



Singapore Statutory Boards Employees' Co-operative Thrift and Loan Society Limited

ANNUAL REPORT 2025

97th Annual General Meeting

on Saturday, 11th April 2026 at 10:30 a.m

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Singapore Statutory Boards Employees' Co-operative Thrift and Loan Society Limited

Notice of Annual General Meeting

26th March 2026

To: All Members

Notice is hereby given that the 97th Annual General Meeting of Singapore Statutory Boards Employees' Co-operative Thrift and Loan Society Limited (hereinafter referred to as "SSBEC") will be held at **Diamond Room @ SAFRA Mount Faber, 2 Telok Blangah Way, Singapore 098803** on Saturday, **11th April 2026 at 10:30 am**.

AGENDA

1. Opening address by the Chairman.
2. To discuss matters arising out of the Minutes of the 96th Annual General Meeting.
3. To confirm the minutes of the 96th Annual General Meeting held on 12th April 2025.
4. To receive and if approved, to adopt the Committee of Management Report for the Financial Year 2025.
5. To receive and if approved, to adopt the audited Statement of Accounts for the financial year ended 31 December 2025.
6. To declare 3.00% dividend on Subscription Capital for the financial year 2025.
7. To approve the proposed Estimates of Expenditure for 2026.
8. To approve the maximum liability limit on Subscriptions, Savings and Fixed Term Deposits of \$55 million from members for 2026/2027.
9. To appoint M/s. A2 Audit PAC, Public Accountants and Chartered Accountants, as External Auditors for the financial year 2026.
10. To elect two persons to serve in the Committee of Management for the term of 3 years period 2026 to 2029.
11. To approve the monthly allowances of \$27,000 for Committee of Management.
12. To consider any other business of which at least three days' notice has been given in writing to the Hon Secretary.

By Order of the Committee of Management



Shariff Khan
Hon. Secretary

Date: 26 March 2026

NOTE:

Only Ordinary members are eligible to attend the AGM.

Singapore Statutory Boards Employees' Co-operative Thrift and Loan Society Limited

Minutes of the 96th Annual General Meeting

Minutes of the 96th Annual General Meeting of the Singapore Statutory Boards Employees' Co-operative Thrift and Loan Society Limited, held at at Diamond Room @ SAFRA Mount Faber, 2 Telok Blangah Way, Singapore 098803 on Saturday, 12th April 2025 at 10:30 am.

PRESENT

| | | |
|---------------------------|---|-------------------------|
| Mr. Abdul Kalam Azad | - | Chairman |
| Mr. Seak Poh Leong | - | Vice Chairman |
| Mr. Shariff Khan | - | Hon. Secretary |
| Mr. Tan Teck Su | - | Hon. Treasurer |
| Mr. Bakhtiar Effendi | - | Committee Member |
| Mr. Tan Leng Joo, Bernard | - | Committee Member |
| Mr. B. Shanmugathaasan | - | Chief Executive Officer |
| Mr. Rajan Manogaran | - | Chief Financial Officer |

ATTENDANCE

A total of 91 ordinary members registered and attended in person at the 96th Annual General Meeting, A quorum being present, the Hon. Secretary, Shariff Khan called the meeting to order at 10.45 a.m.

OPENING ADDRESS

The Chairman, Mr Abdul Kalam Azad (S Gulam) welcomed all members and attendees who attended the 96th Annual General Meeting.

The Chairman informed the members that SSBEC has performed very well for the year 2024 despite a number of challenges. Our Investment Property has fairly up the market value.

Chairman said our Co-op will be celebrating our 100th Anniversary Dinner on 4th October 2025 and asked more members to attend the event. SSBEC is offering a dinner seat at extremely discounted price of \$70 per member.

He said the Co-op will not be what it is today without the unwavering support of the members. He said the Co-op has come a long way since 2013 and we will continue to grow in size, financially and organisation-wise with the support of our members and an excellent working relationship among the COM and the staff and between the staff and members.

Chairman also thanked the Registry and its staff for their continued kind support, advice and understanding.

Chairman informed the members that the Co-op will continue to play an important role in the lives of members, especially in their time of need. “We will not turn back any member who comes to us for help. We will do our best of help them as long it’s within the regulations,” he added.

He pointed out that for the first in many years, we are giving a 3% dividend – something we could not have even imagined some years back. This compares with 2.8% for FY 2022.

He said the continued increase in dividend shows the Co-op is gearing forward with the right formula and all this will only be possible with members’ confidence in us and support for us.

He pointed out that we should not forget the lower-income people at large and we will continue to support the needy through our “Giving Back to the Community” project.

PRESENTATION OF PERFORMANCE:

The Chairman gave a slide presentation to all members on SSBEC’s performance for the past 5 years.

Highlights of slide presentation are set out below:

| YEAR: | 2020 | 2021 | 2022 | 2023 | 2024 |
|---------------------|-------------|-------------|-------------|-------------|-------------|
| Members (Nos) | 9,970 | 10,442 | 10,805 | 11,140 | 11,295 |
| Deposits(S\$) | 41,719,514 | 48,285,777 | 43,548,246 | 45,898,331 | 48,468,879 |
| Loan Portfolio(S\$) | 32,246,374 | 34,932,729 | 34,648,154 | 32,795,650 | 29,303,665 |
| Revenue(S\$) | 4,293,015 | 4,673,407 | 4,910,775 | 5,209,032 | 6,046,374 |
| CAR (Ratio) | 9.14% | 10.05% | 12.17% | 12.11% | 12.42% |
| MLA (Ratio) | 35.23% | 38.79% | 23.52% | 31.73% | 42.08% |

VOTING OF RESOLUTIONS:

The Chairman informed the members on resolutions tabled. He appealed for their support so that we can continue to progress.

Hon. Secretary confirmed that there are no matters arising out of the minutes of the 95th Annual General Meeting.

Resolutions tabled as follows: -

1. **To confirm the Minutes of the 95th Annual General Meeting held on 9th March 2024.**
Chairman proposed the Resolution as tabled in the Notice of AGM.
It was proposed by Mr. Saseetharan from PUB and seconded by Mr. V. Muraleesvaran from PUB.
The Resolution was declared carried.
2. **To receive and if approved, to adopt the Committee of Management Report for the financial year 2024.**

Chairman proposed the Resolution as tabled in the Notice of AGM.

It was proposed by Mr Assaraf Millat Marecar from KKH and seconded by Mr. D. Devaraj from PUB.

The Resolution was declared carried.

3. To receive and if approved to adopt the audited Statement of Accounts for the financial year ended 31st December 2024.

Chairman proposed the Resolution as tabled in the Notice of AGM.

It was proposed by Mr. Mohd Rasheed from SP PowerGrid (Rock) and seconded by Mr. Syed Altap Hussain from SP Services.

The Resolution was declared carried.

4. To declare 3.0% dividend on Subscription Capital for the financial year 2024.

Chairman proposed the Resolution as tabled in the Notice of AGM.

It was proposed by Mr. Syed Altap Hussain from SP Services and seconded by Mr. Saseetharan from PUB.

The Resolution was declared carried.

5. To approve the Amendments to the By-Laws as per Appendix I.

Chairman proposed the Resolution as tabled in the Notice of AGM.

It was proposed by Mr. Ismail from ICA and seconded by Mr Assaraf Millat Marecar from KKH.

The Resolution was declared carried.

6. To approve the proposed Estimates of Expenditure for 2025.

Chairman proposed the Resolution as tabled in the Notice of AGM.

It was proposed by Mr Assaraf Millat Marecar from KKH and seconded by Mr Mohd Rasheed from SP PowerGrid.

The Resolution was declared carried.

7. To approve the maximum liability limit on Subscription, Savings and Fixed Term Deposits of \$55 million from members for 2025/2026.

Chairman proposed the Resolution as tabled in the Notice of AGM.

It was proposed by Mr. Ismail from ICA and seconded by Mr. V. Muraleesvaran from PUB.

The Resolution was declared carried.

8. To approve the increase of Restricted Investments (RI) limit to 30% of SSBEC's total assets for up to 3 years.

Chairman proposed the Resolution as tabled in the Notice of AGM.

It was proposed by Ms. Hasina Begum from SP Powergrid and seconded by Mr. Saseetharan from PUB.

The Resolution was declared carried.

9. To appoint M/s. A2 Audit PAC, Public Accountants and Chartered Accountants, as External Auditors for the year 2025.

Chairman proposed the Resolution as tabled in the Notice of AGM.

It was proposed by Mr. D. Devaraj from PUB and seconded by Mr. Ismail from ICA.
The Resolution was declared carried.

10. To elect three persons to serve in the Committee of Management for the term of 3 years period 2025 to 2028.

Chairman proposed the Resolution as tabled in the Notice of AGM.

There were only three nominations at the date of closure on 9th April 2025. They are Mr. Abdul Kalam Azad, Mr. Seak Poh Leong and Mr. Bakhtiar Effendi Bin Mohamed Yusof, they were declared elected as there were no other nominations. They will serve a three-year period from 2025 to 2028.

It was proposed by Mr. Mohamad Aris from SP Powergrid and seconded by Mr. V. Muraleesvaran from PUB.

The Resolution was declared carried.

11. To approve the monthly allowances of \$15,750 for Committee of Management.

Chairman proposed the Resolution as tabled in the Notice of AGM.

It was proposed by Mr. Mohamad Aris from SP Powergrid and seconded by Mr. Syed Altap Hussain from SP Services.

The Resolution was declared carried.

12. To approve per-diem travel allowance for Committee of Management as follows:

South-east Asia S\$150

Asia (China, India, Japan, Korea, etc) S\$175

USA, UK, Europe, Australia & New Zealand S\$200

Chairman proposed the Resolution as tabled in the Notice of AGM.

It was proposed by Mr. Saseetharan from PUB and seconded by Mr. Razali Bin Bakri from SP Services.

The Resolution was declared carried.

13. To consider any other business of which at least three days' notice has been in writing to the Hon. Secretary.

The Hon Secretary reported that no notice for any other business was received.

Despite there being no question sent in within the specified date, the Chairman encouraged the members to ask any question they may have.

Member Mr. Saseetharan asked about any amount to be recovered from fraud happened at SSBEC. Chairman responded that nothing recovered from them.

Mr. V.Muraleesvaran asked what are the preventing measures implemented to safeguard our members funds. Chairman replied that we have various levels of check and balance and stringent internal control systems placed through the computer system digitally. There are 3 levels of approval systems for all payments. We will ensure the protection at all levels. There is an Audit Committee, Internal Auditors and External Auditors to check and confirm the compliance.

Chairman informed the members that the Bursary Award Ceremony take place after completion of the AGM. The Bursary Award recipients were in their school uniform, together with their parents, to receive the Award. He said that the Co-op will happily continue to offer Bursary to members' children.

Member Mr. V. Muraleesvaran appreciated SSBEC's perseverance to overcome the challenges. He said now we are happy to stand tall. He congratulated and wished for the success of SSBEC's 100 Years Anniversary.

CONCLUSION:

There being no further business, the Chairman thanked all members for their attendance and supporting the Co-op.

Chairman expressed his thanks to all members for their continuous support rendered to the Co-operative. He said that the Co-op will always do its best to serve the members.

He also thanked all the Committee of Management, CEO and Staff of the Co-operative for their continuous effort to provide good service to the members and their commitment to go the extra mile and gear the Co-operative to greater heights.

The Chairman declared the AGM closed at 11:15 a.m.

Recorded by

Verified by

Confirmed by

Rajan Manogaran
Chief Financial Officer

Shariff Khan
Hon. Secretary

Abdul Kalam Azad
Chairman

Singapore Statutory Boards Employees' Co-operative Thrift and Loan Society Limited

COMMITTEE OF MANAGEMENT

| | |
|--------------------|---|
| Chairman | Mr. Abdul Kalam Azad |
| Vice Chairman | Mr. Seak Poh Leong |
| Honorary Secretary | Mr. Shariff Khan |
| Honorary Treasurer | Mr. Tan Teck Su |
| Committee Members | Mr. Bakhtiar Effendi Mr. Tan Leng Joo Bernard Ms. Tng Piak Khee Peggy |

AUDIT COMMITTEE

| | |
|--------------------------|--|
| Head of Audit Committee: | Mr. Mr. R Mahendran |
| Members : | Mr. Bakhtiar Effendi Mr. Tan Leng Joo Bernard |

EXCO COMMITTEE

| | |
|-----------|---|
| Members : | Mr. Abdul Kalam Azad Mr. Seak Poh Leong Mr. Shariff Khan Mr. Tan Teck Su |
|-----------|---|

Chief Executive Officer

Mr. B. Shanmugathaasan

Chief Financial Officer

Mr. Rajan Manogaran

Singapore Statutory Boards Employees' Co-operative Thrift and Loan Society Limited

COMMITTEE OF MANAGEMENT'S REPORT

The Committee of Management is pleased to present the Annual Report of SSBEC for the financial year ending 31 December 2025.

Financial Performance

Income

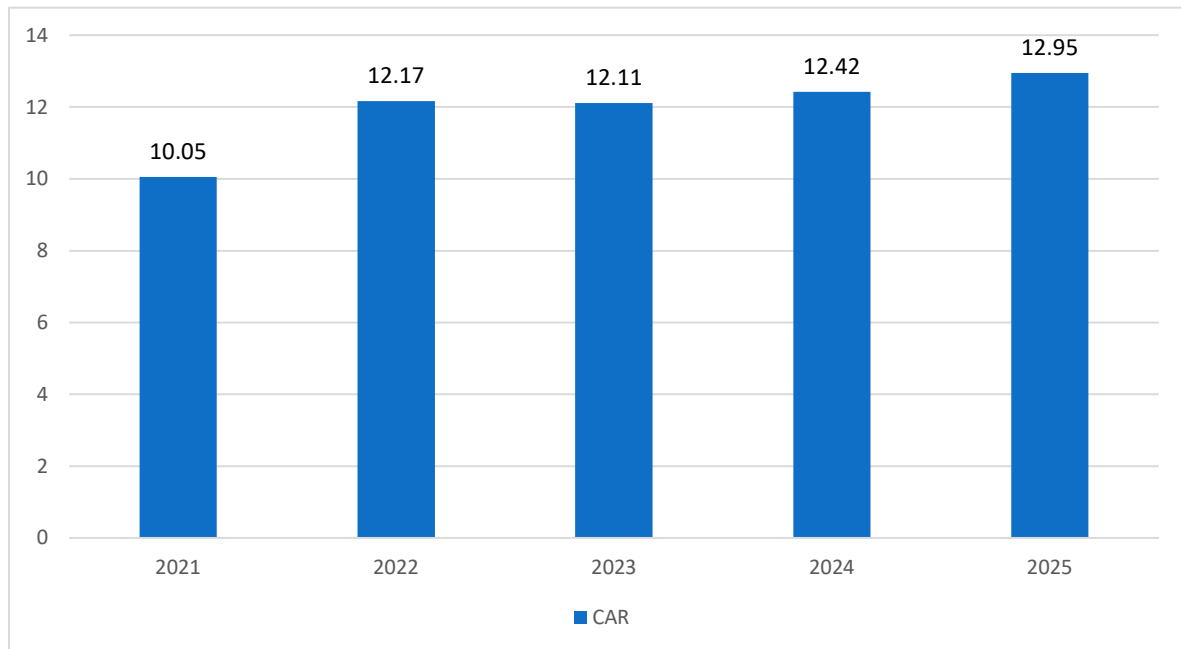
The total income for FY 2025 was \$5,211,790. This total income comprises of \$3,744,244 from interests on loans to members, \$460,000 from investments, and \$1,007,546 from other sources of income. As at 31st December 2025, SSBEC's total assets stood at \$57,802,241.

Surplus

SSBEC had a steady surplus of \$796,564 in FY 2025.

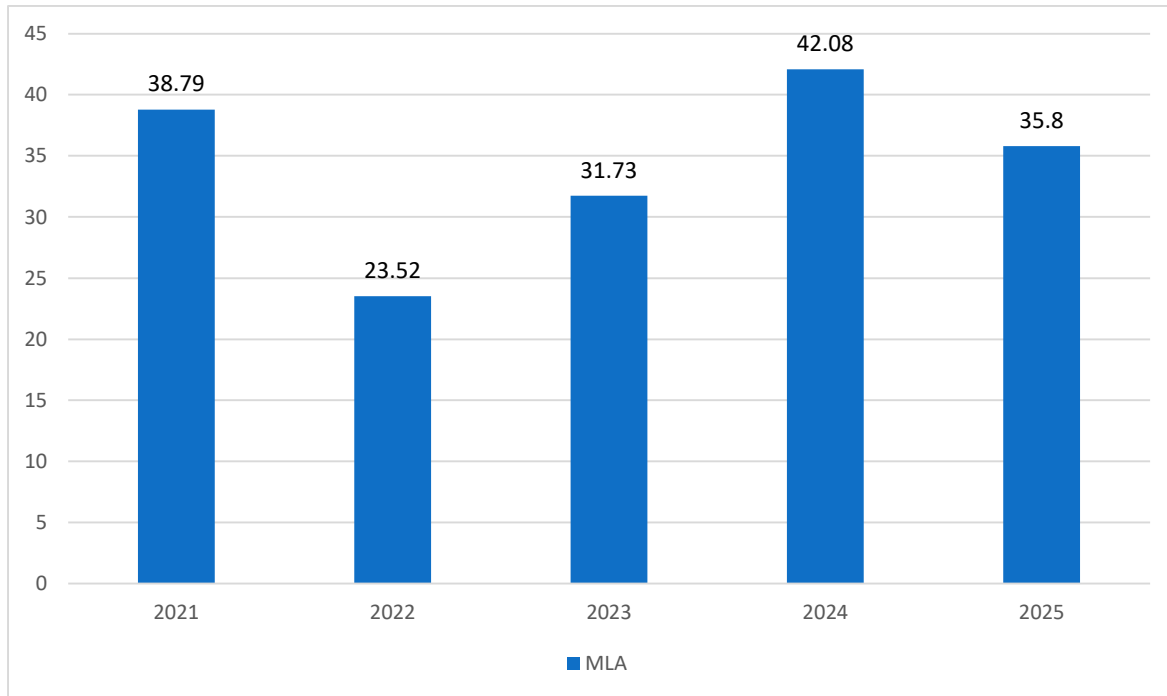
Capital Adequacy Ratio (CAR)

SSBEC's CAR ratio increased gradually and currently stands at 12.95% in FY2025. (Registry of Co-operative Societies (RCS) requirement is 10%). The graph below shows the past record of SSBEC's CAR.



Minimum Liquid Assets (MLA)

The Minimum Liquid Assets was 35.80 % in FY 2025 as compared to 42.08 % in FY 2024. (RCS requirement is 15%). The graph below shows the past record of SSBEC's MLA.



Restricted Investments

Our Restricted Investments (RI) as at 31 December 2025 was \$7,300,000 which made up 12.63% of total assets and achieved a moderate return of 2.45%.

At the last AGM held on 12 April 2025, the members have given approval for the Society to hold RI investment up to 30% of its total assets for a period of 3 years.

The restricted investments details are as follows:

| Investment Property Address : | Investment on 11/02/2022 - Actual Cost | Fair Value as at 31/12/2025 | % on Total Asset 31/12/25 | Net Income for 2025 | Fair Value as at 31/12/2024 | % on Total Asset 31/12/24 | Net Income for 2024 |
|--|--|-----------------------------|---------------------------|---------------------|-----------------------------|---------------------------|---------------------|
| 15 Upper Dickson Road, Singapore 207475. | \$5,665,550 | \$7,300,000 | 12.63% | \$138,767 | \$7,000,000 | 12.25% | \$141,013 |

Non-Restricted Investments

As at 31 December 2025, our non-restricted investment was \$50,000. This investment is shares in Premier Security Co-operative Ltd and earned 8% return for the FY 2025 (6% for FY2024).

Purchase of Office Premises at 15 Cantonment Road, Singapore 089739

On 5 December 2025, the Co-operative exercised an Option to Purchase (“OTP”) a office premises at a purchase consideration of \$11,550,000. This purchase transaction was completed on 25 February 2026 with the Society’s funds. The property has been valued at \$12,000,000 by a professional valuer firm on 13 January 2026.

As at 31 December 2025, the Co-operative paid in total \$1,124,600 for 5% deposit for Option to Purchase and stamp duty in relation to the acquisition of office premises.

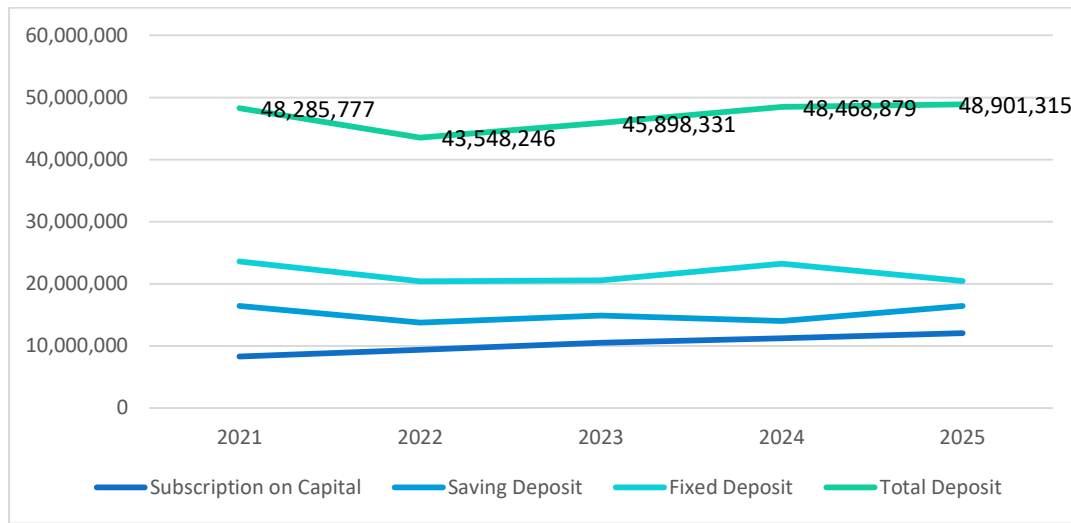
Loans Disbursed

In FY 2025, a total of \$13,058,017 loans were disbursed to 1,219 members. (FY 2024, a total of \$7,666,368 loans were disbursed to 934 members). Please refer to the illustration below total loans granted for the past 5 years:



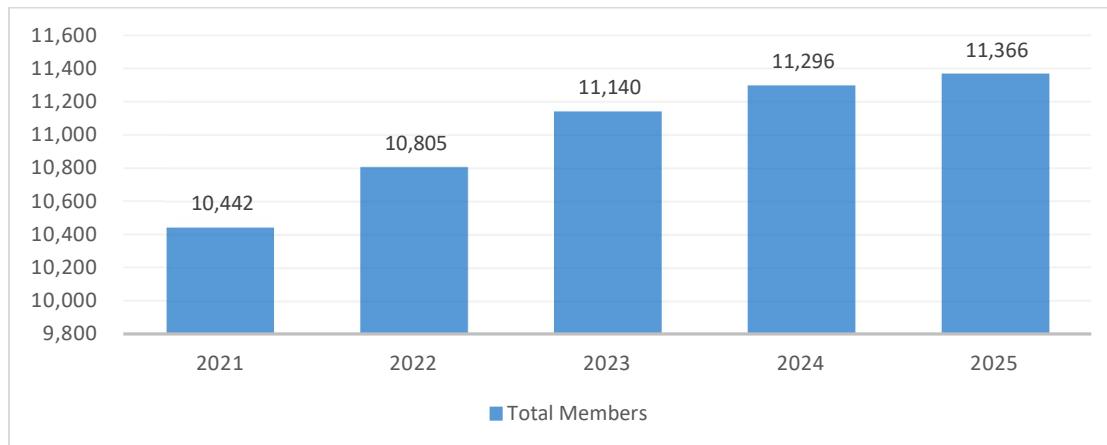
Members' Total Deposits

There has been a regular increase of Members' Total Deposit over the last 5 years. It has increased from \$48,285,777 in FY 2021 to \$48,901,315 in FY 2025. Please refer to the graph below that illustrates the Subscription Savings, Saving Deposits, Fixed Deposit and total deposits from FY 2021 to FY 2025.



Membership

We have two types of individual members - Ordinary and Associate. There was a total of 10,442 members in FY 2021. This has risen to 11,366 members in FY 2025. This progressive and continuous increase in membership is testament to both our effort and members' trust in us.



Ordinary Members

This refers to members who are Singapore Citizens or Permanent Residents and are above 16 years old. At the time of joining as a member, they must be employees of:

- (a) Ministries, Statutory Boards, Organs of State or any other institutions or entities as listed in the Singapore Government Directory;
- (b) Singapore Power Ltd and its subsidiaries; and
- (c) the Society.

Associate Members

Associate membership is extended to the spouse, child, adopted child, step-child, parent, step-parent, brother, step-brother, sister or step-sister of an ordinary member.

Recruitment of Members in Roadshows

In general, recruiting of new members were done through Roadshows at various workplaces as well as through word of mouth.

Roadshows were held at various Statutory Boards with the support from their management. They include:

1. Land Transport Authority
2. Enterprise Singapore
3. Government Technology Agency of Singapore
4. National Cancer Centre Singapore
5. Singapore Land Authority
6. Singapore General Hospital
7. Urban Redevelopment Authority
8. Health Promotion Board

Interests on Deposits

We offered competitive interest rates for our Savings Account to keep in line with interest rates from banks. The Savings Account interest is currently 1.08% p.a. Interest is calculated on daily balances with monthly crediting to the Savings Account. We offered interest in the range of 2.6% to 2.9% to our members' Fixed Term Deposits.

Bank Fixed Deposits earn interest in the range of 2.6% p.a. to 4.0% p.a.

Dividends

The Committee of Management has recommended a dividend of 3.0% on the total subscription capital balance as at 31 December 2025. The dividend of 3.0% per annum on daily rest basis on members' subscription capital for the financial year 2025 which will be paid upon members' approval is obtained at the Annual General Meeting (AGM), provided the member continued his membership as at the AGM date.

Loans to Members

We provide the following loans to suit our members' needs:

1. Personal Loan
2. Education Loan
3. Medical Loan
4. Renovation Loan
5. Consolidated Loan
6. Festival Loan
7. Secured Loan against deposits
8. Exceptional Consolidation Loan
9. Emergency Loan

Birthday Gifts

As a form of goodwill, all SSBEC members will be entitled to Birthday Gifts. On special occasions, our staff may also meet our members in person to hand over their Birthday Gifts. This is done as a gesture to show our appreciation to our members.

Hospitalisation Benefit

This is to assist our members in a small way. 84 members had benefitted a total of \$9,080 in the financial year 2025.

Get Well Soon Fruit Basket

Members who are hospitalised in Singapore registered hospitals for more than 24 hours may receive a complimentary 'Get-well-soon' Fruit Basket gesture from us. We go the extra mile to show we care for our members.

Gift of love – Birth of new baby

This benefit extends to members who have given birth and have been warded in Singapore hospitals for more than 24 hours. This allows us to be a part of a joyous occasion of our members.

Bursary Awards 2025

Our Annual Bursary Awards are given to encourage the pursuing of education as well as to provide some personal relief. A maximum of one award per household. Our care goes beyond the member and to their family as well.

Eighty-four Bursary Awards were given to members' children. The total value of the Bursary Awards amounted to \$13,800.

SSBEC Co-op Giving Back to Community

We started this project in 2018 to contribute to the community, even before the pandemic in 2020. But we enlarged it during and after the pandemic.

In 2021, we supported a number of needy families for the Chinese New Year at Jalan Kukoh, working along with the grassroots organisations there.

In 2022, we gave out goodie bags and “green packets” to about 100 Muslim families for the Hari Raya festival for the under-privileged at Jalan Kukoh on 30 April 2022. The same year, we gave similar support to the needy at Limbang to about 100 Muslim families. That year, we also supported our Indian community for Deepavali, helping 100 families with groceries and “ang pows” at Woodgrove and Limbang. We have since established a good relationship with Limbang constituency, supporting their various community-related activities.

In 2023, on 8 April 2023, we supported our Muslim community at Limbang. The Guest of Honour was DPM Lawrence Wong who is also the MP for Limbang.

In 2024, we supported 150 families at Limbang for the event of Buka Puasa on 23 March 2024.

We sponsored the 10 lucky draw prizes at a cost of \$1,200 for the Limbang Constituency MAEC Hari Raya event held on 4th May 2024.

We also supported 100 families at Woodgrove for Deepavali on 13 October 2024.

In last year 2025, we supported 120 families with groceries and “ang pows” at Limbang Hari Raya Puasa 2025 and 35 families with groceries and “ang pows” at Limbang Deepavali 2025. Also we supported 100 families with groceries at Woodgrove Deepavali 2025.

SSBEC is committed to help communities in need during festive periods through the Grassroots Organisations.

Limbang – Lunar new year Appreciation Lunch 2025



Limbang – Buka Puasa 2025



Limbang – Buka Puasa 2025



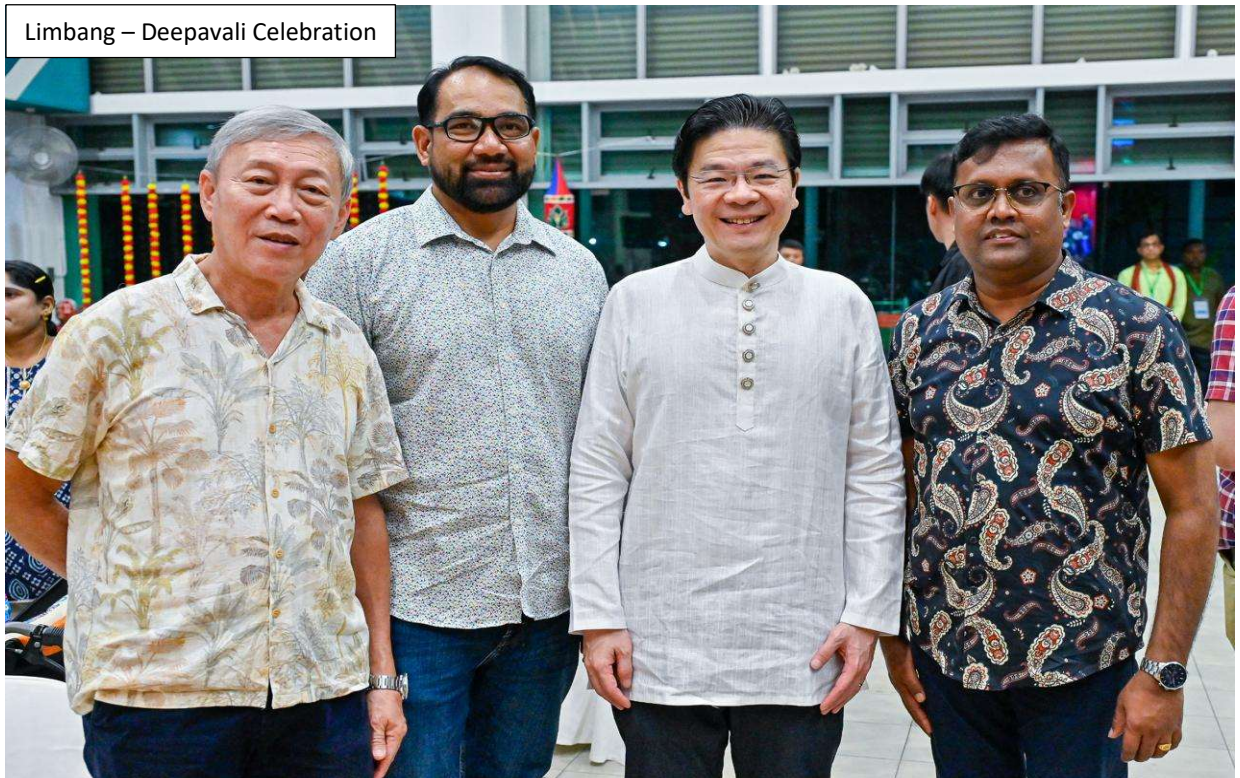
Limbang – Buka Puasa 2025



Limbang – Buka Puasa



Limbang – Deepavali Celebration



Woodgrove – Deepavali Gift Distribution 2025



Woodgrove – Deepavali Gift Distribution 2025



Singapore Statutory Boards Employees' Co-operative Thrift and Loan Society Limited

100th Anniversary celebration of SSBEC - 4 October 2025 | Fairmont Singapore

Overview

Our Society proudly celebrated the 100th Anniversary on 4th October 2025 at Fairmont Singapore, marking a significant milestone in the co-operative's century-long journey of service to our members and the co-operative movement in Singapore.

The celebration was attended by approximately 400 guests, including our members, leaders from various credit co-operatives, community representatives, and invited special guests, demonstrating the strong unity and collaboration within the co-operative sector.

The event was graced by Guest of Honour Mr. Seah Kian Peng, honorable Speaker of Parliament. Distinguished guests also included community leaders from the Limbang Constituency, Mr. Ng Poh Wah and Steven Tan, Registrar of Co-operatives Ms. Crystal Du and SNCF Chairman Mr. Tng Ah Yiam.

The highlight of the celebration was a special congratulatory video message from our **Prime Minister Lawrence Wong**. His message to our Society was extremely heart-warming and served as the booster we needed as we march towards the next 100 years. The surprised audience gave Prime Minister a rousing round of applause. **Our Chairman expressed his sincere appreciation and gratitude to our Prime Minister.**

The event, after a night of dinner, dance, prizes galore and celebration, concluded successfully and served as a meaningful occasion to celebrate 100 years of co-operative service, resilience, and community spirit.

Summary of the Chairman's Address

The Enduring Principle of the Co-operative Movement

Following the commemorative video marking 100 years of SSBEC, the Chairman began his address by reflecting on the enduring nature of the co-operative movement. He noted that while none of us would be around to celebrate the next century, the co-operative movement will continue because it is founded on a fundamental principle — co-operatives are formed by the people, for the people.

Recognition of Co-operative Leaders

The Chairman expressed confidence in the future of the co-operative movement, highlighting that its strength lies in the dedicated leadership of co-operative leaders present at the celebration. He acknowledged and thanked leaders from many co-operatives for their sincere and dedicated service to the co-operative movement, inviting them to stand and receive appreciation from the audience.

Acknowledgement of Distinguished Guests

The Chairman also acknowledged several distinguished guests, including:

- Mr. Seah Kian Peng, Speaker of the Parliament of Singapore
- Mr. Tng Ah Yiam, Chairman of the Singapore National Co-operative Federation
- Ms. Crystal Du, Registrar
- Mr. Ng Poh Wah and Mr. Steven Tan, Limbang Constituency community leaders
- Mr. Chan Tee Seng, former SNCF chairman
- Ms. Dolly Goh, former SNCF CEO
- Various co-operative leaders
- Members of SSBEC.

Overcoming the 2013 Crisis

The Chairman reflected on a challenging period in October 2013, when the cooperative suffered a \$5.3 million loss due to fraud. At that time, the cooperative faced the difficult decision of either closing down and returning members' deposits or continuing operations without guarantees or dividends.

At the Extraordinary General Meeting to decide the continuity of the Society, 99.9% of members voted to continue the co-operative, demonstrating extraordinary trust and commitment. With this overwhelming support, SSBEC began the challenging journey of rebuilding the organisation.

Leadership, Perseverance and Recovery

The Chairman highlighted the resilience shown by the Board, staff, and management during the recovery period. He expressed special appreciation to CEO Balasingam Shanmugathaasan, whose leadership and determination played a key role in rebuilding and strengthening the co-operative.

Quoting a Chinese saying — “Pearls don’t lie on the seashore. If you want one, you must dive for it.” — the Chairman emphasized that success requires effort, perseverance, and courage. He also referred to the Chinese idiom “wò xīn cháng dǎn”, symbolizing endurance and resilience in overcoming hardship.

Appreciation to Supporters and Partners

The Chairman also expressed his gratitude to many individuals who supported SSBEC during its difficult period. Special appreciation was extended to Mr. Peter Choong, former Vice-Chairman, and his family for their continued support during the crisis.

He also thanked Mr. Chan Tee Seng and Ms. Dolly Goh, as well as the Registry and other Co-operative leaders who provided guidance and support during the recovery period.

In addition, the Chairman acknowledged Mr. Victor Pang, whose support in purchasing the co-operative's building at Joo Chiat Road helped stabilise SSBEC and place it back on the path to recovery.

SSBEC Today

The Chairman highlighted the significant progress achieved since the crisis:

- Membership increased from 1,250 members in 2013 to more than 11,000 members today.
- Total assets grew from \$9 million to over \$57 million.

These achievements reflect the trust of members and the dedication of the Committee of Management, CEO and his team.

Looking Towards the Next Century

In closing, the Chairman expressed confidence in the co-operative's future. Referring to the Chinese saying "A good horse never looks back," he noted that SSBEC has moved beyond its past challenges and is now focused on moving forward toward the next 100 years.

With strong governance, innovation, and collaborative leadership, SSBEC will continue to place its members and the community at the center of its mission, ensuring the cooperative's continued growth and sustainability.















Acknowledgements

The Committee of Management would like to thank our members for their continued support and trust in us, as well as our staff for their hard work and commitment.

We would also like to place our sincere thanks to the Registry for their guidance and advice and our parent body, SNCF.

Singapore Statutory Boards Employees' Co-operative Thrift and Loan Society Limited

Committee Meetings and Attendance

The COM held its meeting on a monthly basis. The attendance is as follows:

| Name | Position | No. of Meetings Held | No. of Meetings Attended |
|--------------------------|----------------|----------------------|--------------------------|
| Mr. Abdul Kalam Azad | Chairman | 12 | 12 |
| Mr. Seak Poh Leong | Vice Chairman | 12 | 12 |
| Mr. Shariff Khan | Hon. Secretary | 12 | 12 |
| Mr. Tan Teck Su | Hon. Treasurer | 12 | 11 |
| Mr. Bakhtiar Effendi | COM Member | 12 | 10 |
| Mr. Tan Leng Joo Bernard | COM Member | 12 | 11 |
| Ms. Tng Piak Khee Peggy | COM Member | 12 | 5 |

Exco Committee

| Name | Position | No. of Meetings Held | No. of Meetings Attended |
|----------------------|----------|----------------------|--------------------------|
| Mr. Abdul Kalam Azad | Member | 4 | 4 |
| Mr. Seak Poh Leong | Member | 4 | 4 |
| Mr. Shariff Khan | Member | 4 | 4 |
| Mr. Tan Teck Su | Member | 4 | 4 |

Audit Committee

| Name | Position | No . of Meetings Held | No . of Meetings Attended |
|--------------------------|-----------------|------------------------------|----------------------------------|
| Mr. R. Mahendran | Head | 4 | 4 |
| Mr. Bakhtiar Effendi | Member | 4 | 4 |
| Mr. Tan Leng Joo Bernard | Member | 4 | 4 |

During FY2025, the Audit Committee’s (“AC”) activities included the following:

- a) The AC discussed with the external auditors the audit plan and scope;
- b) The AC reviewed the report on the audited financial statements and management letter;
- c) The AC reviewed the effectiveness of internal control of the Society;

INTERNAL AUDIT

The Society will appoint an Internal Auditor for a three-year term from 2026 to 2028 to further strengthen internal governance and risk management practices.

LOANS WRITTEN-OFF

We make every effort to collect loans given to members. Unfortunately, some become uncollectable due to a member going missing for a long period of time and becoming uncontactable, passing on, bankruptcy, DRS, etc.- despite all efforts over a period of time. For FY2025, the loans written off were \$503,697 for 39 members.

ESTIMATED EXPENDITURE FOR 2026

| DESCRIPTION | 2026 | 2025 | 2025 |
|---|------------------|------------------|------------------|
| | BUDGET | ACTUAL | BUDGET |
| Affiliation fee | 3,000 | 2,824 | 3,000 |
| Allowance to committee of management | 290,250 | 189,000 | 189,000 |
| Allowance for expected credit loss | 360,000 | 626,445 | 360,000 |
| Amortisation of intangible assets | 18,000 | 17,614 | 23,000 |
| Anniversary Expenses | - | 259,079 | 300,000 |
| Annual general meeting expenses | 6,500 | 4,818 | 6,500 |
| Audit fee | 40,000 | 40,000 | 37,800 |
| Bank charges | 42,000 | 39,589 | 42,000 |
| Bursary expenses | 20,000 | 13,800 | 20,000 |
| Central Provident Fund contribution | 156,500 | 151,535 | 156,500 |
| Community expenses | 25,000 | 22,152 | 15,000 |
| Co-operative functions | 4,000 | 12,300 | 10,500 |
| Debt collection expenses | - | 5,060 | - |
| Depreciation | 138,000 | 133,515 | 133,000 |
| Credit search Charges | 10,000 | 13,167 | 10,000 |
| Entertainment | - | 1,272 | 2,000 |
| Foreign workers levy | 7,800 | 7,000 | 6,600 |
| Insurance | 3,200 | 2,882 | 3,200 |
| Interest expense on fixed deposit | 516,000 | 599,398 | 710,000 |
| Interest expense on members' savings | 175,000 | 215,119 | 270,000 |
| Interest on lease | 5,400 | 5,382 | 7,200 |
| Legal & Professional fees | 8,000 | 6,593 | 7,500 |
| Maintenance and repairs of building | 1,500 | 6,191 | 1,500 |
| Maintenance of software and others | 24,000 | 22,006 | 12,000 |
| Members welfare | 18,000 | 15,949 | 15,000 |
| Membership Recruitment expenses | 18,000 | 15,339 | 30,000 |
| Miscellaneous expenses | 2,400 | 3,433 | 5,000 |
| Overseas training committee members | 40,000 | 29,526 | 70,000 |
| Postage | 1,200 | 520 | 2,600 |
| Printing & stationery | 5,500 | 6,029 | 5,500 |
| Property Tax | 15,600 | 17,233 | 35,220 |
| Refreshment | 5,000 | 1,407 | 5,000 |
| Service charges for deductions of payroll | 20,000 | 18,964 | 20,000 |
| Skill development levy | 2,000 | 1,909 | 2,000 |
| Staff salaries, allowances and bonuses | 1,950,000 | 1,826,844 | 1,575,000 |
| Staff training and retreat | 26,000 | 25,859 | 15,000 |
| Staff welfare and long service award | 22,000 | 29,823 | 33,500 |
| Telephone, telex and internet | 17,400 | 13,613 | 17,400 |
| Transport charges | 500 | 775 | 500 |
| Water and electricity | 12,000 | 11,263 | 12,000 |
| Total Expenditure | 4,009,750 | 4,415,227 | 4,170,020 |

Audited Financial Statements

**SINGAPORE STATUTORY BOARDS EMPLOYEES'
CO-OPERATIVE THRIFT AND LOAN SOCIETY LTD**
(Registered under the Co-operative Societies Act 1979, Singapore)
(Unique Entity Number: S25CS0002G)

STATEMENT BY COMMITTEE OF MANAGEMENT

In the opinion of the Committee of Management,

- a) the accompanying financial statements together with the notes thereon are properly drawn up in accordance with the provisions of the Co-operative Societies Act 1979, Co-operative Societies Rules and the Singapore Financial Reporting Standards so as to give true and fair view of the financial position of the Society as at 31 December 2025 and the financial performance, changes in members' interests and cash flows of the Society for the year ended on that date; and
- b) at the date of this statement, there are reasonable grounds to believe Society will be able to pay its debt as and when fall due: and
- c) the receipt, expenditure, investment of moneys and the acquisition and disposal of assets by the Society during the year have been made in accordance with the By-laws of the Society, the provisions of the Act and the Rules (made under Section 95 of the Act): and
- d) proper accounting and other records have been kept by the Society.

On behalf of the Committee of Management



ABDUL KALAM AZAD
CHAIRMAN



SHARIFF KHAN
HONORARY SECRETARY



TAN TECK SU
HONORARY TREASURER

Singapore
25 March 2026

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF**

**SINGAPORE STATUTORY BOARDS EMPLOYEES'
CO-OPERATIVE THRIFT AND LOAN SOCIETY LTD**

(Registered under the Co-operative Societies Act 1979, Singapore)
(Unique Entity Number: S25CS0002G)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the **SINGAPORE STATUTORY BOARDS EMPLOYEES' CO-OPERATIVE THRIFT AND LOAN SOCIETY LTD** ("the Society"), which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of appropriation, statement of changes in members' interests and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Co-operative Societies Act 1979, Singapore ("the Act") and the Co-operative Societies Rules (the Rules) and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Society as at 31 December 2025 and of the financial performance, appropriation, changes in members' interests and cash flows of the Society for the financial year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements of Singapore Statutory Boards Employees' Co-Operative Thrift and Loan Society Ltd for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on 21 March 2025.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information (obtained prior to the date of our auditor's report) comprises the Statement by Management Committee included in the Annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT (Continued)

TO THE MEMBERS OF SINGAPORE STATUTORY BOARDS EMPLOYEES' CO-OPERATIVE THRIFT AND LOAN SOCIETY LTD

(Registered under the Co-operative Societies Act 1979, Singapore)

(Unique Entity Number: S25CS0002G)

Information Other than the Financial Statements and Auditor's Report Thereon - continued

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Act and Rules and FRSSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility 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 misstatements, 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 or 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.

INDEPENDENT AUDITOR'S REPORT (Continued)

**TO THE MEMBERS OF
SINGAPORE STATUTORY BOARDS EMPLOYEES'
CO-OPERATIVE THRIFT AND LOAN SOCIETY LTD**
(Registered under the Co-operative Societies Act 1979, Singapore)
(Unique Entity Number: S25CS0002G)

Auditor's Responsibility for the Audit of the Financial Statements - continued

- 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Society's ability to continue as a going concern, if we conclude that 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 Society 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.

We communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Society have been properly kept in accordance with the provisions of the Act.

During the course of our audit, nothing has come to our attention to cause us to believe that the receipts, expenditure and investment of moneys and the acquisition and disposal of assets by the Society during the financial year ended 31 December 2025 have not been made in accordance with the by-laws of the Society and the provisions of the Act and the Co-operative Societies Rules.

A2 Audit Pac
**A2 AUDIT PAC
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS**



Singapore,
25 March 2026

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

| | <u>NOTE</u> | <u>2025</u> S\$ | <u>2024</u> S\$ |
|---|-------------|--------------------|--------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Right of use asset, plant and equipment | (3) | 141,830 | 244,186 |
| Intangible assets | (4) | 49,507 | 67,121 |
| Investment property | (5) | 7,300,000 | 7,000,000 |
| Advances for purchase of office premises | (6) | 1,124,600 | - |
| Financial assets at fair value through other comprehensive income-investments | (7) | 50,000 | 50,000 |
| Loans to members | (8) | 13,148,776 | 16,268,551 |
| Total non-current assets | | 21,814,713 | 23,629,858 |
| CURRENT ASSETS | | | |
| Loans to members | (8) | 18,410,365 | 13,035,114 |
| Sundry debtors, deposits and prepayments | (9) | 72,700 | 71,632 |
| Cash and cash equivalents | (10) | 17,504,463 | 20,394,272 |
| Total current assets | | 35,987,528 | 33,501,018 |
| TOTAL ASSETS | | 57,802,241 | 57,130,876 |
| EQUITY FUNDS AND LIABILITIES | | | |
| CAPITAL | | | |
| Subscription capital | (11) | 12,039,234 | 11,232,404 |
| Accumulated surplus | | 7,484,488 | 7,097,881 |
| Total Members' interest | | 19,523,722 | 18,330,285 |
| Less: Subscription capital | | (12,039,234) | (11,232,404) |
| Total equity | | 7,484,488 | 7,097,881 |
| NON-CURRENT LIABILITIES | | | |
| Members' fixed deposits | (14) | 6,511,309 | 6,177,630 |
| Lease liabilities | (15) | - | 113,785 |
| Total non-current liabilities | | 6,511,309 | 6,291,415 |
| CURRENT LIABILITIES | | | |
| Subscription capital | (11) | 12,039,234 | 11,232,404 |
| Central co-operative fund | (12) | 84,313 | 101,610 |
| Members' savings deposits | (13) | 16,421,348 | 13,997,177 |
| Members' fixed deposits | (14) | 13,929,424 | 17,061,668 |
| Lease liabilities | (15) | 113,785 | 120,618 |
| Sundry creditors and accruals | (16) | 1,218,340 | 1,228,103 |
| Total current liabilities | | 43,806,444 | 43,741,580 |
| Total liabilities | | 50,317,753 | 50,032,995 |
| TOTAL EQUITY AND LIABILITIES | | 57,802,241 | 57,130,876 |

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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

| | <u>NOTE</u> | <u>2025</u> S\$ | <u>2024</u> S\$ |
|--|-------------|--------------------|--------------------|
| <u>Interest income</u> | | | |
| Interest on loans to members | (8) | 3,744,244 | 3,744,920 |
| Interest on fixed deposit and current accounts | | 381,246 | 499,589 |
| | | 4,125,490 | 4,244,509 |
| <u>Interest expenses</u> | | | |
| Interest on members' fixed deposits | (14) | (599,398) | (687,662) |
| Interest on members' savings deposits | (13) | (215,119) | (348,173) |
| | | (814,517) | (1,035,835) |
| Net interest income | | 3,310,973 | 3,208,674 |
| Other income | (17) | 1,086,300 | 1,801,865 |
| Administrative and other expenses | (18) | (3,595,327) | (3,993,544) |
| Financial charges | (19) | (5,382) | (8,943) |
| Surplus from the operation | | 796,564 | 1,008,052 |
| Other comprehensive income | | - | - |
| Total comprehensive income | | 796,564 | 1,008,052 |

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

STATEMENT OF APPROPRIATION FOR THE YEAR ENDED 31 DECEMBER 2025

| | <u>Note</u> | <u>2025</u> S\$ | <u>2024</u> S\$ |
|--|-------------|--------------------|--------------------|
| Surplus for the year | | 796,564 | 1,008,052 |
| Less: Central co-operative fund | (12) | (84,313) | (121,610) |
| Surplus before appropriation | | 712,251 | 886,442 |
| Less: Appropriation | | | |
| Dividend on members' subscription capital | (23) | (325,644) | (299,364) |
| Net surplus for the year transferred to Accumulated Fund | | 386,607 | 587,078 |

STATEMENT OF CHANGES IN MEMBERS' INTERESTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

| | <u>2025</u> S\$ | <u>2024</u> S\$ |
|---|--------------------|--------------------|
| Subscription Capital | | |
| Balance as at the beginning of financial year | 11,232,404 | 10,465,644 |
| Receipts during the year | 1,657,723 | 1,614,898 |
| Withdrawals during the year | (419,651) | (713,182) |
| Transferred to other payable for resigned members | (431,242) | (134,956) |
| Balance as at the end of financial year | 12,039,234 | 11,232,404 |
| Accumulated Surplus | | |
| Balance as at the beginning of financial year | 7,097,881 | 6,510,803 |
| Net surplus transferred for the year | 386,607 | 587,078 |
| Balance as at the end of financial year | 7,484,488 | 7,097,881 |
| Total Members' interests | 19,523,722 | 18,330,285 |

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

| | <u>NOTE</u> | <u>2025</u> S\$ | <u>2024</u> S\$ |
|---|-------------|--------------------|--------------------|
| Cash flows from operating activities | | | |
| Net Surplus for the financial year | | 796,564 | 1,008,052 |
| Adjustments for: | | | |
| Dividend received | | (4,000) | (3,000) |
| Depreciation | | 133,516 | 133,378 |
| Amortisation of intangible assets | | 17,614 | 23,239 |
| Fair value adjustment for Investment Property | | (300,000) | (1,200,000) |
| Interest on fixed deposits and current accounts | | (381,246) | (499,589) |
| Allowance for doubtful debts | | 626,445 | 1,383,651 |
| Interest on members' savings deposits | | 215,119 | 348,173 |
| Interest on members' fixed deposits | | 599,398 | 687,662 |
| Interest on lease | | 5,382 | 8,943 |
| Operating cash flow before working capital changes | | <u>1,708,792</u> | <u>1,890,509</u> |
| <u>Changes in working capital:</u> | | | |
| Loan to members | | (2,881,921) | 2,108,334 |
| Sundry debtors, deposits and prepayments | | (1,068) | 37,663 |
| Members' fixed deposits | | (2,798,565) | 2,696,600 |
| Members' savings deposits | | 2,424,171 | (892,812) |
| Sundry creditors and accruals | | (9,763) | 261,128 |
| Cash (used in) / generated from operations | | <u>(1,558,354)</u> | <u>6,101,422</u> |
| Interest on current accounts | | 8,545 | 6,617 |
| Interest on members' savings deposits | | (215,119) | (348,173) |
| Interest on members' fixed deposits | | (599,398) | (687,662) |
| Central Co-Operative Fund net of refund | | (101,610) | (71,241) |
| Net cash (used in) / generated from operating activities | | <u>(2,465,936)</u> | <u>5,000,963</u> |
| Cash flows from investing activities | | | |
| Payment for purchase of plant and equipment | | (31,160) | (7,958) |
| Advances for purchase of office premises | | (1,124,600) | - |
| Withdrawal/(Placement) of fixed deposits | | 8,215,703 | (7,325,255) |
| Interest received from fixed deposits | | 539,216 | 499,122 |
| Dividend received | | 4,000 | 3,000 |
| Net cash generated from / (used in) investing activities | | <u>7,603,159</u> | <u>(6,831,091)</u> |
| Cash flows from financing activities | | | |
| Subscription capital | | 806,830 | 766,760 |
| Payment of Interest on lease liabilities | | (5,382) | (8,943) |
| Payment of principal portion lease liabilities | | (120,618) | (117,057) |
| Dividend paid | | (325,644) | (299,364) |
| Net cash generated from financing activities | | <u>355,186</u> | <u>341,396</u> |
| Net increase / (decrease) in cash and cash equivalents | | <u>5,492,409</u> | <u>(1,488,732)</u> |
| Cash and cash equivalents at beginning of financial year | | <u>1,680,278</u> | <u>3,169,010</u> |
| Cash and cash equivalents at end of financial year | (10) | <u>7,172,687</u> | <u>1,680,278</u> |

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

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025

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

The financial statements of the SINGAPORE STATUTORY BOARD EMPLOYEES' CO-OPERATIVE THRIFT AND LOAN SOCIETY LTD ("the Society") for the financial year ended 31 December 2025 were authorised for issue by the Committee of Management on the date of the Statement by Committee of Management ("COM").

1. SOCIETY INFORMATION

SINGAPORE STATUTORY BOARD EMPLOYEES' CO-OPERATIVE THRIFT AND LOAN SOCIETY LTD. is a co-operative society, which is registered under the Co-operatives Societies Act 1979. The address of its registered office and principal place of business is:

11 Cantonment Road
Singapore 089736.

The principal activities of the Society are that of to promote, in accordance with the co-operative principles, the economic interest of and to encourage co-operation, self-help, thrift and mutual assistance amongst its members, who are employees' of the Singapore Statutory Boards, Ministries, corporatised government companies and in similar category any other organisation or institution as approved by the Committee of Management.

There have been no significant changes in the nature of these activities during the financial year.

2. BASIS OF PREPARATION

a) Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (SFRS) and with the provisions of Co-operative Societies Act 1979.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the accounting policy notes that follow.

c) Functional and presentation currency

These financial statements are presented in Singapore Dollars (S\$) which is the Society's functional and presentation currency.

d) Use of estimates and judgment

The preparation of the financial statements in conformity with FRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. BASIS OF PREPARATION - continued

d) Use of estimates and judgment - continued

Judgement made in applying accounting policies

The Management Committee have not made any judgement in the process of applying the Society’s accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Key estimates

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Expected credit loss (ECL) allowance for loans to members, other receivables and deposits

The carrying values of loans to members, other receivables and deposits are disclosed in Note 8 and 9. The Society classify the loans to members into three categories based on their credit risk to determine expected credit loss. The summary of the assumptions underpinning the Society’s expected credit loss model for loan to members is as follows:

| Category | Society’s definition of category | Basis for recognition of expected credit loss provision |
|-------------------------------------|--|--|
| Performing | Members have a low risk of default and a strong capacity to meet contractual cash flows | 12 month expected losses. |
| Credit risk significantly increased | Loans for which there is a significant increase in credit risk; as significant is presumed if interest and/or principal repayments are 90-360 days past due. | Lifetime expected losses. |
| Credit impaired | A significant portion of the interest and/or principal repayments are more than 12 months past due | Lifetime expected losses. |

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. BASIS OF PREPARATION - continued

d) Use of estimates and judgment - continued

Key estimates - continued

Expected credit loss (ECL) allowance for loans to members, other receivables and deposits - continued

In respect of non-credit impaired exposures, significant judgment and assumptions are required in areas including:

- Development of ECL model parameters, including the probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each portfolio.
- Selection of criteria to determine whether a credit exposure has exhibited “significant increase in credit risk” thus requiring lifetime ECL allowance.
- Determination of relevant macroeconomic factors to incorporate into the models.

In respect of credit-impaired exposures management judgement and estimation are applied in (i) identifying impaired exposures; (ii) estimating the related recoverable amounts; and (iii) where applicable, determining collateral values and timing of expected cash flows. The details of the expected credit loss allowances are disclosed in Note 8.

Valuation of investment properties

The fair value of the investment property of S\$ 7,300,000- (2024: S\$ 7,000,000/-) as at 31 December 2025 disclosed in Note 5, is stated at their estimated fair value which determined by an independent professional valuer. This estimated fair value may differ from the prices at which the Society’s investment property could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers. Also, certain estimates require an assessment of uncontrollable factors, such as overall market conditions. As a result, actual results of operations and realisation of these investment properties could differ from the estimates set forth in these financial statements.

e) Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except as disclosed in Note 29 - material accounting policy information. The Society has adopted the following amendments and improvements which are relevant to the Society and are effective for annual financial periods beginning on or after 1 January 2025.

- Amendments to FRS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

The adoption of above standards and amendments did not have any material effect on the financial performance or position of the Society.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. RIGHT OF USE ASSET, PLANT AND EQUIPMENT

| 2025 | Renovation, Furniture and Fittings | Office Equipment | Computers and Accessories | Right-of-use asset – Building | Total |
|---------------------------------|---|-----------------------------|--|--|------------------|
| | S\$ | S\$ | S\$ | S\$ | S\$ |
| <u>Cost</u> | | | | | |
| Beginning of financial year | 107,294 | 53,189 | 68,625 | 928,215 | 1,157,323 |
| Additions | 26,161 | 4,999 | - | - | 31,160 |
| End of financial year | 133,455 | 58,188 | 68,625 | 928,215 | 1,188,483 |
| <u>Accumulated Depreciation</u> | | | | | |
| Beginning of financial year | 105,287 | 40,438 | 63,198 | 704,214 | 913,137 |
| Charge for the financial year | 9,535 | 3,778 | 3,333 | 116,870 | 133,516 |
| End of financial year | 114,822 | 44,216 | 66,531 | 821,084 | 1,046,653 |
| <u>Carrying Value</u> | | | | | |
| End of financial year | 18,633 | 13,972 | 2,094 | 107,131 | 141,830 |
| | | | | | |
| 2024 | Renovation, Furniture and Fittings | Office Equipment | Computers and Accessories | Right-of-use asset – Building | Total |
| | S\$ | S\$ | S\$ | S\$ | S\$ |
| <u>Cost</u> | | | | | |
| Beginning of financial year | 107,294 | 45,232 | 68,624 | 928,215 | 1,149,365 |
| Additions | - | 7,957 | 1 | - | 7,958 |
| End of financial year | 107,294 | 53,189 | 68,625 | 928,215 | 1,157,323 |
| <u>Accumulated Depreciation</u> | | | | | |
| Beginning of financial year | 97,307 | 37,225 | 57,883 | 587,344 | 779,759 |
| Charge for the financial year | 7,980 | 3,213 | 5,315 | 116,870 | 133,378 |
| End of financial year | 105,287 | 40,438 | 63,198 | 704,214 | 913,137 |
| <u>Carrying Value</u> | | | | | |
| End of financial year | 2,007 | 12,751 | 5,427 | 224,001 | 244,186 |

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

4. **INTANGIBLE ASSETS**
SOFTWARE

| | <u>2025</u> S\$ | <u>2024</u> S\$ |
|---------------------------------|--------------------|--------------------|
| <u>Cost</u> | | |
| Beginning of financial year | 275,715 | 275,715 |
| Additions | - | - |
| End of financial year | 275,715 | 275,715 |
| <u>Accumulated Amortisation</u> | | |
| Beginning of financial year | 208,594 | 185,355 |
| Charge for the financial year | 17,614 | 23,239 |
| End of financial year | 226,208 | 208,594 |
| <u>Carrying Value</u> | | |
| End of financial year | 49,507 | 67,121 |

5. **INVESTMENT PROPERTY**

| | <u>2025</u> S\$ | <u>2024</u> S\$ |
|--|--------------------|--------------------|
| <u>At Cost</u> | | |
| Beginning and at end of financial year | 5,665,550 | 5,665,550 |
| <u>Fair Value Adjustment</u> | | |
| Beginning of financial year | 1,334,450 | 134,450 |
| Adjustment for the year | 300,000 | 1,200,000 |
| End of financial year | 1,634,450 | 1,334,450 |
| <u>Carrying Value</u> | | |
| End of financial year | 7,300,000 | 7,000,000 |

Refer to Note 25e for valuation basis.

The property is used by the Society to generate rental income.

The details of the investment properties are as follows:

| <u>Location / Description</u> | <u>Tenure</u> | <u>At Cost</u> <u>2025 and</u> <u>2024</u> S\$ | <u>Carrying</u> <u>Value</u> <u>2025</u> S\$ | <u>Carrying</u> <u>Value</u> <u>2024</u> S\$ |
|---|--|---|---|---|
| 15 Upper Dickson Road Singapore 207475 | Leasehold 999 years. From 6 June 1984 | 5,665,550 | 7,300,000 | 7,000,000 |

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

5. INVESTMENT PROPERTY - continued

The investment property is leased to non-related party under operating leases. The following amounts are recognised in the profit or loss statement:

| | <u>2025</u> S\$ | <u>2024</u> S\$ |
|--------------------|--------------------|--------------------|
| Rental income | 156,000 | 154,000 |
| Operating expenses | (17,233) | (12,987) |

6. ADVANCES FOR PURCHASE OF OFFICE PREMISES

The Society entered into an option to purchase agreement for the purchase of office premises situated at 15 Cantonment Road, Singapore 089739 on 05 December 2025. The purpose of the property purchase is to serve as the Society's own office premises. The advances represent the payments for the amounts due under the option agreement and the stamp duty for the transaction. The contract price of the property is S\$11,550,000/-. The property is an estate in fee simple. The completion details of the transactions are disclosed in Note 28 of the Notes to the financial statements.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

| | <u>2025</u> S\$ | <u>2024</u> S\$ |
|---|--------------------|--------------------|
| Financial Assets at Fair Value Through Other Comprehensive Income | | |
| Investment in the shares of other Co-operative Society | 50,000 | 50,000 |

The investment in shares of other Co-operative society is not held for trading and which the Society had irrevocably elected at initial recognition to recognise in this category. This is long term investment and the Society considers this classification to be more relevant. There is no active market for the investments in co-operative societies. As the Society will receive the carrying value on resignation as member from the investee Co-operative, the carrying value is approximate to the fair value.

8. LOANS TO MEMBERS

| | <u>2025</u> S\$ | <u>2024</u> S\$ |
|--------------------------------------|---------------------|--------------------|
| Loans to members | 35,229,111 | 32,850,888 |
| Allowance for expected credit losses | (3,669,970) | (3,547,223) |
| | 31,559,141 | 29,303,665 |
| Receivable within one year | (18,410,365) | (13,035,114) |
| Receivable within 2-5 years | 13,148,776 | 16,268,551 |

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

8. LOANS TO MEMBERS - continued

The maximum exposure to credit loss for the loan to members based on the Society's credit risk assessment is as follows:

| | <u>2025</u> S\$ | <u>2024</u> S\$ |
|---|--------------------|--------------------|
| Performing | 29,426,042 | 21,639,524 |
| Adjustment for amortised cost for flat rate loans | 108,662 | 98,703 |
| Credit risk significantly increased | 4,003,968 | 6,433,298 |
| Credit impaired | 1,690,439 | 4,679,363 |
| Total gross loan receivables | <u>35,229,111</u> | <u>32,850,888</u> |
| Less: Expected credit loss allowance | <u>(3,669,970)</u> | <u>(3,547,223)</u> |
| | <u>31,559,141</u> | <u>29,303,665</u> |

The reconciliation of loss allowance for loans to members as at 31 December 2025 / 2024 with the opening loss allowance is as follows:

| <u>2025</u> | <u>Performing</u> S\$ | <u>Credit risk significantly increased</u> S\$ | <u>Credit-impaired</u> S\$ | <u>Total</u> S\$ |
|---|--------------------------|---|-------------------------------|---------------------|
| Opening loss allowance as at 1 January 2025 | 610,011 | 452,708 | 2,484,504 | 3,547,223 |
| New loan originated | 33,352 | - | - | 33,352 |
| Write-offs | - | - | (503,698) | (503,698) |
| Change in risk parameters | - | 38,132 | 554,961 | 593,093 |
| Closing loss allowance as at 31 December 2025 | <u>643,363</u> | <u>490,840</u> | <u>2,535,767</u> | <u>3,669,970</u> |

| <u>2024</u> | <u>Performing</u> S\$ | <u>Credit risk significantly increased</u> S\$ | <u>Credit-impaired</u> S\$ | <u>Total</u> S\$ |
|---|--------------------------|---|-------------------------------|---------------------|
| Opening loss allowance as at 1 January 2024 | 477,627 | 525,008 | 1,450,238 | 2,452,873 |
| New loan originated | 132,384 | - | - | 132,384 |
| Write-offs | - | - | (289,301) | (289,301) |
| Change in risk parameters | - | (72,300) | 1,323,567 | 1,251,267 |
| Closing loss allowance as at 31 December 2024 | <u>610,011</u> | <u>452,708</u> | <u>2,484,504</u> | <u>3,547,223</u> |

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

8. LOANS TO MEMBERS - continued

Interest Income from loan to members

| | <u>2025</u> S\$ | <u>2024</u> S\$ |
|-----------------|--------------------|--------------------|
| Interest income | <u>3,744,244</u> | <u>3,744,920</u> |

Loans to members are granted for year up to a maximum of 7 years (2024: 7 years) at interest rate of 4.18% - 12.02% (2024: 4.18% - 12.02%).

9. SUNDRY DEBTORS, DEPOSITS AND PREPAYMENTS

| | <u>2025</u> S\$ | <u>2024</u> S\$ |
|-------------------------------|--------------------|--------------------|
| Deposits | 1,470 | 1,470 |
| Rental deposit | 52,500 | 52,500 |
| Payroll deduction receivable* | 15,430 | 10,410 |
| | <u>69,400</u> | <u>64,380</u> |
| Prepayments | 3,300 | 7,252 |
| | <u>72,700</u> | <u>71,632</u> |

*The amounts receivable from employers for members' loan repayments through payroll deductions.

10. CASH AND CASH EQUIVALENTS

| | <u>2025</u> S\$ | <u>2024</u> S\$ |
|--|--------------------|--------------------|
| Cash in hand | 28,632 | 31,915 |
| Bank balances | 17,475,831 | 20,362,357 |
| Cash and cash equivalents as per Statement of Financial Position | <u>17,504,463</u> | <u>20,394,272</u> |
| Less: | | |
| Fixed deposits | (10,176,009) | (18,391,712) |
| Interest receivable on fixed deposits | (155,767) | (322,282) |
| Cash and cash equivalent as per Statement of Cash Flows | <u>7,172,687</u> | <u>1,680,278</u> |

The fixed deposits have maturity periods of more than 90 days and earn interest at 1.30% - 3.90% p.a. (2024: 2.00% - 4.00%)

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

11. SUBSCRIPTION CAPITAL

| | <u>2025</u> S\$ | <u>2024</u> S\$ |
|---|--------------------------|--------------------|
| Balance as at beginning of financial year | 11,232,404 | 10,465,644 |
| Receipts during the year | 1,657,723 | 1,614,898 |
| Withdrawals during the year | (419,651) | (713,182) |
| Transferred to other payable for resigned members | (431,242) | (134,956) |
| Balance as at the end of financial year | <u>12,039,234</u> | <u>11,232,404</u> |

In accordance with By-laws 4.13, a new member must take a minimum monthly subscription payment of S\$10. There shall be no maximum cap on subscription capital. This amount has been presented as current liabilities as the Co-operative does not have an unconditional right to refuse redemption of the Members' share.

Members of the Co-operative who shall be individuals:

- i) have attained the age of 16 years;
 - ii) are citizens of or residents in Singapore; and
- (a) Ordinary members, who shall be:
- i) permanent employees of Ministries, Statutory Boards, Organs of State of any other institution or entities as listed in the Singapore Government Directory;
 - ii) Singapore Power Limited and its subsidiaries: and
 - iii) the Society.
- (b) Associate members shall be the spouse, child, adopted child, step-child, parent, brother, step-brother, sister, step-sister of an ordinary member.

Any member, excluding the associate members, of the Co-operative may vote at any general meeting of the Co-operative. Ordinary members can exercise one vote irrespective of the number of shares held by him/her. The associate members shall have no voting right at the general meeting and shall not stand for election to office.

Any member who is not liable to the Co-operative may withdraw his/her membership on giving 3 months' notice of resignation in writing. Under exceptional circumstances, the COM may accept a shorter notice of resignation at its discretion. The effective date of cessation of membership by resignation shall be upon the expiry of 3 months' notice or such shorter notice accepted by the COM, as the case may be. During the period of Notice, such member shall be eligible to vote or to incur fresh liabilities with the Society. Upon the effective date of cessation of membership, such member may withdraw all his subscription capital.

12. CENTRAL CO-OPERATIVE FUND

| | <u>2025</u> S\$ | <u>2024</u> S\$ |
|--|----------------------|--------------------|
| Balance at beginning of financial year | 101,610 | 51,241 |
| Add: Transfer from surplus at 5%*-20% (2024: 5%-20%) | 84,313 | 101,610 |
| Add: Adjustment for under provision in prior year | - | 20,000 |
| Less: Payments during the year | (101,610) | (71,241) |
| Balance at end of financial year | <u>84,313</u> | <u>101,610</u> |

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

12. CENTRAL CO-OPERATIVE FUND - continued

Section 71(1) of the Co-operative Societies Act 1979, requires every society to contribute 5% of the first S\$ 500,000 and 20% thereafter of the surplus resulting from operations of the Society each year to the Central Co-operative Fund ('CCF').

For prior financial year, the first-tier CCF contribution of 5% has been waived.

13. MEMBERS' SAVINGS DEPOSITS

| | <u>2025</u> S\$ | <u>2024</u> S\$ |
|--|--------------------|--------------------|
| Balance at beginning of financial year | 13,997,177 | 14,889,989 |
| Receipts during the year | 17,882,316 | 16,629,512 |
| Interest credited during the year | 215,119 | 348,173 |
| Membership promotion and perks | 9,610 | - |
| Dividend credited during the year | 325,644 | 299,364 |
| Withdrawals during the year | (16,008,518) | (18,169,861) |
| Balance at end of financial year | <u>16,421,348</u> | <u>13,997,177</u> |

14. MEMBERS' FIXED DEPOSITS

| | <u>2025</u> S\$ | <u>2024</u> S\$ |
|--|--------------------|--------------------|
| Balance at beginning of financial year | 23,239,298 | 20,542,698 |
| Deposits received during the year | 14,032,007 | 15,511,025 |
| Interest and others | 599,398 | 687,662 |
| Withdrawals during the year | (17,429,970) | (13,502,087) |
| Balance at end of financial year | <u>20,440,733</u> | <u>23,239,298</u> |
| Less: Non-current liabilities (maturity after 12 months) | <u>(6,511,309)</u> | <u>(6,177,630)</u> |
| Current liabilities | <u>13,929,424</u> | <u>17,061,668</u> |

15. LEASE LIABILITIES

The Society has lease contract for an office building. The Society's obligations under these leases are secured by the lessor's title to the leased assets. The lease liabilities under the contract is as follows:

| | <u>2025</u> S\$ | <u>2024</u> S\$ |
|----------------------|--------------------|--------------------|
| Payable: | | |
| Within one year | 113,785 | 120,618 |
| Between 2 to 3 years | - | 113,785 |
| | <u>113,785</u> | <u>234,403</u> |

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

15. LEASE LIABILITIES - continued

(a) Carrying amount of right-of-use assets classified within property, plant and equipment

| <u>Leasehold buildings</u> | <u>2025</u> S\$ | <u>2024</u> S\$ |
|-----------------------------|--------------------|--------------------|
| Beginning of financial year | 224,001 | 340,871 |
| Depreciation | (116,870) | (116,870) |
| End of financial year | <u>107,131</u> | <u>224,001</u> |

(b) Lease liabilities

| | <u>2025</u> | | Non-cash changes | | | 31 December <u>2025</u> S\$ |
|--------------------------|---------------------------------|--------------------------|--|-------------------------|---------------------|-----------------------------------|
| | 1 January <u>2025</u> S\$ | <u>Cash flows</u> S\$ | Accretion of <u>interests</u> S\$ | <u>Additions</u> S\$ | <u>Other</u> S\$ | |
| Lease liabilities | | | | | | |
| Current | 120,618 | (126,000) | 5,382 | | 113,785 | 113,785 |
| Non-current | 113,785 | - | | | (113,785) | - |
| | <u>234,403</u> | <u>(126,000)</u> | <u>5,382</u> | | <u>-</u> | <u>113,785</u> |
| | <hr/> | | | | | |
| | <u>2024</u> | | Non-cash changes | | | 31 December <u>2024</u> S\$ |
| | 1 January <u>2024</u> S\$ | <u>Cash flows</u> S\$ | Accretion of <u>interests</u> S\$ | <u>Additions</u> S\$ | <u>Other</u> S\$ | |
| Lease liabilities | | | | | | |
| Current | 117,057 | (126,000) | 8,943 | - | 120,618 | 120,618 |
| Non-current | 234,403 | - | - | - | (120,618) | 113,785 |
| | <u>351,460</u> | <u>(126,000)</u> | <u>8,943</u> | <u>-</u> | <u>-</u> | <u>234,403</u> |

(c) Amounts recognised in profit or loss

| | <u>2025</u> S\$ | <u>2024</u> S\$ |
|---|--------------------|--------------------|
| Depreciation of right-of-use assets | 116,870 | 116,870 |
| Interest expense on lease liabilities | 5,382 | 8,943 |
| Total amount recognised in profit or loss | <u>122,252</u> | <u>125,813</u> |

16. SUNDRY CREDITORS AND ACCRUALS

| | <u>2025</u> S\$ | <u>2024</u> S\$ |
|---------------------------|--------------------|--------------------|
| Accruals | 787,098 | 749,492 |
| Resigned Members' payable | 431,242 | 478,611 |
| Total | <u>1,218,340</u> | <u>1,228,103</u> |

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

17. OTHER INCOME

| | <u>2025</u> S\$ | <u>2024</u> S\$ |
|---|--------------------|--------------------|
| Administrative income | 370,390 | 186,369 |
| Dividend received from unquoted investment | 4,000 | 3,000 |
| Late payment charges | 113,694 | 170,303 |
| Rental income | 156,000 | 154,000 |
| Government and CCF grant | 65,116 | 68,808 |
| Bad debt recovery | 18,590 | 19,385 |
| Fair value adjustment for investment property | 300,000 | 1,200,000 |
| Others | 58,510 | - |
| Total | 1,086,300 | 1,801,865 |

18. ADMINISTRATIVE AND OTHER EXPENSES

| | <u>Note</u> | <u>2025</u> S\$ | <u>2024</u> S\$ |
|--|-------------|--------------------|--------------------|
| Allowances for expected credit loss | | 626,445 | 1,383,651 |
| Amortisation of intangible assets | | 17,614 | 23,239 |
| Allowances to committee of management | | 189,000 | 187,000 |
| Bank charges | | 39,589 | 40,114 |
| Bursary expenses | | 13,800 | 15,200 |
| Centennial anniversary expenses | | 259,079 | - |
| Central Provident Fund contribution | (20) | 151,535 | 154,222 |
| Community expenses | | 22,152 | 15,749 |
| Depreciation | (3) | 133,516 | 133,378 |
| Property tax | | 17,233 | 12,987 |
| Staff salaries, allowances and bonuses | (20) | 1,826,844 | 1,749,081 |
| Other operating expenses | | 298,520 | 278,923 |
| Total administrative and other expenses | | 3,595,327 | 3,993,544 |

19. FINANCIAL CHARGES

| | <u>Note</u> | <u>2025</u> S\$ | <u>2024</u> S\$ |
|--------------------------------|-------------|--------------------|--------------------|
| Interest on lease | (15) | 5,382 | 8,943 |
| Total financial charges | | 5,382 | 8,943 |

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

20. EMPLOYEE BENEFIT EXPENSES

| | <u>2025</u> S\$ | <u>2024</u> S\$ |
|-------------------------------------|--------------------|--------------------|
| Staff salary, allowance and bonuses | 1,826,844 | 1,749,081 |
| Defined contribution - CPF | 151,535 | 154,222 |
| Total | <u>1,978,379</u> | <u>1,903,303</u> |

21. RELATED PARTY TRANSACTIONS

Other than disclosed elsewhere in the financial statements, the following transactions and balances were carried out between the Society and the management committee members and their close family members during the financial year:

| <u>Related party balances and transactions shown in the accounts as</u> | <u>Type of relationship between the Society and the related party</u> | <u>2025</u> S\$ | <u>2024</u> S\$ |
|---|---|--------------------|--------------------|
| Loans | Management Committee Members / close family members. | 44,827 | 34,044 |
| Fixed deposits | Management Committee Members / close family members. | 51,801 | 66,792 |
| Savings deposits | Management Committee Members / close family members. | 145,787 | 87,164 |
| Subscription capital | Management Committee Members / close family members. | 55,023 | 55,043 |
| Centennial anniversary expenses* | Management Committee Members / close family members. | 28,500 | - |

* As a token of appreciation and recognition for his exceptional services, the Chairman was presented with a gift.

Key Management Compensation:

| | <u>2025</u> S\$ | <u>2024</u> S\$ |
|---|--------------------|--------------------|
| Management committee members allowances | 189,000 | 187,000 |
| Key management staff remuneration and CPF | 785,827 | 870,950 |

22. INCOME TAX

The Co-operative Society is exempted from income tax under Section 13(1) (f) (ii) of the Singapore Income Tax Act 1947.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

23. DIVIDENDS

In accordance with the By-Laws of the Society, dividends to members are calculated based on subscription capital as at the previous year end on 31st December.

A dividend of 3.0% (2024: 3.0%) was declared for the previous financial year was paid after approval at the AGM held on 12 April 2025. The dividend declared of S\$325,644/- (2024: S\$299,364/-) was accounted for in the appropriation account during the financial year.

The management committee propose a dividend of 3.0% per annum on daily rest basis on members' subscription capital for the financial year ended 31 December 2025 which will be paid once members' approval is obtained at the Annual General Meeting (AGM). The financial statements do not reflect the dividend payable of S\$ 349,719/-, which will be accounted for in the appropriation account in the financial year ending 31 December 2026.

24. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial risk management objectives and policies

The main risks arising from the Society's financial instrument are credit, interest rate and liquidity risks. The Management Committee conducts regular reviews and agrees policies for managing each of these risks to minimise the potential adverse impact of these exposures.

Credit risk

Credit risk is the risk of financial loss to the Society if a member or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Society's loans to members and other receivables. For other financial assets, including cash, the Society minimises credit risk by dealing exclusively with high credit rating counterparties.

Cash at bank is placed with licensed banks in Singapore.

The Society provides unsecured loans and secured loans to its members as per its loan management policies and procedures. The unsecured loans are generally covered by sureties / guarantors. The Society performs ongoing evaluation of its loans to members.

The Society considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Society has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 90 days.

To minimise credit risk, the Society has developed and maintained the Society's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Society's own records to rate its major members. The Society considers available reasonable and supportive forward-looking information which includes the following indicators:

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

24. FINANCIAL ASSETS AND FINANCIAL LIABILITIES - continued

Financial risk management objectives and policies - continued

Credit risk - continued

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the earning capacity of the debtor.
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the earning of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making contractual payment.

The Society determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor and the guarantors
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation

The Society categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 365 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Society's current credit risk grading framework comprises the following categories:

| <u>Category</u> | <u>Definition of category</u> | <u>Basis for recognising expected credit loss (ECL)</u> |
|-----------------|--|---|
| I | Counterparty has a low risk of default and does not have any past-due interest and principal repayment amounts. | 12 Month ECL |
| II | Interest and principal payments less than 90 days past due or there has been a significant increase in credit risk since initial recognition. | Lifetime ECL – not credit-impaired |
| III | Interest and principal payments more than 90 days past due or there is evidence indicating the asset is credit-impaired (in default). | Lifetime ECL – credit risk significantly impaired / credit - impaired |
| IV | There is evidence indicating that the debtor and the guarantors are in severe financial difficulty and the debtor has no realistic prospect of recovery. | Amount is written off |

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

24. FINANCIAL ASSETS AND FINANCIAL LIABILITIES - continued

Financial risk management objectives and policies - continued

Credit risk - continued

The table below details the credit quality of the Society's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

| <u>2025</u> | <u>Category</u> | <u>12-month and /or lifetime ECL</u> | <u>Gross carrying amount S\$</u> | <u>Loss allowance S\$</u> | <u>Net carrying amount S\$</u> |
|-----------------------------------|-----------------|--|--|-----------------------------------|--|
| Loan to members | Note A | 12 month and Lifetime ECL | 35,229,111 | (3,669,970) | 31,559,141 |
| Deposits and other receivable | I | 12-month ECL | 69,400 | - | 69,400 |
| | | | | <u>(3,669,970)</u> | |
| <u>2024</u> | <u>Category</u> | <u>12-month and /or lifetime ECL</u> | <u>Gross carrying amount S\$</u> | <u>Loss allowance S\$</u> | <u>Net carrying amount S\$</u> |
| Loan to members | Note A | 12 month and Lifetime ECL | 32,850,888 | (3,547,223) | 29,303,665 |
| Deposits and other receivables | I | 12-month ECL | 64,380 | - | 64,380 |
| | | | | <u>(3,547,223)</u> | |

Loan to members (Note A)

For loan to members, the Society has applied the general approach in FRS 109 to measure the loss allowance at lifetime ECL. The expected credit loss allowances are measured on each reporting date according to a three - stage expected credit loss impairment model as described above and the details of the expected loss allowance have been disclosed in Note 8.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Society's performance to developments affecting a particular industry.

Exposure to credit risk

The Society has no significant concentration of credit risk. The Society has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

24. **FINANCIAL ASSETS AND FINANCIAL LIABILITIES - continued**
Financial risk management objectives and policies - continued
Credit Risk - continued

Other receivables

The Society assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Society measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

Interest risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The table below set out the Society's exposure to interest rate risks. Included in the tables are the assets and liabilities at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

| | Variable Rates | | Fixed Rates | | Total |
|---------------------------|----------------------------|------------------------|----------------------------|------------------------|------------|
| | Less than 1 year S\$ | 2 to 5 years S\$ | Less than 1 year S\$ | 2 to 5 years S\$ | |
| 2025 | | | | | |
| Assets: | | | | | |
| Loan to members | - | - | 18,410,365 | 13,148,776 | 31,559,141 |
| Fixed deposits with banks | - | - | 10,176,009 | - | 10,176,009 |
| | - | - | 28,586,374 | 13,148,776 | 41,735,150 |
| Liabilities: | | | | | |
| Members' fixed deposits | - | - | 13,929,424 | 6,511,309 | 20,440,733 |
| Members' savings deposits | - | - | 16,421,348 | - | 16,421,348 |
| Lease liabilities | - | - | 113,785 | - | 113,785 |
| | - | - | 30,464,557 | 6,511,309 | 36,975,866 |
| 2024 | | | | | |
| Assets: | | | | | |
| Loan to members | - | - | 13,035,114 | 16,268,551 | 29,303,665 |
| Fixed deposits with banks | - | - | 18,391,712 | - | 18,391,712 |
| | - | - | 31,426,826 | 16,268,551 | 47,695,377 |
| Liabilities: | | | | | |
| Members' fixed deposits | - | - | 17,061,668 | 6,177,630 | 23,239,298 |
| Members' savings deposits | - | - | 13,997,177 | - | 13,997,177 |
| Lease liabilities | - | - | 117,057 | 117,346 | 234,403 |
| | - | - | 31,175,902 | 6,294,976 | 37,470,878 |

The Society does not use derivative financial instruments to hedge its debt obligations.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

24. FINANCIAL ASSETS AND FINANCIAL LIABILITIES - continued

Financial risk management objectives and policies - continued

Liquidity risk

Liquidity risk refers to the risk that the Society is unable to meet obligations as and when they fell due. The Society monitors its cash flow and collections on a regular basis as a mean of managing liquidity risk. The Members have committed to provide continuing financial support to the Society as and when required.

The following are the expected contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements:

| <u>2025</u> | <u>Carrying amount</u> S\$ | <u>Contractual cash flows</u> S\$ | <u>Within 1 year</u> S\$ | <u>Between 2 and 5 years</u> S\$ | <u>Total</u> S\$ |
|-------------------------------|-------------------------------|--------------------------------------|-----------------------------|-------------------------------------|---------------------|
| Financial liabilities: | | | | | |
| Central Co-operative fund | 84,313 | 84,313 | 84,313 | - | 84,313 |
| Subscription capital | 12,039,234 | 12,039,234 | 12,039,234 | - | 12,039,234 |
| Members' savings deposits | 16,421,348 | 16,421,348 | 16,421,348 | - | 16,421,348 |
| Members' fixed deposits | 20,440,733 | 20,822,457 | 14,112,698 | 6,709,759 | 20,822,457 |
| Lease liabilities | 113,785 | 115,500 | 115,500 | - | 115,500 |
| Sundry creditors and accruals | 1,218,340 | 1,218,340 | 1,218,340 | - | 1,218,340 |
| | <u>50,317,753</u> | <u>50,701,192</u> | <u>43,991,433</u> | <u>6,709,759</u> | <u>50,701,192</u> |
| <u>2024</u> | <u>Carrying amount</u> S\$ | <u>Contractual cash flows</u> S\$ | <u>Within 1 year</u> S\$ | <u>Between 2 and 5 years</u> S\$ | <u>Total</u> S\$ |
| Financial liabilities: | | | | | |
| Central Co-operative fund | 101,610 | 101,610 | 101,610 | - | 101,610 |
| Subscription capital | 11,232,404 | 11,232,404 | 11,232,404 | - | 11,232,404 |
| Members' savings deposits | 13,997,177 | 13,997,177 | 13,997,177 | - | 13,997,177 |
| Members' fixed deposit | 23,239,298 | 23,764,771 | 17,272,889 | 6,491,882 | 23,764,771 |
| Lease liabilities | 234,403 | 241,500 | 126,000 | 115,500 | 241,500 |
| Sundry creditors and accruals | 1,228,103 | 1,228,103 | 1,228,103 | - | 1,228,103 |
| | <u>50,032,995</u> | <u>50,565,565</u> | <u>43,958,183</u> | <u>6,607,382</u> | <u>50,565,565</u> |

25. FAIR VALUES OF ASSETS AND LIABILITIES

Fair value hierarchy

The Society measures fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy have the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. As price) or indirectly (i.e. derived from prices), and
- Level 3 - Inputs for the asset or liability that are not based on observable market rate (unobservable inputs)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FAIR VALUES OF ASSETS AND LIABILITIES - continued

- a) **Investment**
The carrying value of S\$50,000/- of the investment as at 31 December 2025 disclosed in Note 7 is the fair value as per the basis disclosed in (e) below.
- b) **Cash and Cash Equivalents, Other Receivables and Other Payables**
The carrying amounts of these items approximate fair value due to their short-term nature.
- c) **Members' Subscription Capital, Members' Savings Deposits and Members' Fixed Deposits**
The carrying amounts of members' savings deposits and members' fixed deposits approximate fair value as the interest payable for the outstanding values are approximate to the market interest and computed on the outstanding principal amounts. Non-interest bearing members' subscription are payable at the expiry of the 12 months' notice of the member, therefore the carrying value is the fair value.
- d) **Loan to Members**
The members' loans are interest bearing and the carrying value is the fair value.
- e) **Level 3 fair value measurements**

Information about significant unobservable inputs used in Level 3 fair value measurements.

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

| <u>Description</u> | <u>Fair value at 31 December 2025 S\$</u> | <u>Fair value at 31 December 2024 S\$</u> | <u>Valuation techniques</u> | <u>Unobservable inputs and <u>range</u></u> | <u>Relationship of unobservable inputs to fair value</u> |
|---------------------|---|---|---|---|--|
| Investment | 50,000 | 50,000 | The value realisable upon resignation as member as at the balance sheet date. | Not applicable | Not applicable |
| Investment property | 7,300,000 | 7,000,000 | Direct comparison | Adopted value per square foot S\$5,152/- (2024:S\$4,940) psf of land. | The higher the adopted value higher the fair value |

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

25. FAIR VALUES OF ASSETS AND LIABILITIES - continued

e) Level 3 fair value measurements - continued

The Society engages external, professionally qualified independent valuers to determine the fair value of the investment property based on the properties' highest and best use. The Direct Comparison Method where properties are valued using transacted prices for comparable properties in the vicinity and elsewhere with necessary adjustments made for differences in catchment, location, tenure, land area, floor area, age, condition, date of sale, etc. The most significant input to this method would be the adopted value per square foot.

There were no assets or liabilities transferred from Level 1 and Level 2 to Level 3.

26. CAPITAL MANAGEMENT

The management manages the capital to ensure the Co-Operative will be able to continue as a going concern while maximising the return to members through optimisation of capital. The management balances its capital structure through payment of dividends.

The management's overall strategy remains unchanged from the end of last financial year.

Institutional capital of the Co-Operative comprises of accumulated funds and reserve fund. Capital adequacy ratio is Co-Operative's institutional capital expressed as a percentage of its total assets.

The Co-Operative has to hold the minimum liquid assets ("MLA") of at least 15% of its members' deposits.

| Capital Adequacy Ratio (CAR) | <u>2025</u> S\$ | <u>2024</u> S\$ |
|---|--------------------|--------------------|
| Institutional capital | | |
| Accumulated surplus | 7,484,488 | 7,097,881 |
| | 7,484,488 | 7,097,881 |
| Total assets | 57,802,241 | 57,130,876 |
| Capital adequacy ratio (CAR) | 12.95% | 12.42% |
| | | |
| Minimum Liquid Assets Ratio (MLA) | <u>2025</u> S\$ | <u>2024</u> S\$ |
| Total liquid assets - Cash and cash equivalents | 17,504,463 | 20,394,272 |
| Total members' deposits | | |
| Members' subscription capital | 12,039,234 | 11,232,404 |
| Members' fixed deposits | 20,440,733 | 23,239,298 |
| Members' savings deposits | 16,421,348 | 13,997,177 |
| | 48,901,315 | 48,468,879 |
| Minimum liquid assets ratio (MLA) | 35.80% | 42.08% |

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

27. COMPARATIVE FIGURES

The financial statements of the Society for the year ended 31 December 2024 were audited by another firm of auditors.

28. COMMITMENTS AND CONTINGENT LIABILITIES

As at the financial year end, the Society had a capital expenditure commitment of S\$ 11,550,000/- for the purchase of office premises disclosed in Note 6 of the Notes to the financial statements. This purchase transaction was completed on 25 February 2026 with the Society's funds. The Society had no contingent liabilities as at the reporting date.

29. MATERIAL ACCOUNTING POLICY INFORMATION

a) Property, Plant and Equipment

Plant and equipment are stated at cost / valuation less accumulated depreciation and accumulated impairment loss.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation is provided on a straight line basis to write off the cost of the assets over their estimated useful lives as follows:-

| | |
|-------------------------------|---------|
| Renovation | 3 years |
| Furniture and fittings | 5 years |
| Office equipment | 5 years |
| Computers and Accessories | 5 years |
| Right-of-use asset - Building | 5 years |

The residual values and useful lives of property, plant and equipment are reviewed and adjusted as appropriate at each reporting date.

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the profit or loss. Any amount in revaluation reserve relating to that asset is transferred to retained earnings.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

b) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or both. The investment properties are accounted for using fair value model. The fair value is determined by Management committee on an annual basis based on internal valuation or independent professional valuation. The carrying amount includes the cost of placing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the profit or loss in the year of retirement or disposal.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

29. MATERIAL ACCOUNTING POLICY INFORMATION - continued

c) **Intangible Asset**

The intangible asset consists of computer software which is stated at cost less accumulated amortization and accumulated impairment loss. The cost of the intangible asset is amortized on the straight-line method over their estimated useful lives over 10 years

d) **Financial assets and financial liabilities**

(i) **Recognition and initial measurement**
Non-derivative financial assets and financial liabilities

Receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Society becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at Fair Value Through Profit or Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) **Classification and subsequent measurement**
Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value Through Other Comprehensive Income (FVOCI) - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Society 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 at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Society's financial assets at amortised cost are loan to members and other receivables and cash at banks.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

MATERIAL ACCOUNTING POLICY INFORMATION - continued

d) **Financial assets and financial liabilities - continued**
(ii) Classification and subsequent measurement - continued

Debt investments at FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Society has no debt investments at FVOCI.

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Society 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.

The Society's investment in another co-operative society classified as equity investment at FVOCI.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Society 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.

The Society has no financial assets at FVTPL.

Financial assets: Business model assessment

The Society makes an assessment of the objective of the business model in which a financial 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. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

MATERIAL ACCOUNTING POLICY INFORMATION - continued

d) Financial assets and financial liabilities - continued

(ii) *Classification and subsequent measurement - continued*

Financial assets: Business model assessment - continued

- how the performance of the portfolio is evaluated and reported to the Society's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Society's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, '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 a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Society considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Society considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Society's claim to cash flows from specified assets (e.g. non-recourse features)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

MATERIAL ACCOUNTING POLICY INFORMATION - continued

d) Financial assets and financial liabilities - continued

(ii) *Classification and subsequent measurement - continued*

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest - continued

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income 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

These assets are subsequently 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

These assets are subsequently 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.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
MATERIAL ACCOUNTING POLICY INFORMATION - continued

d) **Financial assets and financial liabilities - continued**

(ii) ***Classification and subsequent measurement - continued***

Non-derivative financial assets: Subsequent measurement and gains and losses - continued

Financial liabilities

The Society has not designated any financial liabilities at FVPL. There are no changes in classification and measurement for the Society's financial liabilities.

e) **Impairment**

i) ***Non-financial assets***

The carrying amounts of non-financial assets, are reviewed at each reporting date to determine whether there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated to determine the amount of impairment loss. For the purpose of impairment testing of these assets, the recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of the cash-generating-unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating-unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating-unit) is reduced to its recoverable amount. The impairment loss is recognised in profit or loss unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease in equity.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating-unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of impairment loss for an asset is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase in equity.

ii) ***Non-derivative Financial Assets***

The Society has the following financial assets subject to the Expected Credit Losses (ECLs) impairment model under FRS 109:

- Cash and bank deposits;
- Other receivables, deposit and due from related party (other debtors)
- Loan to members

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

MATERIAL ACCOUNTING POLICY INFORMATION - continued

e) **Impairment - continued**

ii) *Non-derivative financial assets - continued*

Loss allowances of the Society are measured on the following basis:

General approach

The Society applies the general approach to provide for ECLs on loan to members. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Society assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Society considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Society's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Society considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Society in full, without recourse by the Society to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Society is exposed to credit risk.

While cash and cash equivalents are also subject to impairment requirements of FRS 109, the identified impairment loss was immaterial.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Society expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

MATERIAL ACCOUNTING POLICY INFORMATION - continued

e) **Impairment - continued**

ii) *Non-derivative financial assets - continued*

Credit-impaired financial assets

At each reporting date, the Society 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 being more than 12 months past due;
- the restructuring of a loan or advance by the Society on terms that the Society would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

For debt investments at FVOCI, loss allowances are charged to profit or loss and recognised in OCI.

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 Society 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 Society's procedures for recovery of amounts due.

f) **Revenue**

Revenue is measured based on the consideration specified in a contract with members. Revenue is recognized when the Society satisfies its performance obligations under contract with members. A performance obligation may be satisfied at a point in time or over time. The following specific recognition criteria must also be met before revenue is recognised.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

29. **MATERIAL ACCOUNTING POLICY INFORMATION - continued**
Revenue - continued

Interest on Loans Granted

Interest on loans granted to members of the Society is measured using the effective interest rate.

Interest on Fixed Deposits

Interest income is recognised on a time-proportion basis using the effective interest method.

Dividends

Dividends from unquoted investments are recognised on due and receivable basis.

Administrative and Loan Processing Income

This is recognised when the services have been performed and rendered.

Rental income

Rental income from sub-lease is recognised on a straight-line basis over the lease term.

g) **Grants**

Cash grants received from the government are recognised as income upon receipt.

Grant relating to an asset presented in the balance sheet by deducting the grant at the carrying amount of the assets. The net amount of the asset is depreciated over the useful life of the asset.

h) **Employee benefits**

Defined contribution plan

As required by law, the Society makes contribution to the state pension scheme, central provident fund ("CPF"). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contribution.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term employee benefits if the Society has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

29. MATERIAL ACCOUNTING POLICY INFORMATION - continued

Employee benefits - continued

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made when the estimated liability for annual leave is incurred as a result of services rendered by employees up to the reporting date.

i) **Dividends to Society's members**

Dividends to the Society's members are recognised when the dividends are approved for payment.

j) **Provisions**

Provisions are recognised when the Society has a present obligation as a result of a past event where it is probable that it will result in an outflow of economic benefits that can be reasonably estimated. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

k) **Related parties**

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Society if that person:

- i) Has control or joint control over the Society;
- ii) Has significant influence over the Society; or
- iii) Is a member of the key management personnel of the Society or of a parent of the Society.

(b) An entity is related to the Society if any of the following conditions applies:

- i) The entity and the Society are members of the same group (which means that each parent, subsidiary is related to others).
- ii) One entity is an associate or joint venture of the other entity (or and associate or joint venture of a member of a group of which the other entity is a member).
- iii) Both entities are joint ventures of the same third party.
- iv) One entity is a joint venture of a third entity, and the other entity is an associate of the third entity.
- v) The entity is a post-employment benefit for the benefit of employees of either the Society or an entity related to the Society. If the Society is itself such a plan, the sponsoring employers are also related to the Society.
- vi) The entity is controlled or jointly is controlled by a person identified in (a);
- vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of parent of the entity).

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

29. MATERIAL ACCOUNTING POLICY INFORMATION - continued

i) Leases

The Society assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Society applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Society recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

i) Right-of-use assets

Society recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Society at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 29e.

ii) Lease liabilities

At the commencement date of the lease, the Society recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Society and payments of penalties for terminating the lease, if the lease term reflects the Society exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Society uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

29. MATERIAL ACCOUNTING POLICY INFORMATION - continued

- m) New standards and interpretations not yet adopted
A number of new standards, amendments to standards and interpretations are issued but effective for annual periods beginning after 31 December 2025 and have not been applied in preparing these financial statements. The Society does not plan to early adopt these standards.

The following standards that have been issued but not yet effective are as follows:

| <u>Description</u> | <u>Effective for annual period Beginning on or after</u> |
|--|--|
| Amendments to FRS 109 Financial Instruments and FRS 107 Financial Instruments: Disclosures: Amendments to the Classification and Measurement of Financial Instruments | 1 January 2026 |
| Annual Improvement to FRSs - Volume 11 | 1 January 2026 |
| Amendments to FRS 109 Financial Instruments and FRS 107 Financial Instruments: Disclosures: Contracts Referencing Nature-dependent Electricity | 1 January 2026 |
| FRS 118 <i>Presentation and Disclosure in Financial Statements</i> : | 1 January 2027 |
| FRS 119 Subsidiaries without Public Accountability: Disclosures | 1 January 2027 |
| Amendments to FRS 110 <i>Consolidated Financial Statements</i> and FRS 28 <i>Investments in Associates and Joint Ventures</i> : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. | Date to be determined |

The committee of management expects that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.