transport purposes.

During the year, we also launched the 40mm Low Velocity Automatic Grenade Launcher which has remote operating capability and a unique electric-driven belt feeding system, and the New Generation Assault Rifle which offers the advantages of a bullpup rifle while preserving the features of an assault rifle. The new 5.56mm Unmatched Lead-free Tactical Response round is an advanced ammunition that enhances soldiers' lethality and is another example of our efforts to continually develop solutions that help customers and users achieve mission success.

Over in the U.S., our specialty vehicles business reported higher sales, driven by increased demand amidst an improving U.S. economy.

We remained the preferred partner for sophisticated, high quality ship conversions and maintenance...

MARINE

The shipbuilding segment maintained strong momentum throughout the year, achieving key milestones across its programmes. In March, we marked the steel cutting ceremony for the first of the six Multi-Role Combat Vessels (MRCVs) for the Republic of Singapore Navy (RSN), followed by keel laying for the vessel later in the year, officially commencing construction. The MRCVs are scheduled to join the RSN from 2028 onwards. Other programmes, including the mid-life upgrade of RSN's Formidable-class Frigates and the Falaj 3-class Offshore Patrol Vessels project for the UAE Navy, are progressing on schedule. We also secured a shipbuilding contract to design and construct an advanced, purpose-built Walk-to-Work vessel for a leading oil and gas company, expanding our presence in specialised vessels for supporting offshore operations.

In September, we officially opened the new Gul Yard, which became fully operational in January 2025. Replacing the Tuas Yard, the Gul Yard enhances capacity and capabilities, enabling us to handle larger, more complex projects, including ships up to 240m in length. It also positions us to explore new markets such as offshore renewables and oil and gas support vessels.

The new Gul Yard will enhance capacity and capabilities, allowing for larger, more complex projects and positioning us for future growth.

OPERATING REVIEW AND OUTLOOK

Our ship repair business also saw strong performance, driven by increased demand for ship repair, conversion and MRO services for commercial and naval vessels. We remained the preferred partner for sophisticated, high-quality conversions and maintenance, including ongoing support for United States Naval Ships. Completed projects included the re-activation of trailing suction hopper dredgers, conversion of a roll-on roll-off vessel to a training vessel, as well as outfitting a vessel to enable future battery installation and the hybridisation of the propulsion system. To date, we have completed over 100 installations of Ballast Water Treatment Systems on vessels in accordance with the International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM Convention).

DEFENCE AEROSPACE

We continued to support Singapore's Ministry of Defence in various programmes, including participating in Singapore's international Humanitarian Assistance and Disaster Relief mission deployment to the Middle East. Through close operations and logistics integration with the Singapore Armed Forces team, our team of technicians ensured that the deployed aircraft was operationally ready for airdrop missions.

Our strong track record as a C-130 Centre of Excellence helped us to secure new orders for C-130 MRO and upgrades internationally, with customers from Asia, the Middle East and the U.S., keeping our hangars at full capacity for most part of the year.

During the year, we completed a C-130/L-100 Centre Wing Box replacement for Lynden Air Cargo, a U.S.-based operator. This is our 186th successful aircraft redelivery over 25 years of close partnership with Lynden Air Cargo.

We also forged new collaborations with industry partners such as Airbus Defence and Space to provide MRO services for C295 users, and Embraer to jointly explore engineering, maintenance and support services for the C-390 in the Asia Pacific region.

OUTLOOK

Ongoing geopolitical conflicts have underscored the continued relevance of traditional warfare, while highlighting emerging defence trends such as AI, unmanned systems and cyber capabilities that are reshaping military strategies. Global defence spending is expected to remain robust as countries prioritise military modernisation to safeguard national interests. This urgency extends to upgrading legacy equipment and enhancing operational readiness.

To address these needs, we are actively pursuing opportunities across our portfolio of defence solutions, driven by the long-term defence needs of our customers. This is reflected in the strong interest in our defence electronics and HED solutions, which are key to modernising legacy platforms and extending operational lifespans. Additionally, we are scaling up the production of 155mm and 40mm ammunition to meet the heightened demand from Europe and the Middle East.

We will continue to expand our global footprint through localisation, in-country operations support, as well as licensing agreements. Production of the new 8x8 amphibious multi-purpose armoured vehicle at KPE's production facility in Kazakhstan is on track to begin by end 2025. In partnership with Babcock International Group, we introduced the 120mm Ground Deployed Advanced Mortar Systems to be built at Babcock's UK facility, supporting the modernisation of the British Army.

The rise of cloud technologies, hybrid work models and advanced cyber threats has heightened the need for secure infrastructure and data storage. Expanding 5G networks, while enhancing connectivity, also creates new vulnerabilities. Our priority is to deliver robust solutions that address emerging threats and evolving challenges, including red teaming and advanced penetration testing to combat sophisticated attacks.

The advent of cloud-based quantum computing offers transformative potential, enabling real-time system monitoring, operational efficiency and innovation across industries like manufacturing and healthcare. We are actively developing solutions to make these advancements accessible to our customers. The digital industry is facing a shortage of skilled talents. To meet this challenge, we are investing in training and development programmes, aimed at growing our digital workforce from 2,000 specialists to over 3,000 within five years. These professionals will focus on areas such as cybersecurity, software engineering, data analytics, cloud and data centre hosting.

In the Marine sector, investments in the new Gul Yard and its integration with Benoi Yard create a unified network with enhanced capacity. This setup enables faster project turnaround to better support naval requirements and entry into new market segments.

We are also undertaking efforts in automating ship repair and conversion processes and investing in technologies like hydroblasting, automated guided vehicles and drones for inspections to achieve higher productivity as well as to mitigate the effects of a tight labour market.

Sustainability remains a priority in the maritime industry, and we are committed to supporting ship owners in their decarbonisation journeys. We will continue to develop innovative solutions to help them transition to cleaner energy options, aligning with global environmental goals.

Ongoing geopolitical conflicts have underscored the continued relevance of traditional warfare, while highlighting emerging defence trends such as AI, unmanned systems and cyber capabilities that are reshaping military strategies

Together with our partner DSTA, we marked the Keel Laying Ceremony for the first of six MRCVs for the RSN.

KEY FOCUSES FOR 2025

- Invest in digital growth areas such as AI, Cyber, Cloud technologies to support our customers including local government agencies and enterprises
- Enter new international markets and grow International Defence business
- Expand our business locally and internationally, focusing on public safety and security agency segments

OPERATING REVIEW AND OUTLOOK

URBAN SOLUTIONS & SATCOM

WHAT WE ACHIEVED IN 2024

- **Advanced smart city leadership position with strategic rail contracts in Thailand and Australia, and Smart City Operating System contract in Qatar**
- **Expanded global operations with new offices in Canada, Australia and Qatar**
- **Released an initial version of Intuition to customers for testing, and continued efforts to drive an interconnected satellite-terrestrial ecosystem**

The demand for smart city solutions in our focus markets remained robust, driven by continued urbanisation, need for safety and a growing emphasis on sustainable development. Cities continued to invest in infrastructure upgrades, adopting advanced technologies to enhance operations and services for more responsive, sustainable and liveable environments.

Against this backdrop, our Smart Mobility and Smart Utilities and Infrastructure businesses maintained their strong growth momentum, strengthening our global presence and impact with key contract wins that added to our global track record of over 800 smart city projects in more than 150 cities. With a clear commitment to helping cities address their evolving challenges, we continued to focus on strengthening our technology leadership, delivering next-generation smart city solutions that integrate advanced technologies including AI and Generative AI (GenAI) to strengthen our competitive differentiation and value proposition. Together, these helped to reinforce our position as a trusted technology partner for smart city transformation.

SMART MOBILITY

Our Smart Mobility business continued to grow its global footprint, clinching rail and road transportation projects around the world.

Showcasing our technology leadership, deep domain expertise and competitive differentiation, we won contracts across multiple regions. In Thailand, we expanded our contributions to Bangkok's metro infrastructure by providing advanced smart metro solutions for the Mass Rapid Transit Blue and Orange Lines. In Australia, we were appointed to deliver our AGIL® Passenger Information System for 65 new trains under the Queensland Train Manufacturing Program. In Taiwan, we were commissioned to upgrade the rail digital radio system for Taipei Metro's operations control centre and provide our smart metro solutions for selected stations on the Kaohsiung Red Line Extension. In Singapore, we were entrusted to deliver various smart metro solutions for the Cross Island Line, Jurong Region Line, North-South Line and East-West Line.

With a clear commitment to helping cities address their evolving challenges, we continued to focus on strengthening our technology leadership, delivering next-generation smart city solutions that integrate advanced technologies including AI and GenAI to strengthen our competitive differentiation and value proposition

DID YOU KNOW?

Our Mobility team played a key role in developing Singapore's first Traffic Priority System (TPS). Using vehicle-to-everything technology, TPS grants emergency ambulances priority passage at designated traffic junctions near public hospitals, ensuring the safe and expeditious transport of emergency patients for swift medical attention.

We won contracts exceeding $175m from Singapore's Land Transport Authority (LTA) to modernise the nation's public bus fleet and operations. This comprehensive initiative, covering 5,800 public buses, includes significant upgrades to the bus fleet management system, fare collection, as well as power and communication systems, with completion targeted for 2027.

TransCore maintained strong business momentum, winning contracts across tolling systems, back-office solutions, customer service operations and RFID products in the U.S. and the Middle East. One of the highlights was a contract to design and install a barrier-free smart car park solution at the Dubai Mall. Integrating car park technology from our Smart Mobility business with TransCore's traffic toll system technology used on regional Salik roadways in Dubai, the innovative solution enables ticketless parking fee collection. TransCore also secured its first tolling contract in Southeast Asia since it became part of the Group in 2022.

As part of our market expansion efforts, we introduced AGIL® Bus Rapid Transit, an integrated suite of smart mobility solutions that combine the best attributes of rail and bus systems. Operating on designated road lanes, it ensures high capacity, seamless and sustainable mass transit for urban commuters.

To stay at the forefront of the industry, we enhanced our smart metro solutions with 5G capabilities, enabling customers to accelerate rail infrastructure modernisation, improve efficiency and passenger service while positioning them for a 5G-enabled future. Our AGIL® Pay suite features a comprehensive, state-of-the-art account-based ticketing back office that delivers an end-to-end payment solution, from station validators and fare gates through to the back office. The suite now also includes contactless palm biometric authentication technology and an AI-powered travel journey assistant to elevate the passenger experience.

AGIL® Pay suite, enhanced with contactless palm reader technology, provides accurate detection, validation and payment deductions for seamless passenger experience.

OPERATING REVIEW AND OUTLOOK

In partnership with SBS Transit, we developed and implemented AGIL® DriveSafe+, an advanced collision warning system, for selected public buses in Singapore. Leveraging AI, AGIL® DriveSafe+ provides 360° detection of potential collisions, enhancing driver situational awareness and road safety by addressing blind spots effectively.

AGIL® DriveSafe+ overcomes the limitations of existing Advanced Driver Assistance Systems, in particular inadequate blind spot coverage.

SMART UTILITIES AND INFRASTRUCTURE

Our Smart Utilities and Infrastructure (SUI) business advanced its mission to help cities address critical needs in resource efficiency, security and sustainability. We launched our smart energy building and smart water solutions powered by AI, IoT and automation. The AGIL® Smart Energy Building solution features an integrated suite of energy optimisation solutions designed to accelerate decarbonisation in buildings, while the BrightCity™ Smart Water platform helps cities digitalise their water infrastructure cost-effectively at scale.

The AGIL® Smart City OS marks a significant step in Lusail's transformation into a fully integrated smart city that leverages advanced AI and data-driven technologies. (Photo credit: Lusail Real Estate Development Company.)

Our Smart Utilities and Infrastructure business advanced its mission to help cities address critical needs in resource efficiency, security and sustainability

We were selected to build and deploy our AI-powered AGIL® Smart City Operating System (OS) for Lusail City in Qatar. The Smart City OS will integrate a variety of smart city applications to enhance the efficiency and responsiveness of citywide operations and management, serving as the cornerstone of Lusail's smart city transformation to enable new possibilities for sustainable urban living and improve quality of life.

In Brazil, our smart water platform has transformed water management operations for Aegea, a company that provides sanitation services to over 500 local municipalities. Through data-driven water optimisation, the platform helped Aegea unlock new efficiencies in water management, contributing to the country's water resilience.

To help organisations defend against cybersecurity threats in the quantum era, SPTel, our JV with SP Group, partnered with the Monetary Authority of Singapore and regional banks to pilot Singapore's first large scale quantum-safe network for the financial services industry. Additionally, SPTel launched quantum-safe services to enhance businesses' cyber defence. Our integrated smart security management solutions were also deployed by customers in Singapore to protect their critical infrastructures and assets.

SATCOM

The satellite industry continued its transformation, propelled by increased satellite capacity that unlocked new applications and made satcom more attractive. Advancements in virtualisation and digitalisation drove innovation, accelerating time-to-market and enhancing scalability. Industry collaboration remains critical, particularly as the industry transitions to multi-orbit and multi-service deployments, reinforcing the need for Intuition, our next-generation ground platform designed for end-to-end network orchestration.

Our Satcom business continued to play a role in shaping the industry, bridging satellite and terrestrial communication by championing common standards, fostering interoperability and driving ecosystem collaboration. Key milestones included advancing virtualisation and digitalisation proof-of-concepts and showcasing the V1.2 DIFI protocol to validate device interoperability using digital standards. As a WAVE Consortium board member, we advocated for the adoption of open, virtualised networks to strengthen an interconnected ecosystem for seamless interoperability and improved accessibility.

We also demonstrated our multi-orbit capabilities, enabling the seamless integration of GEO and NGSO satellites. An industry-first for seamless transitions between orbits, our breakthrough technology featured a single tracking algorithm capable of supporting switching from GEO to NGSO satellites to enable critical connectivity in some of the world's most challenging environments. This milestone underscored our ability to support multi-orbit constellations essential for enhanced global connectivity.

As part of our transformation journey, we invested in product quality improvements and drove operational efficiencies for sustainable growth. Additionally, we intensified our focus on sales capture, achieving some early successes in customer adoption of our next-generation hubs, a critical step towards future migration to our next-generation platform Intuition. Highlights include our partnership with Arabsat, where we will deploy our next-generation iDirect Hub infrastructure to expand satellite connectivity across the Middle East, Africa and West/Central Asia. This project will enable Arabsat to deliver vital services to underserved communities while unlocking access to new markets.

Our partnership with Arabsat combines ST Engineering iDirect's best-of-breed ground system technology and Arabsat's constellation of high throughput satellites to bridge the digital divide in the EMEA region.

We were selected for both Phase One and Phase Two expansions of Indonesia's Satria-1 satellite network. In partnership with PT. Bis Data Indonesia, we deployed our hub infrastructure and set up new gateways to enable connectivity to thousands of public facilities including schools, government offices and health facilities across remote areas of Indonesia.

Additionally, Viasat Energy Services deployed our hub infrastructure to expand their satcom network and provide advanced connectivity services for Brazil's energy industry. The new hub expansion will enable Viasat to build on its capabilities to deliver robust coverage, capacity and connectivity for the harshest applications in remote areas, while laying the foundation for its future cloud-based deployments.

Demonstrating our expertise in cutting-edge electronics, our Manufacturing Competence Center (MCC) in Belgium was appointed by Exail to build advanced electronics for underwater drones for the Belgian and Dutch navies' joint Mine Counter Measure Program. This highlighted the MCC's expertise in providing critical solutions for the EU government and defence markets.

DID YOU KNOW?

Whenever you access the internet on a ship at sea, there's a good chance that it's powered by our satcom technology. Over half of all Very Small Aperture Terminal (VSAT) modems on shipping vessels are manufactured by our Satcom business. Our modems enable reliable high-speed internet connectivity that powers everything from ship operations and communication to weather monitoring and entertainment, improving the onboard experience for passengers and crew.

OPERATING REVIEW AND OUTLOOK

TRANSFORMING SATELLITE NETWORK DEPLOYMENT WITH INTUITION

We continued to invest in Intuition, our next-generation ground system designed for multi-orbit environments. Intuition integrates our trusted satcom technologies with future-focused, cloud-based, standards-compliant, multi-orbit solutions that enable satellite operators and service providers to scale effortlessly and streamline operations while maintaining exceptional service quality.

In September, we rolled out our lab release of Intuition, a critical step toward its general availability in 2025. This allowed customers to test and integrate Intuition within their network environments and plan for its advanced capabilities that include:

- Cloud migration
- Standards-based, cloud-native Network Management System
- Increased mobility and multi-orbit functionality
- Best-in-class technologies
- Investment protection

Intuition is designed to support the needs of operators launching software-defined satellites in the future and we continue to actively engage with customers to capture new opportunities. Our continuous effort in advancing Intuition reflects our commitment in meeting the evolving demands of the satcom industry.

OUTLOOK

URBAN SOLUTIONS

The 2025 outlook for the smart city segments we serve remains positive, fuelled by continued urbanisation, technology advancements and the growing adoption of public-private partnership models to address urban challenges. Rapidly urbanising regions such as Asia, the Middle East and Latin America where we have a strong presence, are set to lead this growth.

As cities turn to innovative technologies to tackle challenges in transportation, resource management and sustainability, AI and GenAI, which power these technologies, will play a significant role in shaping future cities. Aligning with this trend, our R&D focuses on leveraging AI and GenAI to develop efficient, next-generation smart city solutions that enable personalised, data-driven decision making.

Mobility is a cornerstone of urban development, and cities will continue investing in rail and road infrastructure to enhance connectivity, liveability and operational efficiency. The shift to green mobility will also accelerate initiatives such as Green Zones, congestion charging, Intelligent Transport Systems (ITS) and vehicle electrification. These trends present opportunities for our Smart Mobility business in advanced smart metro systems, tolling and congestion pricing, urban traffic management and public transit electrification. To capture these opportunities, particularly in Southeast Asia and the U.S., we will continue to sharpen our go-to-market strategy to secure strategic mobility wins and expand into new tolling and ITS markets.

... our R&D focuses on leveraging AI and GenAI to develop efficient, next-generation smart city solutions that enable personalised, data-driven decision making

In utilities and infrastructure, the focus on resource efficiency, sustainable development and people-centric solutions will intensify. Our approach to preparing cities for a smarter and more sustainable future encompasses city-scale solutions underpinned by our strong capabilities in IoT and analytics. These technologies drive operational efficiencies and resource optimisation, underpinning our commitment to developing differentiated smart utilities and infrastructure solutions while expanding the global footprint of our SUI business.

As security threats grow in complexity, safeguarding borders, critical infrastructures and urban spaces is becoming increasingly critical. As a trusted provider of integrated smart security management solutions, we aim to grow our presence in key industry verticals such as airports. We will continue enhancing our offerings by leveraging AI, GenAI and advanced technologies to improve threat detection, automation and response capabilities.

With our deep domain expertise, extensive project management experience and commitment to customer excellence, we are well-positioned to seize opportunities and drive the future of smart cities.

SATCOM

The satcom industry is undergoing rapid transformation, driven by expanded satellite capacity, reduced costs and growing market opportunities.

As the ground infrastructure segment evolves to support multi-orbit constellations in a multi-service environment, Intuition will empower customers to deliver faster, more scalable and cost-effective services with greater flexibility. By addressing the complexities of multi-orbit, multi-network environments, Intuition enables dynamic, high-performance networks, equipping customers to respond to shifting market demands. Ahead of its full release, we remain focused on optimising Intuition through real-world applications to ensure it aligns with our customers' evolving needs.

As we continue on our satcom transformation journey, we will focus on sales capture, customer engagements and developing innovative, customer-centric solutions that not only address current requirements but also anticipate future challenges. By aligning our product development and business strategies with long-term market trends, we are laying a foundation for continued growth, success and value creation for our customers.

KEY FOCUSES FOR 2025

- **Accelerate smart city growth with strategic mobility wins, while expanding project delivery and customer support capabilities in Southeast Asia and the U.S. to advance tolling and ITS market expansion**
- **Expand smart utilities and infrastructure solutions into new markets to drive growth and capture emerging opportunities**
- **Embark on full release of Intuition to the market, and work on migrations of customer networks to Intuition to lay the foundation for growth and success**

FINANCIAL REVIEW

THE GROUP DELIVERED RECORD REVENUE AND NET PROFIT IN FY2024

The Group ended 2024 with a revenue of $11.3b, reflecting a 12% year-on-year (y-o-y) increase from $10.1b, contributed by all business segments. Group earnings before interest and tax (EBIT) reached a new high of $1.08b as it rose 18% y-o-y from $915m, attributed to higher EBIT from all business segments. Group profit before tax (PBT) was $863m, 23% higher y-o-y from $704m while Group profit attributable to shareholders (Net Profit) grew 20% y-o-y to $702m from $586m in the prior year. The Group delivered a very strong set of results despite an uncertain and challenging environment.

The Group achieved $12.6b in new contract wins in 2024. With these new contract wins and adjustments for revenue delivery, the Group ended 2024 with a robust order book of $28.5b. The Group expects to deliver about $8.8b from this order book in 2025.

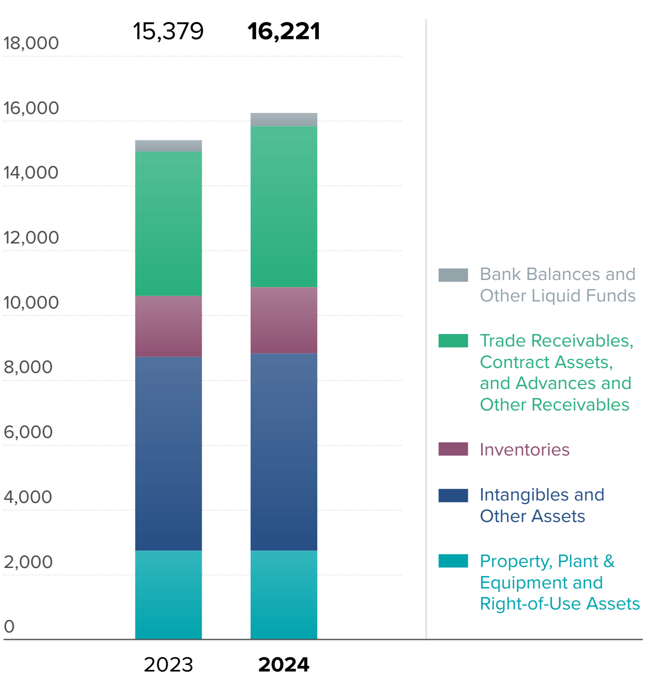
The Board has proposed a final dividend of 5.0 cents per ordinary share. Together with the three quarterly interim dividends of 4.0 cents per ordinary share (paid in 2024), the total dividend for FY2024 will be 17.0 cents per ordinary share.

FINANCIAL POSITION

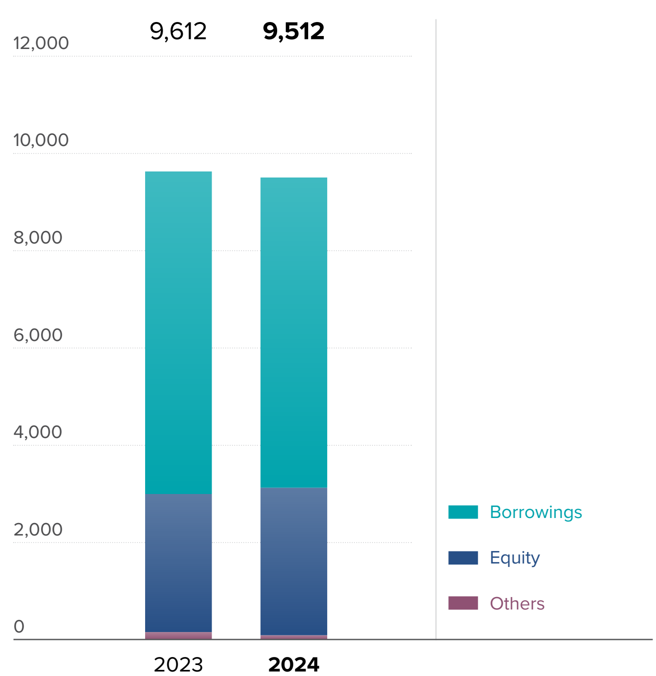
The Group's total assets of $16.2b as at 31 December 2024 grew by $842m as compared to the prior year. The increase was due largely to increases in the categories of i) trade receivables, contract assets, advances and other receivables, and ii) inventories to support business growth.

The average capital employed in FY2024 was $9,512m, a decrease of $100m from the prior year. The lower average capital employed was attributed to reduction in borrowings, partially offset by higher equity.

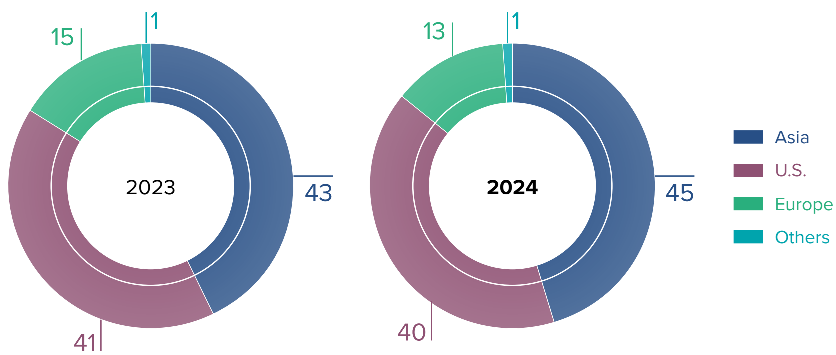
TOTAL ASSETS DEPLOYMENT ($m)



CAPITAL EMPLOYED ($m)



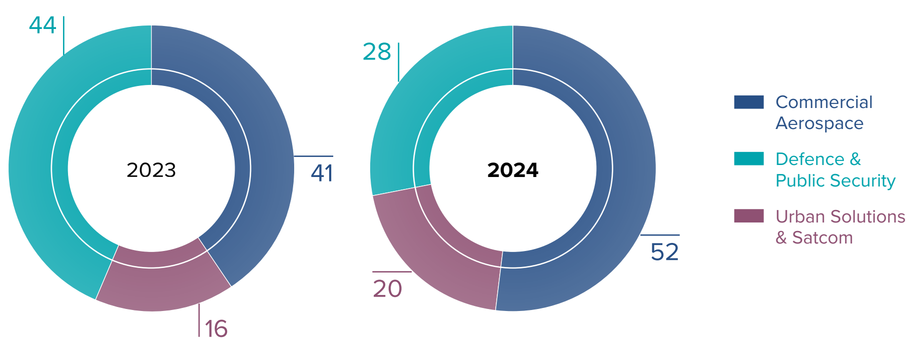
TOTAL ASSETS BY GEOGRAPHY (%)



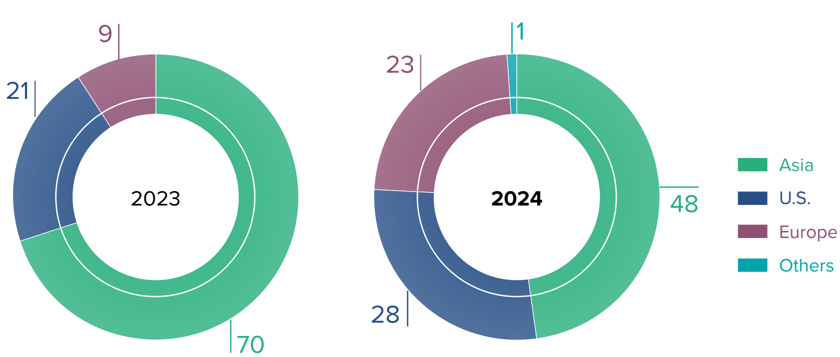
CAPITAL EXPENDITURE

In FY2024, the Group invested $577m (2023: $765m) in capital expenditures[R1], attributed to Commercial Aerospace ($301m), Defence & Public Security ($158m) and Urban Solutions & Satcom ($118m). Major capital expenditure included airframe MRO facilities, Gul shipyard, a fourth data centre, next-generation Satcom platform, as well as aircraft and aircraft engines for the Aviation Asset Management business.

CAPITAL EXPENDITURE BY SEGMENTS (%)



CAPITAL EXPENDITURE BY GEOGRAPHY (%)



[R1] Capital expenditures on property, plant & equipment, intangible assets and right-of-use assets.

FINANCIAL REVIEW

TREASURY MANAGEMENT

Given its international operations, the Group is exposed to various financial risks, including foreign exchange, liquidity, interest rate and credit risks. The Group has established treasury policies and guidelines to mitigate these risks.

Treasury activities are handled by the Group's wholly owned entity, ST Engineering Treasury Pte. Ltd., to ensure effective management of the Group's liquidity and financial risk exposures.

Banking Facilities

The Group has banking facilities of approximately $21.0b (2023: $20.7b) as at 31 December 2024 to support business operations in the areas of trade finance, hedging and credit.

As at 31 December 2024, the Group has utilised $8.2b or 39% of its total facilities (2023: $7.6b or 37%) with $12.8b or 61% (2023: $13.1b or 63%) remaining untapped.

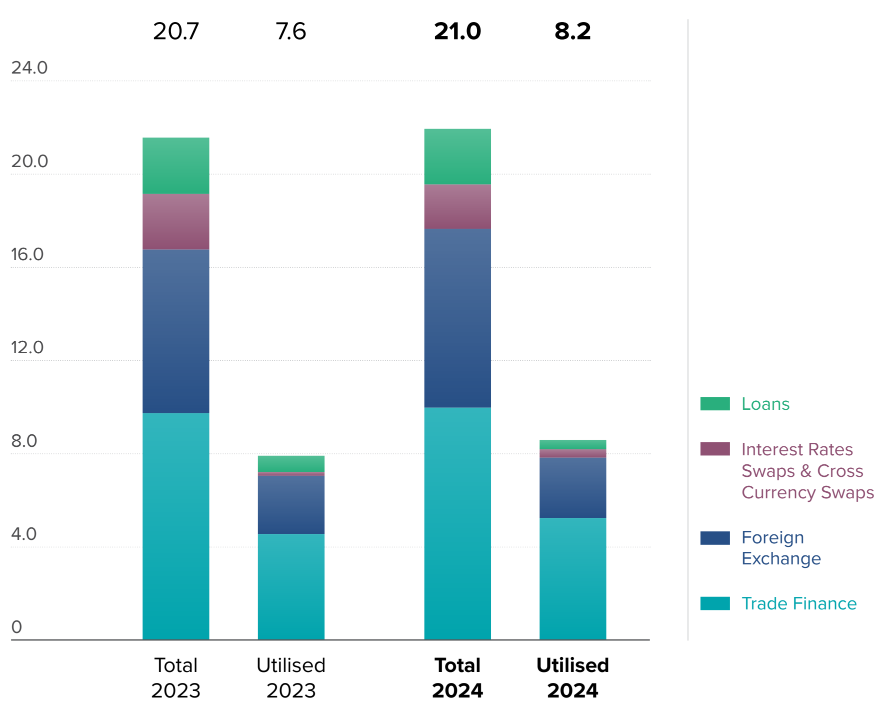
In addition to the above, the Group has a US$1.5b (2023: US$1.7b) committed revolving credit facility to backstop its outstanding short-term U.S. commercial papers (USCP) of US$1.3b (2023: US$1.4b).

Foreign Exchange

The Group has receivables and payables denominated in foreign currencies. Where possible, the Group offsets currency exposures across its business units before hedging the remaining currency exposures in the market via foreign exchange forward contracts. The main currencies transacted in 2024 for the Group were USD and EUR.

As at 31 December 2024, $2.5b (2023: $2.4b) remained as outstanding foreign exchange transactions.

BANKING FACILITIES* ($b)



* excludes US$1.5b committed revolving credit facility to backstop USCP

Liquidity

The Group's cash and cash equivalents (CCE) stood at $430m as at 31 December 2024 (2023: $353m).

Borrowings

The Group's borrowings including lease obligations were lower at $5,822m as at 31 December 2024 (2023: $6,108m).

Apart from the lease obligations, the Group's borrowings comprised the medium-term notes, USCP, and short-term and long-term bank loans.

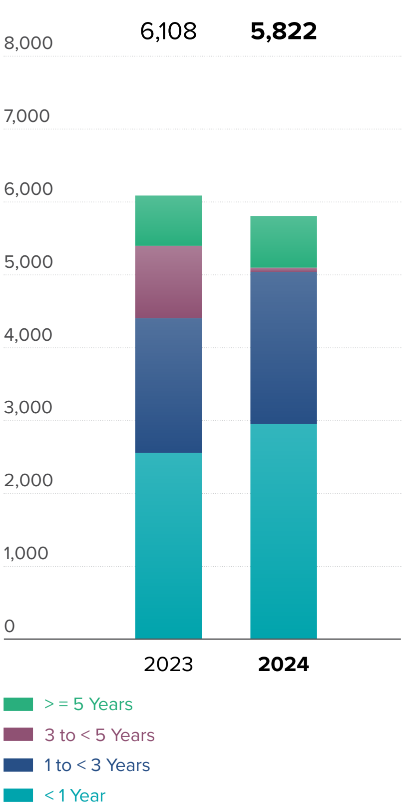
Details of the Group's borrowings are presented in Note E4 to the Financial Statements (pages 223 to 228).

The gross debt/EBITDA ratio and net debt/EBITDA ratio as at 31 December 2024 of 3.6 times and 3.3 times respectively were lower compared to 2023's 4.2 times and 4.0 times respectively.

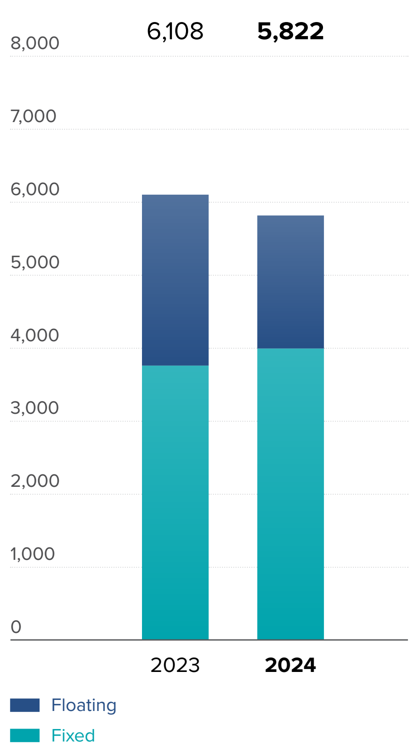
ST Engineering's credit ratings remain strong at Aaa (Stable) and AA+ (Stable) by Moody's and S&P respectively.

	2023	**2024**
Gross Debt ($m)	6,108	**5,822**
Gross Debt / EBITDA Ratio	4.2	**3.6**
Net Debt ($m)	5,755	**5,392**
Net Debt / EBITDA Ratio	4.0	**3.3**

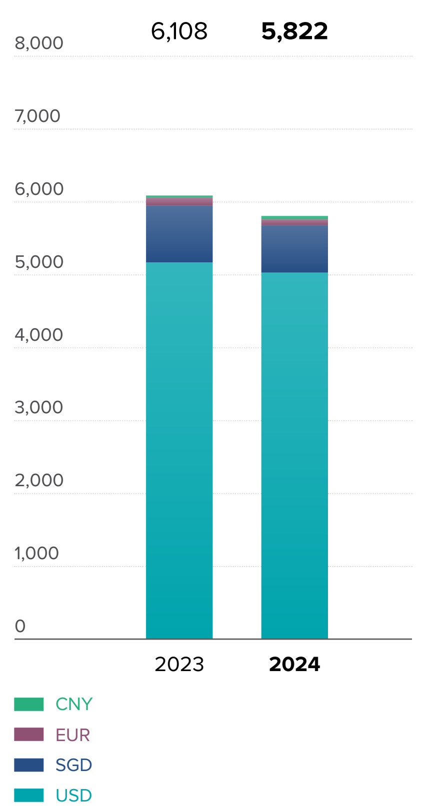
BORROWING PROFILE BY MATURITY ($m)



BORROWING PROFILE BY FIXED & FLOATING RATES ($m)



BORROWING PROFILE BY CURRENCY ($m)



FINANCIAL REVIEW

CASH FLOWS

In FY2024, the Group generated strong operating cash flow of $1,718m. $414m was deployed for investing activities and $1,222m for financing activities to end the year with CCE of $430m.

Operating Activities

Net cash from operating activities of $1,718m in FY2024 was higher than the prior year due to higher EBITDA and favourable working capital movements.

Investing Activities

Net cash used in investing activities of $414m in FY2024 was mainly attributed to the Group's investment in property, plant and equipment ($480m), additions to intangible assets ($65m) and acquisition of D'Crypt Pte. Ltd. ($55m), partially offset by proceeds from disposal of property, plant and equipment ($191m) and dividends from associates and joint ventures ($48m).

Financing Activities

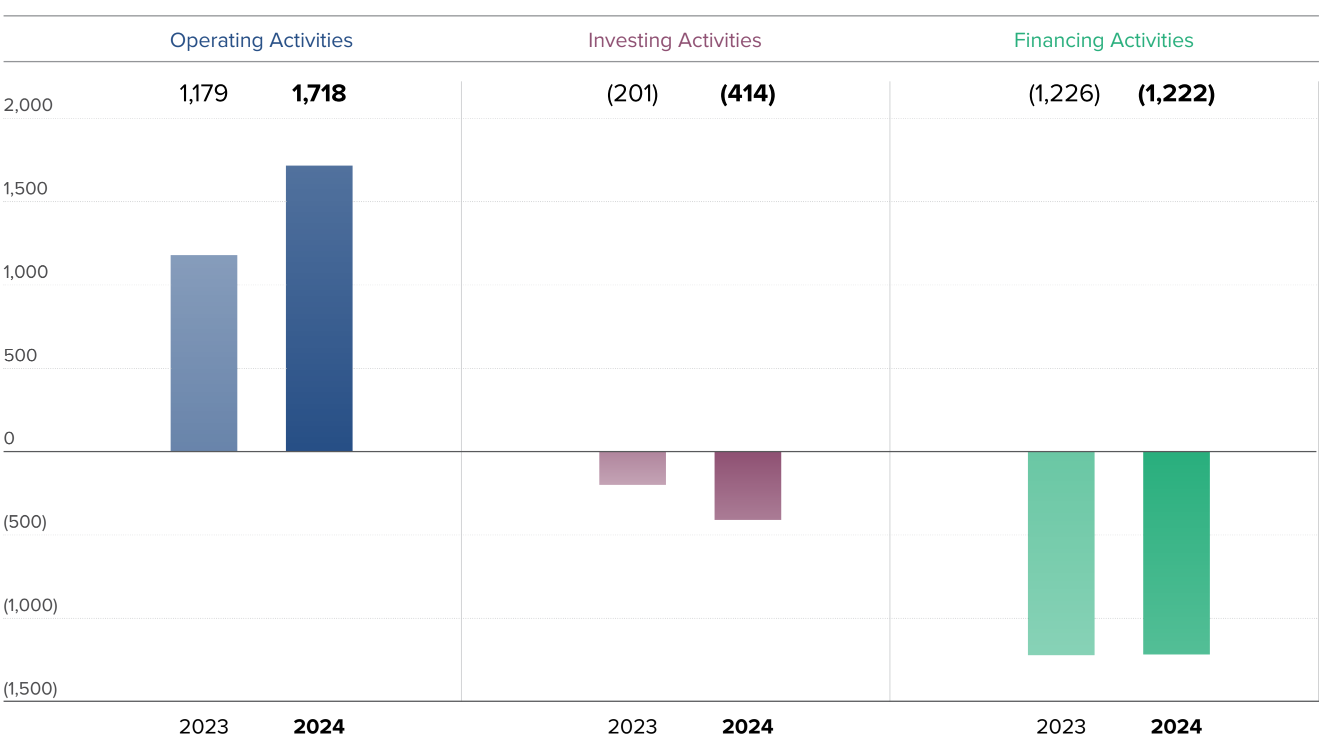
Net cash used in financing activities of $1,222m in FY2024 was mainly attributed to payment of dividends ($511m), net repayment of bank loans ($275m), interest paid ($211m) and net repayment of commercial papers ($113m).

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 138 to 261).

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 2024 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

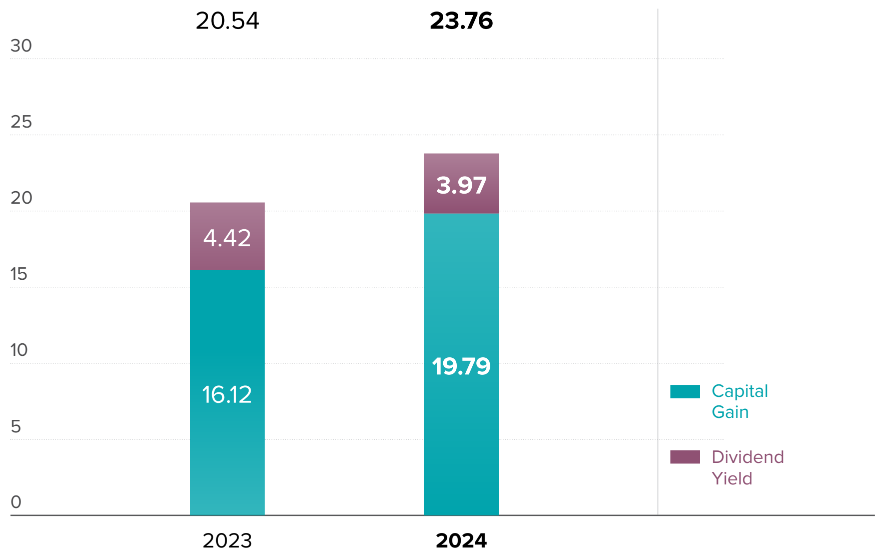
Based on the average share price of $4.28, the total dividend per ordinary share of 17.0 cents for the financial year[1] 2024 translated to a dividend yield of 3.97%.

The share price of ST Engineering as at the end of 2024 was $4.66, a 19.79% increase y-o-y. With the dividend yield of 3.97%, total shareholder return (TSR) for 2024 was 23.76%.

WEIGHTED AVERAGE COST OF CAPITAL (WACC)

The Group's WACC[2] for 2024 was 5.5% (2023: 5.5%).

TOTAL SHAREHOLDER RETURN (%)



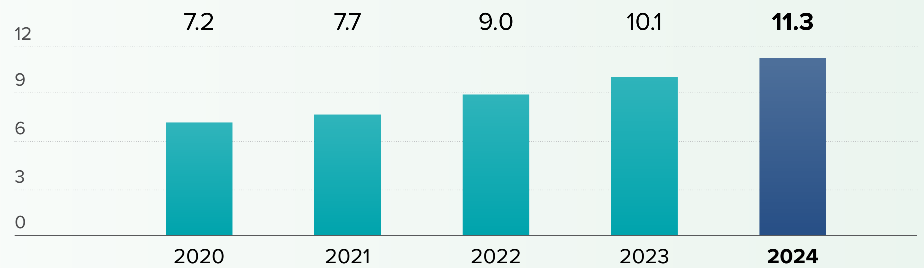
[1] From Annual Report 2024 onwards, for the purposes of TSR computation, dividend yield based on the total dividend declared for the financial year is used instead of total dividends paid in the calendar year.
[2] Calculated in accordance with established Group policy.

FINANCIAL REVIEW

	2020	2021	2022	2023	**2024**
5-Year Key Financial Data					
Income Statement ($m)					
Revenue	7,158	7,693	9,035	10,101	**11,276**
Profit					
EBITDA	975.0	1,071.7	1,252.0	1,456.1	**1,614.3**
EBIT	596.4	673.6	735.1	914.7	**1,076.5**
PBT	534.4	637.6	597.5	704.2	**862.7**
Net Profit	521.8	570.5	535.0	586.5	**702.3**
Balance Sheet ($m)					
Property, plant and equipment, and right-of-use assets	2,296	2,352	2,658	2,727	**2,720**
Intangible and other assets	2,686	2,877	6,255	5,966	**6,085**
Inventories	1,269	1,261	1,684	1,897	**2,061**
Trade receivables, contract assets, and advances and other receivables	2,982	3,210	3,765	4,436	**4,924**
Bank balances and other liquid funds and funds under management	731	816	602	353	**431**
Current liabilities	4,289	4,680	8,005	7,322	**8,239**
Non-current liabilities	3,100	3,168	4,306	5,304	**5,032**
Share capital	896	896	896	896	**896**
Treasury shares	(24)	(33)	(36)	(30)	**(33)**
Capital and other reserves	18	2	66	30	**28**
Retained earnings	1,402	1,548	1,473	1,563	**1,779**
Non-controlling interests	282	255	255	293	**280**
Financial Indicators					
Earnings per share (cents)	16.74	18.30	17.18	18.82	**22.53**
Net asset value per share (cents)	73.59	77.49	77.03	78.96	**85.74**
Return on sales (%)	7.3	7.4	6.0	6.0	**6.5**
Return on equity (%)	22.8	23.6	22.3	23.8	**26.3**
Return on capital employed (%)	9.6	10.4	6.9	7.7	**9.2**
Dividend					
Dividend per share (cents)	15.0	15.0	16.0	16.0	**17.0**
Dividend yield (%)	3.9	4.0	4.5	4.4	**4.0**
Dividend cover	1.1	1.2	1.1	1.2	**1.3**
Productivity Data					
Average staff strength (numbers)	23,103	22,405	23,420	25,734	**27,359**
Revenue per employee ($)	309,842	343,355	385,786	392,517	**412,137**
Net profit per employee ($)	22,588	25,465	22,844	22,790	**25,668**
Employment costs ($m)	1,948.1	2,128.2	2,597.8	2,983.9	**3,214.0**
Employment costs per $ of revenue ($)	0.27	0.28	0.29	0.30	**0.29**
Value added per employee ($)	129,893	145,673	166,888	174,179	**177,614**
Value added per $ of employment costs ($)	1.54	1.53	1.50	1.50	**1.51**
Value added per $ of gross property, plant and equipment ($)	0.73	0.75	0.85	0.94	**0.98**
Value added per $ of revenue ($)	0.42	0.42	0.43	0.44	**0.43**

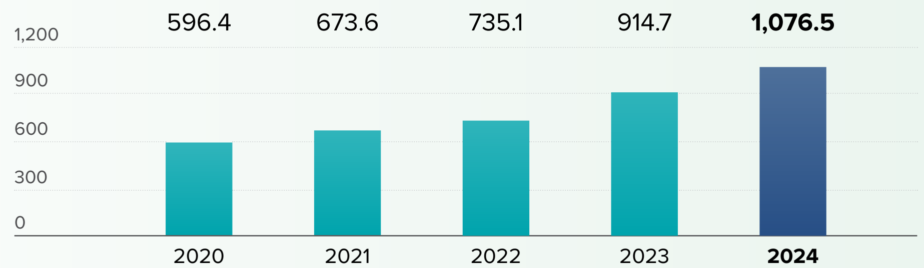
REVENUE ($b)

$11.3b



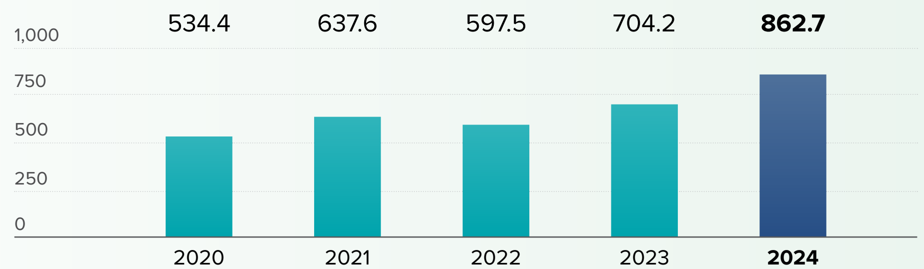
EBIT ($m)

$1,076.5m



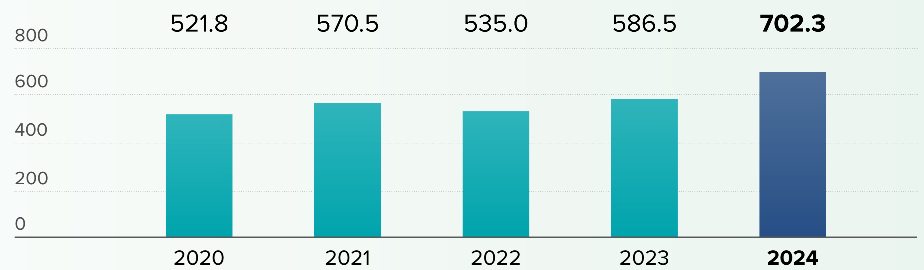
PROFIT BEFORE TAX ($m)

$862.7m



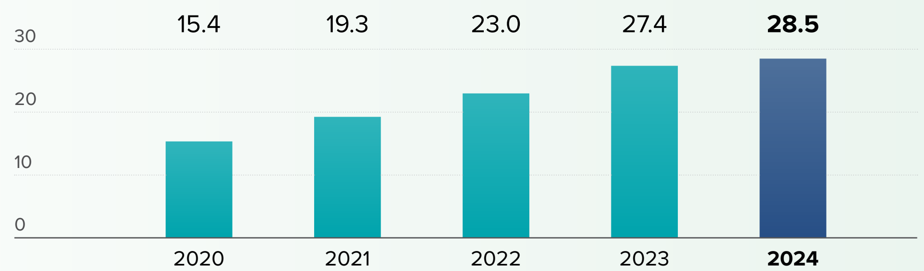
NET PROFIT ($m)

$702.3m



ORDER BOOK ($b)

$28.5b



INVESTOR RELATIONS

In 2024, we prioritised consistent, timely communication with the global investment community, facilitating in-depth discussions on operational performance, financial achievements and ESG matters. These updates were delivered through group and one-on-one meetings, conference calls, investor conferences and roadshows, offering a comprehensive view of the Group's progress.

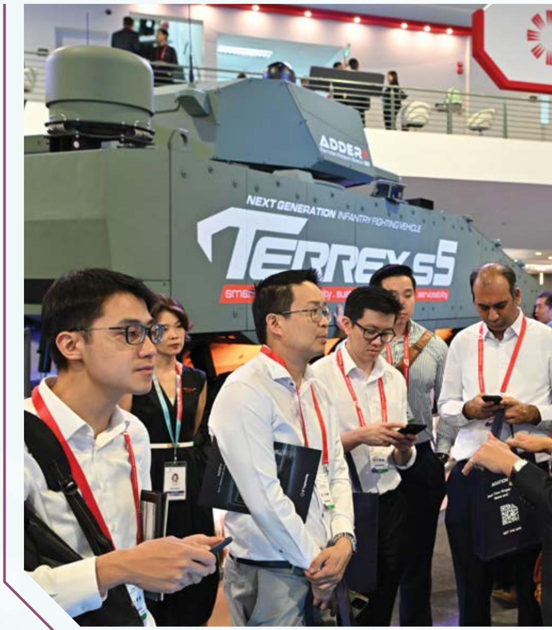
We actively engaged with sell-side analysts, maintaining coverage by 14 analysts. We also monitored analyst, industry and media reports to refine our communication strategies and disclosures.

We conducted results briefings for our half-year and full-year results, along with market update briefings for the first and third quarters. Following the release of the half-year and full-year results, our Group President & CEO and Group CFO held post-results meetings with investors to share insights and updates. Notably, during the 1Q2024 Market Updates Briefing, we spotlighted our Digital Business, addressing heightened interest in AI by showcasing our capabilities in Cloud, AI and Cybersecurity. At the Singapore Airshow 2024, investors and analysts participated in guided tours of our Pavilion, getting a closer look at our innovations.

Our outreach extended to non-deal roadshows and investor conferences in key financial hubs such as Canada, Hong Kong, Japan, the UK and the U.S., supplemented by institutional investor meetings and calls. We also engaged ESG research and rating agencies to communicate our sustainability framework and priorities. These discussions, supported by leaders from Sustainability, Human Resources and Risk & Assurance, reinforced transparency and enabled us to refine our ESG disclosures to meet evolving expectations.

Retail investors remain a key stakeholder group. The 2024 AGM was held in person in April, with the Notice of Meeting published more than two weeks before the required notice period. Shareholders were invited to submit their questions beforehand, and proxy voting was made available for those unable to attend. The Group President & CEO presented a review of the year and an outlook for the business, followed by voting on resolutions. The voting results were published on SGXNet and our corporate website on the same day and the minutes were published on SGXNet and our corporate website within a month. To enhance engagement, our AGM featured a technology and innovation showcase, where our engineers and product experts demonstrated cutting-edge technologies. This fostered confidence among retail shareholders in our innovation leadership.

Our efforts in transparency and engagement were recognised with the "Best Investor Relations" Gold Award for companies with a market capitalisation of $1 billion and above at the Singapore Corporate Awards 2024. This accolade highlights our commitment to sustainable growth and delivering lasting value to our shareholders.



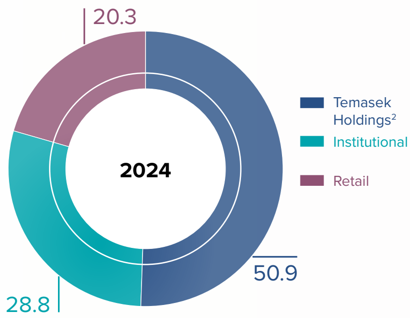
Our corporate website serves as the primary source for corporate, financial and sustainability information. The dedicated IR section hosts key resources, including financial results, investor presentations, annual reports and updates. All material information are promptly posted following its release on SGXNet, ensuring fair and timely dissemination of information.

Guided by the principles in our IR Policy, accessible on our website, we continually evaluate our disclosure practices to align with industry standards. This ensures that investors receive the information necessary for well-informed decision-making.

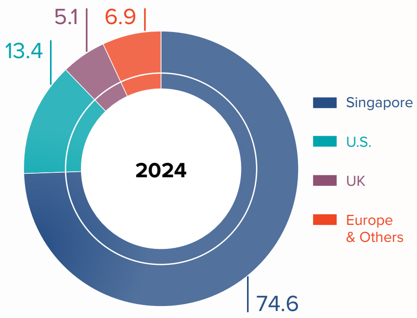
SHAREHOLDER PROFILE

Temasek Holdings remains our largest shareholder with about 50.9% of total issued shares as at 31 December 2024. Another 28.8% was held by institutional shareholders and the remaining 20.3% held by retail shareholders. In terms of geographic distribution, Singapore shareholders held approximately 74.6%, followed by those in the U.S. (13.4%), UK (5.1%) and Europe and others (6.9%).

SHAREHOLDINGS BY TYPE[1] (%)



SHAREHOLDINGS BY COUNTRY OF RESIDENCE (%)



Notes

1 Shareholding profile was derived from analysis of ST Engineering's share register as at 31 December 2024.

2 Total shareholdings of Temasek Holdings and Vestal Investments as at 31 December 2024.

2024 INVESTOR RELATIONS CALENDAR

Jan – Mar
- Singapore Airshow 2024 Investor Lunch & Tour
- FY2023 Results release and briefing
- Post-FY2023 Results institutional investor meetings
- Kuala Lumpur NDR
- DBS Vickers Pulse of Asia Conference 2024

Apr – Jun
- HSBC Global Investment Summit 2024
- Hong Kong NDR
- New York NDR
- 1Q2024 Market Updates briefing
- London NDR

Jul – Sep
- 1H2024 Results release and briefing
- Post-1H2024 Results institutional investor meetings
- Singapore Corporate Awards 2024
- 31st Annual CITIC CLSA Flagship Investors' Forum 2024

Oct – Dec
- Montreal/Toronto NDR
- U.S. NDR
- 3Q2024 Market Updates briefing
- Japan NDR

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

AWARDS HIGHLIGHTS

BUSINESS EXCELLENCE

BEST CFO (LARGE-CAP)
By Singapore Corporate Awards 2024
- Cedric Foo, Group CFO

BEST INVESTOR RELATIONS (GOLD, LARGE-CAP)
By Singapore Corporate Awards 2024
- ST Engineering

BILLION DOLLAR CLUB 2024 (CHEMICALS + INDUSTRIAL GOODS + UTILITIES):
1. **HIGHEST GROWTH IN PROFIT AFTER TAX OVER 3 YEARS**
2. **HIGHEST WEIGHTED ROE OVER 3 YEARS**
3. **OVERALL SECTOR WINNER**

By The Edge Singapore
- ST Engineering

LINKEDIN TALENT AWARDS 2024: AI PIONEER
By LinkedIn
- ST Engineering

CHARITY PLATINUM AWARD
By Community Chest, Singapore
- ST Engineering

COMPANY OF GOOD – 3 HEARTS
By National Volunteer & Philanthropy Centre, Singapore
- ST Engineering

AVIATION 100: ASIA PACIFIC PORTFOLIO OF THE YEAR
By Airline Economics
- Commercial Aerospace

AVIATION 100: ASIA PACIFIC MRO OF THE YEAR
By Airline Economics
- Commercial Aerospace

ASMI BUSINESS AWARD (LARGE LOCAL ENTERPRISE CATEGORY)
By The Association of Singapore Marine & Offshore Energy Industries
- Marine

TOTAL DEFENCE AWARDS 2024: TD ADVOCATE AWARD FOR LARGE COMPANIES
By Ministry of Defence, Singapore and Ministry of Home Affairs, Singapore
- Digital Systems

FORTUNE SOUTHEAST ASIA 500:
RANKED #38 OUT OF 500 COMPANIES
By Fortune
- ST Engineering

CHARITY PLATINUM AWARD

ST Engineering received the Charity Platinum Award from Singapore's Community Chest for the sixth consecutive year.

TOTAL DEFENCE AWARDS 2024

Digital Systems received the Total Defence Advocate Award for Large Companies, Singapore's highest national accolade in recognition of exemplary support and contributions towards Total Defence. *(Photo credit: MINDEF)*

AVIATION 100: ASIA PACIFIC MRO OF THE YEAR

At the Aviation 100 Awards, Commercial Aerospace clinched the Asia Pacific MRO of the Year award, while its passenger aircraft leasing JV won Asia Pacific Portfolio of the Year. *(Photo credit: Airline Economics Growth Frontiers Singapore)*

AWARDS HIGHLIGHTS

PRODUCT & SERVICE EXCELLENCE

ASIA MRO OF THE YEAR (AIRFRAME)
By Aviation Week Network
- Commercial Aerospace

INDUSTRIAL IOT INNOVATION AWARD
By Mobile Satellite Users Association
- ST Engineering iDirect

NAB SHOW PRODUCT OF THE YEAR AWARD (HARDWARE INFRASTRUCTURE)
By NAB Show
- ST Engineering iDirect

GOVERNMENT SOLUTION OF THE YEAR AWARD
By Satellite Evolution Group
- iDirect Government

GLOBAL WATER AWARDS 2024 (DISTINCTION AWARD IN THE "DESALINATION PLANT OF THE YEAR" CATEGORY)
By Global Water Intelligence
- Jurong Island Desalination Plant (Marine)

QUANTUM PARTNER OF THE YEAR
By Check Point Software Technologies
- Cyber

THE CYBERSECURITY AWARDS 2024 (MNC VENDOR CATEGORY)
By The Association of Information Security Professionals, Singapore
- Cyber

ASIA MRO OF THE YEAR (AIRFRAME)

Commercial Aerospace attained the Asia MRO of the Year (Airframe) award on the back of strong performance and service excellence by its airframe MRO business, which has an extensive global network of facilities.

NAB SHOW PRODUCT OF THE YEAR AWARD (HARDWARE INFRASTRUCTURE)

ST Engineering iDirect's SKYflow ecosystem solution clinched the Product of the Year award in the Hardware Infrastructure category at the 2024 NAB Show.

THE CYBERSECURITY AWARDS 2024

Cyber won in the MNC Vendor Category for the Cybersecurity Awards 2024 for its contributions to the industry, including raising Singapore's profile as a cybersecurity hub and elevating employees' professional development in information security.

OPERATIONS & PEOPLE EXCELLENCE

WSH SHARP AWARDS 2024
By Workplace Safety and Health Council, Singapore
- Urban Solutions

WSH INNOVATION AWARDS 2024
By Workplace Safety and Health Council, Singapore
- Land Systems
- Marine

WSH AWARDS FOR SUPERVISORS 2024
By Workplace Safety and Health Council, Singapore
- Jason Hong, Engineer, Land Systems
- Lavaneswaran, Assistant Engineer, Marine

SAFETY, HEALTH AND ENVIRONMENTAL AWARDS 2024
1. Construction Safety Excellence Award
2. Construction Safety Merit Award
By Land Transport Authority, Singapore
- Urban Solutions

FACTORY OF THE FUTURE AWARD
By Agoria
- Manufacturing Competence Center (ST Engineering iDirect)

WSH AWARDS 2024

Marine and Land Systems were recognised for their commitment to ensuring workplace safety, with both taking home WSH Innovation Awards and WSH Supervisor Awards. Urban Solutions was also lauded for its workplace safety practices, scoring seven SHARP awards for various projects on the Thomson-East Coast, Circle and Downtown Lines and Kim Chuan Depot Extension.
(Photo credit: Workplace Safety and Health Council, Singapore)

SAFETY, HEALTH AND ENVIRONMENTAL AWARDS 2024

For their outstanding workplace safety, health and environmental management practices, Urban Solutions' Mobility Rail team received the Construction Safety Excellence Award and Construction Safety Merit Award at Singapore Land Transport Authority's Annual Safety, Health and Environmental Awards Convention.

FACTORY OF THE FUTURE AWARD 2024

For its Manufacturing Competence Center, ST Engineering iDirect brought home the Factory of the Future Award for the fourth time, a testament to its continued focus on quality, innovative and sustainable manufacturing technologies and processes.

SUSTAINABILITY

SUSTAINABILITY DASHBOARD

ECONOMIC

R&D AMOUNT

$420m

spent on Research & Development (R&D) in 2024

SUPPLY CHAIN

$1.2b

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

GOVERNANCE

FINES

Zero

significant fines in 2024

BRIBERY & CORRUPTION

Zero

bribery and corruption cases in 2024

ENVIRONMENTAL

GHG EMISSIONS

25%

reduction in absolute Scope 1 and 2 Greenhouse Gas (GHG) emissions from a 2015[1] base year

GREEN ENERGY

20%

of electricity consumption from global operations derived from renewable energy

SOCIAL

CORPORATE COMMUNITY CONTRIBUTIONS

$2.8m

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

PEOPLE MANAGERS

16%

of male employees are people managers

15%

of female employees are people managers

LEARNING & DEVELOPMENT

29

average training hours per employee

WORKPLACE HEALTH AND SAFETY (WSH) INCIDENT RATE

0.41

Recordable Frequency Rate (RFR*)

6.65

Recordable Severity Rate (RSR*)

RECOGNITION

COMMUNITY CHEST AWARDS – CHARITY PLATINUM AWARD

SIXTH

CONSECUTIVE YEAR

CONSTITUENT OF DOW JONES

BEST-IN-CLASS ASIA PACIFIC INDEX

BASED ON LONG-TERM ESG CRITERIA

[1] Previously, we set a target to halve our absolute Scope 1 and Scope 2 GHG emissions by 2030 compared to 2010. This year, we refreshed our base year to 2015, in line with best practices.

* RFR = Recordable Frequency Rate; RSR = Recordable Severity Rate. We are progressively including non-material overseas branch offices under our operational control.

BOARD STATEMENT

The Board of Directors oversees the management, including the review 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 link a range of operational, financial and non-financial key performance indicators to our material ESG factors to encourage the adoption of strategies and practices that are aligned to the sustainable and long-term success of the Group.

SUSTAINABILITY

GCSSO'S STATEMENT

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 placed emphasis on our supply chain, people development and refined our approach towards community contribution.

Aligned with our ethos of doing right and doing good as we do well, we are committed to make a difference in the five impact areas of People, Society, Governance, Environment and Economic. Thus, we will balance the needs of our stakeholders through responsible and effective long-term stewardship of the business.

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

SUSTAINABILITY IS CRITICAL FOR OUR LONG-TERM SUCCESS

The Group's success hinges on delivering value to our stakeholders in a sustainable way. Our business practices are built upon our commitment to long-term thinking and consideration of multiple stakeholders' interests, while delivering on customer needs today and into the future.

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 amongst 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 we operate in are vital to our global success. We support inclusive development and foster an ecosystem that promotes the continuous growth of our business. We facilitate this by contributing to the communities that we operate in and investing in the development of our people. Amidst 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, slavery and human trafficking in any 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 the export of 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 (UNGC). We support its Ten Principles and are also committed to advancing the broader objectives of the United Nations Sustainable Development Goals (UN SDGs). We affirm our support of all 17 UN SDGs and identified six goals which correlate strongly with our practices and operations, as well as the products and services we offer. Our contributions to these six goals are also reflected in the Group's 10 material factors.

WE SUPPORT

Six Goals which we correlate strongly with:

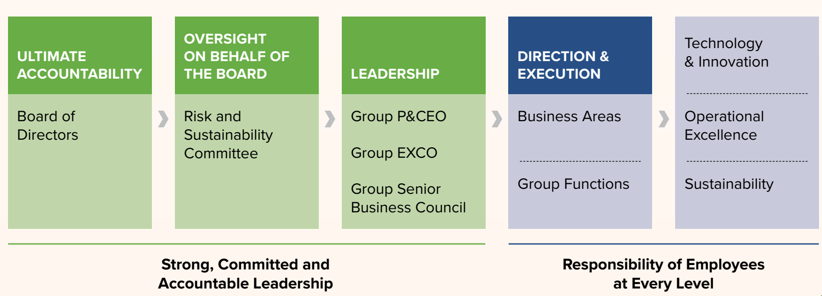
WE FOSTER A SUSTAINABLE CULTURE GUIDED BY OUR LEADERSHIP

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 (RSC) oversees matters related to risk, internal controls and sustainability. The Group President & Chief Executive Officer (Group President & CEO), supported by the Group Executive Committee (EXCO), is responsible to the Board for implementing these strategies and directions. The Group Chief Strategy & Sustainability Officer 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 various 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 Enterprise Risk Management (ERM) frameworks.



WE ACTIVELY ENGAGE WITH OUR STAKEHOLDERS

We identified our six key stakeholders based on the extent to which these parties can influence or be affected by the Group's activities. We engage with our stakeholders regularly to understand and address their concerns. These relationships are essential to our business and enable us to grow in an inclusive and resilient manner.

Our Stakeholders

SUSTAINABILITY

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 operations globally. 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 will help our customers reduce their carbon footprint in their journey towards net zero.

SHAPING OUR CULTURE

As part of the Group's sustainability journey, we believe it is essential to foster an environmentally conscious culture among our employees, which will influence habits in our workplaces and the communities where we reside. We support this by organising various environmental initiatives for our employees, such as tree planting days.

Tree Planting Days in Singapore

The Group made strides to fulfil our five-year tree planting commitment, in support of Singapore's 'City in Nature' vision. In 2024, over 700 employees committed more than 1,300 hours to plant over 650 trees at multiple locations across Singapore.

Employees across various businesses joined hands to plant a microforest at Vidacity by City Sprouts. In the same spirit of environmental conservation and team bonding, employees attended complementary workshops to upcycle plastic and food waste into aesthetic chandeliers, homemade compost and functional eco-enzymes that could be used as household cleaners and fertiliser.

Tree Planting Day in Germany

Extending our tree planting efforts overseas, our JV company, Elbe Flugzeugwerke (EFW), planted 1,200 trees in the Saxon Switzerland National Park near Dresden, Germany, in partnership with local forest foundation Stiftung Wald. Collectively, the team greened a region that had seriously suffered in recent years due to drought, fires and bark beetle infestation.

DOING OUR PART

ST Engineering is committed to doing our part in mitigating and adapting to the effects of climate change.

The Group established our initial GHG inventory processes in 2009. Our Singapore operations achieved our first externally validated assurance statement in 2012 for a 2011 GHG inventory. Over time, we have expanded our data collection to material business units globally. In 2024, we revised our base year from 2010 to 2015 in line with best practices, and target to halve our Scope 1 and 2 absolute GHG emissions by 2030 from the revised base year.

Recognising the importance of understanding our emissions arising from our value chain, we are progressively expanding the tracking, disclosure and reduction of our Scope 3 GHG emissions, building upon efforts in 2023.

OUR TARGET

50%

reduction in absolute Scope 1 and 2 GHG emissions by 2030 from a 2015 base year

OUR PROGRESS

25%

Greening our Energy Sources

To decarbonise and transition towards a carbon-lite future, ST Engineering is committed to exploring opportunities to harness renewable energy. ST Engineering has transitioned a significant part of our energy consumption to renewable sources such as solar power throughout our international and local businesses. Globally, 20% of our electricity is derived from renewable energy. Our Land Systems and Urban Solutions businesses are on track to install more solar panels on their facilities' rooftops.

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.

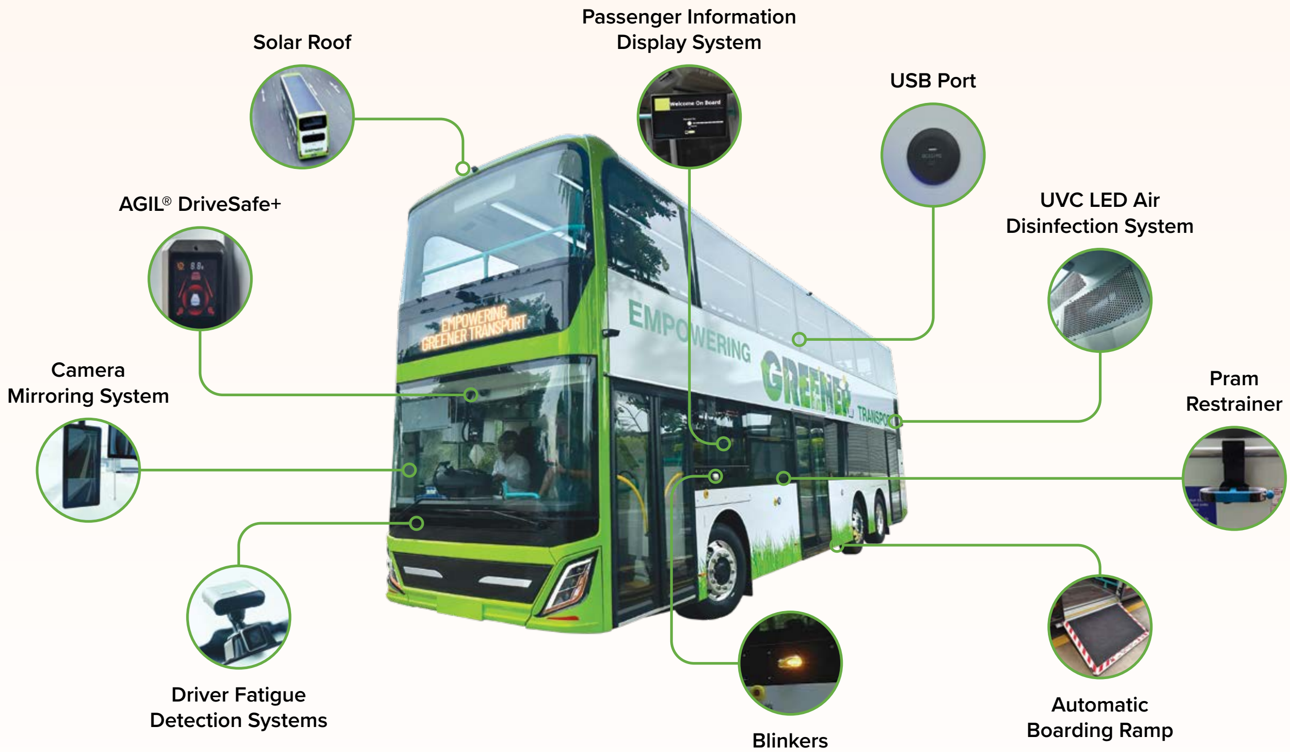
At our 2024 Annual Convention, we recognised colleagues from our Land Systems, Commercial Aerospace and Defence Aerospace businesses for their commendable decarbonisation efforts. Some of the key initiatives undertaken include finalising a green electricity contract, installing solar panels, partially switching from natural gas to biogas, conducting product carbon footprint studies, electrifying vehicle fleets, and implementing a smart metering project to improve data accuracy.

SUSTAINABILITY

ENABLING OUR CUSTOMERS

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

The heightened emphasis on technology and innovation offers the Group opportunities to leverage our capabilities and tackle sustainability challenges.



Enhancing the Inclusivity of Electric Public Bus Fleets

Our Urban Solutions business offers electric buses that support the electrification of public bus fleets.

The design of these buses places strong emphasis on safety and the inclusion of state-of-the-art technology. Key design features include a triple-door design for shorter dwelling time at entry and exit, automatic ramp with dual wheelchair bay for all-inclusive transport, an ultraviolet-C light-emitting diode (UVC LED) air disinfection system, solar panels on the roof, camera mirroring system and advanced collision warning system (AGIL® DriveSafe+) to assist bus captains.

The buses have completed road trials in Singapore, completed homologation and passed all United Nations Economic Commission for Europe rules for roadworthiness.

WE DEVELOP OUR PEOPLE FOR SUCCESS AND HARNESS THE STRENGTH OF OUR DIVERSE WORKFORCE

ATTRACTING FUTURE TALENTS

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

We also focus our efforts on nurturing future generations in the communities we operate in. This ensures that we grow our local talent pipeline and workforce.

We enhanced our outreach efforts to interns by organising regular engagement sessions, fireside chat events and site tours, to pique their interest in building their careers with us.

WE HOSTED

1,120 interns

STUDENT Most Attractive EMPLOYERS SINGAPORE universum 2024

#4 ST ENGINEERING

by Engineering / Natural Science Students

A CHOICE EMPLOYER

Ranked

No. 4

of the 100 Most Attractive Employers for Engineering/Natural Sciences students (Universum)

Engaging Young Talents at ST Engineering Day @ Nanyang Technological University (NTU)

Themed 'Be Part of Something Great', the event was a platform for students at NTU in Singapore to explore career opportunities with us, while supporting our efforts to build a robust, diverse talent pipeline.

Students were introduced to our diverse portfolio of businesses and global network of operations, which offer them myriad opportunities for growth and professional development. Beyond engineering, we amplified the ways in which we harness technology and innovation to enable a more secure and sustainable world.

SUSTAINABILITY

Nurturing Future Leaders with the Singapore-Industry Scholarship

2024 marked our 13th year offering the only multi-industry scholarship programme in partnership with the Singapore government, the Singapore-Industry Scholarship (SgIS), to grow and nurture future industry leaders, particularly in the technology, defence and engineering businesses.

We have awarded a total of 146 scholarships to date, reflecting our commitment to deploy our scholars globally and nurture their professional growth with us.

We host regular networking sessions for our SgIS scholars and students to build stronger connections and a shared sense of purpose. These sessions facilitate the exchange of insights on their academic and professional journeys as well as diverse perspectives.

Inspiring the Next Generation of Female Engineers and Technologists

To inspire more female talents to join the engineering and technology industry, a fireside chat was held with students from the Singapore Institute of Technology (SIT). During this event, they had the opportunity to hear motivational stories from female leaders in ST Engineering and learn how they could leverage their interests and skills in this dynamic sector.

Going Places with Global Talent Programme

Through the Global Talent Programme, we aim to attract aspiring talent from overseas universities who seek to enrich their career experiences and accelerate their professional growth with us.

As part of our global outreach efforts, we partnered with Imperial College London's Student Society to jointly organise a fireside chat themed "Innovating with Purpose" in London. This chat aimed to enable Imperial College London's students to better understand ST Engineering's diverse businesses and core capabilities while hearing from our global business leaders.

BUILDING AN AGILE WORKFORCE

Maintaining a robust talent pipeline is crucial in driving sustainable growth. We are dedicated to providing 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. This approach ensures that our workforce is well prepared to excel in a rapidly changing market environment.

We regularly review our manager development framework to support employees in cultivating essential leadership competencies.

These initiatives aim to enhance our employees' repertoire of experiences, skills and knowledge, supporting ST Engineering's aspiration to become a global leader in technology, defence and engineering.

Leading in Artificial Intelligence (AI) Excellence

ST Engineering was recognised as an AI Pioneer at the 2024 LinkedIn Talent Awards, which showcased organisations leading the future of work and their workforce's AI skills achievements.

We continue to build AI expertise and innovation by providing extensive training to our workforce and integrating AI within our operations. By leveraging curated LinkedIn Learning content, our employees can enhance their understanding of Generative AI, enabling them to apply AI skills in the workplace.

AVERAGE TRAINING HOURS PER EMPLOYEE

29 hours

ENHANCING EMPLOYEE EXPERIENCE

Listening to and engaging with our employees are critical aspects of our strategy to improve employee experience at work. We conduct regular town hall meetings, including our Annual Convention, as well as focus group sessions with our Group President & CEO and relevant business leaders. Our communication channels provide employees a platform for updates and discussions on strategy, market trends and business challenges, alongside matters related to personnel and policy. These open dialogues and pulse surveys enable both employees and leaders to listen to diverse perspectives, fostering more effective collaboration and driving us towards greater success.

Annual Convention 2024

The event saw a turnout of close to 3,800 employees from around the globe, including those who attended virtually. In line with the theme of "Achieving Breakthroughs, Mastering Change", the convention aligned employees with the Group's roadmap and strategies, which would enable us to achieve greater heights in the year ahead.

Fostering Teamwork through Play

Through team-building activities, our colleagues from Urban Solutions' business unit in Wuxi, China, fostered a stronger sense of camaraderie and team spirit. They also learnt to demonstrate greater teamwork and collaboration when addressing work challenges.

SUSTAINABILITY

CELEBRATING DIVERSITY, EQUITY 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.

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.

WORKFORCE PROFILE

EMPLOYEES

78% male

22% female

SUPERVISED WORKERS

78% male

22% female

PEOPLE MANAGERS

16% of male employees are people managers

15% of female employees are people managers

Enhancing Intercultural Understanding

An intercultural training programme is conducted for new international employees joining Elbe Flugzeugwerke (EFW) to help them assimilate to working and living in Germany. Through the programme, they gain a better understanding of the German culture and history, especially if they are working in Germany for the first time.

Closing Generational Gaps

Our Urban Solutions business organised a forum on managing a cross-generation workforce, designed to explore effective strategies for bridging generational gaps and harness the strengths of different age groups. This initiative aimed to help managers unlock the full potential of their teams and drive organisational success. An external speaker was also invited to share their expertise on generational dynamics and workforce management.
The discussions and sharing at the forum provided valuable insights on how the organisation could effectively navigate the complexities of a multi-generational workforce.

Advocating for Persons with Disabilities

In support of the President's Challenge initiative in Singapore, ST Engineering signed the Enabling Employment Pledge to affirm our commitment to adopt an inclusive mindset towards employees with disabilities, create barrier-free workplace environments and implement supportive employment policies for employees with disabilities.

In addition, we also signed up to be an Open Door Employer under the Open Door Programme, a project funded by Singapore's Ministry of Social and Family Development and Workforce Singapore which aims to encourage employers to hire, train and integrate PwDs at the workplace. We also collaborated with organisations and agencies that support PwDs to run workshops focused on disability awareness and inclusive hiring and internships.

These initiatives exemplify our collective commitment to fostering a diverse, equitable and inclusive workplace for our employees.

SUSTAINABILITY

FACILITATING CONNECTIONS, COLLABORATIONS AND GLOBAL EXPERIENCES

We offer our employees international exposure to thrive in a global economy and encourage collaboration across the Group. Our mentorship programme creates numerous opportunities for meaningful interactions and learning between our employees and business leaders. This ensures that we develop and nurture future leaders who are equipped with the right skill sets and attitudes needed to succeed in ST Engineering.

My three-year assignment in Vietnam was a transformative experience. Not only did it broaden my global perspective beyond my previous stints in the U.S. and Singapore, it also deepened my appreciation of the different work cultures and business practices. In my role as General Manager, I was entrusted with full accountability for a joint venture company for the first time, and the experience made me a more resourceful and resilient leader.

NEO HAO SIANG
General Manager
Vietnam Singapore Technologies Engineering Aerospace Co. Ltd.
Commercial Aerospace (Vietnam)

The past five years have been a whirlwind of constant challenges and personal growth. I was able to fully immerse myself in a new culture both professionally and personally. The experience provided me the opportunity to take on diverse roles across engineering sustainability, product development, programme management and technology strategy. The aerospace original equipment manufacturing business in MRAS is incredibly exciting and I look forward to continuing to grow and contribute to the Group.

ANG HUI SHAN
Senior Manager, Technology
Middle River Aerostructure Systems (MRAS)
Commercial Aerospace (U.S.)

Engaging with a senior leader through the mentorship programme gave me fresh perspectives on the Group and helped shape my mindset, enabling me to grow both personally and professionally. In fact, we are closer to each other than we thought; we have been living on the same street for over 10 years before connecting at ST Engineering!

YEW WEI JIAN (right)
Assistant Manager,
Strategic Planning
Defence & Public Security
(Singapore)

FRANCIS KEE ENG CHYE (left)
Senior Vice President /
General Manager
Cloud & Data Centre Solutions
Digital Systems (Singapore)
(Mentor to Wei Jian)

CARING FOR OUR PEOPLE

People are the cornerstone of our business. As such, taking care of their wellbeing is a key priority for ST Engineering. With a healthy workforce, we are able to advance our pursuit of sustainable growth.

24-Hour Employee Support Programme

A 24-hour Employee Support Programme is available to employees in Singapore and their immediate family members, where they can reach out for advice on work-related and personal problems, providing support for their mental and emotional wellbeing.

Monthly Wellness Webinars

Employees can join monthly webinars where they can pick up strategies and tips on enhancing their personal and professional wellbeing. Topics include recognition at work, building resilient mindsets and supporting colleagues during difficult times.

Promoting Women's Wellbeing

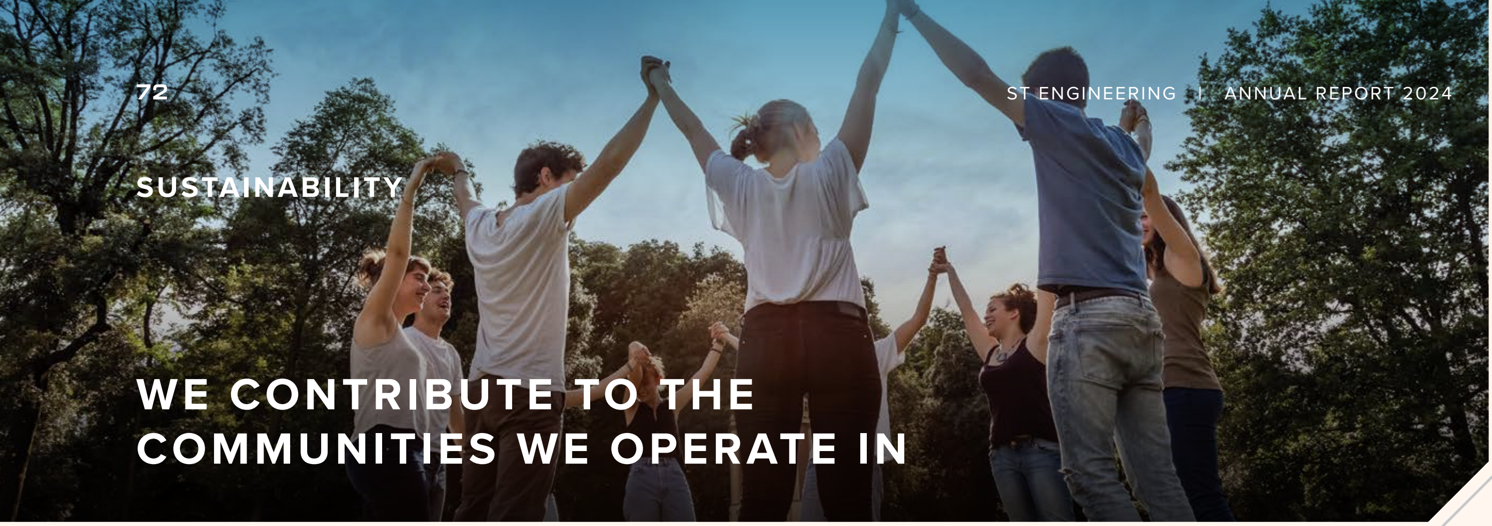
To make breast screening more accessible and convenient for our female employees, we brought Mammobus, Singapore's first mobile screening centre offering digital mammography services to our offices. On the bus, employees could access on-site screening and learn important tips on breast health management from health experts.

STRENGTHENING LABOUR RELATIONS

We work closely with our staff unions to support our employees in areas such as training, job progression and welfare, creating meaningful impact for their families.

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

The second edition of the ST Engineering-STESU Education Awards provided support to close to 100 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.



SUSTAINABILITY

WE CONTRIBUTE TO THE COMMUNITIES WE OPERATE IN

OUR ECONOMIC CONTRIBUTIONS

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

Direct Economic Value Generated and Distributed

IN 2024, WE CONTRIBUTED A TOTAL OF $10.6b

Group Economic Contribution	($b)
Bought-in material and services	6.5
Employee wages, salaries and benefits	3.2
Dividends and interest paid	0.7
Government taxes and levies	0.2
Total	**10.6**

WE BUY LOCALLY AND WORK WITH SMEs

We maintain a diverse supply chain and whenever possible, prioritise local procurement in the countries where we operate. In 2024, our spending with SMEs in Singapore was $1.2b, which constituted 54% of our Singapore spending. We had over 10,500 active suppliers for our Singapore operations alone. Of these, 73% were based in Singapore, 9% in the rest of Asia, 8% in Europe, 8% in the U.S. and the remaining 2% in other parts of the world.

We continue to support the local ecosystem by investing in and collaborating with SMEs. These partnerships, along with our efforts to enhance their capabilities, help strengthen the Group's growth in technology, product development and overall competitiveness.

PROCUREMENT SPEND ON SMEs IN SINGAPORE

$1.2b

WE SERVE OUR COMMUNITIES

ST Engineering recognises that our lives and businesses are deeply intertwined with the communities we operate in. We persevere to 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 impactful causes, including healthcare and eldercare, education and the environment. Our outreach efforts are guided by 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

$2.8m*

in community contributions

Including:

$550k
to President's Challenge 2024

$516k
to Community Chest's SHARE Programme

$1.7m
of other donations, sponsorships and employee volunteering hours

* Includes contributions from the Group, employees and other stakeholders.

In 2024, ST Engineering was conferred the Company of Good - 3 Hearts by the National Volunteer and Philanthropy Centre (NVPC) in Singapore. We demonstrated commitment to our Corporate Purpose by leveraging our capabilities and resources to support community development across five impact areas: People, Society, Governance, Environment and Economic. We remain dedicated to pursuing purpose-driven practices and fostering collaboration to build a caring, inclusive and compassionate society.

IMPROVING LIVES THROUGH CHARITABLE GIFTS

Turning Miles into Smiles

Over 7,600 employees laced up their sneakers, hopped on their bikes and hit the pavement, rallying around a single goal of staying healthy, keeping fit and doing good. United in purpose, employees across 22 markets participated in our annual, month-long flagship employee wellness initiative, ST Engineering MOVEment. We walked, ran and cycled, clocking more than 800,000km collectively and raising a total of more than $750,000. These funds were donated to President's Challenge 2024 in Singapore, the Children's Miracle Network Hospitals and Wounded Warrior Project in the U.S., as well as various selected charities. Way to MOVE for a good cause!

Building Meaningful Connections and Creating a More Inclusive and Compassionate Society with the Clients of SPD

Our colleagues from Land Systems organised a fun-filled outing to Gardens by the Bay with Day Activity Centre clients from disability-focused charity in Singapore, SPD. Together, they visited the Flower Dome, immersed themselves in the beauty of nature and wandered through the Impressions of Monet floral displays. The event was graced by Mr Tharman Shanmugaratnam, President of the Republic of Singapore. This experience was truly precious for both our volunteers and SPD as we worked together towards our shared goal of creating a more inclusive and compassionate society.

SUSTAINABILITY

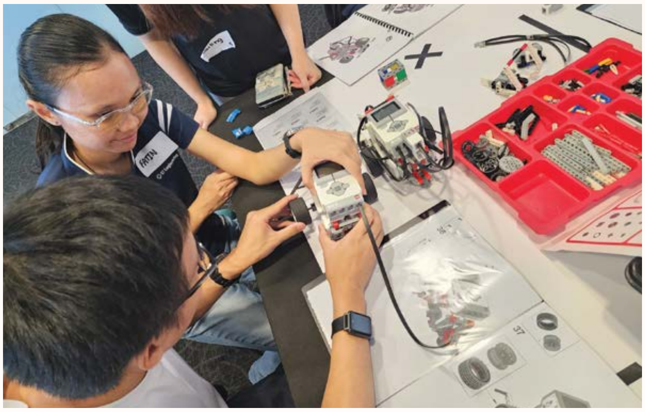
Partnering Non-Profits to Bring Meals of Comfort to Those in Need

Across the Group, more than 500 employees from various business areas partnered with non-profit organisations globally, such as Willing Hearts, Food from the Heart, Sunshine Welfare Action Mission (SWAMI Home) and TOUCH Community Services in Singapore; Food Angel in Hong Kong; as well as the San Antonio Food Bank, The Corner Table and the Christian Ministry of Lincoln County in the U.S., to prepare and deliver meals, as well as donate and pack food items. Comforting meals were delivered to more than 3,500 individuals in need, including low-income families and vulnerable people like the homebound elderly. This collective effort not only offered immediate relief to those in need but also strengthened community bonds, showcasing the Group's dedication to positively impacting the lives of the less fortunate.

EMPOWERING LIVES THROUGH EDUCATION

Empowering Tomorrow's Innovators through Coding with LEGO® MINDSTORMS®

In support of SG Cares Giving Week 2024, we organised a full-day Science, Technology, Engineering and Mathematics (STEM) workshop for students with disabilities and special needs from various Institute of Technical Education campuses. Our volunteers befriended and engaged the enthusiastic youths in a dynamic learning environment using LEGO® MINDSTORMS® and LEGO® SERIOUS PLAY®. This enabled the students to acquire fundamental robotics and coding knowledge and enhanced their essential soft skills, whilst building new friendships with our volunteers.



Fuelling the Passion of University of Maryland (UMD) Students through Knowledge Sharing

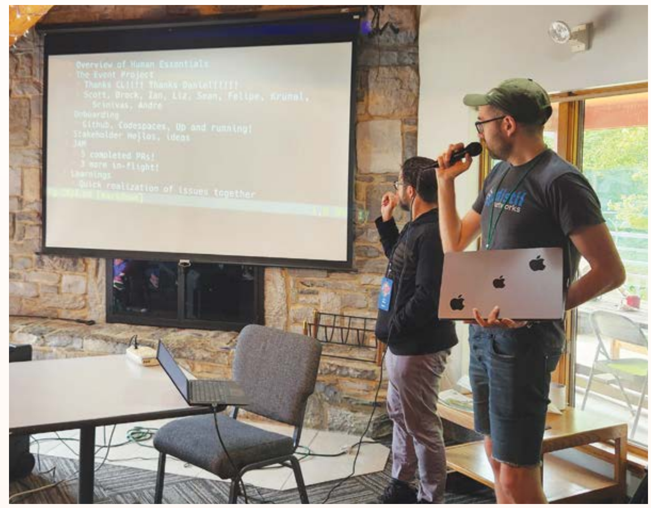
MRAS hosted the UMD's Terrapin Rocket Team – a student-run organisation comprising cross-disciplined undergraduate and graduate students with a shared passion for rocketry. As a world-renowned manufacturer of complex aerostructures and a supplier to engine makers, airplane manufacturers and aircraft operators, we engaged these dedicated and accomplished students, showcasing our expertise in developing advanced nacelle components. We hope to further inspire them and support their future endeavours.

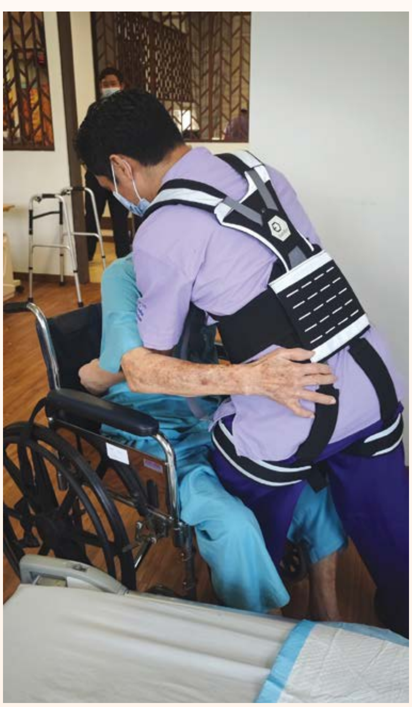
TRANSFORMING LIVES THROUGH TECHNOLOGY AND INNOVATION

Empowering Communities through Technology

Employees from our U.S. business units joined like-minded engineers from across the country for a four-day hackathon organised by Ruby for Good – a non-profit that brings together people of varied skills and experiences to build technology solutions that benefit non-profit organisations.

During the hackathon, our engineers worked to implement new software features and fixes to help non-profits bolster their critical missions and provide technology-focused educational opportunities to underserved communities. One such non-profit was Human Essentials, for whom we developed a platform to provide hygiene products for underserved communities, connecting organisations that have surplus supplies to those who need them.





Supporting Caregiving at St. Andrew's Nursing Home with EasyExo

Dedicated to making a positive impact in the broader community, our Land Systems business utilised technology to enhance lives. In collaboration with St. Andrew's Nursing Home (Taman Jurong), we sponsored 20 in-house developed EasyExo units. The EasyExo, a soft passive exoskeleton, is designed to provide assisted support – aiding in posture correction and alleviating strain on spinal muscles. This ensures that the nursing team maintains the correct posture when carrying out physically-demanding caregiving activities. By equipping the nursing staff with this advanced lightweight tool, we aim to enhance their daily work productivity, safety and overall ergonomics.

CORPORATE GOVERNANCE REPORT
(AS AT 28 FEBRUARY 2025)

WHILE HOLDING OURSELVES TO HIGH ETHICAL STANDARDS

Good corporate governance is the foundation for long-term value creation of the Group. This report sets out ST Engineering's corporate governance processes, practices and activities in 2024 with specific reference to the principles and provisions of the Singapore Code of Corporate Governance 2018 (the Code). The Board is pleased to report that the Company has complied with the principles and substantially with the provisions of the Code. Variations 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 auditors 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;
- Approval of annual budgets, major funding proposals, investment and divestment proposals in accordance with the approved delegation of authority framework;
- 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 prior to their release.

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 in writing. The Board Committees are formed with clear written 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. Induction programmes were carried out for newly appointed Directors during the year, namely, Philip Lee Sooi Chuen, Lien Siaou-Sze and Neo Gim Huay. During the year, ST Engineering arranged for Neo Gim Huay to attend the mandatory training conducted by Singapore Institute of Directors (SID).

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 SID and other professional organisations.

During the year, the Company arranged numerous briefings and trainings sessions to the Board on topics such as Sustainability, Environmental, Social and Governance (ESG), anti-bribery and corruption and updates on legislative or regulatory changes. Directors were also invited to attend talks/seminars/events organised by ST Engineering, including the Innotech Conference 2024, Product Carbon Footprint Webinar, Singapore Airshow 2024 and Tech Innovation Seminar 2024 (AI Technology Series).

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.

Board members participate actively in Board discussions and decisions are taken objectively in the interests of the Company. Where warranted by particular circumstances, ad-hoc/special Board meetings may be convened to consider corporate actions requiring the Board's guidance or approval.

BOARD MET

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IN 2024

CORPORATE GOVERNANCE REPORT

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 scheduled quarterly Board meeting, the Chairman allocates time for its non-executive Directors to meet without the presence of 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 the businesses.

On a quarterly basis, the management reports would also include key business highlights and capital expenditure of the Group and the businesses 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 Secretary, internal and external auditors, risk management and sustainability teams. The Board may also seek independent professional advice, if necessary, to enable them to discharge their duties effectively. All engagements of external advisers are at the Company's expense.

The Board and Board Committee members are provided with complete, adequate, relevant and timely information 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, declares his/her interest and recuses himself/herself from the information and discussion of the subject matter and abstains from decision. Each Director is also required to submit details of his/her associates upon his/her 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 has adopted 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 FY2023 and 1H2024 results, including the review of the 1Q2024 and 3Q2024 Market updates, declaration of quarterly interim dividend, updates on significant events relating to the Company and information concerning industry-related developments.

Details and attendance at Board and Board Committee meetings in 2024 are tabulated below.

Board Members' Details (as at 28 February 2025)			Meeting Attendance Report[*]							
			● 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 FY2024							
Names	Independent (I)/ Non-Independent (NI)	Executive (E)/ Non-Executive (NE)	4	6	3	3	2	5	13	1
Teo Ming Kian (Chairman)	I	NE	● 4/4		● 3/3	• 3/3	• 2/2		● 13/13	● 1/1
Vincent Chong Sy Feng (Group President & CEO)	NI	E	• 4/4				• 2/2	• 5/5	• 13/13	• 1/1
VADM Aaron Beng Yao Cheng	NI	NE	• 4/4					• 5/5		• 1/1
Kevin Kwok Khien[1]	I	NE	• 4/4	● 6/6				◐ 5/5		• 1/1
Philip Lee Sooi Chuen[2]	I	NE	• 2/2		• 2/2	• 2/2			• 2/2	–
Lien Siaou-Sze[3]	I	NE	• 1/1	• 1/1						–
Lim Ah Doo[4]	I	NE	• 3/3	• 4/5					• 3/3	• 1/1
Lim Chin Hu	I	NE	• 4/4		• 3/3	● 3/3	• 2/2		• 7/7	• 1/1
Lim Sim Seng[5]	I	NE	• 2/2		• 1/1	• 1/1			• 3/3	• 0/1
Neo Gim Huay[6]	I	NE	• 4/4					• 5/5		• 1/1
Ng Bee Bee (May)	I	NE	• 4/4		• 3/3	• 3/3				• 1/1
Ong Su Kiat Melvyn	NI	NE	• 4/4							• 1/1
Quek See Tiat[7]	NI	NE	• 1/1					● 2/2		• 1/1
Song Su-Min[8]	I	NE	• 4/4	• 6/6				• 5/5		• 1/1
Tan Peng Yam	NI	NE	• 4/4				● 2/2			• 1/1
COL Chong Shi Hao (Alternate to VADM Aaron Beng Yao Cheng)	NI	NE	• 1/4							• 1/1

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

* Refer to meetings held/attended by each Director.

@ SFC convened 13 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.

~ We proactively schedule our AGM dates well in advance so that all Directors can attend and participate in the AGM. However, individual Directors may still occasionally need to excuse themselves due to conflicts with their professional or personal commitments.

1 Kevin Kwok Khien assumed the role as Chairman of the RSC on 27 April 2024 and stepped down on 31 December 2024 and remained as a member of the RSC.

2 Philip Lee Sooi Chuen was appointed as a Director and a member of the ERCC, NC and SFC on 1 June 2024.

3 Lien Siaou-Sze was appointed as a Director on 26 August 2024 and a member of the AC on 1 November 2024.

4 Lim Ah Doo stepped down as a Director and ceased to be a member of the AC and SFC on 10 November 2024, after completing his ninth year on the Board.

5 Lim Sim Seng stepped down as a Director and ceased to be a member of the ERCC, NC and SFC on 15 May 2024, after completing his ninth year on the Board.

6 Neo Gim Huay was appointed as a Director and a member of the RSC on 15 February 2024. She was determined as an independent Director on 1 January 2025, after fulfilling the three-year moratorium following her departure from Temasek International (Private) Limited, a related corporation of ST Engineering.

7 Quek See Tiat retired and ceased as Chairman of the RSC at AGM held on 26 April 2024.

8 Song Su-Min assumed the role as Chairman of the RSC on 1 January 2025.

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 decisions are made in the best interests of the Company.

As at 28 February 2025, 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 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 discussion and effective decision making at Board and Board Committee meetings.

Since 2019, 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 been revised 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.

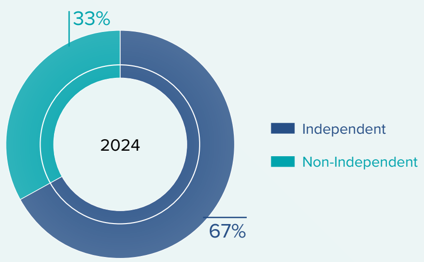
The Board, through the NC, has robust processes in reviewing and assessing the size and composition of the Board as well as succession planning, taking into consideration the age, skill sets, knowledge, experience, background, gender, tenure, independence of Directors and other relevant factors. The 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 Board has achieved its target of appointing at least one more female director by FY2024, bringing its total female representation on the Board to 33%. During the year, the Company appointed Neo Gim Huay and Lien Siaou-Sze in February and August respectively, alongside Philip Lee Sooi Chuen in June. Profiles of Neo Gim Huay, Philip Lee Sooi Chuen and Lien Siaou-Sze can be found at pages 12, 13 and 14 of the Annual Report.

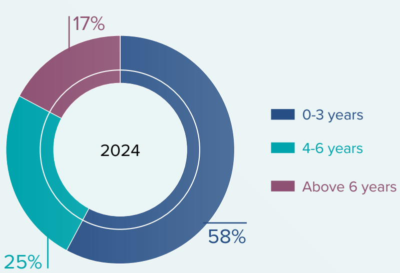
The Board, through the NC, is satisfied that the Company has a diverse Board composition in terms of age, gender, tenure, skill sets, expertise (domain and industry) and experience (domestic and global) which provide a variety of perspectives for effective governance, innovation and robust decision making.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

Details of the Board composition as at 28 February 2025 are as follows:

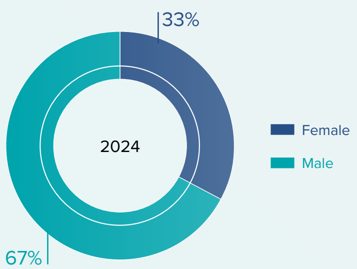
INDEPENDENCE



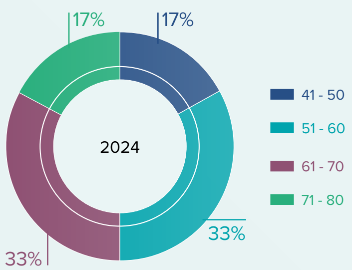
TENURE



GENDER



AGE



Board Independence
As at 28 February 2025, 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. 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 held various Managing Director roles in Temasek International, a related corporation of the Company until December 2021. She has fulfilled the three-year moratorium

CORPORATE GOVERNANCE REPORT

following her departure from Temasek International. The NC has determined her to be an independent Director with effect 1 January 2025.

Ms Neo serves as an advisor on United Overseas Bank (UOB) Sustainability Advisory Panel. UOB is one of the many banks which ST Engineering group 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 core business operations. Similarly, as a Director of ST Engineering, Ms Neo is not involved in ST Engineering 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 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 and 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 (Development) of Ministry of National Development.

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

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 Management, engaging them in open dialogue over various matters including strategic issues, sustainability, safety, risks and business planning processes and promotes high standards of 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 non-executive 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 the Senior Management.

Board Membership and Board Performance (Principle 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

Philip Lee Sooi Chuen was appointed as a member of the NC in June 2024. The NC comprises four members, all of whom, including the NC Chairman, are independent Directors. Under its terms of reference, the NC is responsible for reviewing the composition of the Board and identifying suitable candidates to the Board. In this process, the NC emphasises candidates who possess the requisite qualifications, skills and experience necessary to fulfill their roles as Directors effectively. Shortlisted candidates are recommended to the Board for approval.

NC MET

3 TIMES

IN 2024

The NC is also 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 succession planning for the Board and its committees, including the Chairman and the Group President & CEO, as well as Key Management Executives; and evaluating and recommending Director training and professional development programmes according to the needs of each Director.

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.

CORPORATE GOVERNANCE REPORT

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.

In relation to the Board, a formal process has been put in place for the 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 to 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;
- 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 involvement on the Board and/or Board Committees, including availability and attendance at the scheduled meetings and ad-hoc meetings.

Based on the FY2024 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 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 Annual General Meeting (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, Teo Ming Kian, Kevin Kwok Khien, Song Su-Min and Tan Peng Yam will retire at the 2025 AGM. The newly appointed Directors, Philip Lee Sooi Chuen and Lien Siaou-Sze, who will hold office until the forthcoming AGM of the Company, will also be subject to re-election at the 2025 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 pages 17 to 18 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 2025 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. Aon Solutions Singapore Pte. Ltd. (Aon), an independent external consultant was appointed to conduct the Board evaluation for FY2024.

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 requiring each Director to complete a questionnaire on 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. In respect of 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

Philip Lee Sooi Chuen was appointed as a member of the Strategy and Finance Committee (SFC) in June 2024. 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 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 2025 Budget prior to submission to the Board for approval.

SFC MET
13 TIMES
IN 2024

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.

Building on Research Translation @ST Engineering, RITE also launched the AI Research Translation @ST Engineering in 2024 to proliferate AI and Generative AI technologies by partnering both local and overseas universities, research labs and startups.

RITE MET
2 TIMES
IN 2024

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. Philip Lee Sooi Chuen was appointed as a member of the ERCC in June 2024. 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).

ERCC MET

3 TIMES

IN 2024

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 FY2024, 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 FY2024, 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 that of shareholders and other stakeholders.

A. Fixed Compensation:

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

B. Variable Cash-based Incentives:

The variable cash-based incentives include the Performance Target Bonus (PTB) 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.

CORPORATE GOVERNANCE REPORT

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 FY2024.

C. Share-based Incentives:

Share awards were granted in FY2024 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 FY2024 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 117 to 120 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.

Beginning FY2024, 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 Environment, 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 FY2022 were conditional upon the performance of the Group from FY2022 to FY2024. 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 FY2024 were conditional upon the performance of the Group in FY2024. 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 and Chief Executive Officer on page 93. Details of the remuneration packages for the Key Management Executives are provided in the Summary Remuneration Table for Key Management Executives on pages 93 to 94.

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.

c. Linking variable incentives to 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.

CORPORATE GOVERNANCE REPORT

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 FY2024, 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 FY2024.

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 ERCC, in consultation with Aon, conducted a review of the Directors' Remuneration Framework in FY2024. The review took into account a variety of factors, including prevailing market practices and referencing Directors' fees against comparable benchmarks, as well as the roles and responsibilities of the Board and Board Committees. Following the review, a revised Directors' remuneration structure was developed in order to ensure a competitive level of Director's remuneration as the Group strives for sustainable growth and value creation.

The scale of fees payable to the NEDs has not been revised since FY2018. The revised Directors' remuneration structure will take effect from FY2025 onwards (unless and until further revised) and is set out in the table on page 91.

For services rendered in FY2024, 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 FY2024 is intended to be paid after the 2025 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 91).

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

	From Private Sector ($)	
	FY2024	FY2025
Chairman Fee (all-in)	750,000	750,000
Board Basic Retainer Fee		
Director	75,000	90,000
Additional/Committee Fees		
Audit Committee:		
- Chairman	52,000	62,000
- Member	29,000	35,000
ERCC, SFC, RITE and RSC:		
- Chairman	35,000	42,000
- Member	18,000	22,000
Other Committees (including NC):		
- Chairman	29,000	35,000
- Member	14,000	17,000
Attendance Fees:		
Per Board Meeting	5,000	5,000
Per Board Committee Meeting	2,500	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 ($)
	FY2024
Chairman	45,000
Deputy Chairman/Chairman of Executive Committee/Chairman of Audit Committee	33,750
Member of Executive Committee/Member of 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.

CORPORATE GOVERNANCE REPORT

The NEDs' remuneration payable in respect of FY2024 is $2,148,562 (FY2023: $2,211,780). Details of the Directors' remuneration are provided in the Summary Remuneration Table for NEDs set out below. The Company will be seeking shareholders' approval for the NEDs' remuneration of up to $2,800,000 for FY2025 (FY2024: up to $2,500,000) at the upcoming AGM to be held in April 2025. The increase of $300,000 is attributable to the revision in the scale of fees payable to the NEDs as described on pages 90 to 91.

SUMMARY REMUNERATION TABLE FOR NON-EXECUTIVE DIRECTORS FOR FY2024

Payable by the Company

	Directors' Total Fees		
	Cash-based $	Share-based $	Total $
Non-Executive Directors			
Teo Ming Kian[a]	525,000	225,000	750,000
VADM Aaron Beng Yao Cheng[b]	11,250	–	11,250
Kevin Kwok Khien[c]	142,846	61,220	204,066
Philip Lee Sooi Chuen[d]	68,661	29,426	98,087
Lien Siaou-Sze[e]	32,361	13,869	46,230
Lim Ah Doo[f]	137,500	–	137,500
Lim Chin Hu	150,850	64,650	215,500
Lim Sim Seng[g]	68,949	–	68,949
Neo Gim Huay[h]	79,846	34,220	114,066
Ng Bee Bee (May)	99,400	42,600	142,000
Ong Su Kiat Melvyn[b]	11,250	–	11,250
Quek See Tiat[i]	45,164	–	45,164
Song Su-Min	118,650	50,850	169,500
Tan Peng Yam[j]	94,500	40,500	135,000
COL Chong Shi Hao (Alternate to VADM Aaron Beng Cheng Yao)	–	–	–
Total for Non-Executive Directors	**1,586,227**	**562,335**	**2,148,562**

Payable by Subsidiary

Non-Executive Director			
Lim Chin Hu	20,000	–	20,000
Total for Non-Executive Director	**20,000**	**–**	**20,000**

[a] Teo Ming Kian's benefits-in-kind amounts to $33,598. Including the aforesaid, his total remuneration comprises cash (67%), shares (29%) and benefits-in-kind (4%).
[b] Fee for public sector NED is payable to a government agency, the DCAC in cash (100%).
[c] Pro-rated. Appointed RSC Chairman on 27 April 2024.
[d] Pro-rated. Appointed Director and member of ERCC, NC and SFC on 1 June 2024.
[e] Pro-rated. Appointed Director on 26 August 2024 and member of AC on 1 November 2024.
[f] Pro-rated. Stepped down as a Director and ceased as member of AC and SFC on 10 November 2024. His remuneration was fully paid in cash (100%).
[g] Pro-rated. Stepped down as a Director and ceased as member of ERCC, NC and SFC on 15 May 2024. His remuneration was fully paid in cash (100%).
[h] Pro-rated. Appointed Director and member of RSC on 15 February 2024.
[i] Pro-rated. Retired and ceased as Chairman of RSC at AGM held on 26 April 2024. His remuneration was fully paid in cash (100%).
[j] 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 FY2024 (GROUP)

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 88 to 89.

Cash Remuneration for Executive Director and Group President & CEO

Name of Executive Director and Group President & CEO	Salary[1] $	Variable cash-based incentives[2] $	Benefits[3] $	Total Cash Remuneration $
Vincent Chong Sy Feng	1,217,339	3,306,422	138,642	4,662,403

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))	**234,831** restricted shares to be granted for FY2024 (Fair value per share: S$4.24)
Contingent Grant under PSP2020[5] No. of Shares (vesting of 0 - 170% shares after 3 years based on Absolute TSR & EPS KPIs)	**472,635** performance shares to be granted for FY2024 (Fair value per share: S$3.16)
Contingent Grant under PSP2020[6] No. of Shares (vesting of 0 – 170% shares after 6 years based on Absolute TSR, EPS & ESG KPIs)	**71,429** performance shares to be granted for FY2024 (Fair value per share: S$2.80)

The Group President & CEO's total remuneration comprises salary (16%), variable cash-based incentives (45%), benefits (2%) and share-based incentives (37%).

[1] Salary includes base salary and employer CPF for FY2024.
[2] Variable cash-based incentives include Performance Target Bonus & EVA-based incentive declared.
[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 FY2024 (GROUP)

The ERCC is of the view that the Key Management Executives (KME) shall comprise members of the EXCO (Vincent Chong, Cedric Foo, Jeffrey Lam, Ravinder Singh and Tan Lee Chew). 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 88 to 89.

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)	28%	68%	4%	100%
				Total Cash Remuneration for KME ($): 10,507,076

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)	**522,169** restricted shares to be granted for FY2024 (Fair value per share: S$4.24)
Contingent Grant under PSP2020[5] No. of Shares (vesting of 0 - 170% shares after 3 years based on Absolute TSR & EPS KPIs)	**700,632** performance shares to be granted for FY2024 (Fair value per share: S$3.16)
Contingent Grant under PSP2020[6] No. of Shares (vesting of 0 – 170% shares after 6 years based on Absolute TSR, EPS and ESG KPIs)	**142,856** performance shares to be granted for FY2024 (Fair value per share: S$2.80)

1 Salary includes base salary and employer CPF for FY2024.
2 Variable cash-based incentives include Performance Target Bonus & EVA-based incentive declared.
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.

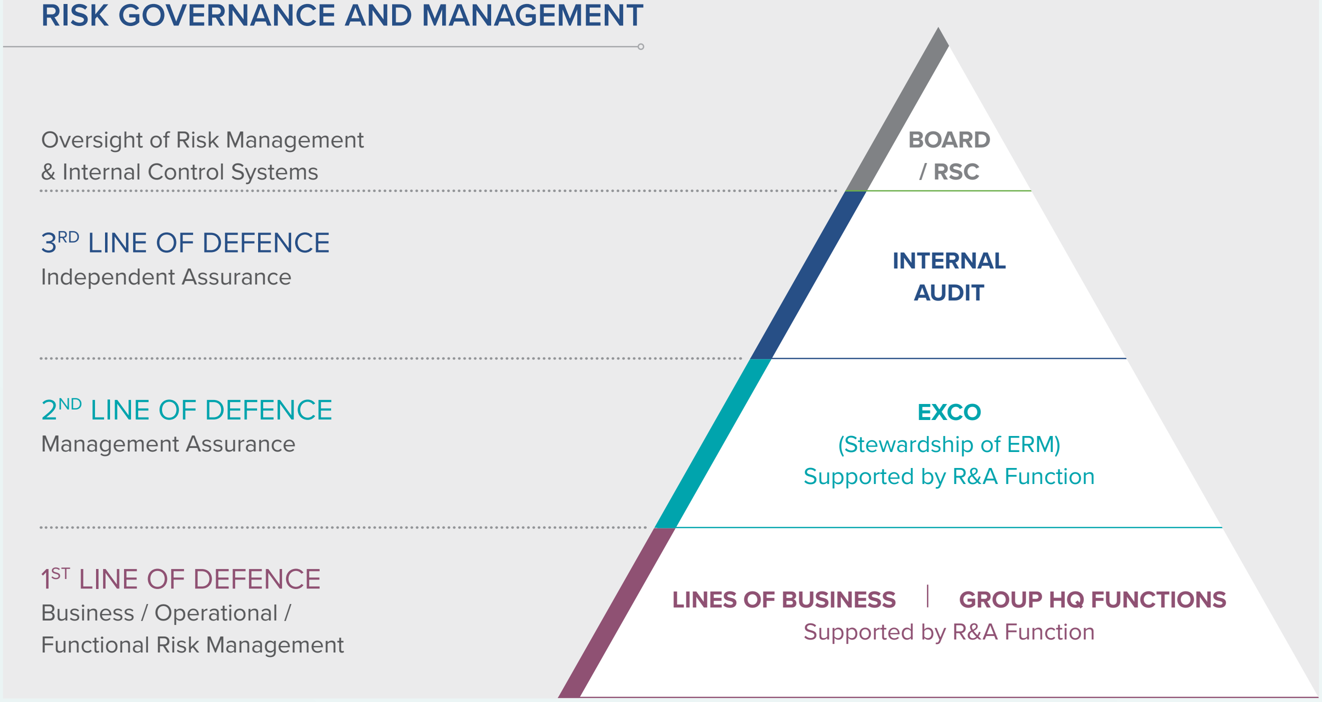
The Board received a written assurance from the Group President & CEO and the Group CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances.

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 ensure Management has adequate oversight over the awareness and handling of safety, risks and sustainability matters.

RISK GOVERNANCE AND MANAGEMENT



Kevin Kwok Khien was appointed Chairman of the RSC following the retirement of Quek See Tiat on 27 April 2024. With effect from 1 January 2025, Song Su-Min assumed the role of Chairman of the RSC and Kevin Kwok Khien will remain as Member of the RSC. For the Board to discharge its duties objectively over risks and internal controls, Management of ST Engineering meets with the Board and Board Committees frequently during the year.

RSC MET

5 TIMES

IN 2024

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) 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.

CORPORATE GOVERNANCE REPORT

ENTERPRISE RISK MANAGEMENT FRAMEWORK

ERM INFRASTRUCTURE

Vision and Goals

Oversight Structure

Roles and Responsibilities

Common Language

Policies and Manuals

Tolerances and Limits

Technology and Tools

ERM PROCESS

ERM REPORTS

Risk and Incident Registers

Risk Reports

BUILDING A STRONG ERM CULTURE

STRENGTHENING ERM CAPABILITIES

Change Management

Continuous Improvement

Communication / Information Sharing

Awareness / Training

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 we operate in.
- We adopt a zero tolerance policy towards fraud, bribery and corruption.

Operational

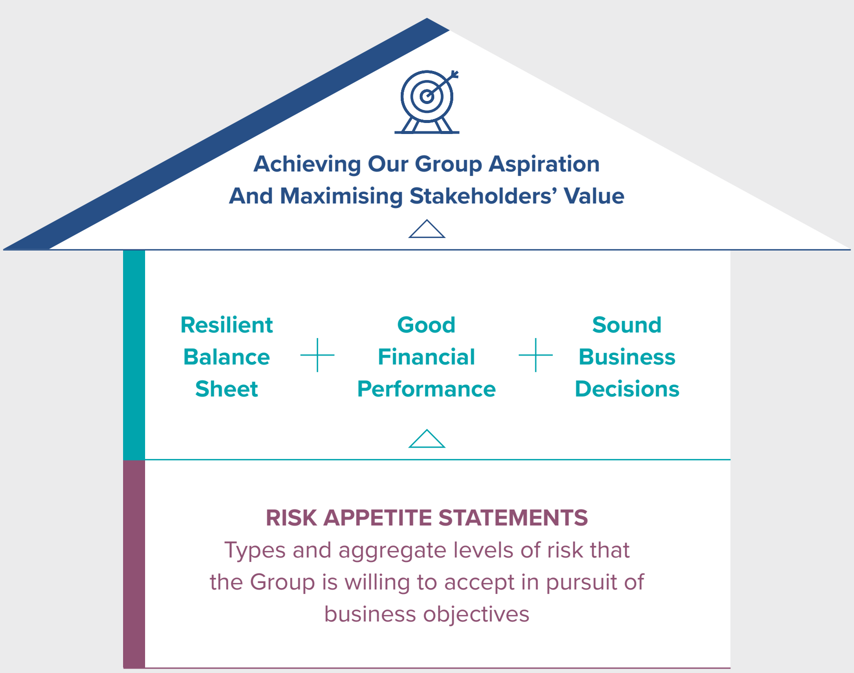
- We are committed to "Safety Before Profits".
- We aim to achieve zero accidents at the workplace.

IT and Cyber

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

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 2024, 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

CORPORATE GOVERNANCE REPORT

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 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

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 continues to monitor the implementation of risk management policies and procedures and receives updates on the risk registers maintained by the respective businesses.

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, Artificial Intelligence Governance & Ethics are shared with staff through e-learning. The RSC is updated regularly on the status of these trainings.

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 to minimise lapses.

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 system. Based on the internal controls and risk management process established and maintained by the Group, 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 2024.

The Audit Committee concurs with the Board on the adequacy and effectiveness of the internal controls and risk management systems established and maintained by the Group as at 31 December 2024. 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 Siaou-Sze
Song Su-Min

AC MET

6 TIMES

IN 2024

The Audit Committee (AC) comprises all independent Directors with 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 have any financial interests in the auditing firm.
Lien Siaou-Sze was appointed as a member of the AC on 1 November 2024, and Lim Ah Doo stepped down from both the Board and the AC on 10 November 2024.

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 auditors;
- Reviews the adequacy, effectiveness, independence, scope and results of both the external and the internal audit functions;

CORPORATE GOVERNANCE REPORT

- Reviews with the internal auditors the scope and results of the internal audits conducted, including the monitoring of Management's responses to ensure appropriate and timely remediation;
- Reviews and approves the internal audit and the external audit plans;
- 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 the authority to investigate any matter within its terms of reference. It has full access to Management and has received full co-operation from 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 inhouse internal audit function – ST Engineering Group Internal Audit (IA) which comprises a team of professionals, including the Group Head, IA, Vanessa Chen Poh Hwee, with relevant experience in corporate governance, internal controls, IT security and other relevant disciplines. The Group Head, IA reports functionally to the AC and administratively to the Group President & CEO.

The AC approves the ST Engineering Internal Audit Charter and assesses at least annually, whether the internal audit function is adequately resourced and with the relevant skill sets and qualifications to carry out its duties. The AC approves decisions relating to the appointment, removal, evaluation and remuneration of the Group Head, IA.

The role of IA is to provide independent and objective assurance to the AC 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. IA also performed the internal review on the Sustainability Report for 2024 and recommendations arising from the review were taken into consideration during its development.

As a corporate member of the Singapore Chapter of the Institute of Internal Auditors (IIA), IA adopts the International Standards for the Professional Practice of Internal Auditing (the IIA Standards) laid down in the International Professional Practices Framework, including its Code of Ethics. A programme of continuous improvements and quality assurance reviews are conducted to ensure that IA activities conform to the IIA Standards.

Training plans and programmes are established regularly to equip IA staff with the relevant qualifications and technical knowledge so that skill sets remain relevant and current.

IA adopts a risk-based approach in its annual internal audit plan, including inputs from senior management of the Group and other key stakeholders. The annual audit plan is developed using a structured framework which evaluates the inherent risk and control environment of each auditable unit within the Group. This risk-based annual audit plan is aligned with the Group's key risks. The AC approved the internal audit plan for FY2024.

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 Auditors

The appointment of external auditors is subject to approval at each AGM. In making its recommendations to shareholders on the appointment and reappointment of external auditors, 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 auditors. 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. PricewaterhouseCoopers LLP, first appointed in 2020, meets this requirement.

The AC reviews the audit and the non-audit fees paid to the external auditors and was satisfied that the non-audit services provided by the external auditors 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 auditors.

During the year, the AC held six 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 auditors, and with the internal auditors, in each case without the presence of Management, during the year.

The AC reviewed the financial statements of the Group with the external auditors 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 auditors for the financial year ended 31 December 2024 have been addressed by the AC. The KAMs in the audit report for the financial year ended 31 December 2024 can be found on pages 123 to 124 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 who retaliate against the 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.

CORPORATE GOVERNANCE REPORT

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 taken.

The Group's whistleblowing policy facilitates the in-confidence reporting of possible impropriety or non-compliance. All reports, which may be made anonymously, are treated with strict confidentiality. Non-anonymous whistleblowers (with contactable details) are informed when investigations are concluded. 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 or otherwise and/or 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 toll-free telephone numbers, web, and mobile reporting applications – hosted by an independent external provider).

Allegations involving any member of the Board, including the Group President & CEO, may be reported directly to the Chairman of the Board and the AC Chairman via a dedicated email at AC@stengg.com. The reporting channels are published on the Group's website, intranet and offices 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 an 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.

RPTs are reviewed by the external auditors as part of their annual audit process. IPTs are reviewed by IA to verify the accuracy and completeness of disclosure; and to ensure that the requirements under Chapter 9 of the SGX Listing Manual are complied with. The IPT report is submitted to the AC for review on a quarterly basis.

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 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 $352.0m or $586.6m in value would require 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, would require the Board's approval.

Details of IPTs and RPTs entered into by the Group for financial year 2024 are set out respectively on pages 264 and 255 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.

[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 2023 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 2024. The average of the Company's daily end-of-day market capitalisation for the month of December 2023 was approximately $11,732.5m (3% of which is $352.0m and 5% of which is $586.6m).

Shareholders Meeting

ST Engineering's 2024 Annual General Meeting (AGM) was held in a wholly physical format whereby shareholders conducted 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 2024 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 appointed 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 to allow shareholders to decide on their votes. To cater to shareholders who did 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.

Our Group President & CEO started the 2024 AGM by delivering a presentation on the key highlights of the Group's 2024 financial performance as well as a review of key initiatives, investments and achievements made in 2024 in the key focus areas of business, innovation and people. The presentation material was also available on both SGXNet and our corporate website.

The Directors' attendance at the 2024 AGM is disclosed on page 79 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.

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 auditors and legal advisors to address shareholders' queries. Queries on matters related to the conduct of audit and the preparation and content of the auditors' report may be addressed by the external auditors. 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 auditors 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 their Board and Board Committee positions they are expected to hold upon election.

All proxy votes are received by the 72 hours' 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.

CORPORATE GOVERNANCE REPORT

The Company Secretary prepares 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

The Company has adopted a dividend policy to declare dividends every quarter.

For FY2024, the Company declared an interim dividend of 4.0 cents per ordinary share for each of the first three quarters. The Board has proposed a final dividend of 5.0 cents per ordinary share, subject to shareholders' approval at the AGM on 24 April 2025. If approved, total dividend for FY2024 will be 17.0 cents per ordinary share, an increase from the 16.0 cents per ordinary share for FY2023.

In determining the amount of dividends, the Company will take into consideration the Group's profit after tax, retained earnings, cash position, positive cash flow generated from operations and projected capital requirements.

Upon approval by the Board for interim dividend or shareholders at the general meeting for final dividend, dividends are generally paid to all shareholders within 10 market days after the record date.

In the event of a material variation in declared dividends compared to the previous corresponding period, or any decision not to declare a dividend, the reasons for such will be disclosed in accordance with the SGX-ST Listing Manual.

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 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 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 when the results are released. Our shareholders can also participate by listening in to the briefings. Registration links to live webcasts for these briefings are posted on SGXNet and our corporate website. Audio playback is made available on our website shortly after the event. In addition, we augment our half-yearly briefings with 1Q and 3Q Market Update briefings for sell-side analysts. All press statements, presentation materials and financial statements are posted on SGXNet and our corporate website before trading starts.

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 Resources and Risk & Assurance may also participate in these exchanges.

The Company's Investor Relations Policy, available in the "Investor Relations" section on our website, sets out general communication principles and mechanism 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 through 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.

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 8 to 9 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 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 consideration.

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.

CORPORATE GOVERNANCE REPORT

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 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 in. This commitment extends to transactions undertaken by any party operating on behalf of the Group.

Read more about our approach towards export control and how it relates to the Group's commitment to ethical business and regulatory compliance in our Sustainability Report

LOBBYING & POLITICAL CONTRIBUTION

Political contributions, donations or sponsorships must be approved by Management in accordance with the Group's approval limits policy and be made with the highest ethical standards and in compliance with all applicable laws of the jurisdictions where the Group operates in. These must not confer a personal benefit and must not be given to gain a business advantage or to influence a business outcome or an official action.

Read more about our approach to lobbying and political contributions, and how it relates to the Group's commitment to ethical business 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

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.

Read more about our approach to cybersecurity and data protection in our Sustainability Report

FINANCIAL REPORT

DIRECTORS' STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024
(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 2024 and the statement of financial position of the Company as at 31 December 2024.

In our opinion:

(a) the consolidated financial statements of the Group and the statement of financial position of the Company set out on pages 128 to 261 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 2024, 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	(Appointed as Director on 1 June 2024)
Lien Siaou-Sze	(Appointed as Director on 26 August 2024)
Lim Chin Hu	
Neo Gim Huay	(Appointed as Director on 15 February 2024)
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), the Singapore Technologies Engineering Restricted Share Plan 2010 (RSP2010) 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 2024
(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 2024 or date of appointment	31 December 2024
The Company		
Ordinary Shares		
Teo Ming Kian	27,000	72,200
Vincent Chong Sy Feng	3,766,913*1	4,479,780*1
Kevin Kwok Khien	188,400	202,800
Lim Chin Hu	138,500*1	154,600*1
Ng Bee Bee (May)	25,100	35,300
Song Su-Min	58,000	70,700
Tan Peng Yam	25,811	36,311
Conditional Award of Shares under PSP2020 to be delivered after 2023		
Vincent Chong Sy Feng (412,777 shares)	0 to 701,720#1	–#2
Conditional Award of Shares under PSP2020 to be delivered after 2024		
Vincent Chong Sy Feng (579,987 shares)	0 to 985,977#1	0 to 985,977#1
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 2024
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

DIRECTORS' INTERESTS (CONTINUED)

	Holdings in the name of the Director, spouse or infant children	
	1 January 2024 or date of appointment	**31 December 2024**
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]
Unvested restricted shares under RSP2010 to be delivered after 2020		
Vincent Chong Sy Feng (212,708 shares)	**53,177**[#3]	–
Unvested restricted shares under RSP2020 to be delivered after 2021		
Vincent Chong Sy Feng (174,311 shares)	**87,157**[#3]	**43,580**[#3]
Unvested restricted shares under RSP2020 to be delivered after 2022		
Vincent Chong Sy Feng (218,925 shares)	**164,194**[#3]	**109,463**[#3]
Conditional Award of restricted shares under RSP2020 to be delivered after 2023		
Vincent Chong Sy Feng	**247,689**[#4]	–
Unvested restricted shares under RSP2020 to be delivered after 2023		
Vincent Chong Sy Feng (247,689 shares)	–	**185,767**[#3]
Conditional Award of restricted shares under RSP2020 to be delivered after 2024		
Vincent Chong Sy Feng	–	**241,777**[#5]

DIRECTORS' STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

DIRECTORS' INTERESTS (CONTINUED)

	Holdings in the name of the Director, spouse or infant children	
	1 January 2024 or date of appointment	31 December 2024
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 V Pte. Ltd.		
$315 million Class A-1 3.85% Secured Fixed Rate Bonds due 2029		
Teo Ming Kian	$16,000	–
Astrea 8 Pte. Ltd.		
$200 million 6.35% Class A-2 Secured Fixed Rate Bonds due 2039		
Lim Chin Hu	–	110,000*1
CapitaLand Ascendas REIT Management Limited		
Unit holdings in CapitaLand Ascendas REIT		
VADM Aaron Beng Yao Cheng	6,000	13,000
Kevin Kwok Khien	300,000	300,000
Philip Lee Sooi Chuen	160,080	160,080
Lim Chin Hu	66,755*1	66,755*1
Tan Peng Yam	4,000	4,000
CapitaLand Ascott Trust Management Limited		
Stapled securities in CapitaLand Ascott Trust		
Teo Ming Kian	1,399	1,399
VADM Aaron Beng Yao Cheng	57	57
CapitaLand Ascott Trust Perpetual Bond		
Teo Ming Kian	$250,000	$250,000

DIRECTORS' STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

DIRECTORS' INTERESTS (CONTINUED)

	Holdings in the name of the Director, spouse or infant children	
	1 January 2024 or date of appointment	**31 December 2024**
Related Corporations		
CapitaLand Integrated Commercial Trust Management Limited		
Unit holdings in CapitaLand Integrated Commercial Trust		
Teo Ming Kian	40,954	43,186
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		
Ordinary Shares		
Teo Ming Kian	7,000	7,000
VADM Aaron Beng Yao Cheng	1,000	1,000
Kevin Kwok Khien	80,000	80,000
Tan Peng Yam	10,000	10,000
Mapletree China Logistics GP Pte. Ltd.		
OCBC Participation Note linked to Partnership interests in Mapletree China Logistics Investments LLP issued under the $5,000,000,000 Structured Note Programme		
Lim Chin Hu	149,050	–
Mapletree Industrial Trust Management Ltd.		
Unit holdings in Mapletree Industrial Trust		
Lim Chin Hu	60,921*1	46,621*1
COL Chong Shi Hao	2,000	2,000
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	98,298*1
Tan Peng Yam	1,000	1,000

DIRECTORS' STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

DIRECTORS' INTERESTS (CONTINUED)

	Holdings in the name of the Director, spouse or infant children	
	1 January 2024 or date of appointment	31 December 2024
Related Corporations		
Mapletree Logistics Trust Management Ltd.		
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
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

DIRECTORS' STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

DIRECTORS' INTERESTS (CONTINUED)

	Holdings in the name of the Director, spouse or infant children	
	1 January 2024 or date of appointment	31 December 2024
Related Corporations		
Mapletree Treasury Services Limited		
$600 million 3.7% Perpetual Securities under US$5 billion ($6.8 billion) Euro Medium-Term Note Programme		
Lim Chin Hu	$250,000*[1]	–
MPACT Management Ltd		
Unit holdings in Mapletree PanAsia Commercial Trust		
Philip Lee Sooi Chuen	110,000	110,000
Lim Chin Hu	135,500*[1]	140,000*[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
Singapore Airlines Limited		
Ordinary Shares		
Teo Ming Kian	24,000	24,000
VADM Aaron Beng Yao Cheng	4,000	4,000
Lim Chin Hu	6,000*[1]	–
COL Chong Shi Hao	400	400
$700 million 3.035% Notes due 2025		
Teo Ming Kian	$250,000	$250,000
$6.197 billion Mandatory Convertible Bonds due 2030 (Rights 2021 MCBs)		
Teo Ming Kian	13,000	–

DIRECTORS' STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

DIRECTORS' INTERESTS (CONTINUED)

	Holdings in the name of the Director, spouse or infant children	
	1 January 2024 or date of appointment	31 December 2024
Related Corporations		
Singapore Technologies Telemedia Pte Ltd		
$500 million 4.2% Subordinated Perpetual Securities		
Teo Ming Kian	$250,000	$250,000
5.500% Perpetual Bond		
Lim Chin Hu	$250,000*[1]	$250,000*[1]
Singapore Telecommunications Limited		
Ordinary Shares		
Teo Ming Kian	380	380
Kevin Kwok Khien	131,000	131,000
Philip Lee Sooi Chuen	560	560
Lim Chin Hu	38,000*[1]	38,000*[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
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

DIRECTORS' STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

DIRECTORS' INTERESTS (CONTINUED)

	Holdings in the name of the Director, spouse or infant children	
	1 January 2024 or date of appointment	31 December 2024
Related Corporations		
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	$250,000	$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 499,460 shares upon partial achievement of targets set. The balance of the conditional award covering the period from 2021 to 2023 has thus lapsed.
#3 Balance of unvested restricted shares to be released according to the stipulated vesting periods.
#4 This conditional award is subject to a performance target set over a one-year performance period from 1 January 2023 to 31 December 2023. 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 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.

There was no change in any of above-mentioned Directors' interest in the Company between the end of the financial year and 21 January 2025.

DIRECTORS' STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024
(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 2024, 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 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 and Earnings Per Share (EPS) Growth against pre-determined EPS Growth targets 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 2024
(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 885,471	499,460	0 to 3,402,494	499,460	0 to 2,700,774
Group Executives (including Vincent Chong Sy Feng)	0 to 4,669,776	1,835,622	0 to 16,016,251	1,835,622	0 to 12,894,650

* 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) ***RSP2010/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 2024
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

SHARE PLANS (CONTINUED)

(b) ***RSP2010/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
RSP2010					
Directors of the Company					
Vincent Chong Sy Feng	–	53,177	0 to 2,237,693	2,164,433	–
Lim Ah Doo (Stepped down on 10 November 2024)	–	–	42,400	42,400	–
Lim Chin Hu	–	–	4,400	4,400	–
Song Su-Min	–	–	2,000	2,000	–
Non-Executive Directors of the Company and its subsidiaries	–	–	1,304,600	1,304,600	–
Group Executives (including Vincent Chong Sy Feng)	–	1,073,978	0 to 77,606,426	48,242,980	–

DIRECTORS' STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

SHARE PLANS (CONTINUED)

(b) ***RSP2010/RSP2020 (RSP)*** (continued)

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	45,200	45,200	72,200	72,200	–
Vincent Chong Sy Feng	241,777	160,230	882,702	302,115	580,587
Kevin Kwok Khien	14,400	14,400	32,800	32,800	–
Lim Ah Doo (Stepped down on 10 November 2024)	12,300	12,300	66,100	66,100	–
Lim Chin Hu	16,100	16,100	80,200	80,200	–
Ng Bee Bee (May)	10,200	10,200	35,300	35,300	–
Song Su-Min	12,700	12,700	68,700	68,700	–
Tan Peng Yam	10,500	10,500	27,300	27,300	–
Non-Executive Directors of the Company	121,400	121,400	679,400	679,400	–
Group Executives (including Vincent Chong Sy Feng)	8,026,308	4,977,750	30,068,728	10,360,568	17,537,281

* All RSP2010 and 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 2024
(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 2025

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 2024 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 2024;
- 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 2024;
- 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 2024; 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") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

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 2024. 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
Impairment assessment of non-financial assets – goodwill	
Refer to Note C3 to the financial statements. As at 31 December 2024, the carrying value of the Group's goodwill amounted to $3,147,820,000. 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, and Defence Aerospace. There is a risk of impairment of certain CGUs in the United States which are operating in a challenging business environment. 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. 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. 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.	We have assessed the appropriateness of management's identification of CGU and critically assessed the key assumptions used in the goodwill impairment assessment. Our audit procedures included the following: • 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. Based on the audit procedures performed above, we found management's judgement and assumptions in relation to the determination of the recoverable amount to be appropriate, and the disclosure in this respect to be adequate.

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
Revenue recognition based on stage of completion	
Refer to Note B2 to the financial statements. During the year ended 31 December 2024, the Group recognised revenue of $11,275,659,000 relating to sale of goods, rendering of services 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). We focused on this area because of the significant management's judgement required in: • 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.	Our audit procedures included the following: • 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. 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.

Other Information

Management is responsible for the other information. The other information comprises the Corporate Overview, Performance Review, Sustainability, Corporate Governance, Directors' Statement and Corporate Information (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 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 Lam Hock Choon.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore
26 February 2025

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

Group	Note	2024 $'000	2023 $'000
Revenue	B2	**11,275,659**	10,101,021
Cost of sales		**(9,101,384)**	(8,128,269)
Gross profit		**2,174,275**	1,972,752
Distribution and selling expenses		**(206,606)**	(179,414)
Administrative expenses		**(797,380)**	(752,581)
Other operating expenses		**(192,783)**	(215,294)
Other income, net		**28,034**	14,647
Profit from operations	B3	**1,005,540**	840,110
Non-operating (expense)/income, net	B4	**(59)**	16,454
Share of results of associates and joint ventures, net of tax		**70,986**	58,093
Earnings before interest and tax		**1,076,467**	914,657
Finance income		**37,862**	41,286
Finance costs		**(251,644)**	(251,732)
Finance costs, net	E2	**(213,782)**	(210,446)
Profit before taxation		**862,685**	704,211
Taxation	B6	**(133,480)**	(99,785)
Profit after taxation		**729,205**	604,426
Attributable to:			
Shareholders of the Company		**702,256**	586,467
Non-controlling interests	F3	**26,949**	17,959
		729,205	604,426
Earnings per share (cents)	B5		
Basic		**22.53**	18.82
Diluted		**22.35**	18.69

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

Group	Note	2024 $'000	2023 $'000
Profit after taxation		**729,205**	604,426
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Defined benefit plan remeasurements		**13,246**	2,175
Net fair value changes on equity investment at FVOCI		**(1,937)**	2,769
		11,309	4,944
Items that are or may be reclassified subsequently to profit or loss:			
Net fair value changes of cash flow hedges reclassified to income statement		**(9,209)**	(55,808)
Effective portion of changes in fair value of cash flow hedges		**(58,259)**	52,068
Share of net fair value changes on cash flow hedges of joint ventures		**3,858**	(3,343)
Foreign currency translation differences		**26,976**	(8,505)
Share of foreign currency translation differences of associates and joint ventures		**10,744**	(7,960)
Reserves released on disposal of subsidiaries		**2,007**	549
		(23,883)	(22,999)
Other comprehensive loss for the year, net of tax		**(12,574)**	(18,055)
Total comprehensive income for the year, net of tax		**716,631**	586,371
Total comprehensive income attributable to:			
Shareholders of the Company		**713,020**	553,846
Non-controlling interests	F3	**3,611**	32,525
		716,631	586,371

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

Group	Note	2024 $'000	2023 $'000
ASSETS			
Non-current assets			
Property, plant and equipment	C1	**2,114,590**	2,076,209
Right-of-use assets	C2	**605,254**	651,109
Associates and joint ventures	F4	**621,455**	567,404
Investments	E3	**63,006**	63,075
Intangible assets	C3	**4,989,775**	4,958,158
Long-term trade receivables	C6	**36,510**	11,314
Deferred tax assets	B6	**264,484**	214,178
Amounts due from related parties	C4	**49,015**	36,219
Advances and other receivables	C7	**144,126**	134,542
Derivative financial instruments	C16	**9,433**	36,895
		8,897,648	8,749,103
Current assets			
Inventories	C5	**2,061,236**	1,897,274
Contract assets	C13	**2,567,423**	2,240,100
Trade receivables	C6	**1,461,259**	1,581,261
Amounts due from related parties	C4	**77,860**	59,964
Advances and other receivables	C7	**714,672**	469,073
Derivative financial instruments	C16	**10,559**	28,789
Bank balances and other liquid funds	C8	**430,642**	353,337
		7,323,651	6,629,798
Total assets		**16,221,299**	15,378,901
EQUITY AND LIABILITIES			
Current liabilities			
Contract liabilities	C13	**1,193,627**	978,051
Deposits from customers		**21,348**	31,229
Trade payables and accruals	C9	**3,485,697**	3,155,075
Amounts due to related parties	C10	**51,619**	50,168
Provisions	C11	**339,066**	337,663
Provision for taxation		**148,777**	165,959
Borrowings	E4	**2,945,104**	2,563,661
Deferred income	C12	**9,363**	11,755
Post-employment benefits	D3	**3,112**	10,075
Derivative financial instruments	C16	**40,884**	18,722
		8,238,597	7,322,358
Net current liabilities		**(914,946)**	(692,560)

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

Group	Note	2024 $'000	2023 $'000
Non-current liabilities			
Contract liabilities	C13	**1,599,390**	1,274,916
Trade payables and accruals	C9	**100,484**	59,109
Provisions	C11	**39,921**	39,095
Deferred tax liabilities	B6	**185,506**	156,422
Borrowings	E4	**2,876,432**	3,544,431
Deferred income	C12	**18,424**	15,851
Post-employment benefits	D3	**190,893**	209,840
Derivative financial instruments	C16	**20,805**	4,543
		5,031,855	5,304,207
Total liabilities		**13,270,452**	12,626,565
Net assets		**2,950,847**	2,752,336
Share capital and reserves			
Share capital	E6	**895,926**	895,926
Treasury shares	E7	**(32,806)**	(29,644)
Capital reserves	E8	**88,733**	93,464
Other reserves	E9	**(60,851)**	(63,346)
Retained earnings		**1,779,371**	1,562,940
Equity attributable to owners of the Company		**2,670,373**	2,459,340
Non-controlling interests	F3	**280,474**	292,996
		2,950,847	2,752,336
Total equity and liabilities		**16,221,299**	15,378,901

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024
(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 CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

Group	Share capital $'000	Treasury shares $'000
At 1 January 2023	895,926	(36,377)
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		
Capital contribution by non-controlling interests	–	–
Cost of share-based payment	–	–
Purchase of treasury shares	–	(20,821)
Treasury shares reissued pursuant to share plans	–	27,554
Dividends paid	–	–
Total contributions by and distributions to owners of the Company	–	6,733
Changes in ownership interests in subsidiaries		
Disposal of subsidiary	–	–
Total transactions with owners of the Company	–	6,733
Transfer from retained earnings to statutory reserve	–	–
Balance at 31 December 2023	895,926	(29,644)

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
100,068	(34,437)	1,472,816	2,397,996	254,858	2,652,854
–	–	586,467	586,467	17,959	604,426
–	–	3,199	3,199	(1,024)	2,175
–	2,769	–	2,769	–	2,769
–	(51,696)	–	(51,696)	(4,112)	(55,808)
–	36,401	–	36,401	15,667	52,068
–	(3,343)	–	(3,343)	–	(3,343)
–	(12,540)	–	(12,540)	4,035	(8,505)
–	(7,960)	–	(7,960)	–	(7,960)
–	549	–	549	–	549
–	(35,820)	3,199	(32,621)	14,566	(18,055)
–	(35,820)	589,666	553,846	32,525	586,371
–	(265)	–	(265)	14	(251)
–	–	–	–	5,184	5,184
–	27,193	–	27,193	73	27,266
–	–	–	(20,821)	–	(20,821)
(6,604)	(20,879)	–	71	(71)	–
–	–	(498,680)	(498,680)	–	(498,680)
(6,604)	6,314	(498,680)	(492,237)	5,186	(487,051)
–	–	–	–	244	244
(6,604)	6,314	(498,680)	(492,237)	5,430	(486,807)
–	862	(862)	–	169	169
93,464	(63,346)	1,562,940	2,459,340	292,996	2,752,336

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024
(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	2024 $'000	2023 $'000
Cash flows from operating activities		
Profit before taxation	**862,685**	704,211
Adjustments:		
Share of results of associates and joint ventures, net of tax	**(70,986)**	(58,093)
Share-based payment expense	**31,475**	27,266
Depreciation charge	**355,919**	340,861
Property, plant and equipment written off	**2,645**	2,118
Intangible assets written off	**4,603**	–
Amortisation of other intangible assets	**181,915**	200,575
Amortisation of deferred income	**(4)**	(4)
(Write-back)/ impairment losses of property, plant and equipment	**(24)**	2,457
Impairment of goodwill and other intangible assets	**–**	10,162
Impairment losses on loan to an associate	**1,635**	–
Gain on disposal of property, plant and equipment	**(11,490)**	(14,867)
Loss/(gain) on disposal of subsidiaries	**59**	(16,454)
Loss on disposal of investment	**–**	24,132
Gain on ineffective portion/discontinuation of cash flow hedges	**(2,910)**	(27,941)
Changes in fair value of associates	**1,869**	5,398
Changes in fair value of investments	**10,538**	657
Changes in fair value of financial instruments and hedged items	**27,166**	1,603
Interest expense	**224,459**	235,829
Interest income	**(17,409)**	(13,345)
Unrealised currency translation (gains)/losses	**(14,068)**	2,063
Operating profit before working capital changes	**1,588,077**	1,426,628
Changes in:		
Inventories	**(109,279)**	(206,060)
Contract assets	**(293,965)**	(148,519)
Trade receivables	**109,354**	(437,738)
Amounts due from related parties	**(7,417)**	(3,464)
Advances and other receivables	**(247,404)**	(115,756)
Contract liabilities	**520,991**	438,702
Deposits from customers	**(10,371)**	(4,978)
Trade payables and accruals	**313,014**	338,900
Amounts due to related parties	**707**	913
Provisions	**(2,053)**	40,780
Deferred income	**185**	(3,567)
Cash generated from operations	**1,861,839**	1,325,841
Interest received	**15,939**	11,569
Income tax paid	**(159,721)**	(158,853)
Net cash from operating activities	**1,718,057**	1,178,557

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

Group	Note	2024 $'000	2023 $'000
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		**190,872**	261,723
Proceeds from disposal of intangible assets		**–**	120,941
Proceeds from disposal of investments		**–**	2,033
Purchase of property, plant and equipment		**(480,494)**	(540,272)
Purchase of investments		**(10,778)**	(11,002)
Additions to other intangible assets		**(64,519)**	(75,644)
Dividends from associates and joint ventures		**48,213**	56,054
Investments in associates and joint ventures		**(18,677)**	(116,141)
Repayment of loans by associate		**–**	85,726
Loans to associates and joint ventures		**(24,166)**	(988)
Acquisition of controlling interests in subsidiary, net of cash acquired		**(54,782)**	–
Disposal of subsidiaries, net of cash disposed		**–**	16,813
Net cash used in investing activities		**(414,331)**	(200,757)
Cash flows from financing activities			
Proceeds from bank loans		**568,222**	621,354
Proceeds from medium-term note issuance		**–**	676,800
Proceeds from issuance of commercial papers		**1,821,720**	1,901,135
Proceeds from settlement of derivatives		**2,910**	9,734
Proceeds from finance lease receivables		**220**	221
Repayment of bank loans		**(843,689)**	(865,375)
Repayment of commercial papers		**(1,934,270)**	(2,641,075)
Repayment of lease liabilities		**(78,694)**	(132,796)
Purchase of treasury shares		**(33,325)**	(20,821)
Acquisition of non-controlling interests in a subsidiary		**(2,008)**	–
Capital contribution from non-controlling interests of a subsidiary		**–**	5,184
Dividends paid to shareholders of the Company		**(498,883)**	(498,680)
Dividends paid to non-controlling interests		**(11,840)**	–
Interest paid		**(211,385)**	(281,756)
Restricted cash		**(795)**	1
Net cash used in financing activities		**(1,221,817)**	(1,226,074)
Net change in cash and cash equivalents		**81,909**	(248,274)
Cash and cash equivalents at beginning of the year		**353,316**	601,749
Effect of exchange rate changes on balances held in foreign currency		**(5,399)**	(159)
Cash and cash equivalents at end of the year	C8	**429,826**	353,316

The accompanying notes are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024
(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 2024 and for the year then ended were authorised and approved by the Board of Directors for issuance on 26 February 2025.

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 2024
(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 $11.3 billion, up 12%
- Earnings before interest and tax of $1,076.5 million, up 18%
- Profit before taxation of $862.7 million, up 23%
- Profit attributable to shareholders of $702.3 million, up 20%
- Earnings per share of 22.53 cents per share, up 20%

B1	Segment information	**B4**	Non-operating (expense)/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.

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)	–
	4,440,272	4,970,980	2,009,167	(144,760)	11,275,659
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					862,685
Taxation					(133,480)
Non-controlling interests					(26,949)
Profit attributable to shareholders					702,256
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	5,334,514	6,783,399	6,031,260	(2,623,000)	15,526,173
Deferred tax assets					264,484
Bank balances and other liquid funds					430,642
Total Assets					16,221,299
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					13,270,452
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)

2023	Commercial Aerospace $'000	Defence & Public Security $'000	Urban Solutions & Satcom $'000	Elimination $'000	Group $'000
Revenue					
External sales	3,905,269	4,251,967	1,943,785	–	10,101,021
Inter-segment sales	60,791	36,731	36,795	(134,317)	–
	3,966,060	4,288,698	1,980,580	(134,317)	10,101,021
Reportable segment profit from operations	282,665	542,872	14,573	–	840,110
Non-operating income, net	(309)	16,254	509	–	16,454
Share of results of associates and joint ventures, net of tax	54,880	8,291	(5,078)	–	58,093
Earnings before interest and tax	337,236	567,417	10,004	–	914,657
Finance income					41,286
Finance costs					(251,732)
Profit before taxation					704,211
Taxation					(99,785)
Non-controlling interests					(17,959)
Profit attributable to shareholders					586,467
Other assets	4,737,972	5,768,074	5,858,657	(2,120,721)	14,243,982
Associates and joint ventures	444,807	100,926	21,671	–	567,404
Segment assets	5,182,779	5,869,000	5,880,328	(2,120,721)	14,811,386
Deferred tax assets					214,178
Bank balances and other liquid funds					353,337
Total Assets					15,378,901
Segment liabilities	1,790,448	5,109,060	957,008	(1,660,424)	6,196,092
Provision for taxation					165,959
Deferred tax liabilities					156,422
Borrowings					6,108,092
Total Liabilities					12,626,565
Capital expenditure	310,273	363,615	118,838	(27,642)	765,084
Depreciation and amortisation	195,109	136,624	210,865	(1,162)	541,436
Allowance for inventory obsolescence, net	24,089	(1,262)	5,307	–	28,134
Impairment losses	–	3,283	9,336	–	12,619

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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 derivative financial instruments and deferred tax assets, are based on the location of those assets.

	Revenue		Non-current assets	
	2024 $'000	**2023 $'000**	**2024 $'000**	**2023 $'000**
Asia	**6,771,555**	5,760,303	**2,574,923**	2,446,852
U.S.	**3,200,408**	3,086,297	**4,713,784**	4,601,877
Europe	**1,239,089**	1,185,465	**1,242,354**	1,358,609
Others	**64,607**	68,956	**92,670**	90,692
	11,275,659	10,101,021	**8,623,731**	8,498,030

For the year ended 31 December 2024:

- Within Europe, revenue of approximately $927,494,000 (2023: $826,651,000) 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 2024:

- Within Europe, non-current assets of approximately $570,696,000 (2023: $623,331,000), $370,868,000 (2023: $375,435,000) and $227,840,000 (2023: $315,111,000) 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	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Major products/services lines				
Sale of goods	**1,561,049**	1,496,247	**1,453,696**	1,249,796
Service income	**476,230**	300,876	**2,010,012**	1,698,504
Contract revenue	**2,402,993**	2,168,937	**1,507,272**	1,340,398
	4,440,272	3,966,060	**4,970,980**	4,288,698
Timing of revenue recognition				
Transferred at a point in time	**2,108,391**	2,160,437	**2,069,574**	1,814,097
Transferred over time	**2,331,881**	1,805,623	**2,901,406**	2,474,601
	4,440,272	3,966,060	**4,970,980**	4,288,698

	Urban Solutions & Satcom		Elimination		Group	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
	436,411	491,938	**(29,063)**	(19,932)	**3,422,093**	3,218,049
	738,968	680,662	**(46,470)**	(41,992)	**3,178,740**	2,638,050
	833,788	807,980	**(69,227)**	(72,393)	**4,674,826**	4,244,922
	2,009,167	1,980,580	**(144,760)**	(134,317)	**11,275,659**	10,101,021
	703,892	741,958	**(84,271)**	(79,993)	**4,797,586**	4,636,499
	1,305,275	1,238,622	**(60,489)**	(54,324)	**6,478,073**	5,464,522
	2,009,167	1,980,580	**(144,760)**	(134,317)	**11,275,659**	10,101,021

Group	2024 $'000	2023 $'000
Primary geographical markets		
Asia	**5,794,836**	4,924,215
U.S.	**2,599,341**	2,448,772
Europe	**2,130,103**	2,015,610
Others	**751,379**	712,424
	11,275,659	10,101,021

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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 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.

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B2 Revenue (continued)

(c) Revenue from contracts (continued)

(i) Contracts with enforceable right to payment (continued)

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.

(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 specialised 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	2024 $'000	2023 $'000
After charging/(crediting)		
Auditors' remuneration		
– auditors of the Company	**3,134**	2,751
– other auditors#	**2,261**	2,371
Non-audit fees		
– auditors of the Company	**83**	302
– other auditors#	**43**	432
Fees paid to a firm of which a director is a member	**295**	882
Research, design and development expenses*	**189,766**	187,894
Allowance for inventory obsolescence	**42,131**	28,134
Short-term lease expense	**18,587**	16,325
Low-value assets lease expense	**7,484**	2,136
Property, plant and equipment written off	**2,645**	2,118
Intangible assets written off	**4,603**	–
Loss on disposal of investment	**–**	24,132
Fair value changes of associates	**1,869**	5,398

Includes the network of member firms of PricewaterhouseCoopers International Limited (PwCIL)
* Amount before deducting government grants of $13,900,000 (2023: $18,917,000)

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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 Non-operating (expense)/income, net

Group	2024 $'000	2023 $'000
Gain on disposal of subsidiaries	**26**	17,187
Loss on disposal of subsidiaries	**(85)**	(733)
	(59)	16,454

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.

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	2024 '000	2023 '000
Number of shares		
Issued ordinary shares at beginning of the year	**3,114,549**	3,112,882
Effect of performance shares and restricted shares released	**6,096**	5,603
Effect of treasury shares held	**(3,853)**	(2,999)
Weighted average number of ordinary shares issued during the year	**3,116,792**	3,115,486

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B5 Earnings per share (continued)

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 (2023: 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	2024 '000	2023 '000
Number of shares		
Weighted average number of ordinary shares (used in the calculation of basic earnings per share)	**3,116,792**	3,115,486
Adjustment for dilutive potential ordinary shares	**25,122**	22,599
Weighted average number of ordinary shares (diluted) during the year	**3,141,914**	3,138,085

B6 Taxation

(i) Tax expenses

Group	2024 $'000	2023 $'000
Current income tax		
Current year	**174,406**	200,475
Overprovision in respect of prior years	**(5,100)**	(7,274)
	169,306	193,201
Deferred income tax		
Current year	**(25,217)**	(87,238)
Overprovision in respect of prior years	**(10,167)**	(5,415)
Effect of change in tax rates	**(442)**	(763)
	(35,826)	(93,416)
	133,480	99,785

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B6 Taxation (continued)

(i) Tax expenses (continued)

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	2024 $'000	2023 $'000
Profit before taxation	**862,685**	704,211
Taxation at Singapore statutory tax rate of 17% (2023: 17%)	**146,656**	119,716
Adjustments:		
Income not subject to tax	**(11,518)**	(11,528)
Expenses not deductible for tax purposes	**23,052**	24,042
Different tax rates of other countries	**3,134**	(5,513)
Overprovision in respect of prior years	**(15,267)**	(12,689)
Effect of change in tax rates	**(442)**	(763)
Effect of results of associates and joint ventures presented net of tax	**(12,069)**	(9,871)
Tax incentives	**(5,343)**	(3,987)
Deferred tax assets not recognised	**7,011**	2,592
Deferred tax assets previously not recognised now utilised/recognised	**(2,311)**	(3,113)
Others	**577**	899
	133,480	99,785

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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	
	2024 $'000	**2023 $'000**	**2024 $'000**	**2023 $'000**
Property, plant and equipment	**(2,014)**	(2,416)	**231,508**	200,611
Intangible assets	**(4,591)**	(4,392)	**201,305**	167,198
Allowance for doubtful debts	**(3,281)**	(2,775)	**–**	–
Allowance for inventory obsolescence	**(55,455)**	(40,327)	**415**	–
Provisions and accruals	**(204,214)**	(191,358)	**8,066**	8,048
Lease liabilities	**(131,900)**	(104,188)	**–**	6,253
Unabsorbed capital allowances and unutilised tax losses	**(107,361)**	(125,045)	**9,459**	10,720
Fair value of derivative financial instruments designated as cash flow hedges	**(12,503)**	(4,336)	**1,031**	10,777
Fair value of defined benefit plans	**(6,644)**	(7,236)	**14,800**	10,672
ROU assets	**–**	–	**127,774**	103,014
Unutilised tax benefits	**(162,938)**	(99,897)	**–**	–
Other items	**(5,091)**	(15,031)	**22,656**	21,952
Deferred tax (assets)/liabilities	**(695,992)**	(597,001)	**617,014**	539,245
Set off of tax	**431,508**	382,823	**(431,508)**	(382,823)
Net deferred tax (assets)/liabilities	**(264,484)**	(214,178)	**185,506**	156,422

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	2024 $'000	2023 $'000
Tax losses	**389,933**	375,232
Deductible temporary differences	**11,971**	5,618
	401,904	380,850

The Group has the above unrecognised deferred tax assets which have no expiry date except for the amount of $92,093,000 (2023: $88,733,000) which will expire from 2025 to 2044 (2023: 2024 to 2042). 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 2024, a deferred tax liability of $209,610,000 (2023: $177,299,000) for temporary difference of $927,090,000 (2023: $766,004,000) 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 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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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 2022 $'000	Recognised in profit or loss $'000	Recognised in other comprehensive income $'000	Acquisition/ deconsolidation of subsidiaries $'000	Utilisation of tax losses $'000
Property, plant and equipment	144,569	20,475	–	130	(50)
Intangible assets	141,072	18,439	–	–	–
Allowance for doubtful debts	(1,640)	(558)	–	–	–
Allowance for inventory obsolescence	(36,193)	(7,519)	–	–	–
Provisions and accruals	(138,199)	(40,179)	–	56,433	4,050
Lease liabilities	593	(1,084)	–	19	–
Unabsorbed capital allowances and unutilised tax losses	(98,243)	(100,193)	–	(56,272)	65,201
Fair value of derivative financial instruments designated as cash flow hedges	(8,453)	(2)	(1,054)	–	–
Fair value of defined benefit plans	(58,779)	4,727	37,642	–	–
ROU assets	–	–	–	–	–
Unutilised tax benefits	(1,272)	(976)	–	–	7
Other items	23,658	(3,104)	–	–	(2)
	(32,887)	(109,974)	36,588	310	69,206

Reclassification $'000	Exchange difference $'000	As at 31 December 2022 $'000	Recognised in profit or loss $'000	Recognised in other comprehensive income $'000	Utilisation of tax losses $'000	Reclassification $'000	Exchange difference $'000	As at 31 December 2023 $'000
(3,361)	(838)	160,925	39,405	–	10	–	(2,145)	198,195
–	(836)	158,675	11,189	–	(5,670)	–	(1,388)	162,806
1	15	(2,182)	(632)	–	–	–	39	(2,775)
–	294	(43,418)	2,568	–	–	–	523	(40,327)
653	602	(116,640)	(67,978)	–	(427)	–	1,735	(183,310)
(84,386)	37	(84,821)	(13,060)	–	(23)	–	(31)	(97,935)
(258)	4,609	(185,156)	16,599	–	52,502	–	1,730	(114,325)
–	324	(9,185)	3	15,700	23	–	(100)	6,441
17,153	1,799	2,542	(3,360)	3,046	–	1,457	(249)	3,436
85,090	–	85,090	17,936	–	2	–	(14)	103,014
(19)	25	(2,235)	(98,841)	–	(496)	–	1,675	(99,897)
(14,873)	(30)	5,649	2,755	–	(219)	(1,457)	193	6,921
–	6,001	(30,756)	(93,416)	18,746	45,702	–	1,968	(57,756)

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B6 Taxation (continued)

(ii) Deferred tax assets and liabilities (continued)

(e) OECD Pillar Two model rules

The Base Erosion and Profit Shifting ("BEPS") Pillar Two model rules are applicable to the Group as the Group's consolidated revenue is in excess of EUR 750 million. Singapore, where the Company is incorporated, will implement the Domestic Top-up Tax and Income Inclusion Rule under Pillar Two model rules for in-scope businesses from financial year beginning on or after 1 January 2025.

Under the Pillar Two model rules, the Pillar Two Effective Tax Rate ("ETR") is assessed on a jurisdictional basis and top-up tax is payable if the jurisdictional ETR is below 15%. Transitional Country-by-Country Safe Harbour rules ("TCSH") have also been developed to provide temporary relief from compliance obligations during the initial implementation period. Under the TCSH, the top-up tax for such jurisdiction is deemed to be zero if certain tests can be met for the selected jurisdiction.

Certain jurisdictions where the Group operates have implemented the Pillar Two legislation with effect from 1 January 2024. As of 31 December 2024, the Group has assessed that these jurisdictions have either met the tests under TCSH or did not have significant subsidiaries where the jurisdictional ETR is less than 15%. Accordingly, no top-up tax has been recognised for the financial year ended 31 December 2024.

The Pillar Two legislation has also been enacted or substantively enacted in certain jurisdictions where the Group operates, but not in effect as at 31 December 2024. For these jurisdictions, the Group has assessed that they have either met the tests under TCSH or did not have significant subsidiaries where the jurisdictional ETR is less than 15%, and therefore, no significant Pillar Two top-up taxes is expected.

Based on the current assessment, there is no material impact from exposure to Pillar Two legislation on the going concern of the Group and the Company, or on any asset impairment.

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B6 Taxation (continued)

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.

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.

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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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

Group	Freehold land*, buildings and improvements $'000	Wharves, floating docks and boats $'000
Cost		
At 1 January 2024	1,483,219	118,318
Additions	48,276	91
Disposals/write-off	(13,851)	–
Acquisition of subsidiary	6,682	–
Reclassifications	52,112	1,458
Translation difference	2,781	–
At 31 December 2024	1,579,219	119,867
Accumulated depreciation and impairment		
At 1 January 2024	887,548	103,483
Depreciation charge/impairment losses	62,845	1,680
Disposals/write-off	(12,572)	–
Reclassifications	565	–
Translation difference	3,583	–
At 31 December 2024	941,969	105,163
Net book value		
At 31 December 2024	637,250	14,704

* Freehold land is recognised at cost of $5,465,000 and is non-depreciable.

** Others comprise transportation equipment, vehicles and satellites.

During the 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.

Plant and machinery $'000	Production tools and equipment $'000	Furniture, fittings, office equipment and others** $'000	Aircraft and aircraft engines $'000	Construction-in-progress $'000	Total $'000
1,219,193	560,271	552,311	612,626	205,819	4,751,757
51,678	54,518	57,660	111,360	151,769	475,352
(40,213)	(20,012)	(31,473)	(185,346)	(17)	(290,912)
123	13	903	–	225	7,946
54,433	5,320	6,213	6,298	(149,396)	(23,562)
6,289	6,230	4,332	14,221	1,776	35,629
1,291,503	606,340	589,946	559,159	210,176	4,956,210
716,769	405,987	390,827	170,934	–	2,675,548
69,940	41,953	58,190	25,889	–	260,497
(34,433)	(19,392)	(29,165)	(13,323)	–	(108,885)
(2,134)	(794)	(232)	(2,700)	–	(5,295)
5,564	5,549	2,978	2,081	–	19,755
755,706	433,303	422,598	182,881	–	2,841,620
535,797	173,037	167,348	376,278	210,176	2,114,590

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31 DECEMBER 2024
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C1 Property, plant and equipment (continued)

Group	Freehold land*, buildings and improvements $'000	Wharves, floating docks and boats $'000
Cost		
At 1 January 2023	1,386,049	104,459
Additions	43,063	26,395
Disposals/write-off	(5,614)	(16,150)
Disposal of subsidiaries	(69)	–
Reclassifications	63,100	3,614
Translation difference	(3,310)	–
At 31 December 2023	1,483,219	118,318
Accumulated depreciation and impairment		
At 1 January 2023	838,624	102,217
Depreciation charge/impairment losses	55,954	1,266
Disposals/write-off	(5,454)	–
Reclassifications	1,048	–
Translation difference	(2,624)	–
At 31 December 2023	887,548	103,483
Net book value		
At 31 December 2023	595,671	14,835

* Freehold land is recognised at cost of $5,544,000 and is non-depreciable.
** Others comprise transportation equipment, vehicles and satellites.

In the prior year, the Group performed an impairment assessment and recognised an impairment loss of $2,457,000 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 $18,267,000 (2023: $23,944,000) were reclassified to inventories; and

(b) Lease receivable of $nil (2023: $122,000) were reclassified to property, plant and equipment.

Plant and machinery $'000	Production tools and equipment $'000	Furniture, fittings, office equipment and others** $'000	Aircraft and aircraft engines $'000	Construction-in-progress $'000	Total $'000
1,089,831	525,131	519,696	887,029	82,527	4,594,722
137,927	51,000	59,257	16,586	207,560	541,788
(11,266)	(14,391)	(28,149)	(253,015)	(133)	(328,718)
(5)	–	(31)	–	–	(105)
6,767	2,306	4,412	(24,599)	(83,436)	(27,836)
(4,061)	(3,775)	(2,874)	(13,375)	(699)	(28,094)
1,219,193	560,271	552,311	612,626	205,819	4,751,757
665,991	388,954	366,230	156,358	–	2,518,374
65,148	33,535	52,754	44,823	–	253,480
(9,616)	(14,139)	(27,436)	(23,206)	–	(79,851)
(985)	(56)	1,458	(5,479)	–	(4,014)
(3,769)	(2,307)	(2,179)	(1,562)	–	(12,441)
716,769	405,987	390,827	170,934	–	2,675,548
502,424	154,284	161,484	441,692	205,819	2,076,209

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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 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

Group	Furniture, fittings, office equipment and others* $'000	Aircraft and aircraft engines $'000	Total $'000
Cost			
At 1 January 2023	1,566	733,541	735,107
Additions	177	–	177
Disposals/write-off	(241)	(249,881)	(250,122)
Reclassifications	(38)	(18,631)	(18,669)
Translation difference	(30)	(12,946)	(12,976)
At 31 December 2023	1,434	452,083	453,517
Accumulated depreciation			
At 1 January 2023	1,036	53,587	54,623
Depreciation charge	134	38,809	38,943
Disposals/write-off	(241)	(21,627)	(21,868)
Reclassifications	(18)	(1,602)	(1,620)
Translation difference	(22)	(1,340)	(1,362)
At 31 December 2023	889	67,827	68,716
Net book value			
At 31 December 2023	545	384,256	384,801

* Others comprise transportation equipment, vehicles and satellites.

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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 $17,140,000 (2023: $42,688,000) are pledged as security for bank loans.

(b) Major properties

Major land and buildings and improvements to premises are:

Location	Description	Tenure	Land area (sq. m.)	Net book value 2024 $'000	Net book value 2023 $'000
Singapore					
1 Ang Mo Kio Electronics Park Road	Industrial and commercial buildings	30 years from 1.11.2011	25,272	**33,184**	33,120
3 Ang Mo Kio Electronics Park Road	Industrial and commercial buildings	30 years from 1.12.2015	36,225	**115,330**	89,919
100 Jurong East Street 21	Industrial and commercial buildings	30 years from 1.11.2018	11,232	**39,881**	43,487
249 Jalan Boon Lay	Industrial and commercial buildings	27 years from 1.10.2001 to 31.12.2028 renewable to 10.10.2065	208,261	**80,119**	77,277
People's Republic of China					
No 2, Huayu Road, Huli District, Xiamen 361017, Fujian	Factory building	50 years from 20.11.2008	38,618	**34,517**	35,069
Germany					
Grenzstr. 1, Dresden	Hangar and office building	Freehold	91,485	**73,783**	75,623

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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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 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**
At 1 January 2023	554,049	1,737	14,860	187	10,959	581,792
Additions	117,004	–	565	617	11,092	129,278
Modifications of lease	82,727	–	18	(6)	(67)	82,672
Lease termination	(50,192)	–	(33)	–	(845)	(51,070)
Depreciation charge	(78,191)	(596)	(3,641)	(311)	(7,099)	(89,838)
Translation difference	(1,669)	–	(6)	1	(51)	(1,725)
At 31 December 2023	623,728	1,141	11,763	488	13,989	651,109

* Others comprise transportation equipment, vehicles, and satellites.

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C3 Intangible assets

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

Commercial and intellectual property rights $'000	Brands $'000	Licenses $'000	Technology agreement $'000	Others $'000	Total $'000
746,835	78,452	48,495	33,304	83,308	5,915,473
6,570	–	18	–	–	65,565
7,096	–	–	–	–	35,905
–	–	–	–	(150)	(4,753)
–	–	–	–	(9,173)	(9,173)
20,211	2,266	12	1,020	3,279	144,351
780,712	80,718	48,525	34,324	77,264	6,147,368
260,760	20,678	40,711	27,403	38,731	957,315
55,124	1,172	514	2,565	3	181,915
–	–	–	–	(150)	(150)
–	–	–	–	611	611
3,064	534	(26)	881	733	17,902
318,948	22,384	41,199	30,849	39,928	1,157,593
461,764	58,334	7,326	3,475	37,336	4,989,775

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C3 Intangible assets (continued)

Group	Goodwill $'000	Dealer network and customer relationships $'000	Development expenditure $'000
Cost			
At 1 January 2023	3,147,149	1,040,137	732,194
Additions	–	–	75,431
Disposal of subsidiaries	(307)	–	–
Disposals	–	–	–
Reclassification	–	–	–
Translation difference	(55,362)	(13,278)	(885)
At 31 December 2023	3,091,480	1,026,859	806,740
Accumulated amortisation and impairment losses			
At 1 January 2023	55,795	115,840	250,963
Amortisation for the year*	–	69,531	73,348
Impairment losses+	–	–	10,162
Disposal of subsidiaries	(307)	–	–
Disposals	–	–	–
Reclassification	–	–	–
Translation difference	(240)	(1,978)	(4,082)
At 31 December 2023	55,248	183,393	330,391
Net book value			
At 31 December 2023	3,036,232	843,466	476,349

* Amortisation charge of $181,915,000 (2023: $200,575,000) is recognised in the income statement as part of:
- Other operating expenses of $42,922,000 (2023: $41,776,000); and
- Cost of sales of $138,993,000 (2023: $158,799,000)

\+ During the year, the Group assessed that certain development expenditure were impaired as these intangible assets were not expected to be generating future economic benefits and impairment losses of $nil (2023: $9,336,000) and $nil (2023: $826,000) were recognised respectively in other operating expenses and cost of sales in the income statement.

Commercial and intellectual property rights $'000	Brands $'000	Licenses $'000	Technology agreement $'000	Others $'000	Total $'000
759,721	79,815	49,267	33,917	211,758	6,053,958
55	–	158	–	–	75,644
–	–	–	–	–	(307)
–	–	–	–	(120,941)	(120,941)
–	–	(1,191)	–	(3,250)	(4,441)
(12,941)	(1,363)	261	(613)	(4,259)	(88,440)
746,835	78,452	48,495	33,304	83,308	5,915,473
210,461	19,813	41,672	25,331	42,738	762,613
53,424	1,175	513	2,573	11	200,575
–	–	–	–	–	10,162
–	–	–	–	–	(307)
–	–	–	–	(4,084)	(4,084)
–	–	(1,477)	–	540	(937)
(3,125)	(310)	3	(501)	(474)	(10,707)
260,760	20,678	40,711	27,403	38,731	957,315
486,075	57,774	7,784	5,901	44,577	4,958,158

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C3 Intangible assets (continued)

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. Intangible assets arising from business combinations are recognised at fair value at the date of acquisition. **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.	1 to 25 years
Commercial and intellectual property rights	Relates to intellectual property		5 to 15 years
Brands	Includes brands of road construction equipment		20 to 70 years
Licenses	Relates to licenses to – conduct commercial aviation activities – purchase and lease Boeing parts – develop MRO capabilities for specific aircraft types		10 to 38 years
Technology agreement	Relates to the intellectual property required to operate the EcoPower Engine Wash business		13 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: 1 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.

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C3 Intangible assets (continued)

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.

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	2024 $'000	2023 $'000	Pre-tax discount rate 2024 %	Pre-tax discount rate 2023 %	Terminal growth rate 2024 %	Terminal growth rate 2023 %
Commercial Aerospace						
Aerostructure & Systems	**59,863**	59,437	**9.6 – 11.1**	10.0	**1.6 – 3.0**	1.6 – 3.0
Aerospace MRO	**17,089**	16,640	**9.9**	11.1	**4.0**	4.0
Defence & Public Security						
Specialty Vehicles	**103,998**	100,493	**11.2 – 12.4**	13.3 – 16.0	**2.3**	2.3
Robotics & Autonomous Systems	**35,590**	34,533	**10.7**	11.0 – 12.0	**2.5**	2.3 – 2.5
Mission Software & Services	**12,320**	12,320	**9.0**	9.0	**2.0**	2.0
Training & Simulation Systems	**15,479**	15,018	**15.0**	15.1	**3.0**	3.0
Advanced Networks & Sensors	**36,836**	35,793	**11.7**	11.4	**3.0**	2.7
Cyber	**19,927**	–	**15.0**	–	**2.0**	–
Defence Aerospace	**701**	701	**NA**	NA	**NA**	NA
Urban Solutions & Satcom						
Smart Utilities & Infrastructure	**75,699**	73,273	**12.2**	10.6	**3.0**	3.0
Mobility (Rail & Road)	**2,333,262**	2,263,951	**7.0**	8.0	**4.0**	4.0
Satcom	**437,056**	424,073	**11.2**	11.1	**3.0**	3.0
	3,147,820	3,036,232				

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C3 Intangible assets (continued)

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.

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 2024 %	2023 %
Defence & Public Security	Revenue growth rate (average of next 5 years)	**0.3**	1.7

(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.

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C4 Amounts due from related parties

Group	2024 $'000	2023 $'000
Trade:		
Associates	**22,857**	3,528
Joint ventures	**25,519**	38,626
Related parties	**17,411**	10,075
	65,787	52,229
Non-trade*:		
Associates	**11,723**	7,737
Joint ventures	**52,515**	37,913
Related parties	**138**	21
	64,376	45,671
Allowance for doubtful debts	**(3,288)**	(1,717)
	126,875	96,183
Receivable:		
Within 1 year	**77,860**	59,964
After 1 year	**49,015**	36,219
	126,875	96,183

Amounts due from related parties denominated in currencies other than the respective entities' functional currencies as at 31 December are as follows:

- $1,581,000 (2023: $2,252,000) denominated in USD
- $5,632,000 (2023: $1,783,000) denominated in EUR

* Included in non-trade are:

(a) a long-term, unsecured, interest free loan of $4,456,000 (2023: $4,456,000) to an associate;

(b) a long-term, unsecured, 6% (2023: 6%) per annum interest-bearing loan of $6,688,000 (2023: $2,922,000) to an associate, repayable from 2029 to 2030; and

(c) loans of $50,237,000 (2023: $29,837,000) to joint ventures, bearing interest ranging from 3.00% to 6.38% (2023: 3.00% to 6.38%) per annum, which are the effective interest rates. The loans are unsecured and repayable from 2025 to 2029 (2023: 2025 to 2029).

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C5 Inventories

Group	2024 $'000	2023 $'000
Inventories of equipment and spares	**2,061,236**	1,897,274

In 2024, raw materials, consumables and changes in finished goods and work-in-progress recognised as cost of sales amounted to $5,422,427,000 (2023: $4,955,824,000).

Allowance for inventory obsolescence

As at 31 December 2024, the inventories are stated after allowance for inventory obsolescence of $343,154,000 (2023: $310,364,000).

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	2024 $'000	2023 $'000
Gross receivables	**1,524,849**	1,636,614
Allowance for doubtful debts	**(27,080)**	(44,039)
Trade receivables, net	**1,497,769**	1,592,575
Receivable:		
Within 1 year	**1,461,259**	1,581,261
After 1 year	**36,510**	11,314
	1,497,769	1,592,575

Trade receivables denominated in currencies other than the respective entities' functional currencies as at 31 December are as follows:

- $277,024,000 (2023: $313,735,000) denominated in USD
- $33,420,000 (2023: $100,199,000) denominated in EUR

C7 Advances and other receivables

Group	2024 $'000	2023 $'000
Deposits	**15,323**	15,709
Interest receivables	**5,607**	4,183
Finance lease receivables	**5,611**	10,666
Other receivables	**68,546**	108,282
Advance payments to suppliers	**549,270**	266,730
Prepayments	**210,928**	192,114
Housing and car loans and advances to staff	**3,513**	5,931
	858,798	603,615
Receivable:		
Within 1 year	**714,672**	469,073
After 1 year	**144,126**	134,542
	858,798	603,615

The Group entered into finance lease arrangements with customers with terms ranging from 5.4 years to 8.1 years (2023: 5.4 years to 8.1 years) and effective interest rates ranging from 0.97% to 3.99% (2023: 0.97% to 3.99%) per annum.

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C8 Bank balances and other liquid funds

Group	2024 $'000	2023 $'000
Fixed deposits with financial institutions	**5,262**	13,267
Cash and bank balances	**425,380**	340,070
Bank balances and other liquid funds	**430,642**	353,337
Restricted cash	**(816)**	(21)
Cash and cash equivalents in the statement of cash flows	**429,826**	353,316

Fixed deposits with financial institutions mature at varying periods within 5 months (2023: 7 months) from the financial year end. Interest rates range from 1.5% to 5.2% (2023: 1.0% to 6.9%) per annum, which are also the effective interest rates.

Included in cash and cash equivalents are bank deposits amounting to $61,767,000 (2023: $48,233,000) 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:

- $139,273,000 (2023: $42,900,000) denominated in USD
- $29,638,000 (2023: $9,801,000) denominated in EUR

C9 Trade payables and accruals

Group	2024 $'000	2023 $'000
Trade payables	**1,220,334**	1,136,206
Non-trade payables	**104,024**	112,012
Purchase of property, plant and equipment	**40,582**	45,724
Accrued operating expenses*	**2,204,368**	1,902,266
Accrued interest payable	**16,873**	17,976
	3,586,181	3,214,184
Payable:		
Within 1 year	**3,485,697**	3,155,075
After 1 year	**100,484**	59,109
	3,586,181	3,214,184

Trade payables denominated in currencies other than the respective entities' functional currencies as at 31 December are as follows:

- $191,053,000 (2023: $268,992,000) denominated in USD
- $51,413,000 (2023: $70,889,000) denominated in EUR

* Included in the accrued operating expenses is an amount of $454,251,000 (2023: $375,136,000) for the Group's obligations under its employee compensation schemes.

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C10 Amounts due to related parties

Group	2024 $'000	2023 $'000
Trade:		
Associates	**38,258**	36,228
Joint ventures	**1,119**	1,708
Related parties	**4,758**	4,069
	44,135	42,005
Non-trade:		
Associates	**449**	1,300
Joint ventures*	**7,018**	6,863
Related parties	**17**	–
	7,484	8,163
	51,619	50,168
Payable:		
Within 1 year	**51,619**	50,168

Amounts due to related parties denominated in currencies other than the respective entities' functional currencies as at 31 December are $4,818,000 (2023: $9,075,000) denominated in USD.

* Included in the amounts due to joint ventures (non-trade) is an amount of $3,999,000 (2023: $5,572,000) placed by joint ventures with a subsidiary of the Group under a cash pooling arrangement, where the effective interest rates ranging from 2.0% to 4.4% per annum (2023: 2.9% to 5.1%) are charged on the outstanding balance.

C11 Provisions

Movements in provisions are as follows:

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**

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C11 Provisions (continued)

Group	Warranties $'000	Onerous contracts $'000	Closure costs $'000	Restoration costs $'000	Total $'000
2023					
At 1 January 2023	190,847	98,028	963	47,308	337,146
Charged to profit or loss	65,939	29,327	–	811	96,077
Additions	–	–	–	279	279
Utilised	(29,484)	(23,602)	(27)	(56)	(53,169)
Reclassification	–	(821)	–	–	(821)
Translation difference	(1,479)	(1,199)	–	(76)	(2,754)
At 31 December 2023	225,823	101,733	936	48,266	376,758

Group	2024 $'000	2023 $'000
Provisions:		
Within 1 year	**339,066**	337,663
After 1 year	**39,921**	39,095
	378,987	376,758

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 2024 is expected to be incurred over the applicable warranty periods.

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C11 Provisions (continued)

Recognition and measurement (continued)

(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.

C12 Deferred income

Group	2024 $'000	2023 $'000
Government grants	**26,029**	23,576
Deferred rents	**1,758**	4,030
	27,787	27,606
Recognise:		
Within 1 year	**9,363**	11,755
After 1 year	**18,424**	15,851
	27,787	27,606

Government grants relate mainly to grants received to subsidise the cost of capital assets.

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C13 Contract balances

The following table provides information about contract assets and contract liabilities from contracts with customers.

Group	2024 $'000	2023 $'000	2022 $'000
Contract assets	**2,567,423**	2,240,100	2,099,676
Contract liabilities	**(2,793,017)**	(2,252,967)	(1,817,927)

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 $879,755,000 (2023: $769,031,000). Costs to fulfil of $1,699,786,000 (2023: $1,602,067,000) 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.

Revenue recognised in relation to contract liabilities

Group	2024 $'000	2023 $'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	**631,774**	816,520

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C13 Contract balances (continued)

Transaction price allocated to the remaining performance obligations

The aggregate amount of transaction price allocated to the remaining performance obligations as at 31 December 2024 is $28,535,966,000 and the Group expects 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.

As at 31 December 2023, the aggregate amount of transaction price allocated to the remaining performance obligations was $27,446,653,000 and the Group expected to recognise $7,886,342,000 as revenue relating to the unsatisfied (or partially unsatisfied) performance obligations in 2024 with the remaining $19,560,311,000 in 2025 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

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.

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C14 Financial risk management objectives and policies (continued)

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	2024 $'000	2023 $'000
Fixed rate instruments		
Financial assets	**72,254**	61,148
Financial liabilities	**(4,027,016)**	(3,764,106)
	(3,954,762)	(3,702,958)
Variable rate instruments		
Financial liabilities	**(1,798,519)**	(2,349,558)
	(1,798,519)	(2,349,558)

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 (2023: 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 $9.0 million (2023: $11.7 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 2024 and 2023, the Group's borrowings at variable rate were mainly denominated in USD.

Included in the variable rate borrowings is United States Commercial Papers (USCP) of $1.8 billion (2023: $1.9 billion) whose interest rate on each rollover correlates with Secured Overnight Financing Rate (SOFR). To hedge the variability of the cash flows of the USCP, the Group has entered into a 5-year interest rate swap of notional amount of $54.4 million as at 31 December 2024 (2023: $92.4 million) with key terms that match part of the outstanding USCP on which it pays a fixed rate and receives a variable rate.

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.

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C14 Financial risk management objectives and policies (continued)

Interest rate risk (continued)

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.

Gain on ineffective portion/discontinuation of cash flow hedge of $2,914,000 has been recognised in relation to the interest rate swaps in finance income or finance costs in profit or loss for 2024 (2023: $9,734,000).

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. Notwithstanding the Group's net current liabilities position of $915 million as at 31 December 2024, it has available financial resources to meet its obligations as and when they fall due. To ensure that the Group is not exposed to short-term liquidity risk, its outstanding USCP of $1.8 billion are backstopped by a committed revolving credit facility (RCF) of $2.0 billion. The RCF remained undrawn as at 31 December 2024 and was more than enough to refinance all the outstanding USCP, if needed, and to cover the Group's net current liabilities position. The Group has very strong credit ratings (Aaa by Moody's and AA+ by S&P) which provide it ready access to additional borrowings as necessary. The Group's medium-term notes, USCP and committed credit facilities do not have any financial covenants.

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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
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)**
2023				
Bank loans	(686,966)	(514,315)	(94,311)	(78,340)
Commercial papers	(1,901,135)	(1,901,135)	–	–
Medium-term notes	(3,198,901)	(73,817)	(2,695,763)	(429,321)
Lease liabilities	(767,260)	(92,046)	(244,248)	(430,966)
Trade and other payables	(3,264,352)	(3,205,243)	(58,052)	(1,057)
Derivative financial instruments:				
• Gross-settled forward currency contracts				
– payments	(2,206,641)	(1,606,569)	(600,072)	–
– receipts	2,240,348	1,619,003	621,345	–
• Net-settled interest rate swaps	(162)	1,760	(1,056)	(866)
Financial guarantees	(80,234)	–	(28,638)	(51,596)

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	2024 $'000	2023 $'000
Investments	**63,006**	63,075
Derivative financial instruments	**19,992**	65,684
Contract assets	**2,567,423**	2,240,100
Trade receivables	**1,497,769**	1,592,575
Amounts due from related parties	**126,875**	96,183
Advances and other receivables	**98,600**	144,771
Bank balances and other liquid funds	**430,642**	353,337
	4,804,307	4,555,725

(Reversal of impairment losses)/impairment losses on financial assets and contract assets recognised in profit or loss are as follows:

Group	2024 $'000	2023 $'000
Trade receivables	**(76)**	3,615
Contract balances arising from contracts with customers	**(6,789)**	(673)
	(6,865)	2,942

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C14 Financial risk management objectives and policies (continued)

Exposure to credit risk

As at 31 December 2024, 22% (2023: 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 2024 $'000	Carrying amount 2023 $'000
Commercial Aerospace	**943,987**	834,714
Defence & Public Security	**2,000,497**	1,910,020
Urban Solutions & Satcom	**1,066,491**	1,087,941
	4,010,975	3,832,675

A summary of the Group's exposures to credit risk for trade receivables and contract assets is as follows:

	2024		2023		2022	
	Not credit impaired $'000	Credit impaired $'000	Not credit impaired $'000	Credit impaired $'000	Not credit impaired $'000	Credit impaired $'000
Group						
Receivables measured at lifetime ECL:						
Trade receivables and contract assets	**4,010,975**	**45,497**	3,832,675	68,820	3,263,167	70,751
Loss allowance	**–**	**(45,497)**	–	(68,820)	–	(70,751)
Total	**4,010,975**	**–**	3,832,675	–	3,263,167	–

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 2024 and 2023:

	Not past due $'000	1 – 90 days $'000	91 – 180 days $'000	181 – 360 days $'000	> 360 days $'000	Total $'000
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)**
2023						
Commercial Aerospace						
Trade receivables and contract assets	790,908	61,663	6,920	2,707	5,850	868,048
Loss allowance	(23,113)	(3,212)	(1,016)	(1,159)	(4,834)	(33,334)
Defence & Public Security						
Trade receivables and contract assets	1,811,112	98,956	6,789	1,582	5,234	1,923,673
Loss allowance	(9,093)	(101)	(108)	(124)	(4,227)	(13,653)
Urban Solutions & Satcom						
Trade receivables and contract assets	1,014,715	56,240	11,593	5,936	21,290	1,109,774
Loss allowance	(4,000)	(1,250)	(733)	(2,042)	(13,808)	(21,833)

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C14 Financial risk management objectives and policies (continued)

Expected credit loss assessment (continued)

The movement in the allowance for impairment in respect of trade receivables and contract assets during the year were as follows:

Group	Lifetime ECL 2024 $'000	Lifetime ECL 2023 $'000
At 1 January	**68,820**	70,751
(Reversal of impairment loss)/impairment loss recognised	**(6,865)**	2,942
Amounts written off	**(16,149)**	(4,573)
Translation difference	**(309)**	(300)
At 31 December	**45,497**	68,820

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.

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31 DECEMBER 2024
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C14 Financial risk management objectives and policies (continued)

Expected credit loss assessment (continued)

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.

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.

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C14 Financial risk management objectives and policies (continued)

Expected credit loss assessment (continued)

Recognition and measurement (continued)

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

	Carrying amount		
Group	**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 $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'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)

Group	Carrying amount		
	Amortised cost $'000	FVTPL $'000	Fair value – hedging instruments $'000
2023			
Financial assets measured at fair value			
Investments	–	15,606	–
Associates	–	9,970	–
Derivative financial instruments	–	19,251	46,433
	–	44,827	46,433
Financial assets at amortised cost			
Trade receivables	1,592,575	–	–
Amounts due from related parties	96,183	–	–
Advances and other receivables	144,771	–	–
Bank balances and other liquid funds	353,337	–	–
	2,186,866	–	–
Financial liabilities measured at fair value			
Derivative financial instruments	–	(12,914)	(10,351)
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
47,469	–	63,075	–	–	63,075	63,075
–	–	9,970	–	–	9,970	9,970
–	–	65,684	–	65,684	–	65,684
47,469	–	138,729	–	65,684	73,045	138,729
–	–	1,592,575				
–	–	96,183				
–	–	144,771				
–	–	353,337				
–	–	2,186,866				
–	–	(23,265)	–	(23,265)	–	(23,265)
–	(3,214,184)	(3,214,184)				
–	(50,168)	(50,168)				
–	(6,108,092)	(6,108,092)				
–	(9,372,444)	(9,372,444)				

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C15 Classification and fair value of financial instruments (continued)

Movements in Level 1 financial instruments measured at fair value

The following table presents the reconciliation for all financial instruments measured at fair value based on quoted price (Level 1).

Group	2024 $'000	2023 $'000
Equity instruments (quoted), at FVTPL		
At 1 January	–	26,273
Total unrealised losses recognised in profit or loss, other income, net	–	(24,132)
Disposal during the year	–	(2,033)
Translation difference	–	(108)
At 31 December	–	–

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	2024 $'000	2023 $'000
Associates		
At 1 January	**9,970**	15,460
Total unrealised losses recognised in profit or loss, other income, net	**(1,869)**	(5,398)
Translation difference	**107**	(92)
At 31 December	**8,208**	9,970
Equity instruments (unquoted), at FVTPL		
At 1 January	**15,606**	16,445
Total unrealised losses recognised in profit or loss, other income, net	**(10,538)**	(657)
Translation difference	**296**	(182)
At 31 December	**5,364**	15,606
Equity instruments (unquoted), at FVOCI		
At 1 January	**47,469**	33,986
Addition during the year	**11,445**	11,002
Disposal during the year	**(668)**	–
Changes in fair value of investments	**(1,836)**	2,769
Translation difference	**1,232**	(288)
At 31 December	**57,642**	47,469
	71,214	73,045

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C15 Classification and fair value of financial instruments (continued)

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.

Financial assets	Classification	Subsequent measurement
Amortised cost	• 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	• 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.

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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
FVTPL*	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. * *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.*	Measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

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.

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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)

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.

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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

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.

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 2024 and 2023, 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 Short-term borrowings and other current payables	Carrying amounts approximate fair values due to the relatively short-term maturity of these instruments.
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.

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C16 Derivative financial instruments

Cash flow hedges

At 31 December 2024, 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
2024			
Foreign currency risk			
Nominal amount of forward exchange contracts (in thousands of SGD)	**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**	**–**
Nominal amount of embedded derivatives (in thousands of SGD)	**63,079**	**473,630**	**138,261**
– Average SGD:USD	**0.7476**	**0.7760**	**0.8184**
– Average SGD:EUR	**0.6788**	**0.6956**	**0.6997**
– Average SGD:GBP	**0.6277**	**0.6438**	**0.6606**
Interest rate risk			
Nominal amount of interest rate swaps	**43,588**	**300,000**	**–**
– Average fixed interest rate	**2.7883**	**2.1921**	**–**
2023			
Foreign currency risk			
Nominal amount of forward exchange contracts (in thousands of SGD)	615,356	520,045	–
– Average EUR:USD forward contract rate	1.1110	1.0987	–
– Average USD:SGD forward contract rate	1.3346	1.3379	–
– Average EUR:SGD forward contract rate	1.5216	1.4510	–
– Average CAD:SGD forward contract rate	1.0372	0.9705	–
Nominal amount of embedded derivatives (in thousands of SGD)	119,668	364,205	193,863
– Average EUR:SGD	1.6629	1.6772	–
– Average USD:SGD	1.3932	–	–
– Average SGD:USD	0.7426	0.7660	0.8141
– Average SGD:EUR	0.6846	0.6887	0.6997
– Average SGD:GBP	0.6216	0.6404	0.6581
Interest rate risk			
Nominal amount of interest rate swaps	–	108,273	53,840
– Average fixed interest rate	–	2.7234	2.7010

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C16 Derivative financial instruments (continued)

Cash flow hedges (continued)

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
2024		
Foreign currency risk		
Sales	**(41,503)**	**(20,437)**
Receivables	**(411)**	**(734)**
Purchases	**(3,007)**	**1,461**
Payables	**(294)**	**(269)**
Embedded derivatives	**(6,527)**	**(4,601)**
Interest rate risk		
Variable rate borrowings	**4,263**	**58,941**
2023		
Foreign currency risk		
Sales	25,850	15,405
Receivables	–	(323)
Purchases	3,223	534
Payables	455	108
Embedded derivatives	20,213	1,926
Interest rate risk		
Variable rate borrowings	(2,822)	77,604

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	2024			
	Nominal amount $'000	Assets $'000	Liabilities $'000	Line item in the statement of financial position where the hedging instrument is included
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)

Group	2023			
	Nominal amount $'000	Assets $'000	Liabilities $'000	Line item in the statement of financial position where the hedging instrument is included
Foreign currency risk				
Forward exchange contracts	1,135,400	32,968	(13,086)	Derivative financial instruments, advances and other receivables and trade payables and accruals
Embedded derivatives	483,873	13,909	(2,604)	Derivative financial instruments
Interest rate risk				
Interest rate swaps	162,113	5,340	(977)	Derivative financial instruments
Treasury lock	–	–	–	–

During the year 2023					
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
29,528	–	–	(265)	(4,709)	Revenue/ Cost of sales / Operating expenses/ Finance costs, net
20,213	–	–	–	–	–
(2,822)	–	–	–	(22,438)	Finance costs
–	–	–	–	(24,549)	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 2024 $'000	Hedging reserve 2023 $'000
Balance at 1 January	**87,631**	106,533
Change in fair value:		
Foreign currency risk	**(51,742)**	49,741
Interest rate risk	**4,263**	(2,822)
Equity accounted joint ventures	**3,858**	(3,343)
Amount reclassified to profit or loss:		
Foreign currency risk	**9,069**	(4,709)
Interest rate risk	**(22,926)**	(46,987)
Amount included in the cost of non-financial items:		
Foreign currency risk – inventory purchases	**443**	(265)
Tax movements on reserves during the year	**10,450**	(10,517)
Balance at 31 December	**41,046**	87,631

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**	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. 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. 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.
(2)	**Fair value hedges**	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.
(3)	**Net investment hedges**	The Group designates certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation. 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.

Estimates and judgement: Interest rate benchmark reform

Following the global financial crisis, the reform and replacement of benchmark interest rates such as USD LIBOR and other inter-bank offered rates (IBORs) has become a priority for global regulators.

To transition existing contracts and agreements that reference LIBOR to Secured Overnight Financing Rate (SOFR), adjustments for term differences and credit differences might need to be applied to SOFR, to enable the two benchmark rates to be economically equivalent on transition.

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C16 Derivative financial instruments (continued)

Cash flow hedges (continued)

Derivative financial instruments and hedge accounting (continued)

Estimates and judgement: Interest rate benchmark reform (continued)

The Group's treasury function is managing the Group's LIBOR transition plan. The greatest change will be amendments to the contractual terms of the LIBOR-referenced interest rate swap and the corresponding update of the hedge designation.

Relief applied

The Group has applied the following Phase 1 reliefs that were introduced by the amendments made to SFRS(I) 9 Financial Instruments:

- When considering the 'highly probable' requirement, the Group has assumed that the variable interest rate on which the Group's hedged debt is based does not change as a result of IBOR reform;
- In assessing whether the hedge is expected to be highly effective on a forward-looking basis, the Group has assumed that the variable interest rate on which the cash flows of the hedged debt and the interest rate swap that hedges it are based is not altered by the IBOR reform; and
- The Group has not recycled the cash flow hedge reserve relating to the period after the reforms are expected to take effect.

Assumptions made

In calculating the change in fair value attributable to the hedged risk of floating-rate debt, the Group has made the following assumptions that no changes to the terms of the floating rate debt are anticipated to reflect its current expectations.

Phase 2 of the amendments requires that, for financial instruments measured using amortised cost measurement, changes to the basis for determining the contractual cash flows required by IBOR reform are reflected by adjusting their effective interest rate. No immediate gain or loss is recognised. A similar practical expedient exists for lease liabilities.

These expedients are only applicable to changes that are required by IBOR reform, which is the case if, and only if, the change is necessary as a direct consequence of IBOR reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change.

For lease liabilities where there is a change to the basis for determining the contractual cash flows, as a practical expedient, the lease liability is remeasured by discounting the revised lease payments using a discount rate that reflects the change in the interest rate where the change is required by IBOR reform. If lease modifications are made in addition to those required by IBOR reform, the Group applies the relevant SFRS(I) 16 requirements to account for the entire lease modification, including those changes required by IBOR reform.

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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

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	2024 $'000	2023 $'000
Wages and salaries	**2,566,567**	2,388,422
Contributions to defined contribution plans	**246,889**	220,696
Defined benefit plan expenses	**15,578**	18,917
Share-based payments	**39,375**	33,845
Other personnel expenses	**356,322**	336,630
	3,224,731	2,998,510

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	2024 $'000	2023 $'000
Net defined benefit liabilities	**194,005**	208,926
Liability for staff benefits	**–**	10,989
Total post-employment benefit liabilities	**194,005**	219,915
Non-current	**190,893**	209,840
Current	**3,112**	10,075
	194,005	219,915

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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 2024 $'000	Defined benefit obligation 2023 $'000	Fair value of plan assets 2024 $'000	Fair value of plan assets 2023 $'000	Net defined benefit liability/(asset) 2024 $'000	Net defined benefit liability/(asset) 2023 $'000
Balance at 1 January	**534,004**	529,010	**(325,078)**	(322,617)	**208,926**	206,393
Included in profit or loss						
Current service cost	**5,678**	8,460	**–**	–	**5,678**	8,460
Interest cost/(income)	**24,182**	24,505	**(15,351)**	(15,566)	**8,831**	8,939
Administrative expenses	**(92)**	(291)	**1,161**	1,809	**1,069**	1,518
	29,768	32,674	**(14,190)**	(13,757)	**15,578**	18,917
Included in OCI						
Remeasurement loss/(gain):						
• Actuarial loss/(gain) arising from:						
– financial assumptions	**(26,358)**	9,200	**(283)**	4	**(26,641)**	9,204
– experience assumptions	**42**	(3,559)	**(167)**	(111)	**(125)**	(3,670)
• Return on plan assets excluding interest income	**–**	–	**8,051**	(11,346)	**8,051**	(11,346)
	(26,316)	5,641	**7,601**	(11,453)	**(18,715)**	(5,812)
Others						
Contributions paid by the employer	**(6,187)**	(5,087)	**(4,242)**	(4,849)	**(10,429)**	(9,936)
Benefits paid	**(21,369)**	(20,216)	**21,364**	19,689	**(5)**	(527)
Translation difference	**8,069**	(8,018)	**(9,419)**	7,909	**(1,350)**	(109)
Balance at 31 December	**517,969**	534,004	**(323,964)**	(325,078)	**194,005**	208,926

The expenses are recognised in the following line items in profit or loss:

Group	2024 $'000	2023 $'000
Cost of sales	**12,520**	7,298
Administrative expenses	**1,470**	9,595
Other operating expenses	**812**	1,008
Finance cost, net	**776**	1,016
Defined benefit obligation expenses	**15,578**	18,917

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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	2024 $'000	2023 $'000
Equity securities	**96,374**	121,596
Government bonds	**58,660**	58,620
Derivatives	**406**	8,610
Property occupied by the Group	**14,480**	14,341
Funds managed by a trustee	**140,559**	109,178
Funds with insurance companies	**13,485**	12,733
Fair value of plan assets	**323,964**	325,078

All equity securities and government bonds have quoted prices in active markets. All government bonds have an average rating of A+.

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	2024 %	2023 %
Discount rate	**4.2**	4.1
Future salary growth	**3.1**	3.4
Future pension growth	**2.1**	2.4

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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	2024 Germany	2024 U.S.	2023 Germany	2023 U.S.
Longevity at age 65 for current pensioners:				
Males	**20.9**	**20.3**	20.8	20.2
Females	**24.3**	**22.3**	24.2	22.2
Longevity at age 65 for current members aged 45:				
Males	**23.6**	**21.8**	23.5	21.7
Females	**26.5**	**23.7**	26.4	23.7

At 31 December 2024, the weighted average duration of the defined benefit obligation was 19.6 years (2023: 20.1 years) for the subsidiaries in Germany and 10.2 years (2023: 10.8 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	2024 Increase $'000	2024 Decrease $'000	2023 Increase $'000	2023 Decrease $'000
Discount rate (0.5% movement)	**(28,161)**	**33,291**	(30,406)	36,233
Future salary growth (0.25% movement)	**67**	**(57)**	126	(115)
Future pension growth (0.25% movement)	**1,238**	**(1,192)**	1,422	(1,353)
Future mortality (10% movement)	**(9,088)**	**10,307**	(9,638)	10,952

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 and Earnings Per Share (EPS) Growth against pre-determined targets. In addition to the PSP performance targets being met, final award for PSP is conditional upon satisfactory performance of the recipient.

RSP2010 and 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.

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	2024		2023	
	PSP	RSP	PSP	RSP
Outstanding awards				
Balance at 1 January	**6,356,672**	**16,241,986**	6,069,216	14,210,928
Granted	**3,065,506**	**8,147,708**	2,196,621	8,195,870
Lapsed	**(1,468)**	**(679,285)**	(44,305)	(663,357)
Released	**(1,835,622)**	**(6,173,128)**	(1,864,860)	(5,501,455)
Balance at 31 December	**7,585,088**	**17,537,281**	6,356,672	16,241,986

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 Year of grant		RSP Year of grant	
	2024	2023	**2024**	2023
Volatility of the Company's shares (%)	**13.22**	14.54	**11.29 – 14.41**	14.48 – 21.03
Risk-free rate (%)	**3.12**	3.10	**3.04 – 3.61**	2.99 – 3.32
Share price ($)	**3.97**	3.43	**3.97**	3.43
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 1,835,622 performance shares were awarded in respect of the grant made in 2021 under PSP2010. In the prior year, 1,864,860 performance shares were awarded in respect of the grant made in 2020 under PSP2010.

The Group provides cash-settled share-based payments for eligible employees.

Group	**2024 $'000**	2023 $'000
Expense arising from cash-settled share-based payment transactions	**8,328**	6,984
Closing balance of liability for cash-settled share-based payment	**9,270**	7,542

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	2024 $'000	2023 $'000
Gross debt		
Bank loans	**379,084**	651,248
Commercial papers	**1,818,963**	1,898,687
Medium-term notes	**3,050,174**	2,956,501
Lease liabilities	**573,315**	601,656
	5,821,536	6,108,092

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E1 Capital management (continued)

Group	2024 $'000	2023 $'000
Shareholders' funds		
Share capital	**895,926**	895,926
Treasury shares	**(32,806)**	(29,644)
Capital and other reserves	**27,882**	30,118
Retained earnings	**1,779,371**	1,562,940
	2,670,373	2,459,340
Non-controlling interests	**280,474**	292,996
	2,950,847	2,752,336
Gross debt/equity ratio	**2.0**	2.2
Gross debt	**5,821,536**	6,108,092
Less: cash and cash equivalents	**(429,826)**	(353,316)
Net debt	**5,391,710**	5,754,776

E2 Finance costs, net

Group	2024 $'000	2023 $'000
Finance income		
Interest income		
– bank deposits	**9,356**	8,329
– finance lease	**146**	568
– others	**7,907**	4,448
Exchange gain, net	**17,524**	–
Fair value changes of financial instruments		
– gain on forward currency contract not designated as hedging instrument	**19**	–
Gain on ineffective portion/discontinuation of cash flow hedges	**2,910**	27,941
	37,862	41,286

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E2 Finance costs, net (continued)

Group	2024 $'000	2023 $'000
Finance costs		
Interest expense		
– bank loans and overdrafts	**(21,341)**	(35,888)
– medium-term notes and commercial papers	**(180,908)**	(179,520)
– lease liabilities	**(19,367)**	(16,959)
– contracts with customers	**(927)**	(910)
– others	**(1,916)**	(2,552)
Exchange loss, net	**–**	(14,300)
Fair value changes of financial instruments		
– loss on forward currency contract not designated as hedging instrument	**(26,795)**	(1,603)
– loss on forward currency contract designated as hedging instrument	**(390)**	–
	(251,644)	(251,732)
Finance costs, net, recognised in profit or loss	**(213,782)**	(210,446)

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.

E3 Investments

Group	2024 $'000	2023 $'000
Equity shares, at FVTPL		
– unquoted	**5,364**	15,606
Equity shares, at FVOCI		
– unquoted	**57,642**	47,469
Total investments, net of impairment losses	**63,006**	63,075
Represented by:		
Long-term investments	**63,006**	63,075
	63,006	63,075

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E4 Borrowings

Group	Note	Non-current $'000	Current $'000	Total $'000
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**
31 December 2023				
Bank loans	(a)	72,810	578,438	651,248
Commercial papers	(b)	–	1,898,687	1,898,687
Medium-term notes	(c)	2,956,501	–	2,956,501
Lease liabilities	(d)	515,120	86,536	601,656
		3,544,431	2,563,661	6,108,092

(a) Bank loans

	Currency	Effective interest rate		Maturity		Group	
		2024 %	2023 %	2024	2023	2024 $'000	2023 $'000
Bank loans	USD	**–**	6.5	**–**	2024	**–**	148,601
	EUR	**1.4 – 1.6**	1.4 – 1.6	**2026 – 2029**	2026 – 2029	**34,409**	43,835
	SGD	**2.5**	3.7 – 4.1	**2027**	2024	**300,000**	420,000
	CNH	**2.7**	2.7	**2026 – 2027**	2026	**44,675**	38,812
						379,084	651,248
– Unsecured						**361,943**	629,038
– Secured						**17,141**	22,210
At the end of the year						**379,084**	651,248

There are bank loans which are secured by assets as follows:

Secured by		Loan amount ($)
Certain property, plant and equipment of subsidiaries	–	$6,355,000 (2023: $9,892,000)
Subsidiary's land use right	–	$10,786,000 (2023: $12,318,000)

All bank loans are denominated in the respective entities' functional currency.

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E4 Borrowings (continued)

(b) Commercial papers

Group	2024 $'000	2023 $'000
Principal	**1,821,720**	1,901,135
Unamortised interest	**(2,577)**	(2,305)
Unamortised costs	**(180)**	(143)
	1,818,963	1,898,687

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 2025 (2023: 2024) with interest rates ranging from 4.42% to 4.66% (2023: 5.35% to 5.43%) per annum.

(c) Medium-term notes

Group	2024 $'000	2023 $'000
Principal	**3,060,000**	2,969,100
Unamortised discount	**(9,826)**	(12,599)
	3,050,174	2,956,501
Unamortised discount:		
At the beginning of the year	**12,599**	11,476
Additions	**–**	4,010
Amortisation for the year	**(3,107)**	(2,657)
Translation difference	**334**	(230)
At the end of the year	**9,826**	12,599

On 29 April 2020, the Group issued US$750 million 1.50% notes due in 2025 under its S$5.0 billion Multicurrency Medium Term Note Programme. The bonds bore interest at a fixed rate of 1.50% 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 5 May 2022, the Group issued US$700 million of 5-year bonds and US$300 million of 10-year bonds. 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.

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E4 Borrowings (continued)

(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	2024 $'000	2023 $'000
Maturity analysis – contractual undiscounted cash flows		
Within 1 year	**99,787**	92,046
Between 1 and 5 years	**242,793**	244,248
After 5 years	**398,056**	430,966
Total undiscounted lease liabilities at 31 December	**740,636**	767,260
Lease liabilities included in the statement of financial position at 31 December	**573,315**	601,656
Repayable:		
Within 1 year	**96,477**	86,536
After 1 year	**476,838**	515,120
	573,315	601,656

The total cash outflow for leases recognised in the statement of cash flows is $97,106,000 (2023: $149,104,000).

(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 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.

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E4 Borrowings (continued)

(d) Lease liabilities (continued)

(i) Real estate leases (continued)

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.

2024 Group	**Lease liabilities recognised (discounted) $'000**	**Potential future lease payments not included in lease liabilities (discounted) $'000**
Office buildings	**57,007**	**77,278**

2023 Group	**Lease liabilities recognised (discounted) $'000**	**Potential future lease payments not included in lease liabilities (discounted) $'000**
Office buildings	62,293	87,560

(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.

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E4 Borrowings (continued)

Reconciliation of movements of liabilities and assets to cash flows arising from financing activities

	Liabilities			Assets	
Group	Borrowings $'000	Trade payables and accruals $'000	Amounts due to related parties $'000	Restricted Cash $'000	Total $'000
Balance at 1 January 2024	6,108,092	3,214,184	50,168	(21)	9,372,423
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)
Changes arising from obtaining or losing control of subsidiaries	–	–	–	–	–
The effect of changes in foreign exchange rates	156,023	4,382	–	–	160,405
Change in fair value	12,407	–	–	–	12,407
Liability-related other changes					
Working capital changes	(41,334)	369,186	1,451	–	329,303
New leases	38,414	–	–	–	38,414
Interest expense	138,861	85,598	–	–	224,459
Total liability-related other changes	135,941	454,784	1,451	–	592,176
Balance at 31 December 2024	5,821,536	3,586,181	51,619	(816)	9,458,520

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E4 Borrowings (continued)

Reconciliation of movements of liabilities and assets to cash flows arising from financing activities (continued)

Group	Liabilities Borrowings $'000	Trade payables and accruals $'000	Amounts due to related parties $'000	Assets Restricted Cash $'000	Total $'000
Balance at 1 January 2023	6,534,537	2,899,210	41,887	(22)	9,475,612
Changes from financing cash flows					
Proceeds from bank loans	621,354	–	–	–	621,354
Proceeds from commercial papers	1,901,135	–	–	–	1,901,135
Proceeds from medium-term note issuance	676,800	–	–	–	676,800
Repayment of bank loans	(865,375)	–	–	–	(865,375)
Repayment of commercial papers	(2,641,075)	–	–	–	(2,641,075)
Repayment of lease liabilities	(132,796)	–	–	–	(132,796)
Interest paid	(127,404)	(154,352)	–	–	(281,756)
Restricted cash	–	–	–	1	1
Total changes from financing cash flows	(567,361)	(154,352)	–	1	(721,712)
Changes arising from obtaining or losing control of subsidiaries	–	–	–	–	–
The effect of changes in foreign exchange rates	(129,494)	(12,403)	–	–	(141,897)
Change in fair value	6,055	–	–	–	6,055
Liability-related other changes					
Working capital changes	36,694	327,456	8,281	–	372,431
New leases	146,105	–	–	–	146,105
Interest expense	81,556	154,273	–	–	235,829
Total liability-related other changes	264,355	481,729	8,281	–	754,365
Balance at 31 December 2023	6,108,092	3,214,184	50,168	(21)	9,372,423

E5 Commitments and contingent liabilities

(i) Capital commitments

Group	2024 $'000	2023 $'000
Capital expenditure contracted but not provided for in the financial statements*	**414,384**	137,052

* Major capital expenditure included hangar, data centre, plant and machinery, production tools and equipment.

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E5 Commitments and contingent liabilities (continued)

(ii) Leases – As lessee

As at 31 December 2024, the Group has certain non-cancellable future minimum lease payments for short-term leases or leases for low-value assets amounting to $3,161,000 (31 December 2023: $4,333,000).

(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 9 years (2023: 0.6 year to 10 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	2024 $'000	2023 $'000
Less than 1 year	**16,250**	18,443
1 to 2 years	**9,625**	15,173
2 to 3 years	**7,638**	7,206
3 to 4 years	**6,049**	5,346
4 to 5 years	**5,536**	5,419
More than 5 years	**19,333**	18,502
Total undiscounted lease payments	**64,431**	70,089

(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.

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E5 Commitments and contingent liabilities (continued)

Recognition and measurement (continued)

As a lessee (continued)

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.

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.

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E5 Commitments and contingent liabilities (continued)

Recognition and measurement (continued)

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.

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.

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E6 Share capital

Company	2024 $'000	2023 $'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

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	2024 $'000	2023 $'000
At the beginning of the year	**(29,644)**	(36,377)
Purchased during the year	**(33,325)**	(20,821)
Reissuance of treasury shares pursuant to share plans	**30,163**	27,554
At the end of the year	**(32,806)**	(29,644)

Treasury shares relate to ordinary shares of the Company that are held by the Company.

During the year, the Company purchased 7,880,700 (2023: 5,700,000) of its ordinary shares by way of on-market purchases. The shares, held as treasury shares, were included as deduction against shareholders' equity. 8,008,750 (2023: 7,366,315) treasury shares, at a cost of $30,163,000 (2023: $27,554,000), 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 (2023: $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 $27,215,000 (2023: $22,484,000) relating to realised loss (2023: realised loss) on reissuance of treasury shares under share-based payment arrangements as at 31 December 2024.

Capital reserves are non-distributable.

E9 Other reserves

Group	2024 $'000	2023 $'000
Foreign currency translation reserve	**(179,380)**	(225,691)
Statutory reserve	**2,714**	2,455
Fair value reserve	**39,021**	87,442
Share-based payment reserve	**93,539**	87,497
Premium paid on acquisition of non-controlling interests	**(16,745)**	(15,049)
	(60,851)	(63,346)
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	**(1,937)**	2,769
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	**(4,186)**	2,468
– Share of translation difference of associates and joint ventures	**10,744**	(7,960)
– Reserves released on disposal of subsidiaries	**(261)**	549
– Translation of foreign entities	**40,014**	(15,008)
	46,311	(19,951)

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 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.

E10 Dividends

Company	**2024 $'000**	**2023 $'000**
Final dividend paid in respect of the previous financial year of 4.0 cents (2023: 4.0 cents) per ordinary share	**124,795**	124,722
Interim dividends paid in respect of the current financial year of 12.0 cents (2023: 12.0 cents) per ordinary share	**374,088**	373,958
	498,883	498,680

The Directors propose a final dividend of 5.0 cents (2023: 4.0 cents) per ordinary share amounting to $156.1 million (2023: $124.9 million) in respect of the financial year ended 31 December 2024. 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 2024/2023	**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 2024 %	 2023 %
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
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
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 Critchleys Audit LLP (UK) in country of incorporation 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 2024/2023

Acquisition of controlling interests in subsidiary in 2024

(i) 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

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.

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F2 Acquisition and disposal of controlling interests in subsidiaries in 2024/2023 (continued)

Acquisition of controlling interest in subsidiary in 2023

There was no acquisition of subsidiary in 2023.

De-consolidation and disposal of controlling interests in subsidiaries in 2024

During the year, the Group completed the liquidation 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.

De-consolidation and disposal of controlling interests in subsidiaries in 2023

During the year, the Group completed the liquidation of Kinetics Systems (Shanghai) Co. Ltd, SDG Kinetics Pte. Ltd., ST Engineering (Israel) Smart Cities Ltd, ST Engineering (Myanmar) Co., Ltd., STET Homeland Security Services Pte Ltd, ST Engineering Aerospace (Guangzhou) Aero-Technologies & Engineering Co Ltd and Technicae Projetos e Servicos Automotivos Ltda. as part of the Group's portfolio rationalisation. The subsidiaries were dormant prior to disposal.

With regards to the sale of the entire issued and outstanding equity interests in VT Halter Marine, Inc and ST Engineering Halter Marine and Offshore, Inc (the Sale) in 2022, following the finalisation of post-closing net working capital adjustments, an additional gain on disposal of $16,321,000 was recorded in the current year.

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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 **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/(loss)**	**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%	45%			
China	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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F3 Non-controlling interests in subsidiaries (continued)

Name of subsidiary **2023**	**ST Engineering Aerospace Services Company Pte. Ltd.** **$'000**
NCI percentage	20%
Principal place of business/Country of incorporation	Singapore
Revenue	363,634
Profit after taxation	32,011
Other comprehensive income/(loss)	38
Total comprehensive income	32,049
Attributable to NCI:	
– Profit	6,402
– Other comprehensive income/(loss)	8
– **Total comprehensive income/(loss)**	6,410
Non-current assets	159,432
Current assets	264,191
Non-current liabilities	(75,234)
Current liabilities	(143,325)
Net assets	205,064
Net assets attributable to NCI	41,013
Cash flows from/(used in) operating activities	62,044
Cash flows (used in)/from investing activities	(8,784)
Cash flows (used in)/from financing activities*	(36,563)
Net changes in cash and cash equivalents	16,697
* including dividends to NCI	–

Eco-Services, LLC $'000	ST Aerospace Technologies (Xiamen) Company Ltd $'000	Elbe Flugzeugwerke GmbH $'000	Other individually immaterial subsidiaries $'000	Intra-group elimination $'000	Total $'000
49.9%	20%	45%			
U.S.	China	Germany			
21,514	210,134	906,384			
2,718	7,568	22,438			
(821)	(2,840)	26,584			
1,897	4,728	49,022			
1,356	1,514	10,097	2,453	(3,863)	17,959
(410)	(568)	11,963	429	3,144	14,566
946	946	22,060	2,882	(719)	32,525
10,428	50,025	571,654			
40,732	210,913	501,494			
(178)	(37,289)	(338,756)			
(6,225)	(151,207)	(333,549)			
44,757	72,442	400,843			
22,334	14,488	180,379	37,224	(2,442)	292,996
3,018	(32,277)	37,689			
(1,553)	(5,158)	6,428			
–	38,668	(14,748)			
1,465	1,233	29,369			
–	–	–			

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F4 Associates and joint ventures

Group	2024 $'000	2023 $'000
Unquoted shares, at fair value	**8,208**	9,970
Unquoted shares, at cost	**514,215**	495,522
Goodwill on acquisition	**38**	38
Share of net assets acquired	**514,253**	495,560
Impairment in associates	**(8,000)**	(8,000)
Share of post-acquisition reserves	**106,994**	69,874
	613,247	557,434
	621,455	567,404
Represented by:		
Interest in associates	**345,896**	307,024
Interest in joint ventures	**275,559**	260,380
	621,455	567,404

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 2024 %	2023 %
Associates				
Shanghai Technologies Aerospace Company Limited[1]	Aircraft and component maintenance, repair, overhaul and other related maintenance business	People's Republic of China	**49**	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

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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 2024 %	2023 %
Associates (continued)				
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**	46.5
Experia Events Pte. Ltd.[1]	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.	Running, operation, management and supply of telecommunications services	Singapore	**51**	51
Juniper Aviation Investment Pte Ltd	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 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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F4 Associates and joint ventures (continued)

Associates (continued)

Name of associate 2023	Shanghai Technologies Aerospace Company Limited $'000	ST Aerospace (Guangzhou) Aviation Services Company Limited $'000
Percentage of interest	49%	44%
Revenue	75,725	148,879
Profit/(loss) after taxation	6,502	31,500
Other comprehensive loss	(4,306)	(5,536)
Total comprehensive income/(loss)	2,196	25,964
Attributable to NCI	–	–
Attributable to investee's shareholders	2,196	25,964
Non-current assets	68,567	127,862
Current assets	58,857	61,331
Non-current liabilities	–	(15,097)
Current liabilities	(20,108)	(28,632)
Net assets	107,316	145,464
Attributable to NCI	–	–
Attributable to investee's shareholders	107,316	145,464
Group's interest in net assets of investee at beginning of the year	51,509	55,041
Group's share of:		
– Profit/(loss) for the year	3,186	13,860
– Total other comprehensive loss	(2,110)	(2,436)
Total comprehensive income/(loss)	1,076	11,424
Group's contribution during the year	–	–
Dividends received during the year	–	(2,461)
Carrying amount of interest in investee at end of the year	52,585	64,004

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%		
22,894	253,899	86,592	11,355		
14,139	61,522	15,649	(4,867)		
(49)	(3,587)	–	–		
14,090	57,935	15,649	(4,867)		
–	–	(22)	–		
14,090	57,935	15,671	(4,867)		
19,415	54,847	79,696	38,142		
45,591	232,424	74,095	63,923		
(2,922)	(5,008)	(34,933)	(5,275)		
(7,401)	(117,035)	(34,922)	(35,849)		
54,683	165,228	83,936	60,941		
–	–	835	–		
54,683	165,228	83,101	60,941		
11,160	78,603	55,489	21,720	39,714	313,236
3,464	30,146	7,287	(1,606)	(408)	55,929
(12)	(1,758)	–	–	(4,985)	(11,301)
3,452	28,388	7,287	(1,606)	(5,393)	44,628
–	–	–	–	3,500	3,500
(1,216)	(26,029)	(24,134)	–	(500)	(54,340)
13,396	80,962	38,642	20,114	37,321	307,024

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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 2024	**Keystone Holdings (Global) Pte. Ltd. $'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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F4 Associates and joint ventures (continued)

Joint ventures (continued)

Name of joint venture **2023**	**Keystone Holdings (Global) Pte. Ltd. $'000**
Percentage of interest	50%
Revenue	20,561
Profit/(loss) after taxation[a]	16,056
Other comprehensive (loss)	(5,934)
Total comprehensive income/(loss)	10,122
[a] Includes:	
– Depreciation and amortisation of:	11,048
– Interest expense of:	3,200
– Income tax expense of:	(447)
Non-current assets	495,589
Current assets[b]	49,335
Non-current liabilities[c]	(200,288)
Current liabilities[d]	(119,447)
Net assets excluding goodwill	225,189
[b] Includes cash and cash equivalents of:	29,902
[c] Includes non-current financial liabilities (excluding trade and other payables and provisions) of:	(200,288)
[d] Includes current financial liabilities (excluding trade and other payables and provisions) of:	(96,270)
Group's interest in net assets of investee at beginning of the year	35,169
Share of total comprehensive income/(loss)	5,061
Group's contribution during the year	72,638
Dividends received during the year	(273)
Carrying amount of interest in investee at end of the year	112,595

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%		
62,832	62,426	13,932		
6,560	(9,221)	(12,882)		
(7,480)	–	(1,572)		
(920)	(9,221)	(14,454)		
21,663	8,456	9,889		
38,968	2,166	13,516		
625	–	1,156		
928,079	122,553	208,015		
23,080	28,285	157,563		
(575,971)	(78,579)	(264,132)		
(217,463)	(34,996)	(26,106)		
157,725	37,263	75,340		
8,122	14,171	2,727		
(575,971)	(78,579)	(268,656)		
(212,197)	(6,778)	(1,753)		
62,899	26,397	21,759	8,715	154,939
(460)	(4,703)	(7,227)	1,843	(5,486)
16,865	–	23,138	–	112,641
(441)	–	–	(1,000)	(1,714)
78,863	21,694	37,670	9,558	260,380

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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.

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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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

F4 Associates and joint ventures (continued)

Basis of consolidation (continued)

(v) Investments in associates and joint ventures (continued)

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024
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F5 Related party information

Key management personnel compensation

Group	2024 $'000	2023 $'000
Short-term employee benefits	**52,671**	46,802
Contributions to defined contribution plans	**736**	687
Share-based payments	**14,694**	12,261
	68,101	59,750

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	2024 $'000	2023 $'000
Associates of the Group		
Sales and services rendered	**9,903**	9,006
Purchases and services received	**(116,180)**	(112,533)
Dividend income	**39,336**	54,340
Joint ventures of the Group		
Sales and services rendered*	**253,532**	656,732
Purchases and services received	**(35,374)**	(12,901)
Dividend income	**8,877**	1,714
Other related parties**		
Sales and services rendered	**71,477**	61,788
Purchases and services received	**(54,536)**	(46,515)
Rental expense	**(6,888)**	(6,899)

* Sales and services rendered to joint ventures of the Group include sales of aircraft of $75,162,000 (FY2023: $353,326,000) 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 2024
(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 2024, 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 2024 financial statements

- Amendments to SFRS(I) 1-1 *Presentation of Financial Statements:* Classification of Liabilities as Current or Non-current
- Amendments to SFRS(I) 1-1 *Presentation of Financial Statements:* Non-current Liabilities with Covenants
- Amendments to SFRS(I) 1-7 *Statement of Cash Flows and* SFRS(I) 7 *Financial Instruments: Disclosures:* Supplier Finance Arrangements
- Amendments to SFRS(I) 16 *Leases:* Lease Liability in a Sale and Leaseback

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

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 2025 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.

Applicable to 2025 financial statements

- Amendments to SFRS(I) 1-21 *The Effects of Changes in Foreign Exchange Rates*: Lack of Exchangeability

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

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

The Group has partnered with a global consultant to conduct a climate risks and opportunities assessment of its businesses as part of its journey to align with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The Group has reviewed the physical risks that might impact its businesses under the Representative Concentration Pathway 8.5 scenario and used the International Energy Agency Net Zero Emissions 2050 scenario to assess transition risks. The Group concluded that the climate-related physical and transition risks impacting its businesses were 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 2024
(CURRENCY - SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

	Note	2024 $'000	2023 $'000
ASSETS			
Non-current assets			
Property, plant and equipment	2	**366**	476
Right-of-use assets		**134**	90
Subsidiaries	3	**1,958,153**	1,634,953
		1,958,653	1,635,519
Current assets			
Amounts due from related parties	4	**34,256**	1,169
Advances and other receivables		**239**	101
Bank balances and other liquid funds	5	**35,484**	8,163
		69,979	9,433
Total assets		**2,028,632**	1,644,952
EQUITY AND LIABILITIES			
Current liabilities			
Other payables and accruals	6	**7,210**	6,937
Amounts due to related parties	4	**36,199**	494
Provision for taxation		**188**	333
Lease liabilities		**48**	–
		43,645	7,764
Net current assets		**26,334**	1,669
Non-current liabilities			
Lease liabilities		**44**	–
		44	–
Total liabilities		**43,689**	7,764
Net assets		**1,984,943**	1,637,188
Share capital and reserves			
Share capital	7	**895,926**	895,926
Treasury shares	7	**(32,806)**	(29,644)
Capital reserves	7	**(27,342)**	(22,599)
Other reserves	7	**83,403**	77,348
Retained earnings		**1,065,762**	716,157
		1,984,943	1,637,188
Total equity and liabilities		**2,028,632**	1,644,952

The accompanying notes form an integral part of these financial statements.

NOTES TO THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

AS AT 31 DECEMBER 2024
(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 is 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 2024 were authorised and approved by the Board of Directors for issuance on 26 February 2025.

2. Property, plant and equipment

	Furniture, fittings, office equipment and others $'000	Total $'000
2024		
Cost		
At 1 January 2024	588	588
Additions	6	6
At 31 December 2024	594	594
Accumulated depreciation		
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

NOTES TO THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

AS AT 31 DECEMBER 2024
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

2. Property, plant and equipment (continued)

	Furniture, fittings, office equipment and others $'000	Total $'000
2023		
Cost		
At 1 January 2023	437	437
Additions	562	562
Disposals	(411)	(411)
At 31 December 2023	588	588
Accumulated depreciation		
At 1 January 2023	425	425
Depreciation charge	97	97
Disposals	(410)	(410)
At 31 December 2023	112	112
Net book value		
At 31 December 2023	476	476

3. Subsidiaries

	2024 $'000	2023 $'000
Equity investments at cost		
At beginning of the year	**1,634,953**	1,537,911
Additions	**323,200**	97,042
At end of the year	**1,958,153**	1,634,953

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

	2024 $'000	2023 $'000
Cash and bank balances	**51**	66
Amounts placed with a related corporation	**35,433**	8,097
Bank balances and other liquid funds	**35,484**	8,163

At the balance sheet date, the amounts placed with a related corporation, ST Engineering Treasury Pte. Ltd., under a cash pooling arrangement bears interest ranging from 2.0% to 4.4% (2023: 0% to 5.1%) 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 2024
(CURRENCY – SINGAPORE DOLLARS UNLESS OTHERWISE STATED)

6. Other payables and accruals

	2024 $'000	2023 $'000
Accrued operating expenses	**7,210**	6,937

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.

  Cash and bank deposits are placed with reputable financial institutions.

  As at 31 December 2024, 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:

	2024 $'000	2023 $'000
Financial assets, at amortised cost	**69,979**	9,433
Financial liabilities, at amortised cost	**(43,502)**	(7,431)

SHAREHOLDING STATISTICS

AS AT 28 FEBRUARY 2025

SHARE CAPITAL

Paid-Up Capital (including treasury shares)	:	S$895,925,583.505
Number of issued ordinary shares (excluding treasury shares)	:	3,113,677,011
Number of ordinary shares held in treasury	:	8,818,186
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	:	0.28%
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 28 February 2025, 48.54% 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 Shareholders	%	No. of Shares (excluding treasury shares)	%
1 – 99	1,125	3.05	29,634	0.00
100 – 1,000	6,685	18.14	5,050,897	0.16
1,001 – 10,000	22,840	61.97	100,269,352	3.22
10,001 – 1,000,000	6,171	16.75	237,327,400	7.62
1,000,001 and above	33	0.09	2,770,999,728	89.00
	36,854	100.00	3,113,677,011	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	34,036,017[1]	1,588,800,591	51.02[2]

Notes:

* The percentage of issued ordinary shares is calculated based on the number of issued ordinary shares of the Company as at 28 February 2025, excluding any ordinary shares held in treasury as at that date.

(1) Includes deemed interests held through subsidiaries and associated companies.

(2) The percentage figure is rounded down to the nearest 0.01%.

SHAREHOLDING STATISTICS

AS AT 28 FEBRUARY 2025

MAJOR SHAREHOLDERS LIST – TOP 20

No.	Name	No. of Shares Held	%*
1	Temasek Holdings (Private) Limited	1,554,764,574	49.93
2	Citibank Nominees Singapore Pte Ltd	447,351,942	14.37
3	DBSN Services Pte. Ltd.	209,107,706	6.72
4	HSBC (Singapore) Nominees Pte Ltd	142,927,069	4.59
5	Raffles Nominees (Pte.) Limited	137,813,667	4.43
6	DBS Nominees (Private) Limited	137,292,648	4.41
7	BPSS Nominees Singapore (Pte.) Ltd.	30,039,729	0.96
8	Vestal Investments Pte. Ltd.	28,501,000	0.92
9	Morgan Stanley Asia (Singapore) Securities Pte Ltd	12,170,156	0.39
10	United Overseas Bank Nominees (Private) Limited	11,712,835	0.38
11	OCBC Nominees Singapore Private Limited	8,833,816	0.28
12	Phillip Securities Pte Ltd	6,868,116	0.22
13	Merrill Lynch (Singapore) Pte. Ltd.	6,591,249	0.21
14	OCBC Securities Private Limited	4,619,781	0.15
15	BNP Paribas Nominees Singapore Pte. Ltd.	2,832,236	0.09
16	Estate of Arjan G Kirpalani, Deceased	2,800,000	0.09
17	iFAST Financial Pte. Ltd.	2,462,048	0.08
18	Shanwood Development Pte Ltd	2,077,000	0.07
19	Yong Thiam Chong	1,987,740	0.06
20	Tan Ai Ching	1,829,739	0.06
		2,752,583,051	88.41

* The percentage of issued ordinary shares is calculated based on the number of issued ordinary shares of the Company as at 28 February 2025, excluding any ordinary shares held in treasury as at that date.

SGX LISTING RULES REQUIREMENT

FOR THE YEAR ENDED 31 DECEMBER 2024
(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 26 April 2024. 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) FY2024 $'000	FY2023 $'000	Aggregate value of all interested person transactions conducted under a shareholders mandate pursuant to Rule 920 (excluding transactions less than $100,000) FY2024 $'000	FY2023 $'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.	–	–	**2,814**	2,459
Seatrium Limited and its Associates		–	–	–	1,164
SembCorp Industries Ltd and its Associates		–	–	**52,570**	152
SIA Engineering Company Limited and its Associates		–	–	–	121
Singapore Airlines Limited and its Associates		–	–	**18,231**	–
Singapore Telecommunications Limited and its Associates		–	–	**1,731**	1,886
StarHub Ltd and its Associates		–	–	**162**	1,329
Temasek Holdings (Private) Limited and its Associates (non-listed)		–	–	**65,760**	218,845
		–	–	**141,268**	225,956
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		–	–	**663**	756
Seatrium Limited and its Associates		–	–	**776**	120
SembCorp Industries Ltd and its Associates		–	–	**1,335**	832
SIA Engineering Company Limited and its Associates		–	–	**868**	–
Singapore Airlines Limited and its Associates		–	–	–	134
Singapore Telecommunications Limited and its Associates		–	–	**4,412**	1,887
StarHub Ltd and its Associates		–	–	**1,218**	1,371
Telechoice International Limited		–	–	–	4,131
Temasek Holdings (Private) Limited and its Associates (non-listed)		–	–	**28,092**	72,330
		–	–	**37,553**	81,561
Transaction for Acquisition of Business					
StarHub Ltd and its Associates		**10,369**	67,500	–	–
Joint Venture	Temasek Holdings (Private) Limited is a controlling shareholder of the Company. The other named interested persons are its associates.				
Temasek Holdings (Private) Limited and its Associates (non-listed)*		**32,195**	23,862	–	–
Investment in Venture Fund					
Temasek Holdings (Private) Limited and its Associates (non-listed)		**20,429**	–	–	–
Consortium					
Temasek Holdings (Private) Limited and its Associates (non-listed)**		**18,100**	–	–	–
		81,093	91,362	–	–
Total Interested Person Transactions		**81,093**	91,362	**178,821**	307,517

* The transactions pertain to i) equity injections of $9,675,000 by the Group into Juniper Aviation Investments Pte Ltd (Juniper) to partially fund Juniper's aircraft acquisitions from the Group, where the value of sale of aircraft by the Group to Juniper are included above under the category of sale of goods and services to Temasek Holdings (Private) Limited and its Associates (as at 31 December 2024, the cumulative equity injections by the Group into Juniper amounted to $63,324,000), and ii) interest-bearing loans of $22,520,000 to and loan interest received from SPTel Pte Ltd, which cumulatively amounted to $51,320,000.

** 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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