

FINANCIAL STATEMENTS

31 December 2025

CUSTOMS CREDIT CO-OPERATIVE SOCIETY (S) LTD

Unique Entity Number: S32CS0009L

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DIRECTORS' STATEMENT

For the financial year ended 31 December 2025

The directors present their report to the members together with the audited financial statements of Customs Credit Co-operative Society (S) Ltd (the "Co-operative") for the year ended 31 December 2025.

Opinion of the directors

(a) In the opinion of the directors, financial statements of the Co-operative and notes comprising a summary of significant accounting policies and other explanatory notes are drawn up so as to give a true and fair view of the financial position of the Co-operative as at 31 December 2025, and of the financial performance, changes in equity and cash flows of the Co-operative for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Co-operative will be able to pay its debts when they fall due.

(b) the receipts, expenditure, investment of monies, acquisition and disposal of assets made by the Co-operative during the year ended 31 December 2025 have been made in accordance with the By-Laws of the Co-operative and the provisions of the Co-operative Societies Act 1979 and the Rules (made under section 95 of the Act).

The Board of Directors approved and authorised these financial statements for issue.

Directors

The directors of the Co-operative in office at the date of this report are as follows:

Subramaniam S/O Krishnan
P. Namasivayam
Farihullah S/O Abdul Wahab Safiullah
Mohan Singh S/O Jawand Singh
Ganesh S/O S Peramaiyan
Winston Tay Wee Hua
Choo Teik Choon
Gurmit Singh Bajaj
Francine Chua

Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement to which the Co-operative is a party, being arrangements whose objects are, or one of whose objects is, to enable the directors of the Co-operative to acquire benefits by means of the acquisition of shares in, or debentures of, the Co-operative or any other body corporate.

Directors' interests in shares or debentures

According to the register of directors' shareholdings kept by the Co-operative, none of the directors of the Co-operative holding office at the end of the financial year had held more than 20% interest in shares or debentures of the Co-operative.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2025

Share options

During the financial year, there were:

- no options granted by the Co-operative to any person to take up unissued shares in the Co-operative; and
- no shares issued by virtue of any exercise of option to take up unissued shares of the Co-

At the end of the financial year, there were no unissued shares of the Co-operative under option.

Independent auditor

The independent auditor, P G Wee Partnership LLP, has expressed willingness to accept re-appointment.

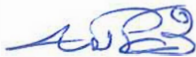
On Behalf of the Board of Directors,



Subramaniam S/O Krishnan
Chairman



P. Namasivayam
Secretary



Farihullah S/O Abdul Wahab Safiullah
Treasurer

13 April 2026

INDEPENDENT AUDITOR'S REPORT

To the Members of Customs Credit Co-operative Society (S) Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Customs Credit Co-operative Society (S) Ltd (the "Co-operative"), which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the 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 Singapore Co-operative Societies Act 1979 (the "Act") and Singapore Financial Reporting Standards ("SFRS") so as to give a true and fair view of the financial position of the Co-operative as at 31 December 2025 and of the financial performance, changes in equity and cash flows of the Co-operative for the 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 Co-operative in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *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 Information

Management is responsible for other information. The other information comprises the Directors' Statement.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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



INDEPENDENT AUDITOR'S REPORT

To the Members of Customs Credit Co-operative Society (S) Ltd

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS, and for devising and maintaining a system of internal controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The directors' responsibilities include overseeing the Co-operative's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Co-operative's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



INDEPENDENT AUDITOR'S REPORT

To the Members of Customs Credit Co-operative Society (S) Ltd

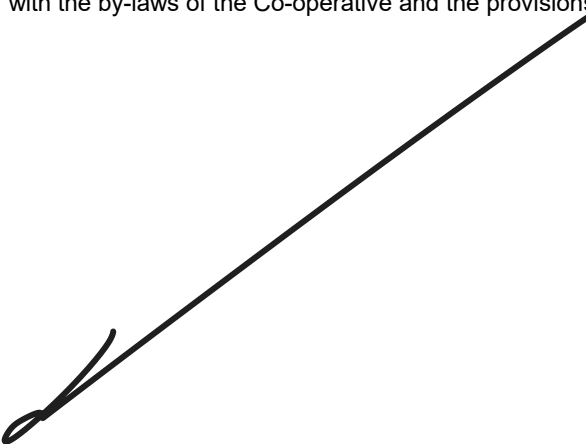
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Co-operative's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Co-operative 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 the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Co-operative 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 investments of monies and acquisition and disposal of assets made by the Co-operative during the financial year ended 31 December 2025 have not been made in accordance with the by-laws of the Co-operative and the provisions of the Act (made under section 95 of the Act).



P G Wee Partnership LLP
Public Accountants and
Chartered Accountants
Singapore

13 April 2026

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2025

	Note	2025 SGD	2024 SGD
Income			
Administrative fee		7,596	6,987
Dividend income		52,727	69,355
Entrance fee		150	50
Gain on disposal of investment securities		5,456	-
Impairment loss on loan to members written back		7,444	4,423
Income from ex-members		-	9,092
Interest income:			
- fixed deposits		53,930	80,262
- loan to members		54,639	54,584
Other income	5	6,032	3,320
		187,974	228,073
Less: Expenditure			
Affiliation fee		250	188
Accountancy fee		7,950	8,840
Auditor's remuneration		6,161	5,979
Bank charges		1,300	1,309
Bad debts written off		-	100
Committee meeting expenses		4,509	4,482
Commission		931	989
Common good fund		5,760	7,010
Computerisation expenses		6,491	6,478
Co-operative expenses		10,912	900
Delegate training fund		5,426	4,107
Depreciation of plant and equipment	9	1,902	1,414
Depreciation of right-of-use asset	10	33,241	29,299
Employee benefits expense	6	75,301	70,217
Finance costs	7	5,145	4,089
General expense		220	1,052
General meeting expenses		6,630	5,552
Honoraria expense		-	3,500
Impairment loss on loans to members		-	1,809
Legal and professional fees		263	-
Loan related expenses		227	734
Medical expenses		404	560
Office maintenance & supplies		-	368
Postage		567	675
Printing and stationery		1,679	1,435
Recruitment expenses		150	-
Rental of copier		836	680
Scholarship fund		4,500	1,700
Telephone charges		2,421	2,334
Transportation expense		997	511
Utilities		369	384
		184,542	166,695

The accompanying notes form an integral part of these financial statements

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2025

	Note	2025 SGD	2024 SGD
Surplus (deficit) from operations		3,432	61,378
Finance costs	7	-	(31,529)
Surplus (deficit) before contributions		<u>3,432</u>	<u>29,849</u>
Contribution to Central Co-operative Fund		-	(4,774)
Surplus (deficit) for the year		<u><u>3,432</u></u>	<u><u>25,075</u></u>
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss:</i>			
- Net fair value gain/(loss) on investments in equity instruments designated as FVTOCI		194,756	35,041
Total other comprehensive income		<u>194,756</u>	<u>35,041</u>
Total comprehensive income for the year		<u><u>198,188</u></u>	<u><u>60,116</u></u>

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Note	2025 SGD	2024 SGD
Assets			
Non-current assets			
Plant and equipment	9	4,311	2,713
Right-of-use asset	10	49,862	83,103
Investments	11	2,309,268	2,233,973
Total non-current assets		<u>2,363,441</u>	<u>2,319,789</u>
Current assets			
Loan to members	12	692,049	680,035
Trade and other receivables	13	27,068	45,259
Other assets	14	8,614	7,819
Cash and cash equivalents	15	2,853,129	2,864,743
Total current assets		<u>3,580,860</u>	<u>3,597,856</u>
Total assets		<u>5,944,301</u>	<u>5,917,645</u>
Accumulated funds and liabilities			
Funds			
Fair value reserve	19	925,461	730,705
Accumulated fund		661,059	667,627
Total funds		<u>1,586,520</u>	<u>1,398,332</u>
Current liabilities			
Dividend payables		(43,193)	35
Other payables	20	62,047	163,182
Central co-operative fund	21	-	-
Lease liabilities	10	17,728	32,352
Share capital	16	45,200	44,900
Thrift savings	17	2,675,639	2,759,453
General savings	18	1,566,268	1,467,571
Total current liabilities		<u>4,323,689</u>	<u>4,467,493</u>
Non-current liabilities			
Lease liabilities	10	34,092	51,820
Total non-current liabilities		<u>34,092</u>	<u>51,820</u>
Total liabilities		<u>4,357,781</u>	<u>4,519,313</u>
Total accumulated funds and liabilities		<u>5,944,301</u>	<u>5,917,645</u>

The accompanying notes form an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2025

	Total Funds SGD	Fair Value Reserve SGD	Accumulated Fund SGD
Opening balance at 1 January 2025	1,398,332	730,705	667,627
Surplus (deficit) for the year	3,432	-	3,432
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss:</i>			
Net fair value gain/(loss) on investments in equity instruments designated as FVTOCI	194,756	194,756	-
Total comprehensive income for the year	198,188	194,756	3,432
Honorarium	(10,000)	-	(10,000)
Closing balance at 31 December 2025	1,586,520	925,461	661,059
Opening balance at 1 January 2024	1,338,216	695,664	642,552
Surplus (deficit) for the year	25,075	-	25,075
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss:</i>			
Net fair value gain/(loss) on investments in equity instruments designated as FVTOCI	35,041	35,041	-
Total comprehensive income for the year	60,116	35,041	25,075
Closing balance at 31 December 2024	1,398,332	730,705	667,627

The accompanying notes form an integral part of these financial statements

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2025

	Note	2025 SGD	2024 SGD
Cash flows from operating activities			
Surplus (deficit) before contributions		3,432	29,849
<i>Adjustments for:</i>			
Depreciation of plant and equipment		1,902	1,414
Depreciation of right-of-use asset		33,241	29,299
Dividend income		(52,727)	(69,355)
Gain on disposal of investment securities		(5,456)	-
Interest expense		5,145	4,089
Interest income		(108,569)	(134,846)
Impairment loss on loans to members		-	1,809
Impairment loss on loan to members written back		(7,444)	(4,423)
Operating cash flows before changes in working capital		<u>(130,476)</u>	<u>(142,164)</u>
<i>Changes in working capital:</i>			
Loan to members		(4,570)	344
Trade and other receivables		18,191	48,335
Other assets		(795)	(1,226)
Other payables		(101,135)	79,747
Cash flows from operations		<u>(218,785)</u>	<u>(14,964)</u>
Payment of central co-operative fund		-	(4,774)
Payment of honorarium		(10,000)	-
Net cash flows from (used in) operating activities		<u>(228,785)</u>	<u>(19,738)</u>
Cash flows from investing activities			
Purchase of plant and equipment		(3,500)	(512)
Proceeds from disposal of investment securities		124,917	-
Interest received		108,569	134,846
Dividend received		52,727	69,355
Net cash flows from (used in) investing activities		<u>282,713</u>	<u>203,689</u>
Cash flows from financing activities			
Interest paid		(5,145)	(4,089)
Dividend payable		(43,228)	35
Deposits (withdrawals) of share capital		300	(2,900)
Deposits (withdrawals) of thrift savings		(83,814)	(308,848)
Deposits (withdrawals) of general savings		98,697	(28,815)
Repayment of Principal Portion of Lease Liabilities		(32,352)	(29,033)
Net cash flows from (used in) financing activities		<u>(65,542)</u>	<u>(373,650)</u>
Net increase (decrease) in cash and cash equivalents		(11,614)	(189,699)
Cash and cash equivalents, at beginning of year		2,864,743	3,054,442
Cash and cash equivalents, at end of year	15	<u>2,853,129</u>	<u>2,864,743</u>

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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

1 General Information

Customs Credit Co-operative Society (S) Ltd is incorporated in Singapore. The Co-operative registered office is located at 35 Selegie Road #04-01 Parklane Shopping Mall Singapore 188307. The Co-operative is situated in Singapore.

The Board of Directors approved and authorised these financial statements for issue.

The principal activities of the Co-operative, which are governed by the Co-operative Societies Act 1979 are to promote, in accordance with the co-operative principles, the economic interests of; to encourage thrift, co-operation, self-help and mutual assistance among; to provide financial service to; to establish and operate such co-operative schemes, ventures and projects for its members.

2 Material Accounting Policy Information

Basis of Preparation

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("SFRS").

The financial statements expressed in Singapore Dollar ("SGD") are prepared in accordance with the historical cost convention except as disclosed, where appropriate, in the accounting policies below.

The preparation of financial statements in conformity with SFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3, Note 11 or respective notes, where disclosed.

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Co-operative has adopted all the new and revised standards and interpretations of SFRS that are effective for annual periods beginning on or after 1 January 2025. The adoption of these standards does not have any material effect on the financial performance or position of the Co-operative.

Functional and Presentation Currency

The financial statements are presented in Singapore Dollar ("SGD"), which is the Co-operative's functional currency.

All financial information presented are denominated in Singapore Dollar unless otherwise stated.

Revenue Recognition

Revenue is measured based on the consideration to which the Co-operative expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised at a point in time when the Co-operative satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Interest on loans

Interest on loan granted to members of the Co-operative are calculated at the rate of 5% per annum if the loan granted does not exceed member's share capital and thrift savings and at 6% if it exceeds member's share capital and thrift savings. The interest is recognised evenly throughout the duration of the loan period.

(b) Entrance fee

Entrance fee of \$10 for each new member is taken in as income for the year in which it is received.

(c) Interest income

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

(d) Dividend income

Dividend income is recognised when the right to receive the payment is established.

(e) Rental income

Rental income is recognised on accrual basis over the terms of the lease agreement.

(f) Rendering of services

Revenue from the rendering of services is recognised when the services are rendered.

Finance Cost

Interest expenses and similar charges are expensed in the income statement in the financial year in which they are incurred. Interest expense is recognised on a time-proportion basis in the income statement using the effective interest method.

Retirement Benefits Cost

Contributions to defined retirement benefit plans are recorded as an expense as they fall due. Contributions made to government managed retirement benefit plan such as the Central Provident Fund (“CPF”) which specifies the employer’s obligations are dealt with as defined contribution retirement benefit plans.

Leases

When the Co-operative is the lessee

The Co-operative 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.

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

Right-of-Use Asset

The Co-operative 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 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 Co-operative 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 Co-operative’s right-of-use assets are presented in Note 10.

Lease Liabilities

At the commencement date of the lease, the Co-operative 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 Co-operative and payments of penalties for terminating the lease, if the lease term reflects the Co-operative 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 Co-operative 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.

The Co-operative's lease liabilities are disclosed in Note 10.

Short-term leases and leases of low-value assets

The Co-operative applies the short-term lease recognition exemption to its short-term leases of machinery (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is calculated on the straight-line method to write off the cost of the assets over their estimated useful lives. The estimated useful lives have been taken as follows:

Computers	-	3 years
Furniture and fittings	-	5 years
Office equipment	-	5 years
Renovation	-	5 years

The residual value, estimated useful lives and depreciation method are reviewed at each reporting period and adjusted prospectively, if appropriate.

Fully depreciated assets are retained in the accounts until they are no longer in use.

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. A government grant that becomes receivable as compensation for expenses or loss incurred is recognised as income in profit or loss of the period in which it becomes receivable.

Financial Assets

Initial recognition and measurement

Financial assets are recognised when, and only when the Co-operative becomes a party to the contractual provisions of the instruments.

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

Trade receivables are measured at the amount of consideration to which the Co-operative expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Co-operative's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Co-operative may irrevocably elect to present subsequent changes in fair value in other comprehensive income which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognised in profit or loss when the Co-operative's right to receive payments is established. For investments in equity instruments which the Co-operative has elected to present subsequent changes in fair value in other comprehensive income.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

Impairment of Financial Assets

The Co-operative recognises loss allowances for expected credit losses (“ECLs”) on financial assets measured at amortised cost.

Loss allowances of the Co-operative are measured on either of the following basis:

12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or

Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Co-operative applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Co-operative applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Co-operative 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 of lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Co-operative considers reasonable and supportable information that is relevant and available without undue cost of effort. This includes both quantitative and qualitative information and analysis, based on the Co-operative’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 Co-operative considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Co-operative in full, without recourse by the Co-operative 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 Co-operative is exposed to credit risk.

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 Co-operative in accordance with the contract and cash flows that the Co-operative expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial asset

At each reporting date, the Co-operative assesses whether financial assets carried at amortised cost 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 90 days past due;
- the restructuring of a loan or advance by the Co-operative on terms that the Co-operative would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

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.

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 Co-operative 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 Co-operative's procedures for recovery of amounts due.

Impairment of Non-Financial Assets

The Co-operative assesses as each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Co-operative makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value. When the carrying amount of an asset exceeds its recovered amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in the profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine that asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit or loss.

Cash and Cash Equivalents

This includes cash on hand and deposits with financial institutions.

Share Capital

Members' shares

Member's shares are classified as equity. Incremental costs directly attributable to the issue of members' shares are recognised as a deduction from equity.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Co-operative becomes a party to the contractual provisions of the financial instrument. The Co-operative determines the classification of its financial liabilities at initial recognition.

All financial liabilities are initially recognised at fair value of the consideration received plus, in the case of a financial liability not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process.

Derecognition

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

Provisions

A provision is recognised when there is a present obligation (legal and constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at end of each reporting year and adjusted to reflect the current best estimate.

3 Significant Accounting Estimates, Assumptions and Judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management is of the opinion that there are no critical judgements made in applying the Co-operative's accounting policies.

Key Sources of Estimation Uncertainty

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

Provision for expected credit losses of loan to members

The Co-operative uses a probability of default approach to calculate ECLs for loan to members. The provision rates are based on historical default rates for each category of loan and adjusts for forward-looking on the probability of insolvency or significant financial difficulties of the debtor or significant delays in payments.

The probability of default approach is initially based on the Co-operative's historical observed default rates. The Co-operative will compute expected credit loss for this group of financial assets using the probability of default approach and recognise amount based on computed figures minus accumulated bad debts recognised as at to date. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Co-operative's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. Significant judgement and estimates are required in determining the loss rates to be applied to each ageing band of the trade receivables. The information about the ECLs on the Co-operative's loan to members is disclosed in Note 24.

The expected credit loss for loan to members is assessed based on the expected credit loss rates. Significant judgement and estimates are required in determining the loss rates to be applied to each ageing band of the loan to members. Details of key assumptions and inputs used are disclosed in Note 24.

	2025	2024
	SGD	SGD
Accumulated impairment of loan to members	<u>59,252</u>	<u>66,696</u>

If the provisioning rates were to differ by 5% from management's estimates, the loss allowance for loan to members would be SGD 2,963 (2024 SGD 3,335) higher or lower.

4 Related Party Transactions

4.1 Compensation of key management personnel

The key management personnel are the directors and those persons who have the authority and responsibility for planning, directing and controlling the activities of the Co-operative. The directors constitute the Co-operative's key management personnel and their remuneration is as disclosed below.

	2025	2024
	SGD	SGD
<i>Key management remuneration</i>		
Salaries and allowances	<u>12,000</u>	<u>10,800</u>
<i>Staff remuneration</i>		
Salaries and allowances	58,750	54,817
Contributions to central provident fund	<u>4,551</u>	<u>4,600</u>
	<u>75,301</u>	<u>70,217</u>

5 Other Income

	2025	2024
	SGD	SGD
Cash withdraw charges	440	295
Government grants	<u>5,592</u>	<u>3,025</u>
	<u>6,032</u>	<u>3,320</u>

6 Employee Benefits Expense

	2025	2024
	SGD	SGD
Contributions to central provident fund	4,551	4,600
Salaries and allowances	70,750	65,617
	<u>75,301</u>	<u>70,217</u>

7 Finance Cost

	2025	2024
	SGD	SGD
Interest on lease liability	3,648	2,646
Interest on members' general savings	1,497	1,443
	<u>5,145</u>	<u>4,089</u>
# Dividend paid on share capital and thrift savings	-	31,529
	<u>5,145</u>	<u>35,618</u>

Share capital and thrift savings are classified as liability. Thus, dividends thereon are recognised as finance costs in the profit or loss.

8 Income Tax Benefit (Expense)

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

9 Plant and Equipment

	Computers SGD	Furniture and fittings SGD	Office equipment SGD	Renovation SGD	Total SGD
Cost					
At 1.1.2024	39,598	29,472	1,894	11,480	82,444
Addition	512	-	-	-	512
Written off	-	-	(162)	-	(162)
At 31.12.2024 and 1.1.2025	40,110	29,472	1,732	11,480	82,794
Addition	3,500	-	-	-	3,500
Written off	-	-	-	-	-
At 31.12.2025	43,610	29,472	1,732	11,480	86,294
Accumulated depreciation					
At 1.1.2024	36,219	29,472	1,658	11,480	78,829
Depreciation for the year	1,339	-	75	-	1,414
Written off	-	-	(162)	-	(162)
At 31.12.2024 and 1.1.2025	37,558	29,472	1,571	11,480	80,081
Depreciation for the year	1,827	-	75	-	1,902
Written off	-	-	-	-	-
At 31.12.2025	39,385	29,472	1,646	11,480	81,983
Net Carrying Amount					
At 31.12.2025	4,225	-	86	-	4,311
At 31.12.2024	2,552	-	161	-	2,713

10 Leases

Co-operative as a lessee

The Co-operative has a lease contract for office premise. The Co-operative's obligations under the lease are secured by the lessor's title to the leased asset. The Co-operative is restricted from assigning and subleasing the leased assets.

Information about the lease for which the Co-operative is a lessee is presented below.

(a) Carrying amount of Right-of-use asset

	Office premise SGD
Cost	
At 1.1.2024	76,074
Modification	99,723
Written off	<u>(76,074)</u>
At 31.12.2024 and 1 January 2025	<u>99,723</u>
At 31.12.2025	<u>99,723</u>
Accumulated depreciation	
At 1.1.2024	63,395
Depreciation for the year	29,299
Written off	<u>(76,074)</u>
At 31.12.2024 and 1 January 2025	<u>16,620</u>
Depreciation for the year	<u>33,241</u>
At 31.12.2025	<u>49,861</u>
Net carrying amount	
At 31.12.2025	<u>49,862</u>
At 31.12.2024	<u>83,103</u>

(b) Lease liabilities

	2025 SGD	2024 SGD
As at 1 January	84,172	13,482
Modification	-	99,723
Accretion	3,648	2,646
Payments	<u>(36,000)</u>	<u>(31,679)</u>
As at 31 December	<u>51,820</u>	<u>84,172</u>
Non-current liabilities	34,092	51,820
Current liabilities	<u>17,728</u>	<u>32,352</u>
	<u>51,820</u>	<u>84,172</u>

The maturity analysis of lease liabilities is disclosed in Note 24.

(c) Amount recognised in profit and loss

	2025 SGD	2024 SGD
Depreciation of right-of-use asset	33,241	29,299
Interest expense on lease liability	3,648	2,646
Total amount recognised in profit or loss	<u>36,889</u>	<u>31,945</u>

(d) Total cash outflow

A reconciliation of liabilities arising from financing activities is as follows:

	1 January 2025	Cash flows	<u>Non-cash changes</u>		31 December 2025
	SGD	SGD	Modification	Accretion of other interests	Others
	SGD	SGD	SGD	SGD	SGD
Liabilities					
Lease liabilities					
- current	32,352	(36,000)	-	3,648	17,728
- non-current	51,820	-	-	-	(17,728)
	<u>84,172</u>	<u>(36,000)</u>	<u>-</u>	<u>3,648</u>	<u>-</u>
					<u>51,820</u>

	1 January 2024	Cash flows	<u>Non-cash changes</u>		31 December 2024
	SGD	SGD	Modification	Accretion of other interests	Others
	SGD	SGD	SGD	SGD	SGD
Liabilities					
Lease liabilities					
- current	13,482	(31,679)	47,903	2,646	-
- non-current	-	-	51,820	-	-
	<u>13,482</u>	<u>(31,679)</u>	<u>99,723</u>	<u>2,646</u>	<u>-</u>
					<u>84,172</u>

	SGD	SGD
Repayment of lease liabilities	<u>36,000</u>	<u>31,679</u>

(e) Extension option

The Co-operative determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Co-operative has lease contracts that include extension options. The Co-operative applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to extend the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the Co-operative reassesses the lease term whether there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend (e.g. construction of significant leasehold improvements or significant customisation to the leased asset).

As at 31 December 2025, potential future (undiscounted) cash outflows of approximately SGD 108,000 (2024: SGD 108,000) have not been included in lease liabilities because it is not reasonably certain that the leases will be extended.

11 Investments

	2025	2024
	SGD	SGD
<i>At fair value through other comprehensive income</i>		
Unquoted equity securities	1,909,089	1,764,578
Quoted equity securities	222,588	291,804
<i>Unquoted Co-operatives shares</i>		
NTUC FairPrice Co-operative Limited	127,591	127,591
Premier Security Co-operative Ltd	50,000	50,000
	<u>177,591</u>	<u>177,591</u>
Total Investments	<u>2,309,268</u>	<u>2,233,973</u>

The carrying amount of investments in co-operatives is taken to be its par value under the By-Laws of the respective co-operatives. These shares are redeemable by the respective co-operatives at the lower of their nominal values or the respective net asset values. As at 31 December 2025 and 2024, management does not expect the net assets of the respective co-operatives to be below the nominal values of their shares.

12 Loan to Members

	2025	2024
	SGD	SGD
<i>Special and normal loan</i>		
At beginning of the year	2,154	7,005
Loans in transit during the year	159,177	142,335
Repayments during the year	(145,567)	-
Transfers	-	(147,186)
At end of the year	<u>15,764</u>	<u>2,154</u>
	2025	2024
	SGD	SGD
<i>Secured loan</i>		
At beginning of the year	207,463	240,288
Loans granted during the year	111,911	94,970
Repayments during the year	(113,685)	(124,519)
Transfers from thrift savings (Note 17)	(14,717)	(3,180)
Transfers from general savings (Note 18)	-	4
Bad debts written off	-	(100)
At end of the year	<u>190,972</u>	<u>207,463</u>

	2025	2024
	SGD	SGD
<i>Unsecured loan</i>		
At beginning of the year	484,149	446,708
Loans granted during the year	214,928	208,903
Repayments during the year	(192,453)	(168,270)
Transfers from thrift savings (Note 17)	(4,546)	(1,030)
Transfers from general savings (Note 18)	(453)	(2,062)
Transfers from share capital (Note 16)	(100)	(100)
Transfers from common good fund	(500)	-
Transfers to legal fees	165	-
Transfers to sundry income	100	-
	<hr/>	<hr/>
	501,290	484,149
Provision for impairment (Note 24)	(44,564)	(47,523)
At end of the year	<hr/> <hr/>	<hr/> <hr/>
	456,726	436,626

	2025	2024
	SGD	SGD
<i>Basic needs loan</i>		
At beginning of the year	15,428	7,128
Loans granted during the year	7,000	27,000
Repayments during the year	(13,083)	(18,700)
Transfers from general savings (Note 18)	(100)	-
At end of the year	<hr/> <hr/>	<hr/> <hr/>
	9,245	15,428

	2025	2024
	SGD	SGD
<i>Renovation loan</i>		
At beginning of the year	37,537	45,946
Loans granted during the year	19,364	-
Repayments during the year	(22,576)	(9,037)
Transfers from general savings (Note 18)	(295)	628
	<hr/>	<hr/>
	34,030	37,537
Provision for impairment (Note 24)	(14,688)	(19,173)
At end of the year	<hr/> <hr/>	<hr/> <hr/>
	19,342	18,364

Total loan to members	<hr/> <hr/>	<hr/> <hr/>
	692,049	680,035

Expected credit losses ("ECL")

The movement in allowance for expected credit losses of loans to members computed based on lifetime ECL was as follows:

	2025	2024
	SGD	SGD
As at 1 January	66,696	69,310
Additional during the year	-	1,809
Written back against provision	(7,444)	(4,423)
As at 31 December	<hr/> <hr/>	<hr/> <hr/>
	59,252	66,696

Special loans to members are unsecured loan issued in advance, bear interest at the rate 6% per annum. Normal loans to members are secured loan issued in advance, bear interest at the rate of 5% per annum subsequently.

Secured loans to members are secured against members' savings, bear interest at the rate of 5% (2024: 5%) per annum and repayable on demand.

Unsecured loans, basic needs loans and renovation loans bear interest at the rate of 6% (2024: 6%) per annum and repayable on demand.

13 Trade and Other Receivables

	2025	2024
	SGD	SGD
Interest receivable	2,290	19,626
Tax recoverable	24,778	24,778
Other receivables	-	855
	<u>27,068</u>	<u>45,259</u>

14 Other Assets

	2025	2024
	SGD	SGD
Deposits	6,050	6,050
Prepayments	2,564	1,769
	<u>8,614</u>	<u>7,819</u>

15 Cash and Cash Equivalent

	2025	2024
	SGD	SGD
Cash at banks	552,707	214,486
Cash on hand	422	257
Fixed deposits	2,300,000	2,650,000
	<u>2,853,129</u>	<u>2,864,743</u>

Fixed deposits bear interest rates ranging from 0.95% (2024: 3.25% to 3.70%) per annum and for a tenure of approximately 92 days (2024: 92 to 365 days).

16 Share Capital

	2025		2024	
	No. of Shares	SGD	No. of Shares	SGD
Issued and Fully Paid				
At beginning of year	44,900	44,900	47,800	47,800
Deposits (withdrawals) / transfers	300	300	(2,900)	(2,900)
At end of year	<u>45,200</u>	<u>45,200</u>	<u>44,900</u>	<u>44,900</u>

In accordance with By-law 8.1(b) a new member must make a minimum payment of \$100.00 for the purchase of 100 shares in the Society or may apply for this initial monthly contribution otherwise credited to his Thrift Savings account to be credited to his share account up to the minimum required.

17 Thrift Savings

	2025	2024
	SGD	SGD
At beginning of the year	2,759,453	3,068,301
Receipts during the year	69,735	27,540
Withdrawals and transfers	(153,549)	(336,388)
At end of the year	<u>2,675,639</u>	<u>2,759,453</u>

The Administrative Rule 3.1 "Subscription (hereinafter referred to as Thrift savings)" of By-Law 13.1 states that all members shall be required to subscribe a minimum of \$30 per month to the Thrift savings. From April 2021, a minimum of \$5 per month to the Thrift Savings.

Thrift savings shall not be withdrawable unless the member resigns from the Co-operative in accordance with By-Law 9.2, 9.3, and 9.4 or if the conditions set out in the Administrative Rules on the Thrift savings are met.

18 General Savings

	2025	2024
	SGD	SGD
At beginning of the year	1,467,571	1,496,386
Receipts during the year	292,119	226,363
Interest credited	1,497	1,443
Dividend credited	43,228	31,494
Withdrawals and transfers	(238,147)	(288,115)
At end of the year	<u>1,566,268</u>	<u>1,467,571</u>

This is a non-compulsory savings and every member may make a minimum monthly deposit of not less than \$10 per month for specific purposes as set out in By-Law 10.1. From April 2021, maximum of \$50 per month. Interest is payable on 30 June and 31 December at a rate of 0.10% (2024: 0.10%) per annum and shall be calculated on the amount on the minimum monthly balance, provided that such balance does not fall below \$50 in each case.

19 Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity investments designated at FVOCI.

20 Other Payables

	2025	2024
	SGD	SGD
Other payables	55,358	155,819
Accruals	6,689	7,363
	<u>62,047</u>	<u>163,182</u>

Accruals are non-interest bearing and are normally settled on 30 days' term.

21 Central Co-operative Fund

Pursuant to Section 71 of the Co-operative Societies Act 1979, the Society shall contribute 5% of the first SGD 500,000 of the surplus resulting from the operations of the Society during the preceding financial year to the Central Co-operative Fund; and 20% of any surplus in excess of SGD 500,000 from the operations of the Society during the preceding financial year either to the Central Co-operative Fund or to the Singapore Labour Foundation as the Society may opt.

	2025	2024
	SGD	SGD
Contribution payable to Central Co-operative Fund	<u>-</u>	<u>-</u>

During the year, contribution of SGD Nil (2024: SGD 4,774) were paid in respect of previous financial year.

22 Honorarium

The service of a member of the committee shall be gratuitous by way of honorarium. The committee of the Society has paid SGD 10,000 for the current year.

23 Dividends

Proposed but not recognised as a liability

The Society's Board of Directors has proposed a final dividend of 0.12% and 0.12% (2024: 2% and 1.5%) on Share Capital and Thrift Savings respectively as at 31 December 2025.

Dividend paid

During the year, dividend of SGD Nil (2024: SGD 31,529) were paid in respect of previous financial year.

24 Financial Risk Management Objectives and Policies

The main risks from the Co-operative's financial instruments are interest rate risk, liquidity risk, credit risk and price risk. The policies for managing each of these risks are summarised below.

Interest rate risk

The Co-operative's exposure to interest rates relates primarily to interest-bearing financial liabilities. Interest rate risk is managed by the Co-operative on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by and adverse movement in interest rates.

The Co-operative is not exposed to significant interest rate risk as it does not hold any floating interest bearing financial assets or financial liabilities.

Liquidity risk

Liquidity risk is the risk that the Co-operative may encounter difficulties to settle or meet its financial obligations due to shortage of available funds. The Co-operative's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Co-operative reviews its capital requirements to assess the adequacy of cash and cash equivalents to finance the operations.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Co-operative's financial assets and liabilities at the end of the reporting year based on contractual undiscounted repayment obligations.

	2025			2024		
	1 year or less	2 to 5 years	Total contractual cash flows	1 year or less	2 to 5 years	Total contractual cash flows
	SGD	SGD	SGD	SGD	SGD	SGD
<i>Financial assets</i>						
Investment securities	-	2,309,268	2,309,268	-	2,233,973	2,233,973
Loans to members	692,049	-	692,049	680,035	-	680,035
Trade and other receivables	27,068	-	27,068	45,259	-	45,259
Other assets	6,050	-	6,050	6,050	-	6,050
Cash and cash equivalents	2,853,129	-	2,853,129	2,864,743	-	2,864,743
	<u>3,578,296</u>	<u>2,309,268</u>	<u>5,887,564</u>	<u>3,596,087</u>	<u>2,233,973</u>	<u>5,830,060</u>
<i>Financial liabilities</i>						
Other payables	62,047	-	62,047	163,182	-	163,182
Thrift savings	2,675,639	-	2,675,639	2,759,453	-	2,759,453
General savings	1,566,268	-	1,566,268	1,467,571	-	1,467,571
Lease liabilities	36,000	18,000	54,000	36,000	54,000	90,000
	<u>4,339,954</u>	<u>18,000</u>	<u>4,357,954</u>	<u>4,426,206</u>	<u>54,000</u>	<u>4,480,206</u>
Total net undiscounted financial assets (liabilities)	<u>(761,658)</u>	<u>2,291,268</u>	<u>1,529,610</u>	<u>(830,119)</u>	<u>2,179,973</u>	<u>1,349,854</u>

Credit risk

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

Exposure to credit risk

Credit risk arises from the Co-operative's lending and investment activities where members are unable to meet their contractual liabilities when they fall due. Credit to members is reviewed regularly to ensure that credit risk is supported by adequate guarantees and their earnings. Exposure to loan lending is minimised by a policy of generally granting loans on the conduct of regular reviews. Loans are mainly granted to a co-operative in which the Co-operative has an equity interest and is represented on the Board of Directors.

The Co-operative's exposure to credit risk arises primarily from trade and other receivables and loan to members. For other financial assets (including cash and cash equivalents), the Co-operative minimises credit risk by dealing exclusively with parties on high credit ratings.

The Co-operative has adopted a policy of only dealing with credit worthy counterparties. The Co-operative performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

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

	Note	Category	Gross carrying amount SGD	Loss allowance SGD	Net carrying amount SGD
31 December 2025					
Loan to members	12	Note 1	751,301	(59,252)	692,049
31 December 2024					
Loan to members	12	Note 1	746,731	(66,696)	680,035

Loan to members (Note 1)

For loan to members, the Co-operative has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Co-operative determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

	Loan to members				
	Days past due				Total SGD
	No past due SGD	31-60 days SGD	61-90 days SGD	> 90 days SGD	
31 December 2025					
ECL rate	0%	0%	0%	62%	
Estimated total gross carrying amount	655,847	-	-	95,454	751,301
ECL (Note 12)	-	-	-	(59,252)	(59,252)
					<u>692,049</u>

	Loan to members				
	Days past due				Total SGD
	No past due SGD	31-60 days SGD	61-90 days SGD	> 90 days SGD	
31 December 2024					
ECL rate	3%	0%	0%	72%	
Estimated total gross carrying amount	677,983	-	-	68,748	746,731
ECL (Note 12)	(17,409)	-	-	(49,287)	(66,696)
					<u>680,035</u>

Price risk

Equity price risk arises from equity investments at FVOCI held for the long term for strategic purposes. The primary goal of the Co-operative's investment strategy is to maximise investment returns, in general.

Sensitivity analysis

At the end of the reporting period, if the price for quoted equity securities had been 5% (2024: 5%) higher/lower with all other variables held constant, the Co-operative's fair value reserve would have been SGD 11,129 (2024: SGD 14,590) higher/lower.

25 Fair Value of Assets and Liabilities

(a) Fair value hierarchy

The Co-operative categories fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Co-operative can access at the measurement date;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categories in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Assets measured at fair value

The following table shows an analysis of each class of assets measured at fair value at the reporting date:

Note	Carrying Amount		Fair Value				
	Equity investments at FVOCI	Total carrying amount	Level 1	Level 2	Level 3	Total	
	SGD	SGD	SGD	SGD	SGD	SGD	
31 December 2025							
Financial assets measured at fair value							
Equity investments – at FVOCI	11	<u>2,309,268</u>	<u>2,309,268</u>	222,588	-	2,086,680	2,309,268

Note	Carrying Amount		Fair Value				
	Equity investments at FVOCI	Total carrying amount	Level 1	Level 2	Level 3	Total	
	SGD	SGD	SGD	SGD	SGD	SGD	
31 December 2024							
Financial assets measured at fair value							
Equity investments – at FVOCI	11	<u>2,233,973</u>	<u>2,233,973</u>	291,804	-	1,942,169	2,233,973

(c) Level 3 fair value measurements

The following table shows the valuation techniques used in measuring Level 3 fair value:

Type	Fair Value SGD	Valuation Technique
2025		
Equity investments at FVOCI	2,086,680	Lower of NAV or par value
2024		
Equity investments at FVOCI	1,942,169	Lower of NAV or par value

(d) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amount are reasonable approximation of fair value

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, provisions and other liabilities and amounts payable approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

26 Classification of Financial Assets and Liabilities

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the reporting year.

	2025 SGD	2024 SGD
Financial assets measured at fair value through other comprehensive income	2,309,268	2,233,973
Financial assets at amortised cost	3,578,296	3,596,087
Financial liabilities at amortised cost	4,355,774	4,474,378

27 Standards Issued but not yet Effective

A number of new accounting standards and amendments to standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted. However, the Co-operative has not early adopted the new or amended accounting standards in preparing these financial statements.

FRS 118 Presentation and Disclosure in Financial Statements

FRS 118 will replace FRS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Co-operative is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Co-operative's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Co-operative is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as other.

Other accounting standards

The following amendments to FRSs are not expected to have a significant impact on the Co-operative's financial statements.

- Amendments to FRS 21: Lack of Exchangeability
- Classification and Measurement of Financial Instruments (Amendments to FRS 109 and FRS 107)
- Annual Improvements to FRSs - Volume 11
- FRS 119: Subsidiaries without Public Accountability: Disclosures