IFS Capital Limited

GROWTH

ANNUAL REPORT 2024

CONTENTS

MISSION & CORE VALUES

MISSION

Our mission is to empower all creditworthy small-and-medium enterprises and individuals to have access to capital and protection through simple and affordable solutions.

CORE VALUES

Do the right thing ▶ Operate with a growth mindset ▶ Drive results ▶ Build and maintain trust ▶ Think and act like owners

IFS Capital Limited ("IFS"), is a regional provider of commercial financing services such as Accounts Receivable Purchase (Domestic and/or Export), property financing, hire-purchase/leasing, term loans, working capital loans and government-assisted schemes to business enterprises.

The Group also manages a diversified business portfolio from Asset Management to Insurance and FinTech.

IFS was incorporated in Singapore in 1987 and has been listed on the Mainboard of the Singapore Exchange since July 1993.

OVERVIEW OF **PRODUCTS & SERVICES**

Business Overview

IFS Capital Limited is the SGX-listed holding company for the Group, with key subsidiaries in Singapore, Thailand, Malaysia, and Indonesia. IFS provides a range of financing, insurance and asset management services to corporations, SMEs, and consumers in Southeast Asia.

Accounts Receivable Purchase

Accounts Receivable Purchase (ARP), or factoring, is a financing method used by businesses to improve their cash-flow and access quick funding by selling their outstanding invoices to IFS. This can apply to both domestic and export sales with credit protection.

In this arrangement, the company receives an advance payment from IFS ranging between 70% to 100% of the value of their outstanding invoices. Once the company's customer pays the invoiced amount, IFS will return the balance amount to the company after deducting fees.

The main benefits for SMEs are:

1. **No collateral required**: In most cases, ARP does not require companies to put up collateral, making it attractive to companies that operate with little hard assets or those that do not wish to use their hard assets as collateral.
2. **Quick, flexible and scalable funding**: Once the line is set up, ARP provides quick and scalable funding, allowing fast-growing companies to meet their immediate funding needs.
3. **Cash-flow stability**: Companies can improve their cash-flow by receiving an advance of their outstanding invoices and using the funds received for operational expenses or to take advantage of new business opportunities.
4. **Reduced administrative work**: IFS can take over the responsibility of collecting payments from the company's customers and reduce the significant administrative burden on the company.
5. **Transparency and data analytics**: By allowing IFS to manage the collection, the company can rely on IFS for independent reconciliation of accounts receivables and access detailed reports and aging analysis.

Real Estate Financing

IFS's real estate financing helps business owners unlock the value of their residential, commercial and industrial properties, especially when they need an urgent bridging facility. Our responsible lending practices provide flexibility in customizing the facility to business owners' specific needs.

Leasing/Hire Purchase

IFS's leasing and hire purchase services help capex-intensive businesses acquire commercial vehicles, heavy equipment, IT equipment and production machinery as they grow.

Consumer Services

IFS Consumer Services (Friday Finance) is a licensed moneylender operating in Singapore to serve individuals and entrepreneurs through stress-free secured and unsecured loans. We offer:

1. Life-Stage Loans: Getting tailormade funding for important life events such as marriage, home renovation, education programs and medical treatments.
2. Start-Up Loans: To enable founders to fulfill their entrepreneurial aspirations while meeting their start-ups' cash flow needs.
3. Income Advance: Receiving salary or expected payments upfront. This will be useful for emergency needs for own-account workers, such as insurance and property agents or freelancers with variable income sources.

OVERVIEW OF PRODUCTS & SERVICES

Insurance

ECICS Limited (ECICS) is a wholly-owned subsidiary and a fully licensed general insurer approved by the Monetary Authority of Singapore in 2013 under the Insurance Act 1966.

Since 1975, ECICS has been a homegrown insurer in Singapore, providing essential personal and business insurance coverage for customers and businesses with our simplified underwriting and policy fulfilment process.

Our dedicated team is constantly innovating to provide our customers and partners with peace of mind through our:

1. Motor insurance covering private cars, electric and commercial vehicles
2. Property insurance indemnifying owners in the event of damage and loss
3. Domestic helper insurance covering personal accidents, hospitalization, and issuance of security bonds
4. Bonds and Guarantees insurance covering risk relating to client's performance, capabilities and payment obligations under contractual agreements

Asset Management

IFS Asset Management Private Limited (IFSAM) is a licensed fund management company with the Monetary Authority of Singapore specializing in private credit and real estate products. Currently, IFSAM is the fund manager of its maiden fund, the IFSAM Private Credit Fund which extends secured bridging loans to SMEs in Singapore. It has an investor base comprising institutions (financial services, insurance, and family office) and high net worth (HNW) individuals.

Business Loan Marketplace/ Personal Loan Aggregator

Lendingpot Private Limited (Lendingpot) is an online platform that connects consumers and SMEs to over 65 lenders through one window so that they can find the best loan offers with the least time and effort. Lenders currently offer mortgages, home equity loans, personal loans, and a wide range of business loans through Lendingpot.

LETTER TO **SHAREHOLDERS**

DEAR STAKEHOLDERS,

As we close another year, I am glad to provide an account of our business, beyond the facts and figures, to our community of partners.

Our focus remains set on Southeast Asia. In an era increasingly defined by protectionism, building collaborative communities can become a powerful counterbalance – enabling us to foster trust and mutual benefit even when global policies enact barriers. Regional trade agreements like the Regional Comprehensive Economic Partnership (RCEP) and initiatives such as the Johor-Singapore Special Economic Zone become increasingly important. As a financial institution rooted in Southeast Asia, we will monitor market developments closely for risk while continuing to grow our trade finance network to support both intra-ASEAN and ASEAN-with-the-world trade flows.

PERFORMANCE REVIEW

Our total lending assets grew 8% from S$410 million in 2023 to S$443 million in 2024. Growth was primarily driven by our operations in Singapore and Thailand. The asset-based loan portfolio in Singapore expanded by 5% – a modest growth that reflects our careful management of valuations and loan-to-value ratios. Meanwhile, our accounts receivable purchase portfolio saw a 13% rise, contributed by Thailand, Singapore and Malaysia, largely from new client acquisitions. Although our leasing business in Indonesia remains small, it is steadily growing, and we are diligently monitoring its quality (it is worth nothing that no new non-performing loans have emerged in Indonesia since 2020).

Our provision recognised during the year for non-performing loans decreased from S$1.72 million in 2023 to S$0.7 million in 2024, thanks to recoveries in Singapore and Indonesia. Even with these positive signs, we remain alert to potential risks amid ongoing industry and trade disruptions. Our financing business across all countries are back in growth mode.

LETTER TO SHAREHOLDERS

Our fund management business, housed under IFS Asset Management, achieved annualized returns of more than 5.5% (net of fees) for our first private credit fund with more than S$30 million under management and zero credit losses since inception in Dec 2021. Our first fund has a strong focus on capital preservation, and we hope to build on its success to launch new funds that will provide investors with access to more private credit asset classes. The private credit fund management business will become an increasingly important pillar for the Group.

Our insurance business, however, experienced notable setbacks. Losses expanded from $0.7 million in 2023 to $5.1 million in 2024. This increase was primarily due to a call on a legacy bond – stemming from an underwriting decision made more than six years ago – and higher-than-expected claims from our motor insurance portfolio. In retrospect, our underwriting for that bond was a mistake, and we have since tightened our underwriting policy and process.

The motor insurance challenge is more complex. We price tens of thousands of policies, estimating the likely claims cost for each client upfront before they actually materialize. Unfortunately, in 2024, our estimates were off due to unusual weather patterns and rising repair cost. While we are disappointed with these results, we remain confident that, with the right scale and improved underwriting, our insurance business can again be a meaningful contributor to our Group's bottom line.

Our balance sheet remains robust. We maintained a conservative debt/equity ratio of 1.55X (up from 1.50X in 2023) and ended the year with S$41 million in cash and cash equivalent (a slight decrease from S$43 million in 2023). We are pleased to propose a dividend of 0.50 Singapore cents per share, unchanged from last year, for approval at the upcoming annual general meeting.

MOVING FORWARD 2025

We did not execute as well as planned in 2024, particularly in our insurance business, but we are committed to learning and improving. In 2025, we will continue to focus on enhancing customer experience, strengthening our underwriting practices, and pursuing opportunities that align with our long-term vision. Our goal remains clear: to deliver sustainable, long-term value for all our stakeholders.

On behalf of the Board of directors, I would like to thank our employees and all our stakeholders for your ongoing commitment and support.

With a grateful heart,

LIM HUA MIN

GROUP FINANCIAL HIGHLIGHTS

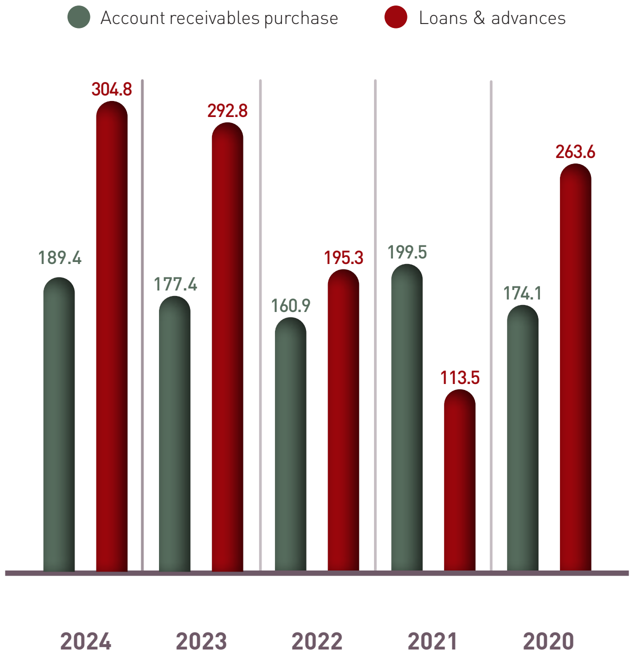
S$000	2024	2023	2022	2021	2020
			(Restated)*	(Restated)*	
INCOME STATEMENT					
Net operating income	**29,092**	30,141	26,349	34,371	34,984
Profit/(loss) before tax – by business segment					
– Lending business	**10,399**	7,829	6,910	13,099	9,229
– Insurance	**(5,090)**	(692)	(410)	(6,692)	(4,892)
Profit – Overall					
– before tax	**5,307**	7,138	6,427	12,689	2,537
– after tax	**3,709**	5,322	4,856	9,649	2,361
– attributable to shareholders	**1,889**	3,439	3,059	7,951	795

* *Restatement of prior years numbers due to the initial application of SFRS(I)17 Insurance Contracts*

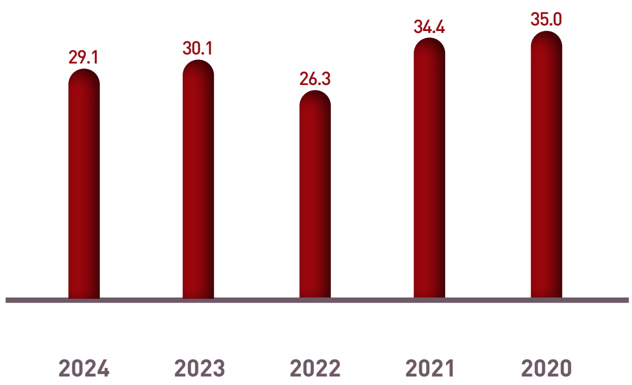
	2024	2023	2022	2021	2020
BALANCE SHEET					
Number of shares ('000)	**375,970**	375,970	375,970	375,970	375,970
Issued share capital	**137,302**	137,302	137,302	137,302	137,302
Shareholder's funds	**178,514**	176,301	175,435	178,955	175,750
Non-controlling interests ("NCI")	**27,757**	23,811	23,143	17,305	17,886
Total assets	**525,843**	491,328	397,761	403,294	481,427
Total liabilities	**319,572**	291,216	199,183	207,034	287,791
DIVIDEND INFORMATION					
Dividend proposed/paid for the year (net of tax)	**1,880**	1,692	2,933	752	2,932
Gross dividends declared per share					
– ordinary (cents)	**0.50**	0.50	0.45	0.78	0.20
Dividend yield as of 31 December	**4.50%**	3.90%	2.40%	4.20%	1.10%
FINANCIAL RATIOS					
Earning per share (cents)	**0.50**	0.91	0.81	2.11	0.21
Net tangible asset per share ($)	**0.47**	0.47	0.47	0.47	0.47
Return on average shareholders' funds	**2.1%**	3.0%	2.8%	5.4%	1.3%
Cost-income ratio	**79.2%**	70.6%	70.7%	59.0%	69.4%
Current ratio (times)	**1.2**	1.3	1.9	2.0	1.4
Debt to equity ratio (times)	**1.5**	1.5	1.0	1.1	1.5

PERFORMANCE AT A GLANCE

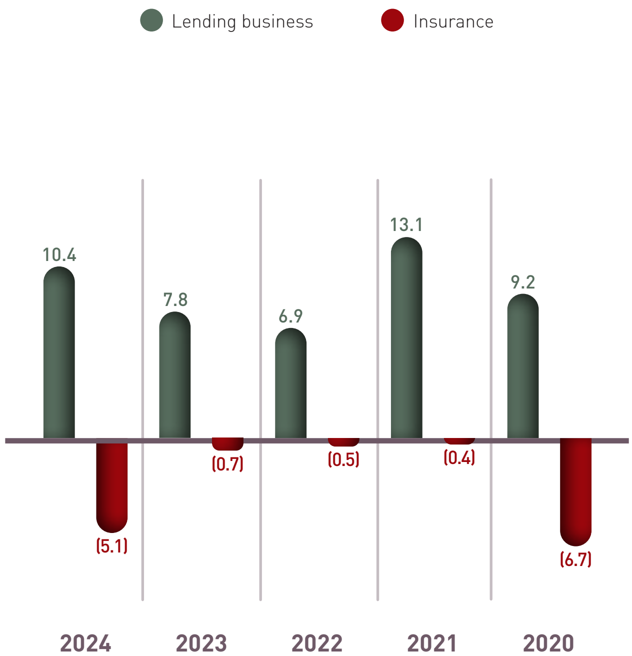
Outstanding Loan Book
(S$ million)



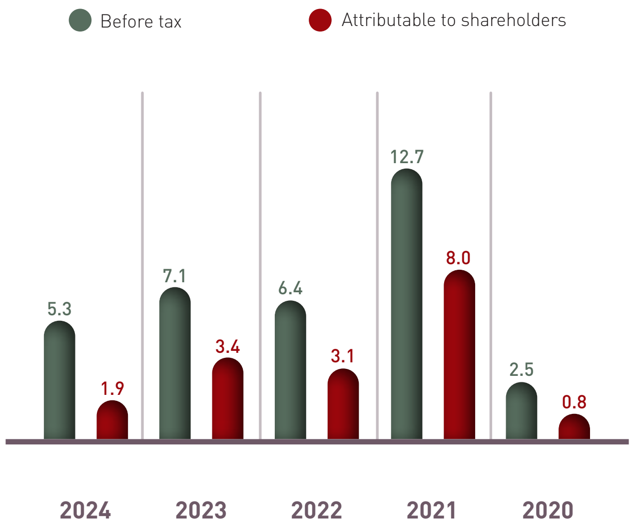
Net Operating Income
(S$ million)



Profit/(Loss) Before Tax – By Business Segment
(S$ million)



Profit Overall
(S$ million)



BOARD OF **DIRECTORS**

From left to right: BARNEY LAU TAI CHIAU, LIM HUA MIN, LOO HOCK LEONG, RANDY SIM CHENG LEONG, CHEN XIALING.

BOARD OF **DIRECTORS**

BARNEY LAU TAI CHIAU

NON-EXECUTIVE & LEAD INDEPENDENT DIRECTOR

Date of first appointment as director : 13 August 2019
Date of last re-election as director : 29 April 2024

IFS Board Committee(s) served on:
- Executive Resource & Compensation Committee (Chairman)
- Audit & Risk Committee (Member)

Academic & Professional Qualifications
- Bachelor of Arts (Computer Science), Rutgers, The State University of New Jersey, USA
- Diploma in Computer Studies, National Computing Centre (UK)
- Diploma in Electronic and Communications Engineering, Singapore Polytechnic
- Master in Christian Studies, Biblical Graduate School of Theology, Singapore

Present Directorships in Other Listed Companies

IPS Securex Holdings Limited

Other Principal Commitments

Directorship in Other Companies

Nil

Other Major Appointments (other than Directorships)

Nil

Past Directorships in other listed companies held over the preceding three years

Nil

Background & Experience
- Currently the Chairman of the Council of the Biblical Graduate School of Theology
- Spent 20 years in the IT industry in various capacities such as regional and general management, sales & marketing, channels and business development
- Worked for multinational companies such as Cisco Systems, Lucent Technologies and Hewlett Packard
- Served on the Councils of the Singapore Computer Society and Singapore IT Federation

Past Key Appointments
- Managing Director and General Manager of Microsoft Singapore Pte Ltd
- Independent Director and IT Committee Chairman of JurongHealth Services (Ng Teng Fong General Hospital and Jurong Community Hospital, now part of the National University Health System)
- Director of Integrated Healthcare Information Systems and as a member of MOH's Healthcare IT Steering Committee

LIM HUA MIN

CHAIRMAN
NON-EXECUTIVE & NON-INDEPENDENT DIRECTOR

Date of first appointment as director : 20 May 2003
Date of last re-election as director : 29 April 2024

IFS Board Committee(s) served on:
- Executive Resource & Compensation Committee (Member)

Academic & Professional Qualifications
- Bachelor of Science Degree (Honours) in Chemical Engineering, University of Surrey, England
- Master Degree in Operations Research and Management Studies, Imperial College, London University

Present Directorships in Other Listed Companies
- Walker Crisps Group plc. (UK)

Other Principal Commitments

Directorship in Other Companies
- Phillip Group of Companies (Executive Chairman)
- ECICS Limited (Chairman)
- Phillip Bank Plc, Cambodia

Other Major Appointments (other than Directorships)

Nil

Past Directorships in other listed companies held over the preceding three years

Nil

Background & Experience
- Currently the Executive Chairman of the PhillipCapital Group
- Held senior positions in Stock Exchange of Singapore ("SES") and the Securities Research Institute

Past Key Appointments
- Chairman of SES Review Committee
- Director of Inland Revenue Authority of Singapore

Awards
- Public Service Medal by Singapore Government
- "IBF Distinguished Fellow" by the Institute of Banking and Finance

BOARD OF DIRECTORS

LOO HOCK LEONG

NON-EXECUTIVE & INDEPENDENT DIRECTOR

Date of first appointment as director : 26 September 2023
Date of last re-election as director : 29 April 2024

IFS Board Committee(s) served on:
- Audit & Risk Committee (Chairman)

Academic & Professional Qualifications
- Bachelor of Electrical Engineering (Honours), National University of Singapore
- Master in Applied Finance, Macquarie University
- Chartered Accountant of Singapore
- Advanced Management Programme, Harvard Business School
- Senior Accredited Director by Singapore Institute of Directors
- GRI Certified Sustainability Professional

Present Directorships in Other Listed Companies
- Union Gas Holdings Limited

Other Principal Commitments

Directorship in Other Companies
- Parkway Life Malaysia Pte. Ltd.
- Parkway Life Malaysia Sdn. Bhd.
- Parkway Life MTN Pte. Ltd.
- Parkway Life Japan2 Pte. Ltd.
- Parkway Life Japan3 Pte. Ltd.
- Parkway Life Japan4 Pte. Ltd.
- Parkway Life Nova Pte Ltd
- Parkway Life Santé (Manager)
- Parkway Life Santé 1 SCI (Manager)
- Parkway Life Santé 2 SCI (Manager)
- Parkway Life Santé 3 SCI (Manager)
- Parkway Life Santé 4 SCI (Manager)
- Parkway Life Santé 5 SCI (Manager)
- Parkway Life Santé 6 SCI (Manager)
- Parkway Life Santé 7 SCI (Manager)
- Parkway Life Santé 8 SCI (Manager)
- Parkway Life Santé 9 SCI (Manager)

Other Major Appointments (other than Directorships)
- Chief Financial Officer and Chief Operating Officer, Parkway Trust Management Limited

Past Directorships in other listed companies held over the preceding three years

Nil

Background & Experience
- Currently the Chief Financial Officer and Chief Operating Officer of Parkway Trust Management Limited
- More than 30 years of extensive banking and corporate experience, including providing advisory services on corporate treasury management to large corporations in the areas of corporate finance and merger and acquisition, financial structuring of interest rate and foreign exchange risk management solutions

Past Key Appointments
- Senior Vice President, Corporate Advisory of Global Financial Markets of DBS Bank

Awards
- Best Overall Performance, Best in Derivatives Valuation and Best in Legal & Tax Risk in Finance by Macquarie University

BOARD OF DIRECTORS

RANDY SIM CHENG LEONG

EXECUTIVE DIRECTOR & GROUP CHIEF EXECUTIVE OFFICER

Date of first appointment as director : 1 July 2020
Date of last re-election as director : 20 April 2023

IFS Board Committee(s) served on:
Nil

Academic & Professional Qualifications
- Bachelor of Engineering (Honours), Electrical and Electronic Engineering, Nanyang Technological University, Singapore

Present Directorships in Other Listed Companies
- IFS Capital (Thailand) Public Company Limited (Chairman)

Other Principal Commitments

Directorship in Other Companies
- IFS Asset Management Private Limited
- IFS Consumer Services Private Limited
- IFS Capital Assets Private Limited
- Lendingpot Private Limited
- IFS Ventures Private Limited
- IFS Capital Holdings (Thailand) Limited
- PT. IFS Capital Indonesia
- IFS Capital (Malaysia) Sdn. Bhd.
- IFS Factors (Malaysia) Sdn. Bhd.

Other Major Appointments (other than Directorships)
Nil

Past Directorships in other listed companies held over the preceding three years
Nil

Background & Experience
- Currently the Group Chief Executive Officer of IFS Capital Limited and is responsible for the overall management of the entities within the IFS Group
- Held the position as the Chief Executive Officer/Country Head of the Singapore business of IFS Capital Limited
- Began career in the Singapore Economic Development Board and subsequently spent eight years in Citibank across its consumer and commercial banking businesses

Past Key Appointments
- Chief Executive Officer/Country Head of the Singapore business of IFS Capital Limited

CHEN XIALING

NON-EXECUTIVE & INDEPENDENT DIRECTOR

Date of first appointment as director : 26 September 2023
Date of last re-election as director : 29 April 2024

IFS Board Committee(s) served on:
- Audit & Risk Committee (Member)
- Executive Resource & Compensation Committee (Member)

Academic & Professional Qualifications
- Bachelor in Finance, Xiamen University, China
- Master in Business Administration (MBA), De La Salle University, Philippines
- Fellow, The Association of Chartered Certified Accountants (ACCA), UK
- CFA, CFA Institute, USA
- Executive Diploma in Directorship, SMU-SID Directorship Programme
- Accredited Board Director, Singapore Institute of Directors (SID)

Present Directorships in Other Listed Companies
Nil

Other Principal Commitments

Directorship in Other Companies
- Aviva-COFCO Life Insurance Company Ltd, China

Other Major Appointments (other than Directorships)
- Principal and Portfolio CFO, CFO Centre Pte Ltd

Past Directorships in other listed companies held over the preceding three years
Nil

Background & Experience
- 20 years' multi-market, multi-cultural CFO experience with strong commercial capabilities and financial leadership background in financial services and insurance; held leadership roles across diverse cultures with global institutions such as Allianz, AXA, Aviva; Chinese enterprise China Taiping Insurance; Start-up venture DirectAsia; and SME finexis advisory
- Specialized in financial & capital management, strategic planning, investment, risk management and corporate governance domains

Past Key Appointments
- Chief Financial Officer, finexis Advisory Pte Ltd
- Head of Finance & Investment, China Taiping Insurance Singapore
- Regional Head of Operational Efficiency & Regional Head of Operational Finance, Allianz Asia Regional Office
- Chief Financial Officer, AXA Life Insurance Singapore
- Regional Chief Financial Officer, DirectAsia
- Chief Financial Officer, Aviva Singapore & Hong Kong

GROUP MANAGEMENT TEAM

AB. RAZAK KHALIL

CHIEF EXECUTIVE OFFICER AND COUNTRY HEAD
IFS CAPITAL (MALAYSIA) SDN. BHD.

Razak was appointed as the General Manager and Country Head of IFS Capital (Malaysia) Sdn. Bhd. in January 2015. He joined the Malaysia subsidiary in June 2010 as the Head of Marketing and was responsible for growing the business in Malaysia. Prior to joining the Group, he worked with established organisations including Pembangunan Leasing Corporation (Subsidiary of Development Bank of Malaysia), Philips Malaysia and ISS Facility Services in various capacities which include Marketing, Credit & Legal, Logistics & Planning, Corporate Purchasing and Facilities Management. Razak holds a Bachelor of Science in Applied Science from Sunderland University, United Kingdom.

CHAN YEE SUN

GROUP CHIEF OPERATIONS OFFICER
OPERATIONS AND TECHNOLOGY

Yee Sun was appointed Group Chief Operations Officer in February 2024 and is responsible for the Group's operations, information technology, and data analytics functions. She started her career at IFS Capital Limited in 2005 as an Operations Manager and was appointed Head of Operations (Singapore) in 2017 and Chief Operating Officer (Singapore) in 2020. Prior to joining the Group, she had over 12 years of operations experience in the stockbroking industry. Yee Sun holds a Bachelor of Business Administration from the University of Iowa, USA.

CHIONH YI CHIAN

GROUP CHIEF SUSTAINABILITY OFFICER AND CHIEF LEGAL COUNSEL
LEGAL, SUSTAINABILITY, COMPLIANCE & SECRETARIAT

Yi Chian joined IFS Capital Limited in 1995. Prior to joining the Group, she practiced law in Singapore. She was appointed as Group Chief Sustainability Officer and Chief Legal Counsel in September 2024. Yi Chian oversees all business sustainability matters, play a leading role in managing the Group's Environmental, Social and Governance (ESG) affairs, as well as the legal, compliance and secretariat functions. Yi Chian was the Group Chief Risk Officer from May 2009 to September 2024. Currently, she is also a Director of IFS Capital (Thailand) Public Company Limited, IFS Capital (Malaysia) Sdn. Bhd., and IFS Factors (Malaysia) Sdn. Bhd., as well as a Commissioner of PT. IFS Capital Indonesia. She was previously appointed as a Director of ECICS Limited from February 2009 to October 2016. Yi Chian holds a Master's degree in Law as well as a Bachelor of Laws (Honours) from the National University of Singapore. In addition, she holds a Graduate Diploma in Compliance awarded by the International Compliance Association and is also a CFA charterholder.

CHOI KIN SENG

CHIEF EXECUTIVE OFFICER
ECICS LIMITED

Kin Seng joined ECICS Limited in January 2019, as the Chief Executive Officer. Kin Seng holds a Bachelor of Science from Universiti Malaysia Sabah. He started his career in the Insurance industry in Malaysia. In 2005, he moved to Singapore when he joined MACS-UIB Insurance Brokers Pte Ltd. In 2008, he joined Etiqa Insurance Bhd., Singapore Branch. Rising through the ranks, he was appointed as the Chief Executive in 2014. He also had the honour of winning the prestigious 'Claims Awards Asia 2014 under the category of Claims Innovation of the Year' during his stint with Etiqa. Prior to joining ECICS Limited, he was with FWD Singapore, as the Chief Operations Officer. Altogether, Kin Seng has more than 15 years of experience in the Insurance Industry.

GROUP MANAGEMENT TEAM

HAN YEH KWONG KEN
PRESIDENT DIRECTOR AND COUNTRY HEAD
PT. IFS CAPITAL INDONESIA

Ken was appointed President Director and Country Head of PT. IFS Capital Indonesia in February 2024. He has more than 20 years of experience across a broad range of roles in commercial banking from Business Development to Credit Risk Management and Financial Recovery & Restructuring. He started his career at IFS Capital Limited in Credit Risk Management in January 2009 and was appointed Head of Credit Risk Management (Singapore) in January 2016. In January 2020, he took on the role of Head of Business Development (Singapore) and subsequently served as Head of Financial Restructuring & Recovery and Regional Business Manager. Prior to joining the Group, Ken worked in two commercial banks in Singapore. Ken holds a Bachelor of Commerce from Curtin University double majoring in Finance and Marketing.

RANDY SIM CHENG LEONG
EXECUTIVE DIRECTOR & GROUP CHIEF EXECUTIVE OFFICER

Please refer to page 10 for Randy's profile.

TAN LEY YEN
DIRECTOR AND CHIEF EXECUTIVE OFFICER
IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED

Ley Yen was appointed as the Chief Executive Officer of IFS Capital (Thailand) Public Company Limited in February 2007. He was seconded to Thailand's subsidiary as General Manager in May 1991 and was appointed Executive Director in October 2000. He has been with the Group since August 1985 and was seconded to PB International Factors Sdn. Bhd. as its General Manager in September 1990. Prior to joining the Group, he was with a local bank for several years. Ley Yen holds an MBA in International Management from the University of London and a Bachelor of Science (Honours) in Management Sciences from the University of Manchester Institute of Science and Technology.

GROUP MANAGEMENT TEAM

TOH BOON KIM HENRY

CHIEF FINANCIAL OFFICER
GROUP FINANCE

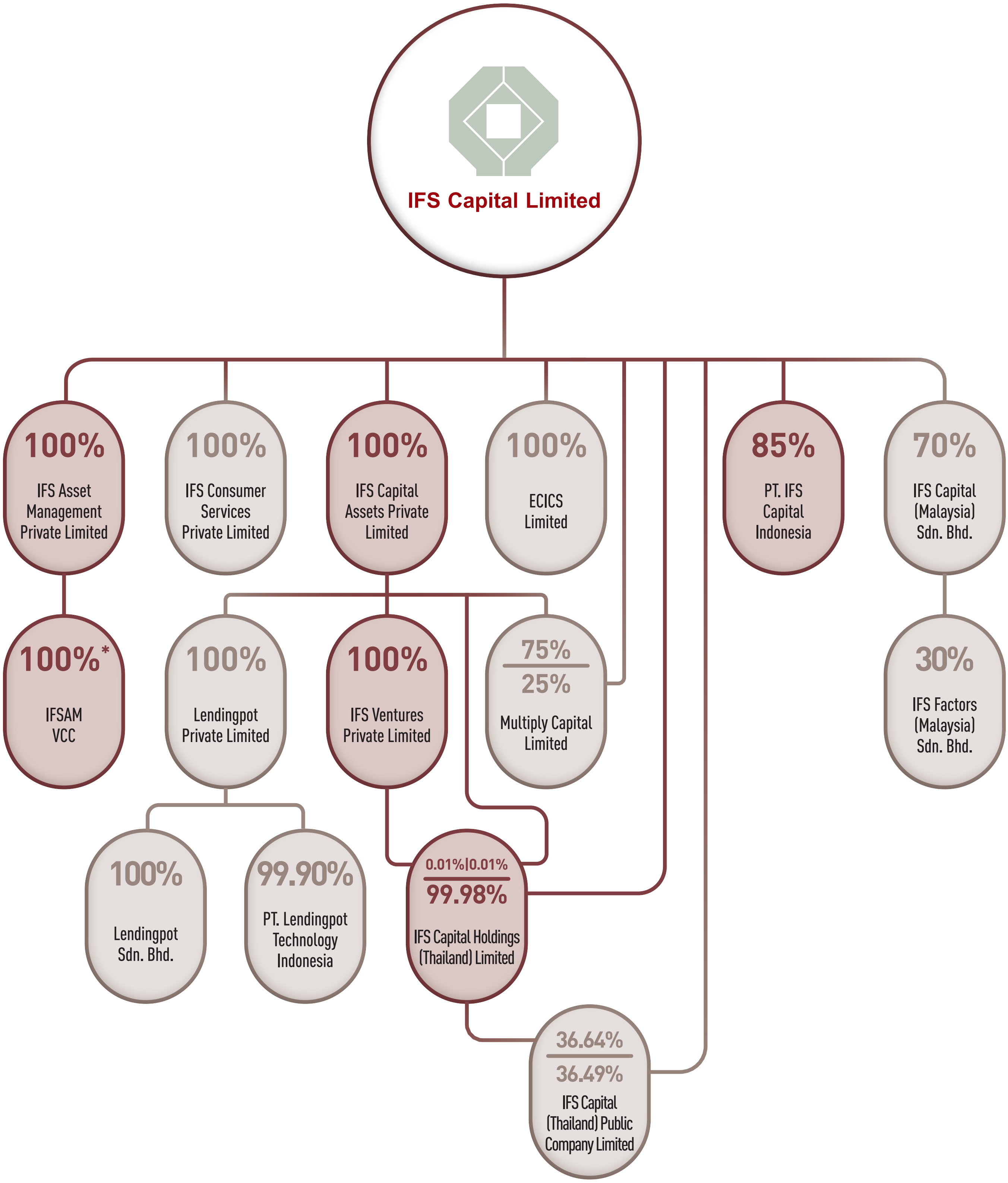
Henry joined IFS Capital Limited on 4 November 2024 as Chief Financial Officer. He is also a director of IFS Consumer Services Private Limited, IFS Ventures Private Limited and IFS Capital Assets Private Limited. Henry is a financial executive with over 20 years of experience in treasury, capital markets, and wealth management. He was previously the Chief Financial Officer of Tiger Brokers (Singapore) Pte Ltd for a span of 7 years, since its incorporation. Henry earned numerous accolades for his leadership in finance, and a track record of leading financial strategies across multiple industries, including banking, insurance, and real estate. His career spans across senior positions such as Associate Director of Treasury at Temasek International, and VP of Treasury in Clifford Capital Pte. Ltd where he was part of the founding team. Henry holds the Bachelor of Commerce (Major Accounting) from Monash University Clayton Campus, as well Master of Science in CFO Leadership from the Singapore Management University.

ZENG RENCHUN

CHIEF EXECUTIVE OFFICER AND COUNTRY HEAD
IFS CAPITAL LIMITED

Renchun joined IFS Capital Limited in October 2020 as the Chief Executive Officer and Country Head for the Singapore Office. He is responsible for the overall management of IFS Capital Limited's business in Singapore. He is a director of IFS Consumer Services Private Limited, IFS Asset Management Private Limited, IFSAM VCC, Lendingpot Private Limited, Lendingpot Sdn. Bhd. and Multiply Capital Limited. He is also a Commissioner of PT. Lendingpot Technology Indonesia. Renchun began his career at Citibank and spent more than 10 years in the banking industry across both the consumer and commercial banking businesses, including a 3-year stint in Shanghai. He was instrumental in driving the growth of these franchises in China and the ASEAN region. Renchun graduated from Nanyang Technological University with First Class Honours in Bachelor of Science/Biological Sciences.

CORPORATE STRUCTURE



* based on management shares held by IFS Asset Management Private Limited

SUSTAINABILITY **REPORT**

CONTENTS

SUSTAINABILITY REPORT

ABOUT THE REPORT

This Sustainability Report has been approved by the Board and prepared with reference to the following standards, guidelines and regulations:

- Singapore Exchange Securities Trading Limited ("SGX-ST") Practice Note 7.6 Sustainability Reporting Guide (updated January 2022);
- The Global Reporting Initiative ("GRI") Standards 2021 (updated July 2021);
- The Sustainability Accounting Standards Board ("SASB") standards within the Financial sector: Commercial Banks (FN-CB), Consumer Finance (FN-CF), Insurance (FN-IN) and Mortgage Finance (FN-MF);
- The Task Force on Climate-related Financial Disclosures ("TCFD") recommendations by the Financial Stability Board (updated October 2021); and
- The Guidelines on Responsible Financing issued in October 2015 by the Association of Banks in Singapore (revised June 2018).

SCOPE

This report covers IFS Capital Limited's ("IFS Capital") approach towards Sustainability via the Environmental, Social, and Governance ("ESG") principles, initiatives, and performance of our operations across our core markets. It contains information for the financial year between 1 January to 31 December 2024, unless otherwise stated.

ASSURANCE

We have engaged our internal auditor to undertake limited assurance on the sustainability reporting process for our Sustainability Report for FY2024.

FEEDBACK

We welcome feedback on this report and any aspect of our sustainability performance at ir@ifscapital.com.sg.

SUSTAINABILITY **REPORT**

BOARD STATEMENT

At IFS Capital, we believe that good business and responsible business go hand in hand. Sustainability is about making sound and responsible decisions today that will ensure we thrive tomorrow.

From "**Resolute**" to "**Resilient**" Growth, this year's sustainability report reflects our on-going commitment to integrating ESG principles into our core business while realigning our priorities to strengthen data collection and reporting capabilities. Our mission remains clear: to empower all credit-worthy SMEs and individuals to have access to capital and protection through simple and affordable financial solutions.

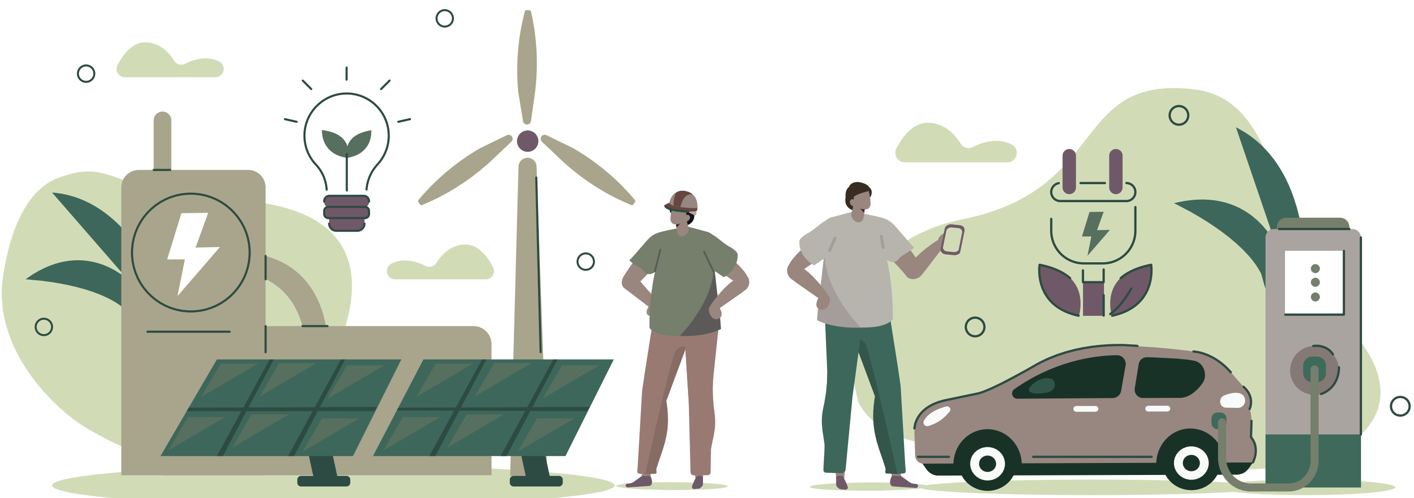
In an era marked by rapid transformation and shifting global priorities, we recognise that sustainability debates have become increasingly polarised in many regions. Nonetheless, the momentum for climate action continues to grow, particularly in Asia. Singapore has upheld a consistent, comprehensive and proactive climate agenda – a vision with which we are closely aligned.

This year, we continue to advance our sustainability journey, which is anchored on three key pillars:

- **Nurturing Nature, Sustaining Tomorrow**: Reinforcing responsible financing practices and integrating climate risk and opportunity considerations into our strategies to support the transition towards a net-zero future.
- **Empowering Lives, Building Bonds**: Investing in human capital development, promoting financial inclusion to foster a more resilient and inclusive economy, enhancing the customer experience and contributing to the well-being of our communities.
- **Ethical Foundation, Responsible Business**: Upholding trust through robust governance and ethical conduct to ensure the sustainable creation of long-term value.

A key milestone in FY2024 was the appointment of our first Group Chief Sustainability Officer, highlighting our firm commitment to embedding sustainability across all aspects of our business. In addition to leading sustainability initiatives across the Group, the Chief Sustainability Officer will ensure our continued alignment with evolving regulatory expectations, including the emerging disclosure requirements set by the International Sustainability Standard Board (ISSB).

As always, our focus remains on the fundamentals – doing the right things, for the right reasons, in ways that bring lasting benefits to our business, our people, and the communities we serve. We look forward to progressing on our journey towards a more sustainable future that delivers value for all our stakeholders.



SUSTAINABILITY REPORT

SUSTAINABILITY HIGHLIGHTS

ENVIRONMENT

- **Reduced greenhouse gas (GHG)** Scope 1 and Scope 2 emissions by 37.54 tonnes CO_2e – a small yet meaningful start towards our goals towards reducing our carbon emissions.

SOCIAL

- Achieved a total of **996 hours** in employee volunteerism reaching out to **more than 100 beneficiaries** in meeting their basic needs through donated and packed food supplies.
- Supported employees through **154.5 days of flexi-work benefits**.

GOVERNANCE

- Appointment of our **first Group Chief Sustainability Officer** to strengthen commitment towards our sustainability efforts.
- **No known material incidents of fraud or regulatory issues** affirming our commitment towards robust governance.

SUSTAINABILITY **REPORT**

SUSTAINABILITY GOVERNANCE

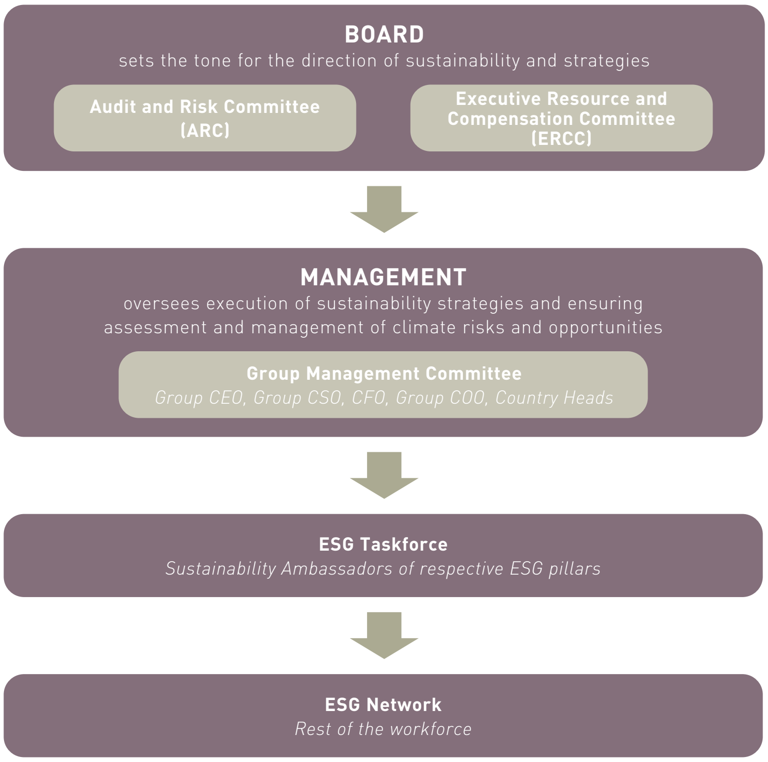


Figure 1. IFS Capital's Sustainability Governance

Strong governance is the foundation of our sustainability journey. Our governance strategy ensures that sustainability considerations, climate-related risks and opportunities are incorporated into our decision-making processes.

The **Board** plays a central role in driving the Group's long-term success, setting the tone and direction of our sustainability strategy. The Board holds the ultimate responsibility for sustainability and climate-related matters, overseeing ESG strategy, climate-related risk management and opportunities. The Board has oversight on the Group's economic and ESG factors, ensuring the identified ESG factors material to the business are monitored and managed. The Board is also supported by the Audit and Risk Committee (ARC) and Executive Resource and Compensation Committee (ERCC), to ensure that ESG and climate risk considerations are integrated in strategic decision-making process and leadership accountability. In FY2024, the Board has considered sustainability issues in its oversight of the business and the setting of strategies for the Group.

The **Group Management Committee** supports the Board in the execution of sustainability strategies and directions, as well as effective management of the climate-related risks and opportunities faced by the Group. The Committee ensures a holistic approach to the adoption of ESG policies and standards. It also ensures that the material ESG factors are properly managed and monitored on an ongoing basis.

Led by our Group Chief Sustainability Officer, the **ESG Taskforce** comprises representatives from all regional offices and subsidiaries, ensuring comprehensive coverage of all aspects of our business operations. As part of our ongoing efforts to enhance sustainability reporting capabilities, we have restructured the ESG Taskforce by functions. The ESG Taskforce continues to play a central role in analysing the Company's ESG performance and identifying key areas for improvement. It is also responsible for managing the collection of sustainability data across business functions, contributing on-the-ground insights that help shape and guide our sustainability journey.

Our **ESG Network**, representing our entire workforce, actively engages in volunteer activities organised by IFS Capital aimed at making a positive impact on the community.

SUSTAINABILITY **REPORT**

STAKEHOLDER ENGAGEMENT

IFS Capital continues to collaborate closely with our key stakeholders to understand their needs and build trust, with the aim of driving sustainability performance. Our existing engagement channels with stakeholders have been maintained, and we are committed to increasing the frequency of communication with our employees. Outlined below is our approach to engaging with our various stakeholder groups.

Table 1. Stakeholder Engagement

Stakeholder	Engagement Channels	Frequency	Key Areas of Discussion
Employees	• Town halls	• Bi-annually	• Updates on Company's performance and strategies • Job satisfaction and reward performance • Career development • Employee safety and welfare • Professional development opportunities • Remuneration and benefits
	• Employee Satisfaction Survey • Employee Appraisal	• Annually	
	• Email Communication • Recreational Bonding • Professional Training	• Throughout the year	
Government and Regulators	• Regular Engagements • Meetings • Consultations • Site Visits	• Ad-hoc	• Corporate Governance • Operational efficiency • Regulatory compliance
Investors and Shareholders	• Annual General Meeting • Annual Report & Sustainability Report	• Annually	• Updates on financial performance • Business continuity plans • Industry development and market outlook • Investment plans in the pipeline
	• Half Year Financial Results and Announcements	• Bi-annually	
Communities	• Local Community Outreach Programmes • Business Forums • Industry Events • Informative Articles • Company Website	• Throughout the year	• Corporate social responsibility • Sharing insights on financial management • Industry trainings
Client	• Live Help Chat • Live Help Appointment • Social Media Platforms • Other Feedback Forums (e.g. Google Review)	• Ad-hoc	• Product queries • Service feedback

SUSTAINABILITY **REPORT**

MATERIALITY ASSESSMENT

In reviewing the materiality assessment, we considered the evolving ESG landscape within the financial sector. The materiality assessment was conducted through a group-wide survey to identify, evaluate, and prioritise the Group's material ESG factors. At this stage, we continue to measure these identified ESG factors. Accordingly, we have retained the nine material ESG factors, depicted in table 2, under the three main sustainability pillars, as they remain relevant and important to our industry's sustainability practices. We will reassess and reprioritise them as needed, in response to changing circumstances or stakeholder expectations. Looking ahead, we anticipate broadening the scope of our ESG assessment in future iterations to include engagement with other key stakeholders groups.

Table 2. Material ESG Factors

	Material Factors	Key ESG Issues	
Nurturing Nature, Sustaining Tomorrow	1) Climate Action	• Climate-Related Disclosures • GHG Emissions	• Energy Management • Waste Management
Empowering Lives, Building Bonds	2) Human Capital Development	• Talent Acquisition and Retention • Professional Growth and Development • Diversity, Equity, and Inclusion	• Workplace Safety, Health and Well-being • Human Rights
	3) Financial Inclusion	• Financial Inclusion	• Promoting Financial Literacy
	4) Client Experience	• Client Experience	• Making Insurance Affordable and Accessible
	5) Giving Back to Society	• Employee Volunteerism	
	6) Economic Contribution	• Economic Contribution	
Ethical Foundation, Responsible Business	7) Strengthening Corporate Governance	• Regulatory Compliance • Preventing Corruption, Fraud, and Financial Crime	
	8) Data Protection and Privacy	• Data Protection and Privacy	
	9) Fair Dealing	• Fair Dealing	

SUSTAINABILITY REPORT

NURTURING NATURE, SUSTAINING TOMORROW

CLIMATE ACTION

Under this pillar, we will cover the following material ESG factors: Greenhouse Gas Emissions, Energy Management, Climate-Related Disclosures and Waste Management.

Greenhouse Gas ("GHG") Emissions

We developed a baseline inventory for our Scope 1, Scope 2, and Scope 3 emissions following the operational control approach in FY2023. We continued to calculate our emissions using that approach. Accordingly, we calculated emissions across three (3) Scope 3 categories selected for initial phase, consistent with FY2023, ensuring continued improvement of our value chain reporting. Our Scope 1 refers to direct GHG emissions arising from fuel consumption from the use of our owned vehicles and our Scope 2 refers to indirect GHG emissions arising from purchased energy in our facilities. *For a detailed breakdown of our emission sources, please refer to table 3.*

Additionally, the figures presented in our Scope 3 emissions reporting are estimated using a combination of average-data, spend-, distance-, and activity-based calculation methods and are calculated in line with the methodology proposed by the GHG Protocol Corporate Accounting and Reporting Standard[1], along with the GHG Emission Factors Hub by the U.S. Environmental Protection Agency ("US EPA") for the appropriate emission factors.

In FY2024, we incorporated additional data points into our ESG data collection and analysis, resulting in a more detailed and accurate assessment of our emissions. To ensure consistency and comparability, we have recalculated our FY2023 data using the same data points. It provided a more comprehensive representation of our emissions, particularly for Scope 3 Category 1 on Purchased Goods and Services.

Overall, we measured and reported a total emission of 38.53 tonnes CO_2e (Scope 1), 146.17 tonnes CO_2e (Scope 2) and 799.42 tonnes CO_2e (Scope 3). As for emissions intensity, it was 3.69 tonnes CO_2e/FTE[2] in FY2024.

The significant reduction of the Scope 1 emissions in Thailand was a result of reduced number of company-owned vehicles arising from the change from owned vehicles to leased vehicles. That said, we are mindful of the emissions from our leased vehicles which are now captured under Scope 3 emissions.

Our Scope 2 emissions are mainly from the purchased electricity for our premises in the countries we operate. Due to the lower energy consumption as a Group in FY2024, our Scope 2 emissions are lower. Please refer to more details in the following section **Energy Management.**

However, we saw higher Scope 3 emissions in FY2024 which, besides including more datasets, are in tandem with the Group's path for business growth.

We are cognisant that tracking and reporting of our emissions is an evolving and ongoing initiative, and we expect refinements as we continue to work towards improving the robustness of our data collection and better transparency and alignment with international reporting standards.

Scope and Categories		Tonnes CO_2e				
		Singapore	Malaysia	Indonesia	Thailand	Total
Scope 1	FY24	**0.70**	**15.38**	**16.48**	**5.98**	**38.53** ↓
	FY23	0.63	18.87	19.44	19.99	58.93
Scope 2	FY24	**30.84**	**14.08**	**11.98**	**89.28**	**146.17** ↓
	FY23	30.69	13.38	25.28	93.96	163.31
Upstream Scope 3 Emissions						
Purchased goods and services	FY24	273.49	9.34	8.54	61.87	353.24 ↑
	FY23	218.72	5.78	6.80	50.47	281.77
Business travel	FY24	184.54	1.15	31.63	28.93	246.25 ↑
	FY23	126.97	3.11	12.14	19.74	161.96
Employee commute	FY24	31.79	40.02	26.32	101.79	199.93 ↓
	FY23	40.77	17.71	20.17	193.84	272.50
Scope 3 Total	**FY24**	**489.83**	**50.51**	**66.49**	**192.59**	**799.42** ↑
	FY23	386.46	26.61	39.11	264.05	716.22

Table 3. Summary of Scope 1, 2 and 3 emissions

1 GHG Protocol provides standards and tools that help countries and companies measure, manage and track progress toward climate goals.

2 We have selected Full-Time Employee (FTE) as the organisation-specific metric (the denominator) for calculating our energy intensity ratio. As at FY2024, our total FTE at the Group level stands at 267.

SUSTAINABILITY **REPORT**

Energy Management

In FY2024, the total energy consumption from electricity usage on the Group's premises amounted to approximately 286,617 kWh, with an energy intensity of 1,073 kWh/FTE[3]. For a detailed breakdown, refer to table 4.

Energy Consumption (kWh)	Singapore	Malaysia	Indonesia	Thailand	Total
FY24	74,851kWh	18,187 kWh	14,974 kWh	178,605 kWh	**286,617 kWh** ↓
FY23	73,609 kWh	17,282 kWh	32,157 kWh	212,576 kWh	335,624 kWh

Table 4. Energy Consumption

We have continued our efforts to measure and monitor our energy consumption. We have recorded significant decrease in the Group's overall total energy consumption. That said, we are acutely aware of the slight increase in energy consumption in both our Singapore and Malaysia offices. We will be looking to implement more energy efficiency measures across all offices in FY2025.

Our Thailand offices have contributed to the decrease by switching all their office lights to LED ones and the transitioning of their servers to cloud-based solutions. In Indonesia, the significant decrease was due to the consolidation of operations into one office from two in FY2023.

Moving ahead, we will continue to work towards reducing our energy consumption across all offices.

Waste Management

IFS Capital does not generate hazardous waste as our operations are primarily office-based. However, we recognise the importance of responsible waste management. In FY2024, we successfully recycled plastics, paper and cardboard at our offices in Singapore and Thailand. Whilst we have recorded the amount of waste generated at our Thailand offices (3,527kg), we are working towards doing so in our Singapore offices.

Climate-Related Disclosures

Despite the recent disbandment of the Task Force for Climate Reporting, we have followed through as per SGX's roadmap for FY2024's Sustainability Report with reference to TCFD recommendations. At the same time, we are cognisant of the enhanced sustainability disclosure regime i.e. IFRS Sustainability Disclosure Standards (IFRS SDS) by the International Sustainability Standards Board (ISSB) and are preparing to report accordingly in FY2025. To ensure alignment with the evolving sustainability reporting landscape, we engaged external ESG consultants to conduct capacity building workshops for key representatives in the Group including our business, finance, human resource, risk, operations and compliance departments. These sessions focused on topics critical to the adoption of IFRS SDS including e.g. materiality assessments, climate-related financial disclosures, data governance, and integration with financial reporting.

We continued to work on a phased approach for climate-related disclosures, recognising that at this outset, specific metrics and targets have not been firmly established for climate-related risks and opportunities.

In anticipation of the evolving landscape of climate-related tools and metrics within the financial industry, there is a plethora of potential metrics that are either in the early stages of development or are not widely available for practical use. Despite that, we prioritise the measurement of GHG emissions as a fundamental metric for managing climate-related risks.

For FY2024, our various business/country heads reviewed the climate-related risks and opportunities assessment with no major changes to the overall results compared to the previous year. Our assessment methodology remained consistent with minor refinements to enhance the accuracy of our analysis. For a detailed summary of our assessment results, please refer to Appendix 2.

[3] We have selected Full-Time Employee ("FTE") as the organisation-specific metric (the denominator) for calculating our energy intensity ratio. As of FY2024, our total FTE at the Group level stands at 267.

SUSTAINABILITY **REPORT**

As per the previous assessment, we used RCP 2.6 to signify a scenario aimed at limiting global warming to below 2ºC above pre-industrial levels; and RCP 8.5 to signify warming that is likely to surpass 4ºC (high confidence) and adopted the following time zones as a measure:

- Near term: 5 years or up to year 2029;
- Mid-term: 5 to 10 years or up to 2034; and
- Long-term: 10 to 27 years or up to 2051.

Risk Matrix	**Likelihood of Occurence**				
Magnitude of Impact	Rare	Unlikely	Moderate	Likely	Most Certain
Catastrophic	Medium	Significant	Extreme	Extreme	Extreme
Major	Medium	Significant	Significant	Extreme	Extreme
Moderate	Low	Medium	Significant	Significant	Extreme
Minor	Low	Medium	Medium	Significant	Significant
Insignificant	Low	Low	Low	Medium	Medium

Legend – risk rating

Low Medium Significant Extreme

Figure 2. 5x5 risk matrix

We are still in the process of integrating ESG considerations (including climate-related risk drivers) within our risk management framework. This is an ongoing initiative we endeavour to complete. What we envisage is a risk-based approach that emphasises the management of higher likelihood and impact of climate risks.

Our Targets		Performance
Conduct knowledge sharing with our overseas colleagues on the importance of GHG measurement, such that we can apply a consistent methodology in tracking the Group's emissions footprint.	Achieved	Reorganised the ESG Taskforce – allowed for collaboration across countries within different ESG pillars and organised training sessions to align all parties on our Group emissions tracking.
Assess the relevance and materiality of additional Scope 3 categories that may apply across our regional offices.	In progress	With the on-going developments in the global reporting framework and anticipated more detailed guidance on Scope 3 reporting from SGX for listed companies, we have decided to focus our efforts in FY2024 on improving data collection for the 3 upstream categories that we selected in FY2023. This phased approach allows us to consider future regulatory expectations when more details and guidance are provided.

Achieved In progress

SUSTAINABILITY REPORT

EMPOWERING LIVES, BUILDING BONDS

HUMAN CAPITAL DEVELOPMENT

Our employees are the driving force behind our success. Coming from diverse backgrounds and walks of life, we strive to maximise their strengths and potential by providing a safe and inclusive environment where they are encouraged to contribute freely. We are committed to offering equal opportunities based on individual skills and capabilities, empowering our employees to think and act like owners. In doing so, each employee plays a meaningful role in driving the Company forward.

As at 31 December 2024, our total employee count stands at 267 employees across the Group. We have included our contract staff in our total employee count.

Talent Acquisition and Retention

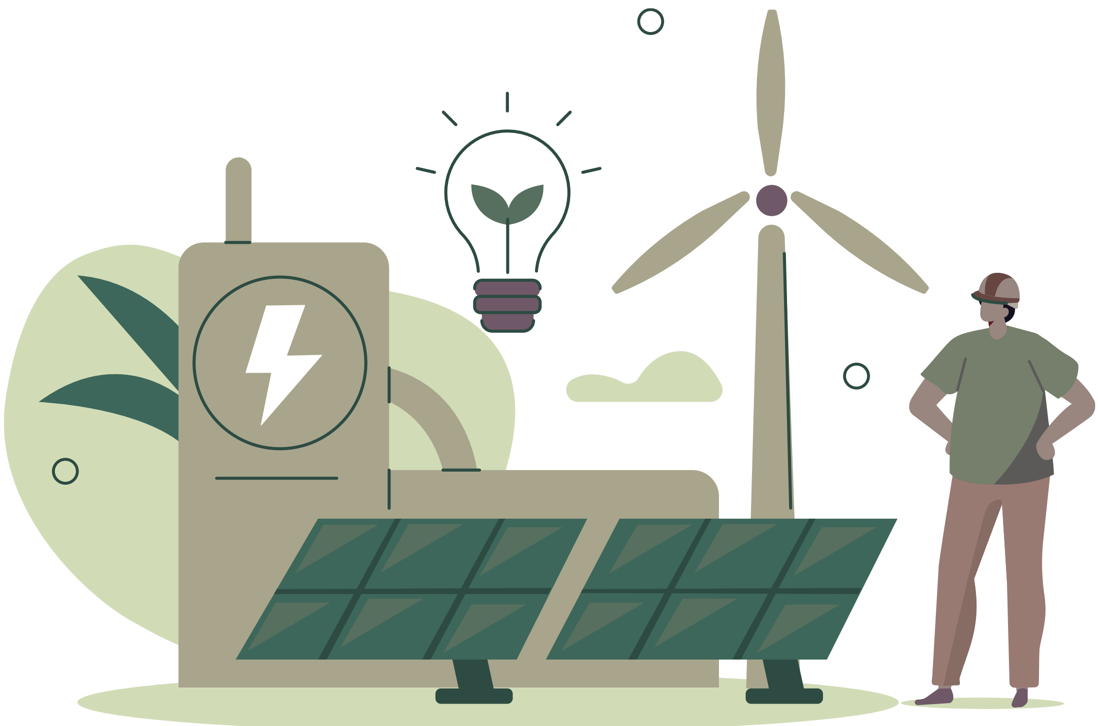
In FY2024, we hired a total of 78 employees, with a new hire rate of 29%[4] and a turnover of 64 employees, resulting in a turnover rate[5] of 25%. Our detailed employee breakdown can be found in Appendix 1.

The overall increase in our hiring and turnover rates was driven by our realignment of talent to support the Company's growth and sustainability objectives.

Diversity, Equity, and Inclusion

Our workforce of 267 employees brings a diverse range of perspectives, skills, and experiences to the Company. Recognising that such diversity is key to enriching the Company's social fabric, we are committed to upholding equal employment opportunities for all and maintain a zero-tolerance policy towards any form of workplace discrimination. These principles are embedded in our recruitment practices.

Our employees in the 30 to 50 years group continue to form the majority of our workforce. We continue to embrace age diversity within our workforce, recognising the unique depth of knowledge, expertise, and life experience that individuals across different age groups contribute to the success of the Group.



[4] New Hire Rate = Number of new hires divided by the total headcount at the end of the year

[5] Turnover Rate = (Number of employees who left in a year/[(beginning number of employee + ending number of employee)/2])x100

SUSTAINABILITY REPORT

Our Employees in a snapshot

Employees

	2024	2023
Male	125 (47%)	113 (44%)
Female	142 (53%)	141 (56%)
Under 30	35 (13%)	31 (13%)
30 – 50	171 (64%)	163 (64%)
Above 50	61 (23%)	60 (23%)

New Hires

	2024	2023
Male	44 (56%)	29 (46%)
Female	34 (44%)	34 (54%)
Under 30	27 (35%)	19 (30%)
30 – 50	46 (59%)	40 (64%)
Above 50	5 (6%)	4 (6%)

Turnover

	2024	2023
Male	32 (50%)	15 (35%)
Female	32 (50%)	28 (65%)
Under 30	16 (25%)	4 (9%)
30 – 50	36 (56%)	36 (84%)
Above 50	12 (19%)	3 (7%)

Professional Growth and Development

In FY2024, we continued to support our employees in their professional growth and development by conducting various internal training sessions and arranged for external trainings to enrich the knowledge of our employees contributing to over 2,064 training hours across the Group.

Our Human Resources policy also provides opportunities for internal mobility, both vertically and laterally to avail to our employees new career and development opportunities within the Group.

Regular Performance and Career Development Reviews

In FY2024, we achieved a 100% completion rate for the annual performance review process for all eligible employees. All full-time employees were eligible for performance and career development review except for drivers and employees who joined after 1 October 2024.

Employee Engagement Survey

We also conduct our yearly employee engagement survey to get a sense of our employees' needs and to identify areas of change or improvement that they seek in respect of their work environment and professional growth.

SUSTAINABILITY **REPORT**

As a testament to the Group's focus and support to our employees, our employees answered positively to their experience in respect of their work environment and their personal development and growth.

Questions	Rating
1. My teammates would provide me support whenever I need help.	**87.6%**
2. I am treated with respect by my colleagues.	**86.7%**
3. I can see how the work I am doing is making a positive difference at our Company.	**84.5%**
4. My work gives me a sense of personal accomplishment.	**84.3%**

We will continue to listen to the needs of our employees and where practical, to invest in their personal and professional growth.

Technology in Finance Immersion Programme

IFS Capital continues to support the facilitation of lifelong learning and career progression of financial practitioners through the Technology in Finance Immersion Programme (TFIP). In FY2024, we onboarded 3 TFIP trainees in various areas such as business analytics, software engineering and have dedicated resources to ensure tailored mentorship and learning opportunities.

To date, we have successfully converted 2 trainees as full-time employees of IFS Capital.

Workplace Safety, Health and Well-being

We provide all permanent and contract employees with similar health and insurance benefits, which include annual leave, birthday leave, marriage leave, compassionate leave, special leave, private medical insurance coverage.

In March 2024, IFS Capital implemented 2 days of self-care leave wherein employees in the Singapore offices could utilise up to 2 days of leave for the purposes of self-care. This initiative was to allow employees the opportunity to prioritise their own needs and well-being.

In line with the Ministry of Manpower's (MOM) Tripartite Guidelines on Flexible Work Arrangement (FWA) Request, we reacted to it ahead of time to release our Company Policy on FWA and implemented this across entities in Singapore. To date, the Company has supported and benefitted employees in a total of 154.5 days through this arrangement i.e. parents who want to guide their children through their national examinations, child caring arrangements etc.

Our Targets		Performance
Contributing to the community through the creation of jobs and fulfilling tax obligations	Achieved	Our workforce increased from 254 (FY2023) to 267 (FY2024) through expansion in strategic roles. Full compliance of tax obligations.
Support the career development of our employees by offering equal opportunities in training programmes and courses	Achieved	We have policies in place to support our employees in their training.
Ensure that each employee receives equitable feedback on their performance and growth.	Achieved	Yes – through the staff appraisal.
Maintain a 100% appraisal rate for all, including contract staff and TFIP trainees	Achieved	100% of our eligible staff completed the appraisal within the stipulated time.
Achieved In progress		

SUSTAINABILITY **REPORT**

Human Rights

Safeguarding the human rights of our people begins with the strict adherence to our obligations as an employer, stipulated by the MOM. We solidify our practices concerning human rights protection by treating our employees with fairness, irrespective of ethnicities, religions, ages, and genders. We find that equitable treatment and opportunities to all has a positive influence on employees' morale, engagement, and productivity at work.

Our recruitment and career progression processes consider each individual's qualifications, skills, and relevant industry experience. Employees are encouraged to use our whistleblowing mechanism to voice any concerns related to perceived violations of their rights or any wrongdoing they may experience.

GIVING BACK TO SOCIETY

Employee Volunteerism

Like our business' focus on the underserved SMEs, our Corporate Social Responsibility (CSR) focuses on bringing sustenance to the underserved communities. We value employee volunteerism towards the underserved. In FY2024, our employees dedicated 120 hours of their time through volunteering activities at Food From The Heart as well as Willing Hearts. Both are non-profit organisations established to bring food and sustenance to the beneficiaries daily. Our employees engaged in hands-on volunteer activities where they helped prepare and/or packed food supplies for low-income households and individuals in need. It is a recurring initiative that underscores our commitment to social responsibility.

In the same year in September, we participated in Walk of a Lifetime by St Andrew's Autism Centre (SAAC). It is the first and only charity walk that places its beneficiaries at the heart of the event. The autistic community walked first, and volunteers walked behind them to signify support. Over the years, we gradually noticed a handful of staff that need to care for their children with autism. Naturally, this community has become a group close to our hearts. There is ongoing work arrangement flexibility availed to support their parenting needs. IFS Capital also made a donation to SAAC to provide practical contribution.

We continued our involvement in the Corporate Share Programme under the umbrella of Community Chest where donations are channelled to the various social service and charity programs supported by the Community Chest.

On 29 November 2024, IFS Capital in Singapore partnered with Public Hygiene Council of Singapore for a cleanup initiative at East Coast Park. Throughout the event, we were able to achieve our environmental goals by working as a team to pick up litter at the park. Sharing moments of accomplishment and building bonds (in the rain) were lasting memories of the experience. This was the second time we took part in this initiative. We aim to do so every year and continuously create a positive impact to the environment.

In Malaysia, the team organised a CSR event at Taman Negara, Pahang, where they donated food baskets to 40 beneficiaries. We also reached out to the flood victims at Dun Suka Menanti, Kedah & Dun Jitra, Kedah, where 5 kg of rice were donated to provide for the basic needs of 80 beneficiaries.

Further up north, our team in Thailand actively sought to bring practical resources to communities in need. The team donated 100 kg of rice to the underprivileged children at Wat Pa Sakae School, Supan Buri province. Clothing, electrical appliances, essential items, and consumables were also donated to assist flood victims in the Nan Province. In terms of monetary donations, we donated THB100,000 to Ramathibodi Hospital for its Building and Yothi Innovation District project. We also contributed THB10,000 to Plookjit School. In circumstances where there are shortages, the organisation comes in to bridge the gap and protect the basic interests of others.

We strive to build and maintain a high level of corporate responsibility, and drive long-term consistency in our engagement with the communities that we serve. Through these efforts, we align our business objectives with the broader goal of creating a better, more sustainable society.

Our Targets		Performance
Achieve 100 hours of employee volunteerism	Achieved	Achieved 996 hours across the Group in FY2024.
Achieved In progress		

SUSTAINABILITY **REPORT**

FINANCIAL INCLUSION

Inspired by our founding principles, IFS Capital has long been committed to promoting financial literacy and inclusion. From our early days, we recognised that financial empowerment is key to unlocking both personal and business potential. In 2024, we continue to fulfil this commitment, providing individuals and businesses with the tools, education, and accessibility they need to thrive in an increasingly complex financial landscape. Our ongoing efforts to enhance the client experience are focused on creating sustainable pathways to financial well-being, as demonstrated by the following key highlights in this area.

Through our Friday Finance platform, we continue to incentivise responsible borrowing and timely repayment, through refunding 50% of the administrative fee to our clients who demonstrate prompt loan repayments. In FY2024, 52.8% of our borrowers benefitted from having 50% of their administrative fees refunded due to prompt loan repayments, promoting fair and ethical lending.

We remain committed to make available to our employees the flexibility to access their earned wages early through our Friyay platform, allowing them to manage and cover expenses more conveniently and align with their bill cycles. We have also focused on entering into strategic partnerships to expand access to financing solutions.

Further, through our Lendingpot platform, we continue to provide users of our platform with clear, unbiased information on loan options from multiple lenders, promoting informed decision-making. Our goal is to simplify the lending process and aim to offer transparent, fair and competitive loan options for both borrowers and lenders. In 2024, we launched personal loan services in both Indonesia and Malaysia, broadening access to financing in Southeast Asia.

Promoting Financial Literacy

We continue to practice knowledge sharing through our various platforms such as our website, and through outreach events to promote financial awareness. We published over 50 blog articles on business and personal finance, with primary objective to equip SMEs and individuals with essential financial knowledge.

In 2024, we participated in various community events, training sessions, and entered into discussions with our strategic partners on topics such as mortgage solutions and expansion of lending opportunities.

CLIENT EXPERIENCE

Client satisfaction serves as a key indicator, affirming that our approach to client engagement is effective. We not only prioritise prompt complaint resolution but also actively seek client feedback. We value each and every feedback that we get from our clients and strive to make incremental changes in our processes.

In 2024, we made significant enhancements towards improving the overall client experience across our businesses. For instance, we integrated process improvements to streamline financing solutions and also streamlined the loan approval processes to reduce waiting time and enhance user experience. On our insurance side, we enhanced our client's digital experience by upgrading the client dashboard to improve user interface, accessibility and overall customer experience.

We are proud to share that our clients have consistently expressed their satisfaction on Lendingpot and Friday Finance on Google reviews, resulting in an outstanding score of 4.9/5.0 for both businesses.

SUSTAINABILITY REPORT

Making Insurance Affordable and Accessible

Through our insurance business, ECICS Limited, we are able to provide comprehensive insurance coverage that is both affordable and accessible to individuals and businesses. In our commitment to sustainable mobility, we expanded our product offerings, introducing EV Insurance. We are also in the process of reviewing and will be, in time to come, launching our Home, Travel and Motorcycle insurance. We hope that in time to come, we will be able to allow customers access to affordable insurance through their different journeys in life.

Our dedication to meeting clients' needs resonates in the consistently high-quality Google reviews we receive. We are proud to share that our clients have consistently expressed their satisfaction on their positive client service experience with ECICS, resulting in an overall score of 4.8 out of 5. These testimonials are a testament to our commitment, acknowledging the diligence with which we serve our valued clients.

ECONOMIC CONTRIBUTION

Beyond profits, we extend our influence on local economies by creating jobs, paying dividends and taxes, and overall societal prosperity. We take into account our direct economic output, and focus on indirect contributions through supply chain activities, partnerships, and community investments.

We are committed to complying with all relevant tax laws and regulations responsibly and appropriately across all countries we operate in.

In FY2024, the Group delivered a 25.4% growth in gross revenue. We have contributed to:

1. S$1.6m in income tax
2. S$18.1m in employee compensation and benefits
3. S$1.9m in dividends to shareholders

Please refer to the following sections of IFS Capital Limited's Annual Report for our financial performance:

- Key financial highlights (page 5);
- Financial review (page 75);
- Financial contents (page 75).

SUSTAINABILITY **REPORT**

ETHICAL FOUNDATION, RESPONSIBLE BUSINESS

STRENGTHENING CORPORATE GOVERNANCE

To build a culture of trust and confidence among stakeholders, IFS Capital leads with good governance, adopts responsible business practices, and adheres to all applicable laws and regulations, including the Code of Corporate Governance 2018 (the "2018 CG Code") and SGX-ST Listing Manual (the "Listing Manual"). Please refer to page 45 of IFS Capital's FY2024 Annual Report for further information relating to corporate governance.

Regulatory Compliance

Adhering to regulatory requirements is not merely a legal obligation, it is a commitment to upholding robust standards of transparency and accountability.

We closely monitor regulatory and industry changes, engaging with regulators and internal stakeholders for regular updates. We maintain robust processes to manage regulatory compliance risks, ensuring adherence to evolving requirements and continually assess, adjust and strengthen our policies, processes and systems to enhance our ability to mitigate risks of financial crime.

We are guided by our groupwide IFS Code of Business Conduct which sets out principles of personal and professional conduct and the requirement for all employees to uphold the highest ethical standards.

The IFS Code of Business Conduct lays out a clear and concise framework for employees to follow, providing guidance on issues relating to:

- Conflict of Interest & Disclosure
- Gifts and Entertainment
- Anti-Bribery & Corruption
- Anti-Money Laundering and Countering the Financing of Terrorism
- Dealing with Government Agencies
- Dealing with Clients
- Protecting Company Assets and Intellectual Property
- Insider Trading and Dealings in IFS Capital Limited Securities
- Competition Law
- Whistleblowing Policy and Procedures

All employees are also guided by specific policies such as our Whistleblowing Policy, Fraud Policy and Procedures, Anti-Money Laundering ("AML") & Countering the Financing of Terrorism ("CFT") Policy, Sanction Policy, Data Protection Policy & Data Breach Management Policy, Anti-Bribery & Corruption Policy and IT Policy.

Our Compliance Team oversees and monitors all policies and procedures designed to identify, assess, and mitigate potential regulatory risks that could impact the Group, which are regularly reviewed and updated.

Our Targets		Performance
Maintaining compliance with all laws and regulations.	Achieved	We identify relevant laws and regulations, develop clear policies and procedures (if need be) based on them, train employees on these policies, stay updated on regulatory changes that are applicable to our business and seek expert legal advice when needed.
Regularly reviewing and updating our policies and procedures.	Achieved	Group's implementation of annual review commenced in August 2024. All respective countries have reviewed their policies and procedures with some improvements to be done.
Ensuring zero (0) cases of non-compliance with laws and regulations.	Achieved	There were no material issues raised by regulators on regulatory compliance matters in 2024. There were no reported cases of significant non-compliance with relevant AML/CFT and sanction laws, anti-bribery/corruption in 2024.
Maintain high standards of IT security by mandating that all our employees participate in refresher courses to get updated on the latest developments in IT cybersecurity.	Achieved	Phishing tests are conducted each quarter and staff are educated on phishing as and when it occurs through email. For those who fail the test, additional refresher training is assigned.
Ensure that our data protection policy undergoes reviews and that revisions (when necessary) are incorporated in response to changes in the regulatory, technological, and data security landscape.	Achieved	Review completed and policies updated for 2024.

Achieved   In progress

SUSTAINABILITY REPORT

Preventing Corruption, Fraud, and Financial Crime

Recognising our role as stewards of the economy, we are entrusted with significant capital and sensitive client data. This responsibility emphasises the importance of addressing financial crimes, corruption, fraud and safeguarding client information.

Upholding AML/CFT and Sanctions standards

We have put in place a comprehensive Group AML & CFT and Sanctions Framework designed to detect, prevent, and mitigate the risks associated with money laundering, terrorist financing, and sanctions violations. This framework incorporates a risk-based approach, ensuring alignment with regulatory expectations and international best practices. It includes risk assessment, customer due diligence, ongoing transaction monitoring, and reporting of potential suspicious activity to relevant regulatory bodies.

We adhere to a strict policy of refraining from conducting business with clients subject to sanctions, aligning with international laws and local regulations to prevent illicit activities and the financing of terrorism. We conduct enhanced due diligence ("EDD") on high-risk clients, regularly assessing their risk profile and potential exposure to sanctions to ensure compliance. We continuously review and enhance our policies, procedures, and systems to ensure compliance with evolving regulatory requirements. All employees are required to adhere to the Group's AML/CFT and Sanctions Policy and applicable laws. This commitment is strengthened through continuous training and oversight.

Anti-Bribery and Anti-Corruption & Fraud

IFS Capital maintains a strong stance on zero tolerance towards any form of bribery, corruption and fraud. This is embedded in our Anti-Bribery and Corruption Policy and Fraud Policy and Procedures made available to all employees.

We are subject to the anti-bribery laws of all the countries in which we operate, including certain laws with extraterritorial effect. Our Anti-Bribery and Corruption Policy establishes the expectations and responsibilities for all employees in the observance of and compliance with anti-bribery and corruption laws. It provides guidance to employees on how to recognise, avoid and report suspected acts of bribery and corruption and the due diligence requirement on business associates and intermediaries prior to engagement.

Our Fraud Policy & Procedures underscores our dedication to effectively safeguard our organisation, clients, shareholders and staff against fraud. The Policy focuses on the identification and assessment of fraud risks, investigation and reporting.

Any fraud suspicion or irregularities may be reported directly to the Head of Group Internal Audit and Group Management or reported through the whistleblowing channel as set out in IFS Capital's Whistleblowing Policy and Procedures.

All IFS Capital employees are required to undergo mandatory training modules which cover areas such as the IFS Code of Business Conduct, AML & CFT and Sanctions and Fraud.

Whistleblowing Mechanism

Our Whistleblowing Policy and Procedures detail out the procedures for employees to raise matters of concern without fear of possible reprisals. Employees are encouraged to report any observed or suspected unethical behaviour, misconduct, or policy violations. All complaints are handled directly by the Chairman of the Audit & Risk Committee and will be kept confidential. The Chairman of the Audit & Risk Committee oversees the entire investigation process, ensuring independence and impartiality.

Appropriate measures will also be implemented, as needed, to enhance the processes and prevent any potential misconduct in the future or to preclude further breaches of the Group's policy.

Our Targets		Performance
Implement appropriate measures (as needed) to enhance the Group's processes and prevent any potential misconduct in the future.	Achieved	In 2024, we rolled out the Group's Anti-Bribery and Corruption Policy. As part of our processes, we also reviewed the IFS Code of Business Conduct and the Fraud Policy & Procedures.
Maintain a 100% completion rate for mandatory employee training, covering IT Cybersecurity, Code of Business Conduct, AML & CFT, Personal Data Protection Laws and the Handling of Confidential Information and Prevention of Insider Trading.	Achieved	100% achieved – All new hires completed the mandatory employee training.
Maintain zero (0) cases of mis-selling of insurance products.	Achieved	Maintained zero cases of mis-selling of insurance products.

Achieved   In progress

SUSTAINABILITY **REPORT**

Understanding the dynamic nature of our industry, we are committed to regularly reviewing and updating our policies and procedures.

DATA PROTECTION AND PRIVACY

IFS Capital remains committed to safeguard the confidentiality and security of our clients' information by constantly improving our privacy measures, staying aligned with the latest industry standards and complying with the legal requirements. Our focus is on integrating data privacy into our services and operations, ensuring we stay ahead of emerging digital threats and maintaining our clients' trust in the increasingly interconnected environment.

In Singapore, we have in place the Personal Data Protection Policy, which sets out the structure for compliance with the Singapore Personal Data Protection Act 2012. Further, the Data Breach Management Policy provides the guidelines in handling data breaches. Similar policies and guidelines are implemented in our overseas subsidiaries in relevance to local regulations and compliance requirements.

IFS Capital's Data Protection Policy and the contact details of Data Protection Officer are publicly available on the IFS Capital's website.

Through mandatory training modules, we ensure that our employees understand the importance of upholding data privacy and are kept abreast of our policies and processes.

In FY2024, we received zero (0) substantiated complaints concerning breaches of client privacy or losses of client data and encountered zero (0) material issues in relation to data breaches affecting clients during the reporting period.

Identifying Vulnerabilities in Our Information Systems

We identify vulnerabilities in our information systems, covering all our operations to proactively manage and mitigate potential data security risks. Additionally, we require all cloud vendor partners to hold SOC 1[6] and 2[7] accreditations, ensuring a high standard of security controls and compliance within their operational frameworks. Regular reviews of our operational procedures are conducted to identify potential data security weaknesses, including an in-depth evaluation of workflows, access controls, and incident response plans.

Penetration Testing

Penetration testing is conducted periodically to assess our IT security system. It aims to uncover potential entry points for cyber attackers and weaknesses in our defence mechanisms. We strive to stay ahead of evolving cyber threats, ensuring that our defences are robust and resilient.

Employee Training

Our employees undergo quarterly phishing tests to evaluate their ability to identify and mitigate phishing threats. Those who fail in these tests are automatically enrolled in follow-up training sessions to enhance their awareness and response capabilities.

FAIR DEALING

At IFS Capital, we ensure that our clients are provided with comprehensive and easily understandable information about our products and services, terms, conditions, and associated costs. This degree of transparency allows clients to make informed decisions about our financing solutions.

Fair Dealing is the responsibility of everyone at IFS Capital, regardless of our individual roles and this duty is embodied in the IFS Code of Business Conduct. We ensure that our sales representatives adhere to ethical standards, refraining from engaging in deceptive or misleading practices so clients can trust that the information they receive is accurate and unbiased.

In FY2024, we maintained zero (0) cases of mis-selling from a regulatory breach perspective.

We value our clients' feedback and ensure that clients' feedback is handled effectively and resolved in a fair and consistent manner. Procedures are put in place for complaints handling and resolution, including appropriate timeframes to acknowledge complaints and thorough investigations.

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[6] SOC 1 is designed for service providers storing customer data in the cloud or processing transactions which focus on internal controls over financial reporting.

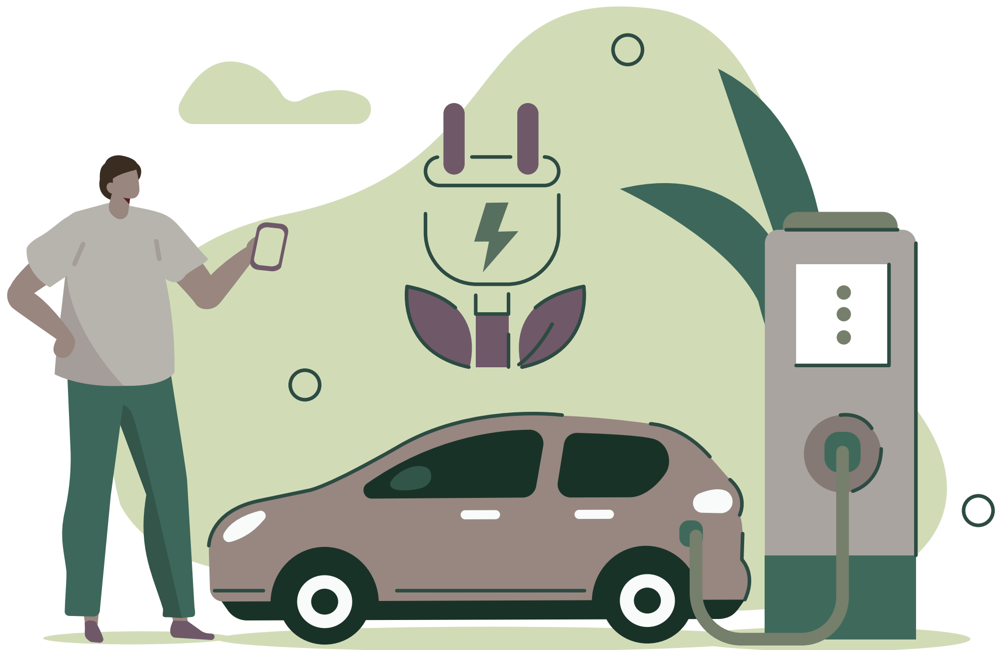
[7] SOC 2 is a certified audit report on a service provider's commitment to data security and privacy.

SUSTAINABILITY REPORT

APPENDIX 1

FULL EMPLOYEE NUMBERS BY GENDER, AGE AND BUSINESS

	Headcount		New Hires		New Hire Rate		Turnover		Turnover Rate[9]	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
By Gender										
Male	125	113	44	29	35%	26%	32	15	12%	6%
Female	142	141	34	34	24%	24%	32	28	12%	11%
By Age Group										
Under 30	35	31	27	19	77%	61%	16	4	6%	2%
30-50	171	163	46	40	27%	25%	36	36	14%	14%
Above 50	61	60	5	4	8%	7%	12	3	5%	1%
By Business										
Singapore – Lending Business[10]	78	83	25	27	32%	33%	25	17	10%	7%
Malaysia	44	21	24	3	55%	14%	10	5	4%	2%
Indonesia	25	23	10	5	40%	22%	9	5	3%	2%
Thailand	85	89	5	11	6%	12%	10	8	4%	3%
Singapore – Insurance Business (ECICS)	35	38	14	17	40%	45%	10	8	4%	3%
Total	**267**	**254**[8]	**78**	**63**	29%	25%	**64**	**43**	25%	17%



8 In our previous report, we stated 255 as the total number of employees at the end of 31 December 2023. We have in FY2024 further reviewed our definition for employee headcount for the purpose of the report. Based on this review, we will exclude the Board of Commissioner in the headcount. Hence, total headcount as at 31 December 2023 is updated to 254.

9 Turnover Rate is based on the average total headcount (FY2024:260.5, FY2023:257).

10 Includes Lendingpot, and IFSAM.

SUSTAINABILITY **REPORT**

APPENDIX 2

CLIMATE-RELATED RISK ASSESSMENT

Risk Type	Scenario Pathway	Time Horizon	IFSS		ECICS		IFSM		IFSI		IFST	
			Company	Portfolio	Company	Portfolio	Company	Portfolio	Company	Portfolio	Company	Portfolio
ACUTE RISK												
Floods	RCP 2.6	Long term (Up to 2051)										
	RCP 8.5											
Droughts	RCP 2.6		N/A									
	RCP 8.5											
Heatwaves	RCP 2.6		N/A								N/A	
	RCP 8.5											
CHRONIC RISK												
Changes in Precipitation and Extreme Weather	RCP 2.6	Long term (Up to 2051)									N/A	
	RCP 8.5											
Prolonged Rainy Season	RCP 2.6								N/A			
	RCP 8.5											
Rise in Mean Temperature	RCP 2.6											
	RCP 8.5											
Rise in Sea Level	RCP 2.6											
	RCP 8.5											
POLICY AND LEGAL RISK												
Carbon Pricing	RCP 2.6	Mid-term (Up to 2034)										
	RCP 8.5											
Enhanced Emission Reporting Obligation	RCP 2.6											
	RCP 8.5											
Exposure to Litigation	RCP 2.6		N/A									
	RCP 8.5											
Phase out of Internal Combustion Engine (ICE)	RCP 2.6											
	RCP 8.5											
MARKET RISK												
Consumer Preference for Sustainable Product and Services	RCP 2.6	Mid-term (Up to 2034)										
	RCP 8.5											
REPUTATIONAL RISK												
Stakeholder Concerns or Negative Feedback	RCP 2.6	Mid-term (Up to 2034)										
	RCP 8.5											

CLIMATE-RELATED OPPORTUNITIES

RISK TYPE	Scenario Pathway	Time Horizon	Risk Description How it can potentially impact us	Opportunities How we can potentially mitigate and adapt
ACUTE RISKS				
Floods	**RCP 2.6/RCP 8.5**	**Long-term**	• Severe flooding may disrupt transportation networks, making it difficult for our employees to commute to office, potentially impacting productivity and operations. • Floods may cause damage to infrastructure, motor vehicles and property, affecting our properties, our client's projects and also increasing insurance claims.	• Allowing employees to work remotely in the event of severe floods to minimise operational disruptions while ensuring employee safety. • Equipping employees with the reliable work-from-home tools and technologies to enhance business continuity. • Diversify insurance and financing portfolio across different locations in the country to reduce impact of a single flood event. • Optimise our own insurance coverage to better manage flood-related risks to our operations and assets.
Droughts	**RCP 2.6/RCP 8.5**	**Long-term**	• While we have low exposure to industries directly impacted by drought, the potential increase in drought occurrence may affect our employees' health, well-being and workforce productivity. • Our insurance policies do not cover claims related to droughts. Damages faced by us due to drought-related events would not be eligible for insurance payouts.	• Installation of water-saving fixtures, frequent leak checks, and efficient water management systems. • Promote water conservation policies to encourage responsible water usage. • Adopt water-efficient technologies and appliances to reduce consumption. • Use of rainwater harvesting in office buildings.
Heatwaves	**RCP 2.6/RCP 8.5**	**Long-term**	• While we have low exposure to labour intensive industries sensitive to weather conditions, heatwaves may impact our client's income and ability to repay loans. • Frequent heatwaves may affect employees' health, well-being and workforce productivity. • Our insurance policies do not cover claims related to heatwaves. Damages due to heatwaves-related events would not be eligible for insurance payouts.	• Consider relocating to Green Mark Certified commercial buildings which has effective insulation and ventilation systems. • Routine upkeep of air conditioning and cooling systems. • Implement flexible working arrangements during periods of extreme heat to minimise outdoor exposure.

SUSTAINABILITY **REPORT**

RISK TYPE	Scenario Pathway	Time Horizon	Risk Description How it can potentially impact us	Opportunities How we can potentially mitigate and adapt
CHRONIC RISK				
Changes in Precipitation and Extreme Weather	**RCP 2.6/RCP 8.5**	**Long-term**	• Increased risk of weather-related accidents due to climate variability may lead to higher insurance claim payouts. • Frequent extreme weather events can increase likelihood of climate-related illnesses affecting employees' health, well-being and workforce productivity. • Climate projections for Jakarta indicate varied precipitation patterns, posing potential disruptions to our operations in Jakarta.	• Implement health programmes for employees (flu shots, wellness workshops). • Implement flexible working arrangements during extreme weather events to minimise outdoor exposure. • Providing access to healthcare resources and telemedicine services. • Diversify financing and insurance portfolio across less weather-disruptive industries or products. • Conduct scenario planning and stress testing to assess the resilience of our insurance and financing portfolios against weather-related scenarios.
Prolong Rainy Season	**RCP 2.6/RCP 8.5**	**Long-term**	• Despite increasingly intense and frequent heavy rainfall, our operations may face minimal impact due to remote work options and well-maintained infrastructure to withstand heavy downpours. • Prolonged heavy rainfall increases the risk of flooding and influences vehicle performance and driver behaviour, potentially leading to a surge in motor insurance claims. • Increasing sub-daily extreme rainfall events in Jakarta could disrupt our employees' commuting to office, underscoring the need for contingency plans and flexible work arrangements.	• Prioritise financing for companies with resilient infrastructure built to withstand prolonged rainy seasons, minimising potential disruptions and financial losses. • Support businesses developing climate-resilient products or services suited for extended wet seasons (e.g. waterproof technologies or flood-resistant construction materials). • Diversify insurance portfolio across less weather-disruptive products.
Rise in Mean Temperature	**RCP 2.6/RCP 8.5**	**Long-term**	• Urban Heat Island (UHI) effect poses health risks to our employees in the service sector economy, impacting their work productivity and well-being. • Our clients in labour intensive industries reliant on favourable weather conditions may be impacted by rising mean temperatures in the region, affecting their income and their ability to repay loans.	• Invest in green finance initiatives that support renewable energy projects and sustainable infrastructure to mitigate temperature rise. • Develop investment portfolios focused on business solutions that aim to combat the effects of rising temperatures.

RISK TYPE	Scenario Pathway	Time Horizon	Risk Description How it can potentially impact us	Opportunities How we can potentially mitigate and adapt
Rise in Sea Level	**RCP 2.6/RCP 8.5**	**Long-term**	• Sea-level rise ("SLR") may increase the frequency of flooding in low-lying areas, potentially leading to submerged or damaged vehicles and an elevated risk of motor claims. • While Singapore, Malaysia and Thailand all face a projected SLR, our offices in these regions are situated away from coastal areas, minimising the risk to SLR effects. Our Central Jakarta office, however, may face SLR effects, inconveniencing employees' commute to work. • SLR could pose risks to heavy equipment in flood prone areas for the Indonesian leasing business. The clients affected by this may face elevated credit risks if their businesses are disrupted.	• Providing financial products or incentives for constructing climate-resilient buildings, elevating structures, or implementing flood-resistant designs in vulnerable coastal areas. • Allowing employees to work remotely in the event of floods to minimise operational disruptions and ensure employee safety during flood events exacerbated by rising sea levels. • Diversifying asset locations and financing products and explore appropriate insurance-backed leasing.
POLICY AND LEGAL RISK				
Carbon Pricing	**RCP 2.6/RCP 8.5**	**Mid-term**	• Currently carbon tax is only levied on regulated facilities that directly emit a minimum amount of greenhouse gas emissions annually. As a financial institution and insurer, we would not exceed that amount. • While we have minimal exposure to carbon-intensive industries, evolving carbon tax-related regulations may result in increased costs for our clients, both directly (for regulated) and indirectly (through higher expenses passed down e.g. suppliers, energy costs). This potentially affect their income and loan repayment abilities.	• Implement energy efficiency measures within operations. • Utilise economic incentives provided by government to offset costs associated with carbon pricing. • Strategically diversify financing activities toward sustainable and renewable energy projects to align with government's goals, mitigating exposure to declining sectors. • Enhanced climate risk assessment in lending and investment decisions.
Enhanced Emissions Reporting Obligations	**RCP 2.6/RCP 8.5**	**Mid-term**	• Higher compliance costs associated with measuring and reporting GHG emissions, impacting overall operational expenses. • Our clients in carbon-intensive industries may face elevated credit risk due to regulatory obligations, impacting their financial stability.	• Strengthen sustainability disclosures • Invest in robust data management systems and reporting tools to meet evolving reporting mandates, reducing administrative burden and costs.
Exposure to Litigation	**RCP 2.6/RCP 8.5**	**Mid-term**	• Heightened legal and regulatory costs associated with lawsuits, investigations, or regulatory actions related to climate risk. • Reputational damage may influence client retention and acquisition, impacting the overall value and composition of the loan portfolio.	• Ensure strict compliance with environmental regulations and guidelines to minimise legal risks. • Propose checks of client's environment permits and regulatory compliance as part of due diligence process. • Uphold responsible business conduct.

SUSTAINABILITY **REPORT**

RISK TYPE	Scenario Pathway	Time Horizon	Risk Description How it can potentially impact us	Opportunities How we can potentially mitigate and adapt
Phase Out of Internal Combustion Engine (ICE)	**RCP 2.6/RCP 8.5**	**Mid-term**	• A decline in demand for ICE vehicles may limit financing opportunities for traditional vehicle loans. • The shift towards Electric Vehicles ("EVs") could shift insurance market demand away from traditional insurance for ICE vehicles.	• Diversify financing and insurance offerings to cater to the growing market for EVs, ensuring adaptability to changing consumer preferences and market dynamics.
MARKET RISK				
Consumer Preference for Sustainable Product & Services	**RCP 2.6/RCP 8.5**	**Mid-term**	• Failure to adapt to increasing demand for sustainable financing solutions may result in a loss of market share or missed business opportunities. • Inadequate adaptation to sustainable financing demand, may impact composition of loan portfolio, exposing us to declining traditional sectors. • Misalignment in our insurance offerings with client's preference and sustainability trends may weaken our competitiveness.	• Introduce sustainable products (e.g. green loans) to incentivise and support companies engaging in responsible initiatives. • Gain a competitive edge within the industry by offering sustainable financial products. • Adapting insurance offerings to align with ESG-conscious client's preferences for sustainable products or projects by making changes to underwriting practices and product development.
REPUTATION RISK				
Stakeholder Concerns or Negative Feedback	**RCP 2.6/RCP 8.5**	**Mid-term**	• Dissatisfied clients may lead to decreased retention rates and hinder the acquisition of new clients, affecting the overall client base and revenue. • A negative impact on client relationships can influence the risk of loan defaults, potentially affecting the credit quality and risk profile of the loan portfolio. • Difficulty in accessing capital may limit the Company's ability to fund operations, expansion, or strategic initiatives, impacting overall financial health. • Capital constraints may affect the composition and diversity of the loan portfolio, potentially influencing risk exposure and profitability.	• Integrate responsible financing principles and ESG criteria into key business processes. • Engaging with stakeholders to communicate our efforts towards environmental sustainability.

SUSTAINABILITY REPORT

APPENDIX 3

GRI CONTENT INDEX

Disclosure No.	Disclosure Topic	Disclosure Location	Page Reference
GRI 2: General Disclosures 2021			
2-1	Organisational details	Overview of Products and Services	Page 1
2-2	Entities included in the organisation's sustainability reporting	About the Report	Page 16
2-3	Reporting period, frequency and contact point	About the Report	Page 16
2-4	Restatements of information	–	n/a
2-5	External assurance	–	n/a
2-6	Activities, value chain and other business relationships	Overview of Products and Services; Corporate Structure	Page 1, 14
2-7	Employees	Talent Acquisition and Retention	Page 25
2-8	Workers who are not employees	–	n/a
2-9	Governance structure and composition	Sustainability Governance; Corporate Governance Report	Page 19,45
2-10	Nomination and selection of the highest governance body	Sustainability Governance; Corporate Governance Report	Page 19,45
2-11	Chair of the highest governance body	Sustainability Governance; Corporate Governance Report	Page 19,45
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Governance	Page 19
2-13	Delegation of responsibility for managing impacts	Sustainability Governance	Page 19
2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance	Page 19
2-15	Conflicts of interest	Corporate Governance Report	Page 46
2-16	Communication of critical concerns	–	n/a
2-17	Collective knowledge of the highest governance body	Corporate Governance Report	Page 45
2-18	Evaluation of the performance of the highest governance body	Corporate Governance Report	Page 53
2-19	Remuneration policies	Corporate Governance Report	Page 53-54
2-20	Process to determine remuneration	Corporate Governance Report	Page 53-54
2-21	Annual total compensation ratio	–	n/a
2-22	Statement on sustainable development strategy	Board Statement; Sustainability Governance	Page 17,19
2-23	Policy commitments	Strengthening Corporate Governance	Page 31

SUSTAINABILITY **REPORT**

Disclosure No.	Disclosure Topic	Disclosure Location	Page Reference
2-24	Embedding policy commitments	Strengthening Corporate Governance	Page 31
2-25	Processes to remediate negative impacts	Stakeholder Engagement	Page 20
2-26	Mechanisms for seeking advice and raising concerns	Stakeholder Engagement; Preventing Corruption, Fraud, and Financial Crime	Page 20,32
2-27	Compliance with laws and regulations	Economic Contribution; Regulatory Compliance; Preventing Corruption, Fraud, and Financial Crime; Fair Dealing	Page 30-33
2-28	Membership associations	–	n/a
2-29	Approach to stakeholder engagement	Stakeholder Engagement	Page 20
2-30	Collective bargaining agreements	–	n/a
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	Materiality Assessment	Page 21
3-2	List of material topics	Materiality Assessment	Page 21
3-3	Management of material topics	Materiality Assessment	Page 21
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	Economic Contribution	Page 30
201-2	Financial implications and other risks and opportunities due to climate change	Climate-Related Disclosures	Page 23
201-3	Defined benefit plan obligations and other retirement plans	–	n/a
201-4	Financial assistance received from government	–	n/a
GRI 205: Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	Preventing Corruption, Fraud, and Financial Crime	Page 32
205-2	Communication and training about anti-corruption policies and procedures	Preventing Corruption, Fraud, and Financial Crime	Page 32
205-3	Confirmed incidents of corruption and actions taken	Preventing Corruption, Fraud, and Financial Crime	Page 32
GRI 302: Energy 2016			
302-1	Energy consumption within the organisation	Energy Management	Page 23
302-2	Energy consumption outside of the organisation	–	n/a
302-3	Energy intensity	Energy Management	Page 23
302-4	Reduction of energy consumption	Energy Management	Page 23

SUSTAINABILITY REPORT

Disclosure No.	Disclosure Topic	Disclosure Location	Page Reference
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	GHG Emissions	Page 22
305-2	Energy indirect (Scope 2) GHG emissions	GHG Emissions	Page 22
305-3	Other indirect (Scope 3) GHG emissions	GHG Emissions	Page 22
305-4	GHG emissions intensity	GHG Emissions	Page 22
305-5	Reduction of GHG emissions	GHG Emissions	Page 22
GRI 306: Waste 2020			
306-3	Waste generated	Waste Management	Page 23
306-4	Waste diverted from disposal	Waste Management	Page 23
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	Talent Acquisition and Retention	Page 25
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Workplace Safety, Health, and Well-being	Page 27
401-3	Parental leave	–	n/a
GRI 403: Occupational Health and Safety 2018			
403-6	Promotion of worker health	Workplace Safety, Health, and Well-being	Page 27
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	–	n/a
404-2	Programmes for upgrading employee skills and transition assistance programmes	Professional Growth and Development	Page 26
404-3	Percentage of employees receiving regular performance and career development reviews	Regular Performance and Career Development Reviews	Page 26
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	Diversity, Equity, and Inclusion	Page 25
GRI 413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programmes	Giving Back to Society	Page 28
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Protection and Privacy	Page 33

SUSTAINABILITY REPORT

SASB CONTENT INDEX

Commercial Banks (FN-CB)					
Topic	**Accounting Metric**	**Category**	**Unit of Measure**	**Code**	**Disclosure Location**
Data Security	Description of approach to identifying and addressing data security risks	Discussion & Analysis	N/A	FN-CB-230a.2	Data Protection and Privacy, Page 33
Financial Inclusion & Capacity Building	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved clients	Quantitative	Number	FN-CB-240a.4	Qualitative Description: Promoting Financial Literacy, Page 29
Business Ethics	Description of whistleblower policies and procedures	Discussion & Analysis	N/A	FN-CB-510a.2	Preventing Corruption, Fraud, and Financial Crime, Page 32
Insurance (FN-IN)					
Transparent Information & Fair Advice for Customers	Description of approach to informing clients about products	Discussion & Analysis	N/A	FN-IN-270a.4	Fair Dealing, Page 33

SUSTAINABILITY REPORT

CLIMATE-RELATED DISCLOSURES – TCFD RECOMMENDATIONS

TCFD Recommendations		Disclosure Location	Page Reference
Governance			
a)	Describe the board's oversight of climate-related risks and opportunities.	Sustainability Governance	Page 19
b)	Describe management's role in assessing and managing climate-related risks and opportunities.	Sustainability Governance	Page 19
Strategy			
a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Climate-Related Disclosures	Page 23-24
b)	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Climate-Related Disclosures	Page 23-24
c)	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Climate-Related Disclosures	Page 23-24
Risk Management			
a)	Describe the organisation's processes for identifying and assessing climate-related risks.	Climate-Related Disclosures	Page 23-24
b)	Describe the organisation's processes for managing climate-related risks.	Climate-Related Disclosures	Page 23-24
c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	–	n/a
Metrics and Targets			
a)	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	–	n/a
b)	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	GHG Emissions	Page 22
c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	–	n/a

CORPORATE GOVERNANCE REPORT

The Board of Directors is committed to maintaining high standards of corporate governance in the Group to preserve and maximize the long-term value of the shareholders of the Company and protect their interest.

The Company has adopted the Code of Corporate Governance 2018 (the "2018 Code") as a benchmark for its corporate governance practices during the financial year ended 31 December 2024 ("FY2024"). This report sets out the corporate governance processes and activities with specific reference made to the principles of the 2018 Code and in so far as any provision has not been adhered to, appropriate explanations have been provided.

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1

The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

The Board oversees the businesses and affairs of the Group, works with Management and is accountable to the shareholders for the long-term performance and financial soundness of the Group. In this regard, the Board supervises the achievements of the Management's performance targets. The Board sets the appropriate tone-from-the-top for the Group in respect of ethics, values and desired organisational culture, and ensures proper accountability within the Group.

In addition to its statutory responsibilities, the Board:

- sets the Group's overall strategic direction and long-term objectives and ensures the necessary financial and human resources are in place for the Group to meet its objectives;
- reviews the Group's operational and financial performance;
- reviews the performance of Management;
- identifies the key stakeholder groups and recognises that their perceptions affect the Group's reputation;
- sets the Group's values and standards (including ethical standards) and ensures that obligations to shareholders and other stakeholders are understood and met;
- oversees the processes of evaluating the adequacy and effectiveness of internal controls and risk management systems; and
- considers sustainability issues as part of its strategic formulation.

The Board has a formal schedule of matters reserved to it for its decision and these include:

- Group strategic direction and long-term plans;
- Announcements of financial results;
- Statutory accounts;
- Declaration of dividends;
- Budgets and financial planning;
- Establishment of joint ventures;
- Investments or increase in investments in businesses, projects, subsidiaries and associated companies;
- Acquisition or disposal of significant assets, businesses, subsidiaries or associated companies;
- Capital expenditure or any expenditure of significant amount;
- Borrowings of the Company beyond a certain limit in amount as set by the Board; and
- All major transactions or events.

CORPORATE GOVERNANCE REPORT

The above reserved matters requiring the Board's approval are clearly communicated to Management in writing.

The Directors always discharge their duties and responsibilities in the best interest of the Group and make decisions independently and objectively. If there are situations of conflict or potential conflict of interest, the Director in question will recuse himself from the discussion and abstain from participating in any Board decision.

Delegation by the Board

The Board has set up two Board Committees, namely the Audit and Risk Committee and the Executive Resource and Compensation Committee, to assist the Board in the execution of its responsibilities. The two Board Committees are constituted with clear terms of reference, setting out specific roles and responsibilities including reporting back to the Board. The details on the composition and functions of the Audit and Risk Committee and the Executive Resource and Compensation Committee can be found in the subsequent sections in this Report.

Management is responsible for the day-to-day operations of the Group as well as ensuring the implementation of the agreed Group's strategies and sound system of risk management and internal controls. The Group Chief Executive Officer is assisted by a Management Committee chaired by the Group Chief Executive Officer and comprising senior management staff. In the absence of the Group Chief Executive Officer, the appointed designate is authorised to make decisions on his behalf.

Annual General Meeting, Board and Board Committee Meetings and Attendance

The Board holds four scheduled meetings in a year. In addition, special meetings may be convened as and when warranted to deliberate on urgent substantive matters.

During FY2024, the Board held four meetings.

The attendance of the Board members at the Annual General Meeting ("AGM"), Board and Board Committee meetings during FY2024 is set out as follows:

Attendance at the AGM, Board and Board Committee Meetings

	AGM	Board		ARC		ERCC	
Name of Director	Attendance	No. of Meetings[1]	Attendance	No. of Meetings[1]	Attendance	No. of Meetings[1]	Attendance
Lim Hua Min	1	4	4	NA	NA	1	1
Barney Lau Tai Chiau	1	4	4	4	4	1	1
Loo Hock Leong	1	4	4	4	4	NA	NA
Chen Xialing	1	4	4	4	4	1	1
Randy Sim Cheng Leong	1	4	4	4[2]	4[2]	1[2]	1[2]

ARC Audit and Risk Committee
ERCC Executive Resource and Compensation Committee
NA Not applicable
[1] The number of meetings held during which each director was in office
[2] Randy Sim Cheng Leong attended these meetings at the invitation of the respective committees

CORPORATE GOVERNANCE REPORT

Board Induction and Training

All new directors are briefed on their roles, duties and obligations as directors and the Group's key governance policies and practices.

The Company conducts a comprehensive induction programme to familiarise new directors with the Group's business and industry-specific knowledge. The induction programme is designed to provide new directors with a thorough understanding of the Group's operations, enabling them to effectively integrate into their roles. Additionally, the Company ensures that any director without prior experience as a director of a listed company undergoes mandatory training to understand the roles and responsibilities associated with serving as a director of a listed company.

The development and training of directors is an ongoing process to ensure they can effectively fulfil their duties. This development and training programme is reviewed by the Executive Resource and Compensation Committee. Directors receive continuous briefings and updates on various areas, including their duties and responsibilities, corporate governance, relevant changes in laws and regulations, updates in financial reporting standards, and matters directly impacting financial statements. Additionally, directors are informed about industry trends and developments pertinent to the Group's business operations. The Company Secretary circulates information on available training courses that directors may attend, with the costs covered by the Company.

During FY2024, the Board members were provided with updates to keep them abreast of industry trends, developments in accounting standards and changes in relevant laws and regulations, and the code of corporate governance through presentations by the Company Secretary, Management and external auditors during Board or Board Committee meetings.

Access to Information

Prior to each Board meeting, Board members are provided with board papers in advance to allow them sufficient time for preparation. The board papers include background or explanatory information related to the matters to be presented before the Board. With regards to financials, any material variances between projections and actual results are duly explained.

The Chairman, with the assistance of the Company Secretary, exercises control over the quality and timeliness of information flow between the Board and Management.

The directors have direct access to the Company's senior management and the Company Secretary. The Company Secretary attends and prepares minutes of all the Board meetings. The appointment and removal of the Company Secretary are subject to the approval of the Board.

The directors, whether as a group or individually, are also entitled to seek independent professional advice with costs to be borne by the Company on any issue(s) which may arise while performing their duties.

BOARD COMPOSITION AND GUIDANCE
Principle 2
The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

The Executive Resource and Compensation Committee reviews and assesses the Board's composition each year and having considered the nature and scope of the Group's businesses, is satisfied that the Board currently has the appropriate size, balance and mix of skills, knowledge and experience for the Board to carry out its duties effectively.

The profile of the directors and key information are set out on pages 7 to 10.

CORPORATE GOVERNANCE REPORT

Board Independence

As of the date of this Annual Report, the Board comprises 5 directors of whom 3 are Independent Directors. With more than half of the Board made up of Independent Directors, the Board can exercise independent and objective judgement on the corporate affairs of the Company. The nature of the directors' appointments on the Board is set out as follows:

Directors	Board Membership
Lim Hua Min	Non-Executive, Non-Independent, Chairman
Barney Lau Tai Chiau	Non-Executive, Lead Independent Director
Loo Hock Leong	Non-Executive, Independent Director
Chen Xialing	Non-Executive, Independent Director
Randy Sim Cheng Leong	Executive Director, Group Chief Executive Officer

Annual Review of Director's Independence

The Executive Resource and Compensation Committee conducts a review and determines annually the independence of each director. In its deliberation as to the independence of a director, the Executive Resource and Compensation Committee took into account examples of relationships as set out in the 2018 Code, considered whether a director has business relationships with the Group, its substantial shareholders or its officers and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the interest of the Group. Each Independent Director is required to complete a Director Independence declaration annually to confirm his/her independence. The directors must also confirm whether they consider themselves independent despite not having any relationship identified in the 2018 Code.

Based on the Board evaluation and review conducted by the Executive Resource and Compensation Committee, the Board is of the view that Mr Barney Lau Tai Chiau, Mr Loo Hock Leong and Ms Chen Xialing are independent.

Each of the above Directors had recused himself/herself from the Board's deliberations on his/her independence.

Board Diversity

The Company adopted a Board Diversity Policy which recognises the importance of having an effective and diverse Board, and states that the Executive Resource and Compensation Committee is responsible for setting the relevant objectives that promote and achieve diversity on the Board. In discharging its duties, the Executive Resource and Compensation Committee shall give due regard to the benefits of all aspects of diversity and strive to ensure that the Board is appropriately balanced to support the long-term success of the Group.

The main objective of the Board Diversity Policy is to continue to maintain the appropriate balance of perspectives, skills and experience on the Board to support the long-term success of the Group. The Board Diversity Policy provides that the Executive Resource and Compensation Committee shall endeavour to ensure that female candidates are included for consideration when identifying candidates to be appointed as new directors.

CORPORATE GOVERNANCE REPORT

The Executive Resource and Compensation Committee is responsible for developing a framework to identify the skills that the Board collectively needs to discharge the Board's responsibilities effectively. The Executive Resource and Compensation Committee has put in place a skills matrix which classifies skills, experience and knowledge of Directors into the following broad categories (i) Industry Knowledge and Experience; (ii) Banking and Financing; (iii) Risk Management and Compliance; (iv) Digital Technology; and (v) Environmental, Social & Governance.

The current Board composition reflects the Company's commitment to Board diversity. The Executive Resource and Compensation Committee conducts its review of the composition of the Board, which comprises members from different backgrounds whose core competencies, qualifications, skills and experiences meet the requirements of the Group at the point in time. The Board has one female director.

The Executive Resource and Compensation Committee believes that the current Board is of an appropriate size and comprises directors who as a group provide the appropriate balance and mix of industry knowledge, skills, background, experience, professional qualifications, age and gender, and is satisfied that the objectives of the Board Diversity Policy continue to be met.

The Executive Resource and Compensation Committee will continue to review the Board Diversity Policy, as appropriate, to ensure its effectiveness, and will recommend appropriate revisions to the Board for consideration and approval. It will also continue its identification and evaluation of suitable candidates to ensure there is diversity (including gender diversity) on the Board.

Role of Non-Executive Directors/Independent Directors

At Board Meetings, there is a deliberate culture of having Directors and Management engage in open and constructive discussions on issues and proposals. The Non-Executive Directors and/or Independent Directors, led by the Lead Independent Director, meet periodically without the presence of Management and where appropriate, provide feedback to the Board and/or Chairman after such meetings.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Separation of the Role of Chairman and the Group Chief Executive Officer

The Chairman and the Group Chief Executive Officer of the Company are separate persons and are not related to each other.

The Chairman is a Non-Executive Director while the Group Chief Executive Officer is an Executive Director. The roles of the Chairman and the Group Chief Executive Officer are kept separate and the division of responsibilities between them is set out in writing.

The Chairman is primarily responsible for the workings of the Board. The Chairman's responsibilities include approving the schedules of meetings and meeting agenda with the assistance of the Company Secretary. As Chairman of the Board, he also leads the Board in its discussions and deliberation, facilitates effective contribution by Non-Executive Directors and exercises control over the timeliness of information flow between the Board and Management.

The Group Chief Executive Officer manages the business of the Group, implements the Board's decisions and is responsible for the day-to-day operations of the Group.

CORPORATE GOVERNANCE REPORT

Role of the Lead Independent Director

The Lead Independent Director is appointed by the Board to provide leadership in situations where the Chairman is conflicted. He will also be available to shareholders where they have concerns for matters which contact through the normal channels of the Chairman, the Group Chief Executive Officer or Chief Financial Officer has failed to resolve, or where such contact is inappropriate.

BOARD MEMBERSHIP
Principle 4
The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Executive Resource and Compensation Committee

The Board has established the Executive Resource and Compensation Committee that performs both the roles of nominating committee and remuneration committee.

As of the date of this Annual Report, the Executive Resource and Compensation Committee comprises 3 members, all of whom are Non-Executive Directors and the majority of whom, including the Chairman, are independent:

Barney Lau Tai Chiau	Chairman, Independent
Lim Hua Min	Member, Non-Independent
Chen Xialing	Member, Independent

The Executive Resource and Compensation Committee functions under the terms of reference as approved by the Board. Under the terms of reference, the Executive Resource and Compensation Committee (in respect of its function as a nominating committee):

(i) assists the Board to assess the effectiveness of the Board as a whole as well as the contribution of the directors to the effectiveness of the Board;

(ii) reviews the succession plans for directors, in particular, the appointment and/or replacement of the Chairman, the Group Chief Executive Officer and key management personnel;

(iii) establishes a formal process for the Group on the appointment of directors, re-nomination and re-election of directors;

(iv) considers and determines the independence of the directors, at least annually;

(v) recommends to the Board on all Board appointments and re-appointments and approves appointments of key management personnel; and

(vi) reviews the training and professional development programme for directors.

CORPORATE GOVERNANCE REPORT

Criteria and Process for Nomination and Selection of New Directors

The Company has put in place a formal process for the selection of new directors to increase transparency of the nominating process in identifying and evaluating nominees for directors.

The Executive Resource and Compensation Committee assists the Board in reviewing the composition of the Board and making the appropriate recommendations to the Board.

The Executive Resource and Compensation Committee leads the process as follows:

(i) the Committee will consider the benefits of all aspects of diversity, and will evaluate the desired balance and diversity of skills, knowledge, gender and experience for the Board and, in the light of such evaluation, determines the role and the desirable competencies and attributes for a particular appointment;

(ii) various sources may be used to look for potential candidates;

(iii) the Committee meets with the short-listed candidate(s) to assess suitability and to ensure that the candidate(s) is/are aware of the expectations and the level of commitment required; and

(iv) the Committee makes recommendations to the Board for approval.

In assessing a potential candidate, the Executive Resource and Compensation Committee would consider factors such as the candidate's integrity and reputation, attributes, capabilities, qualifications and past experience.

All proposed appointment of potential new directors is reviewed by the Executive Resource and Compensation Committee before the recommendation is put up to the Board for its approval.

Directors' Time Commitments

The Executive Resource and Compensation Committee assesses if a director is able to and has been adequately carrying out his/her duties as a director of the Company, taking into account the director's number of listed company board representations and other principal commitments.

To address the time commitments of directors who sit on multiple boards, the meeting dates of the Board and Board Committees are scheduled in advance at the beginning of each calendar year.

All directors are aware of their time commitment obligations. For FY2024, each director signed a confirmation that, having regard to all his/her commitments, he/she has devoted sufficient time and attention to the affairs of the Company. The Executive Resource and Compensation Committee believes that putting a numerical limit on the number of listed board directorships a director can hold is arbitrary, given that time requirements for each vary, and thus should not be prescriptive.

The Executive Resource and Compensation Committee is of the view that the current qualitative assessment coupled with the annual confirmation of time commitment by directors is sufficient. Accordingly, the Board has not set a numerical limit on the maximum number of listed board representations a director can hold.

The Executive Resource and Compensation Committee is satisfied that all directors have discharged their duties adequately for FY2024.

As at 31 December 2024, no alternate director has been appointed to the Board.

Rotation and Re-election of Directors

The directors submit themselves for re-nomination and re-election at regular intervals in accordance with Article 94 of the Company's Constitution which requires one-third of the directors to retire from office by rotation at each Annual General Meeting (or, if the number is not a multiple of three, the number nearest to but not less than one-third).

In accordance with Article 100 of the Company's Constitution, all new appointees to the Board, if not elected by the shareholders at the Annual General Meeting, will only hold office until the next Annual General Meeting after the date of their appointment whereupon they will seek re-election at the Annual General Meeting.

For the forthcoming Annual General Meeting, Mr Loo Hock Leong and Mr Randy Sim Cheng Leong will be retiring by rotation under Article 94 of the Company's Constitution. At the recommendation of the Executive Resource and Compensation Committee and as approved by the Board, Mr Loo Hock Leong and Mr Randy Sim Cheng Leong will be seeking re-election at the forthcoming Annual General Meeting.

The detailed information on Mr Loo Hock Leong and Mr Randy Sim Cheng Leong can be found on pages 209 to 214.

BOARD PERFORMANCE

Principle 5

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Board Evaluation Process

The Board has implemented a process carried out by the Executive Resource and Compensation Committee for assessing performance and the effectiveness of the Board and its Board Committees.

In the beginning of each year, the Executive Resource and Compensation Committee conducts a self-assessment process that involves the completion of evaluation questionnaires on issues which include Board and Board Committee performance, effectiveness, processes and composition. In the assessment process, the Executive Resource and Compensation Committee also takes into consideration the directors' inputs during the Board/Board Committee meetings and their contributions to the decision process offered by their different expertise and perspectives based on their background, industry, business knowledge and experience. The collated results are reviewed by the Executive Resource and Compensation Committee before they are submitted to the Board for discussion and determination of any areas for further improvements.

Following the review in FY2024, the Board is of the view that the Board and its Board Committees operate effectively, and that each director is contributing to the overall effectiveness of the Board and its Board Committees.

There was no external consultant involved in the Board evaluation process in FY2024.

Board Evaluation Criteria

The performance criteria for the board evaluation are in respect of board size and composition, board processes, board information and accountability, board performance in relation to discharging their responsibilities as set out in their respective terms of reference.

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The Executive Resource and Compensation Committee also performs the role of a remuneration committee.

The key responsibilities of the Executive Resource and Compensation Committee (in respect of its function as a remuneration committee), as delegated by the Board, are to:

(i) oversee the governance of the Group's overall remuneration policy;

(ii) review and make recommendations to the Board on the framework and policy of remuneration for the Board and key management personnel;

(iii) oversee the remuneration of the Board and key management personnel including reviewing the remuneration of the Group Chief Executive Officer upon recruitment or renewal (where applicable);

(iv) review and recommend to the Board, the specific remuneration packages for the Group Chief Executive Officer and each executive director, if any, against the achievement of their prescribed goals and targets;

Pursuant to the terms of reference, the Executive Resource and Compensation Committee reviews and approves the remuneration packages for each director and the key management personnel, and also decides on policies relating to remuneration and incentive programs (including employees benefits and bonuses) for the employees of the Group. In reviewing the remuneration framework, the Executive Resource and Compensation Committee takes into consideration industry practices and benchmarks to ensure that its remuneration and compensation package are competitive. The Committee, if it requires, may seek expert advice on executive compensation matters from professional firms. There being no specific necessity, the Committee did not seek the service of an expert adviser on executive compensation matters in FY2024.

The Executive Resource and Compensation Committee also reviews the terms of compensation and employment for executive directors and key management personnel at the time of their employment including considering the Company's obligations in the event of termination of services. The service contracts of the Executive Director/Group Chief Executive Officer and key management personnel do not contain onerous removal clauses.

LEVEL AND MIX OF REMUNERATION

Principle 7

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Remuneration Policy

The Group's remuneration policy is directed towards the attraction, retention and motivation of talent to achieve the Group's business objectives. The remuneration framework aims to foster a strong performance-oriented culture within an appropriate overall risk management framework and long-term commitment on staff's career. The Group subscribes to linking executive remuneration to corporate and individual performance, hence the remuneration framework ensures that rewards and incentives relate directly to the performance of individuals, the operations and functions in which they work for which they are responsible, and the overall performance of the Group.

CORPORATE GOVERNANCE REPORT

Remuneration of Executive Director and Key Management Personnel

The remuneration package of the Executive Director/Group Chief Executive Officer and key management personnel comprises of a fixed component which is benchmarked against the financial services industry and a variable component which is linked to the performance of the Group as well as the individual performance.

The variable component of the remuneration package is mainly in the form of cash-based variable bonuses which reward employees that commensurate with the performance of the Company. The performance-related variable cash bonus pool is computed based on guidelines approved by the Executive Resource and Compensation Committee. As such, the remuneration framework for key management personnel presently composed of short-term incentives, with a differentiated mix of fixed and variable compensation components for material risk takers and control functions. There were no share-based awards under long-term incentive scheme during FY2024.

Based on the current mix of fixed and variable compensation components and design of the variable cash bonus pool formula, the remuneration of executives is aligned with the interests of shareholders and other stakeholders.

Having reviewed and considered the variable components of the Executive Director/Group Chief Executive Officer and key management personnel and the principles behind the formulation of the variable cash bonus pool, the Executive Resource and Compensation Committee is of the view that there is currently no requirement to institute contractual provisions in the terms of employment to reclaim the variable component of their remuneration paid in prior years.

Remuneration of Non-Executive Director

For the Non-Executive Directors, they are remunerated based on a framework of basic director fees and committee fees which is formulated taking into account factors such as responsibilities, level of contribution and time spent. The framework reflects an equitable and adequate remuneration to motivate the Non-Executive Directors to provide good stewardship of the Company, taking into account the scope and extent of a Director's responsibilities and obligations. The framework is reviewed by the Executive Resource and Compensation Committee and endorsed by the Board.

Each of the Non-Executive Directors receives a basic annual retainer fee. Directors who serve on the various Board Committees also receive additional fees in respect of each Board Committee that they serve on, with Chairpersons of the Committees receiving a higher fee in respect of their service as Chairpersons of the respective Board Committees.

The structure of the fees payable to the Non-Executive Directors of the Company for FY2024 is as follows:

	S$
Basic Annual Retainer Fee	
Board	35,150
Additional Chairman Fees for:	
Board	14,250
Audit and Risk Committee	13,300
Executive Resource and Compensation Committee	9,500
Additional Committee Member Fees for:	
Audit and Risk Committee	9,500
Executive Resource and Compensation Committee	5,700

CORPORATE GOVERNANCE REPORT

The directors' fees payable to the Non-Executive Directors are subject to shareholders' approval at the Annual General Meeting. The Executive Director/Group Chief Executive Officer does not receive director's fees.

The Company does not have any share-based compensation schemes or any long-term scheme involving the offer of shares in place to encourage Independent Directors to hold shares in the Company.

DISCLOSURE ON REMUNERATION

Principle 8

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Disclosure of Remuneration of the Directors, the Group Chief Executive Officer and Key Management Personnel

(i) The breakdown of the total remuneration of the Directors and the Group Chief Executive Officer of the Company for FY2024 is as follows:

Name of Directors	Director's Fees[1] (%)	Fixed Salary[2] (%)	Variable Bonus[2] (%)	Allowance & Other Benefits (%)	Total Remuneration ($)
Non-Executive Directors					
Lim Hua Min	100%	–	–	–	55,100
Barney Lau Tai Chiau	100%	–	–	–	54,150
Loo Hock Leong	100%	–	–	–	48,450
Chen Xialing	100%	–	–	–	50,350
Executive Director/Group Chief Executive Officer					
Randy Sim Cheng Leong	–	68	32	–	437,207

[1] Directors' Fees refer to fees for FY2024, subject to approval by shareholders at the forthcoming AGM

[2] Inclusive of employer's CPF contribution for FY2024

(ii) A breakdown of the total remuneration for the Group's key management personnel (who are not directors or the Group Chief Executive Officer of the Company) into remuneration bands of $250,000 for FY2024 is as follows:

Remuneration Band*	FYE 31 Dec 2024	FYE 31 Dec 2023
$500,000 to below $750,000	0	1
$250,000 to below $500,000	4	4
Below $250,000	5	2
Total	**9**	**7**

* The quantification of the remuneration band is based on exchange rate prevailing during the respective financial years.

In aggregate, the total remuneration paid to the above key management personnel of the Group (who are not directors or the Group Chief Executive Officer of the Company) is $2.6 million for FY2024.

CORPORATE GOVERNANCE REPORT

> The 2018 Code recommends that the report should set out the names of at least the top five key management personnel (who are not directors or Group Chief Executive Officer of the Company). Given the competitive industry conditions, the Board, after carefully weighing the advantages and disadvantages, has determined that it is in the interests of the Company that the names of the key management personnel (who are not directors or Group Chief Executive Officer of the Company) are not disclosed and the remuneration of such key management personnel be disclosed in bands of $250,000.

During FY2024, there was no employee of the Group who was a substantial shareholder or an immediate family member of a director or the Group Chief Executive Officer or a substantial shareholder of the Company and whose remuneration exceeds $100,000 during the year.

None of the current employees of the Group are related to the directors of the Company.

Currently, the Company does not have any employee share schemes.

ACCOUNTABILITY & AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS
Principle 9
The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Risk Management and Internal Controls

The Board has oversight responsibility for risk management and internal controls of the Group.

The Group recognises the importance of balancing risks and rewards to achieve the optimal level of risk that the Group can tolerate in its pursuit of its strategic priorities, value creation and business opportunities. In this regard, the Board, together with Management, has established the risk appetite boundaries to help bring discipline and reinforces the Group's risk culture through a "tone-from-the-top" direction demonstrating leadership and the extent of risks that the Group is willing to accept.

The Board takes adequate steps through the establishment of appropriate internal policies to ensure compliance with legislative and regulatory requirements, including requirements under the SGX-ST Listing Manual.

To assist the Board, the Board has established the Audit and Risk Committee which reviews and recommends to the Board the type and level of risk that the Group undertakes to achieve its business strategy and the appropriate framework and policies for managing risks consistent with the Group's risk appetite. The key risks areas that the Audit and Risk Committee oversees include credit risk, interest rate risk, liquidity risk, currency risk, market price risk, operational risk and insurance contract risk.

Management is responsible for maintaining a sound system of risk management and internal controls. Risk assessment and evaluation is an ongoing process which forms an integral part of the Group's business cycle. The Group has in general adopted a standard procedure in managing risks. This includes the identification and evaluation of priority risks and a monitoring mechanism to respond to changes within both the enterprise and the business environment. In order to ensure smooth running of the risk management process, key business objectives have been communicated by Management to the heads of the various departments in the Group. The Group's operating units are aware of their responsibilities for the internal control systems and the role they play in ensuring that the financial results are properly stated in accordance with statutory requirements and the Group's policies.

CORPORATE GOVERNANCE REPORT

The Audit and Risk Committee reviews the adequacy and effectiveness of the internal control system that includes financial, operational, compliance and information technology controls established by Management, with the assistance of the internal and external auditors. Any significant internal control weaknesses noted during their audits are highlighted to the Audit and Risk Committee and the internal auditors assist in monitoring that necessary actions are taken by Management.

Board's Commentary on adequacy and effectiveness of internal controls

The Board has received assurance from the Group Chief Executive Officer and the Chief Financial Officer that, for FY2024, the Group's financial records have been properly maintained, and the financial statements give a true and fair view of the Group's operations and finances.

The Board has also received assurance from the Group Chief Executive Officer and key management personnel that, as at 31 December 2024, the Group's risk management and internal control systems are effective and adequate to address the risks which the Group considers relevant and material to its operations.

Based on the risk management framework and the system of internal controls established and maintained by the Group, information furnished to the Board, the internal and external audits conducted and the reviews performed by Management, the Board, with the concurrence of the Audit and Risk Committee, is of the opinion that the Group's system of risk management and internal controls addressing financial, operational, compliance and information technology risks was adequate and effective to meet the Group's current business objectives as at 31 December 2024.

The Board notes that all internal control systems contain its inherent limitations and no system of internal controls can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities. Hence, the system of internal controls can only provide reasonable, but not absolute, assurance against material financial misstatement or loss.

AUDIT AND RISK COMMITTEE

Principle 10

The Board has an Audit Committee which discharges its duties objectively.

Composition of the Audit and Risk Committee

As of the date of this Annual Report, the Audit and Risk Committee comprises 3 members, all of whom are Non-Executive and Independent directors:

Loo Hock Leong	Chairman, Independent
Chen Xialing	Member, Independent
Barney Lau Tai Chiau	Member, Independent

The Audit and Risk Committee members collectively have recent and relevant accounting or related financial management expertise or experience. The Board is of the view that the members of the Audit and Risk Committee have the requisite experience and expertise to discharge the functions of the Audit and Risk Committee. None of the Audit and Risk Committee members were previous partner or directors of the Company's existing external auditor, Ernst and Young LLP, within the last 24 months or hold any financial interest in Ernst and Young LLP.

No former partner or director of the Company's existing auditing firm or audit corporation is a member of the Audit and Risk Committee.

CORPORATE GOVERNANCE REPORT

Authority and Duties of the Audit and Risk Committee

The Audit and Risk Committee functions under the terms of reference approved by the Board which sets out its duties and responsibilities. The role of the Audit and Risk Committee includes:

(i) review of significant financial reporting issues and judgments so as to ensure integrity of the financial statements of the Group;

(ii) review of the announcements relating to the Group's financial performance;

(iii) review of the adequacy and effectiveness of the Group's internal controls systems and risk management systems;

(iv) review of the assurance from the Group Chief Executive Officer and the Chief Financial Officer on the financial records and financial statements;

(v) make recommendations to the Board on the appointment and removal of the external auditors and approve the remuneration and terms of engagement of the external auditors;

(vi) review of the adequacy, effectiveness, independence, scope and results of the external audit and the internal audit function;

(vii) review of any interested person transactions (as defined in Chapter 9 of SGX-ST Listing Manual); and

(viii) review of the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on.

The Audit and Risk Committee is authorised to investigate any matters within its terms of reference, with full access to and co-operation by the Management. The Audit and Risk Committee also has full discretion to invite any director or executive officer to attend its meetings and reasonable resources to carry out its functions.

In the course of the year, at Audit and Risk Committee meetings, the external auditor briefed the Audit and Risk Committee members on developments in accounting and governance standards as well as issues which have a direct impact on financial statements.

In performing its functions, the Audit and Risk Committee met with the internal and external auditors, without the presence of Management, and reviewed the overall scope of both the internal and external audits, and the assistance given by Management to the auditors.

Review of Financial Statements

In the review of the financial statements for FY2024, the Audit and Risk Committee discussed with Management and the external auditors on significant issues and assumptions that impact the financial statements, including the assurance from the Group Chief Executive Officer and the Chief Financial Officer on the financial records and financial statements. The most significant matters have also been included in the Independent Auditors' Report to the members of the Company under "Key Audit Matters", namely (i) credit loss provisioning for loans and advances, accounts receivable purchase, hire purchase and leasing receivables and (ii) valuation of insurance contracts under SFRS(I) 17. Based on its review as well as discussion with Management and the external auditors, the Audit and Risk Committee is satisfied that those matters, including the two Key Audit Matters, have been properly dealt with and recommended the Board to approve the financial statements for FY2024 and the Board has approved them.

CORPORATE GOVERNANCE REPORT

Review of Independence of External Auditor

The Audit and Risk Committee also undertook the annual review of the independence of external auditors through discussions with the external auditors as well as reviewing all the non-audit services provided by the external auditors and the fees payable to them. The Audit and Risk Committee is satisfied that the non-audit services performed by them would not affect the independence of the external auditors and has recommended the re-appointment of the external auditors at the Company's forthcoming Annual General Meeting.

A breakdown of the fees of audit and non-audit services paid to the external auditors for FY2024 is found in note 11 of the financial statement on page 113 of this Annual Report.

Internal Audit

The Group has an in-house internal audit function that is independent of the activities it audits. The Internal Audit department was set up to ensure internal controls are adequate and to monitor the performance and effective application of the internal audit procedures with regards to these controls. In the course of their work, the internal auditors' activities are conducted in accordance with the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The internal auditors have full access to the Group's documents, records and personnel necessary for the purpose of their duties.

The internal auditors report functionally to the Chairman of the Audit and Risk Committee on audit matters and to the Group Chief Executive Officer on administrative matters.

Adequacy of the Internal Audit Function

The Audit and Risk Committee ensures that the internal audit function has adequate resources, is staffed with persons with relevant qualification and expertise and has appropriate standing within the Group. The Audit and Risk Committee, on an annual basis, assesses the effectiveness of the internal auditors, whose primary line of reporting is to the Audit and Risk Committee on audit matters, by examining:

(i) the scope of the internal auditors' work;

(ii) the quality of their reports, including major findings on internal audit during the year and Management's responses thereto, difficulties encountered during the course of the audit, significant changes to the audit programme and compliance with relevant professional internal audit standards;

(iii) the audit programme and the internal audit charter;

(iv) the hiring, removal, evaluation and compensation of the Head of Internal Audit;

(v) their relationship with the external auditors; and

(vi) their independence of the areas reviewed.

The Audit and Risk Committee is satisfied that the internal audit function is independent, effective and adequately resourced.

CORPORATE GOVERNANCE REPORT

Whistleblowing Policy

The Company has in place a whistleblowing framework, endorsed by the Audit and Risk Committee, which provides the mechanisms where employees may, in confidence, raise concerns of any improprieties, including in relation to financial report, to the Audit and Risk Committee Chairman. Details of the whistleblowing policy, together with the communication channels have been made available to all employees. The whistleblowing framework has a well-defined process which ensures independent investigation of issues/concerns raised and appropriate follow-up action, and provides assurance that employees will be protected from reprisal within the limits of the law or victimization for whistleblowing in good faith. Anonymous reporting will also be attended to and anonymity honoured.

The whistleblowing policy and procedures are reviewed by the Audit and Risk Committee from time to time to ensure that they remain relevant. The Audit and Risk Committee reports to the Board on such matters at the Board meetings. Should the Audit and Risk Committee receive reports relating to serious offences and/or criminal activities in the Group, the Audit and Risk Committee and the Board have access to the appropriate external advice where necessary.

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11

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

To facilitate shareholders' ownership rights, the Board ensures that all material information is disclosed on a comprehensive, accurate and timely basis.

All shareholders are entitled to attend the Annual General Meeting and are afforded the opportunity to participate effectively. All shareholders are given the chance to raise relevant questions and to communicate their views in the Annual General Meeting. The Company's Constitution allows shareholders who are not "Relevant Intermediaries" (as defined in the Companies Act) to appoint not more than two proxies to attend, speak and vote in his place at general meetings of shareholders. Under the new multiple proxies regime, "Relevant Intermediaries" such as banks, capital markets services licence holders which provide custodial services for securities and the Central Provident Fund Board, are allowed to appoint more than two proxies to attend, speak and vote at general meetings. This will enable indirect investors, including CPF investors to be appointed as proxies to participate at general meetings.

All shareholders are entitled to vote in accordance with the established voting rules and procedures. The Company conducted poll voting for all resolutions tabled at the general meetings. The rules, including the voting process, were clearly explained by the scrutineers at such general meetings.

Conduct of Shareholder Meetings

Shareholders are informed of shareholdings' meetings through published notices and reports or circulars made available to all shareholders. Each item of special business included in the notice of the meeting will be accompanied by a full explanation of the effects of a proposed resolution. The Annual General Meeting procedures provide shareholders the opportunity to raise relevant questions relating to each resolution tabled for approval. Opportunities are given to shareholders to participate, engage and openly communicate their views on matters relating to the Group to the directors and the external auditors.

CORPORATE GOVERNANCE REPORT

Voting in absentia by mail or electronic mail may only be possible after careful study to ensure that the integrity of the information and authentication of identity of shareholders through the web are not compromised.

The Company conducts electronic poll voting for all the resolutions passed at the shareholders' meetings for greater transparency in the voting process. Before commencement of the proceedings at the shareholders' meetings, the independent scrutineer appointed by the Company would review the proxies and electronic poll voting system as part of the proxy verification process. Votes cast for, or against, each resolution will be tallied and displayed live-on-screen to shareholders at the meeting. The total numbers and percentage of votes cast for or against the resolutions are also announced after the meetings via SGXNet.

The Board members, in particular the Chairpersons of the Board Committees and the external auditors attend Annual General Meetings to address any questions which may be raised by the shareholders at such meetings.

Minutes of shareholder meetings which include substantive comments or queries from shareholders and responses from the Chairman, board members and Management are available on the Company's corporate website. The Company ensures that there are separate resolutions at general meetings for each substantially separate issue and avoids the "bundling" of separate resolutions.

The Company aims to pay a sustainable and growing dividend over time, consistent with long-term growth prospects. Dividends will be declared on an annual basis, taking into consideration the Group's financial performance, cash position, cash flow generated from operations, projected capital requirements for business growth, general global economic conditions and other factors as the Board may deem appropriate. As a guide, the Company endeavours to pay annual dividends of not less than 30% of its net profit after tax, barring unforeseen circumstances.

Conduct of Annual General Meeting in 2024 ("2024 AGM")

The 2024 AGM was convened and held physically at 11 Eunos Road 8, Lifelong Learning Institute, Event Hall 2-1 Level 2, Singapore 408601 on Monday, 29 April 2024 at 2.30 p.m.. Arrangements were put in place for attendance at the 2024 AGM, the submission of questions to the Chairman of the Meeting in advance of, or at, the 2024 AGM, and voting at the 2024 AGM by shareholders or their duly appointed proxy(ies).

Conduct of Annual General Meeting in 2025

The Company will be holding a wholly physical AGM at 10 Eunos Road 8 #03-102 Singapore Post Centre Singapore 408600 (NTUC Club Clubhouse) on Monday, 28 April 2025 at 2.30 p.m. ("2025 AGM"). Arrangements relating to the attendance at the 2025 AGM, submission of questions to the Chairman of the Meeting in advance of, or at, the 2025 AGM, and voting at the 2025 AGM by shareholders or their duly appointed proxy(ies), are set out in a separate announcement released on SGXNet on 10 April 2025.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12

The Company communicates regularly with its shareholders and facilities the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

The Board strives for timeliness in its disclosures to shareholders and the public and it is the Board's policy to keep shareholders informed of material developments that would have an impact on the Company or the Group through announcements via SGXNET. In the event that unpublished material information is inadvertently disclosed to any selected group in the course of the Group's interactions with the investing community, an announcement will be released to the public via SGXNet.

CORPORATE GOVERNANCE REPORT

During FY2024, the Board provided shareholders with half-yearly and annual financial reports. Results for the half-year were released to the shareholders within 45 days of the reporting period while the full-year results were released to the shareholders within 60 days of the financial year-end. In presenting the annual financial statements and announcements of financial results to the shareholders, the Board aims to provide a balanced and understandable assessment of the Group's financial performance and prospects.

At general meetings, the Chairman plays a pivotal role in fostering constructive dialogue between shareholders, Board members and Management. The Company encourages and values shareholders' participation at the general meetings.

In addition, the Group also uses other channels where appropriate for communication with the shareholders, such as press releases, regularly updated corporate website, annual reports and shareholders' meetings. The Company also notifies shareholders in advance of the date of release of its financial results through announcements via SGXNET and posting them on the corporate website.

The latest Annual Reports, financial results and company announcements are posted on the corporate website following the release to the market. The corporate website has a clearly dedicated "Investor Relations" link, which enables shareholders to raise their queries or concerns.

MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS
Principle 13
The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Group has regularly engaged its material stakeholders through various medium and channels to have an understanding of the matters that they are most concerned with. This would help us define our strategic priorities and guide our initiatives. The material stakeholders are shareholders/investors, clients, employees, government and regulators, business partners and community.

The Group has also undertaken a process to determine the material environmental, social and governance issues which are important to these stakeholders. More details on the Group's approach to materiality assessment and stakeholder engagement are disclosed in the Sustainability Report on pages 15 to 44.

Code on Dealings in Securities

The Company has issued a Code on Dealings in IFS Securities (the "Internal Code") to directors and key employees (including employees with access to price-sensitive information in relation to the Company's shares) of the Company, setting out a code of conduct on dealings in the Company's shares by these persons in line with the best practices set out in Rule 1207(19) of the SGX-ST Listing Manual. The guidelines under the Internal Code, *inter alia*, provide that officers (i) should not deal in the Company's shares on short-term considerations; and (ii) should not deal in the Company's shares during the "black-out" period commencing one month before the announcement of the Company's half-year and full-year financial results, and ending on the date of announcement.

ADDITIONAL INFORMATION

Interested Persons Transactions

Disclosure of interested person transactions in accordance with the format prescribed under Rule 907 is as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
		12 months 31 December 2024 S$'000	**12 months 31 December 2024 S$'000**
Phillip Securities Pte Ltd	Controlling shareholder Lim Hua Min	130	NIL

Material Contracts Involving Directors' Interest

Saved as disclosed in the notes to the financial statements, there were no material contracts entered into by the Group involving the interest of the directors.

FINANCIAL REPORT

DIRECTORS' STATEMENT

The directors are pleased to present their statements to the members of IFS Capital Limited (the "Company") and its subsidiaries (the "Group") together with the audited financial statements for the financial year ended 31 December 2024.

Opinion of the directors

In our opinion,

(a) the financial statements which comprise the statements of financial position of the Group and the Company as at 31 December 2024, the consolidated statement of changes in equity, the consolidated statement of profit or loss, the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and a summary of material accounting policies and other explanatory information are properly drawn up so as to give a true and fair view of the financial position of the Group and the Company as of 31 December 2024 and of the financial performance, changes in equity and cash flows of the Group for the year then ended in accordance with the requirements of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

Lim Hua Min
Barney Lau Tai Chiau
Chen Xialing
Loo Hock Leong
Randy Sim Cheng Leong

DIRECTORS' STATEMENT

Directors' interests in shares and debentures

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares or debentures in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Ultimate holding company		
Phillip Assets Pte. Ltd.		
Lim Hua Min		
– ordinary shares	39,100,000	39,100,000
IFS Capital Limited – Company		
Lim Hua Min		
– ordinary shares		
– deemed interests	226,949,029	226,949,029
Randy Sim Cheng Leong		
– ordinary shares	1,050,000	2,150,000
IFS Factors (Malaysia) Sdn. Bhd. – Subsidiary		
Randy Sim Cheng Leong		
– ordinary shares	1	1

Except as disclosed in this statement, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the last financial year, other than as disclosed in Note 35, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

Share options

During the financial year, there was:

(a) no option granted by the Company to any person to take up unissued shares in the Company; and

(b) no share issued by virtue of the exercise of options to take up unissued shares of the Company.

At the end of the financial year, there was no unissued share of the Company under option.

DIRECTORS' STATEMENT

Audit and Risk Committee

The members of the Audit and Risk Committee during the year and at the date of this statement comprise the following Non-Executive Directors:

Loo Hock Leong (Chairman)	Independent
Barney Lau Tai Chiau	Independent
Chen Xialing	Independent

The Audit and Risk Committee performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit and Risk Committee has held four meetings since the last directors' statement. In performing its functions, the Audit and Risk Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and the evaluation of the Company's internal accounting control system.

The Audit and Risk Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;

- half year financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and

- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The Audit and Risk Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit and Risk Committee also recommends the appointment of external auditors and reviews the level of audit and non-audit fees.

The Audit and Risk Committee is satisfied with the independence and objectivity of the external auditors, Ernst & Young LLP.

In appointing our auditors for the Company and subsidiaries, we have complied with Rules 712, 715 and 716 of the SGX Listing Manual.

DIRECTORS' STATEMENT

Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the board of directors:

Randy Sim Cheng Leong
Director

Lim Hua Min
Director

28 March 2025

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Report on the audit of the financial statements

Opinion

We have audited the financial statements of IFS Capital Limited ('the Company') and its subsidiaries ('the Group'), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2024, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ('the Act') and Financial Reporting Standards in Singapore (International) ('SFRS(I)s') so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

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 Group 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.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Areas of focus	***How our audit addressed the risk factors***
Credit loss provisioning for loans and advances, accounts receivable purchase, hire purchase and leasing receivables At 31 December 2024, the Group's loans and advances, accounts receivable purchase, hire purchase and leasing receivables represents 84% (2023: 83%) of Total Assets. We have identified this as a key audit matter as the Group's expected credit loss ("ECL") determination for these receivables involve significant judgements and estimation uncertainties. *Non-impaired credit exposures* In respect of non-credit impaired exposures, the following areas are identified to involve greater levels of management judgement and estimation uncertainties: • the selection of economic scenarios and corresponding probability weightages applied; • the criteria in determining significant increase in credit risk ("SICR"); and • the probabilities of default ("PD"), loss-given default ("LGD"), and the exposure at default ("EAD") model assumptions.	*Non-impaired credit exposures* We obtained an understanding, evaluated the design and tested the operating effectiveness of the relevant key controls related to the Group's ECL computation processes and disclosures focusing on: • the completeness and accuracy of data inputs into the ECL model; • the selection and implementation of multiple economic scenarios and probabilities; • the staging of credit exposures based on the Group's SICR criteria; and • assessed the adequacy of the disclosures made by the Group in relation to non-impaired credit exposures and associated expected credit loss allowance recognised. We involved our internal modelling specialists in performing the following procedures: • evaluated the reasonableness of the PD, LGD and EAD models by performing desktop review, model implementation testing, model assumption testing, sensitivity analyses and back-testing; • reviewed the appropriateness of SICR triggers used by management; and • assessed the reasonableness of macroeconomic variables, key assumptions used in economic scenarios and corresponding probabilities applied by performing a sensitivity analysis on the key parameters of the model.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Key audit matters (Continued)

Areas of focus	*How our audit addressed the risk factors*
Valuation of insurance contracts under SFRS(I) 17 The Group's general insurance operations are conducted through its subsidiary, ECICS Limited ("ECICS"). The Group had adopted the premium allocation approach ("PAA"). SFRS(I) 17 under PAA requires the valuation of insurance contracts which should include liabilities for incurred claims ("LIC") and liabilities for remaining coverage ("LRC") that is inherently judgmental and subjective particularly on matters related to risk adjustments, onerous contract and discounting. The valuation requires significant amount of involvement from the ECICS' Certifying Actuary in relation to assumptions and methodology. The assumptions used to value the insurance contracts are based on internal and external data. Past experiences of ECICS are investigated and analysed internally to provide a basis for these assumptions. We determined this to be a key audit matter due to the high degree of estimation uncertainty and judgements involved in the determination of the valuation of insurance contracts.	Our audit procedures included, among others: • we continued to perform review of the Group's material accounting policy information on SFRS(I) 17 to understand, assess and ascertain whether ECICS' position in measuring insurance contracts continue to be acceptable and in accordance with SFRS(I) 17; • we performed walkthroughs, test of controls over ECICS' underwriting and claims process; • we performed test of details on ECICS' premiums and claims data, including integrity checks on the data used in the valuation of the insurance contracts under SFRS(I) 17; • we involved our actuarial specialists to perform independent analysis of the insurance contracts on selected classes of business focusing on largest reserves. We compared our actuarial specialists' independent analysis to the valuation of insurance contracts determined by ECICS' Certifying Actuary; including, but not limited to the review of assumptions pertaining to risk adjustments, onerous contracts and discounting, as well as methodology, used by ECICS' Certifying Actuary; and • we assessed the adequacy and reasonableness of Group's adoption of SFRS(I) 17 including the presentations and disclosures made by the Group in accordance with the requirements of SFRS(I) 17.

INDEPENDENT AUDITOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

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

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

Responsibilities of management and directors for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' 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 auditors' 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.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Auditors' responsibilities for the audit of the financial statements (Continued)

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 controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Wilson Woo Siew Wah.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

28 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 $'000	2023 $'000
Interest income	4	**34,237**	30,232
Interest expense	5	**(9,008)**	(8,145)
Net interest income		**25,229**	22,087
Insurance revenue		**13,769**	8,051
Insurance service expenses		**(24,717)**	(10,628)
Insurance service results before reinsurance contracts held		**(10,948)**	(2,577)
Allocation of reinsurance premiums		**(5,897)**	(2,182)
Reinsurance acquisition income		**2,401**	1,457
Amount recoverable from reinsurers for incurred claims		**8,301**	1,469
Net income from reinsurance contracts held		**4,805**	744
Insurance service results	6	**(6,143)**	(1,833)
Fee and commission income	7	**7,412**	6,482
Net investment income	8	**1,719**	1,979
Other income	9	**875**	1,426
Non-interest income		**10,006**	9,887
Income before operating expenses		**29,092**	30,141
Business development expenses		**(1,183)**	(890)
Staff costs		**(15,133)**	(14,167)
General and administrative expenses		**(6,730)**	(6,229)
Operating expenses		**(23,046)**	(21,286)
Operating profit before allowances		**6,046**	8,855
Share of loss on share of associate		**(20)**	–
Recognition of allowances for loan losses and impairment of other assets	10	**(719)**	(1,717)
Profit before tax	11	**5,307**	7,138
Tax expense	12	**(1,598)**	(1,816)
Profit for the year		**3,709**	5,322
Profit attributable to:			
Owners of the Company	13	**1,889**	3,439
Non-controlling interests		**1,820**	1,883
Profit for the year		**3,709**	5,322
Earnings per share			
Basic earnings per share (cents)	13	**0.50**	0.91
Diluted earnings per share (cents)	13	**0.50**	0.91

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	2024 $'000	2023 $'000
Profit for the year	**3,709**	5,322
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Defined benefit plan remeasurements	**78**	(18)
Tax on other comprehensive income	**–**	8
	78	(10)
Items that are or may be reclassified subsequently to profit or loss		
Foreign currency translation differences of foreign operations	**2,822**	(1,004)
	2,822	(1,004)
Other comprehensive income for the year, net of tax	**2,900**	(1,014)
Total comprehensive income for the year	**6,609**	4,308
Total comprehensive income attributable to:		
Owners of the Company	**4,093**	2,558
Non-controlling interests	**2,516**	1,750
Total comprehensive income for the year	**6,609**	4,308

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF **FINANCIAL POSITION**

AS AT 31 DECEMBER 2024

	Note	Group 2024 $'000	Group 2023 $'000	Company 2024 $'000	Company 2023 $'000
Equity					
Share capital	14	**137,302**	137,302	**137,302**	137,302
Other reserves	15	**(4,014)**	(6,140)	**–**	–
Accumulated profits		**45,226**	45,139	**25,364**	43,334
Equity attributable to owners of the Company		**178,514**	176,301	**162,666**	180,636
Non-controlling interests	16	**27,757**	23,811	**–**	–
Total equity		**206,271**	200,112	**162,666**	180,636
Liabilities					
Trade and other payables	17	**12,353**	7,751	**4,319**	4,286
Interest-bearing borrowings	18	**277,799**	263,335	**191,247**	189,729
Insurance contract liabilities	19	**24,236**	14,567	**–**	–
Lease liabilities	33	**2,480**	3,076	**2,187**	2,700
Current tax payable		**1,031**	1,060	**–**	–
Employee benefits	20	**1,673**	1,427	**–**	–
Deferred tax liabilities	21	**–**	–	**–**	–
Total liabilities		**319,572**	291,216	**197,753**	196,715
Total equity and liabilities		**525,843**	491,328	**360,419**	377,351
Assets					
Cash and cash equivalents	22	**40,982**	43,292	**4,356**	13,688
Other investments	23	**22,894**	24,562	**19,000**	19,000
Property held for sale		**83**	85	**–**	–
Loans and advances	24	**283,063**	267,867	**181,154**	136,350
Hire purchase and leasing receivables	25	**16,926**	15,561	**–**	–
Accounts receivable purchase	26	**142,964**	126,213	**14,072**	9,116
Other receivables	27	**1,651**	1,781	**60,148**	100,198
Reinsurance contract assets	19	**6,888**	2,854	**–**	–
Property, plant and equipment	29	**877**	1,059	**150**	159
Intangible assets	30	**147**	198	**66**	110
Investment properties	31	**1,740**	1,856	**–**	–
Investment in subsidiaries	32	**–**	–	**79,433**	96,133
Investment in associate		**1,914**	–	**–**	–
Deferred tax assets	21	**3,400**	3,025	**–**	–
Right-of-use assets	33	**2,314**	2,975	**2,040**	2,597
Total assets		**525,843**	491,328	**360,419**	377,351

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Attributable to owners of the Company						
	Note	Share capital $'000	Capital reserve $'000	Translation reserve $'000	Accumulated profits $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2024		137,302	108	(6,248)	45,139	176,301	23,811	200,112
Total comprehensive income for the year								
Profit for the year		–	–	–	1,889	1,889	1,820	3,709
Other comprehensive income								
Foreign currency translation differences		–	–	2,126	–	2,126	696	2,822
Defined benefit plan remeasurements		–	–	–	78	78	–	78
Total other comprehensive income		–	–	2,126	78	2,204	696	2,900
Total comprehensive income for the year		–	–	2,126	1,967	4,093	2,516	6,609
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Dividends paid to owners of the Company	15	–	–	–	(1,880)	(1,880)	–	(1,880)
Total contributions by and distributions to owners		–	–	–	(1,880)	(1,880)	–	(1,880)
Changes in ownership interests in subsidiaries								
Non-controlling interest arising from investment in subsidiary		–	–	–	–	–	2,413	2,413
Dividends paid by a subsidiary company to non-controlling interests	16	–	–	–	–	–	(983)	(983)
Total changes in ownership interests in subsidiaries		–	–	–	–	–	1,430	1,430
Total transactions with owners		–	–	–	(1,880)	(1,880)	1,430	(450)
At 31 December 2024		137,302	108	(4,122)	45,226	178,514	27,757	206,271

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Attributable to owners of the Company						
		Share capital $'000	**Capital reserve $'000**	**Translation reserve $'000**	**Accumulated profits $'000**	**Total $'000**	**Non-controlling interests $'000**	**Total equity $'000**
At 1 January 2023		137,302	108	(5,369)	43,394	175,435	23,143	198,578
Total comprehensive income for the year								
Profit for the year		–	–	–	3,439	3,439	1,883	5,322
Other comprehensive income								
Foreign currency translation differences		–	–	(879)	–	(879)	(125)	(1,004)
Defined benefit plan remeasurements		–	–	–	(8)	(8)	(10)	(18)
Tax on other comprehensive income		–	–	–	6	6	2	8
Total other comprehensive income		–	–	(879)	(2)	(881)	(133)	(1,014)
Total comprehensive income for the year		–	–	(879)	3,437	2,558	1,750	4,308
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Dividends paid to owners of the Company	15	–	–	–	(1,692)	(1,692)	–	(1,692)
Total contributions by and distributions to owners		–	–	–	(1,692)	(1,692)	–	(1,692)
Changes in ownership interests in subsidiaries								
Non-controlling interest arising from investment in subsidiary		–	–	–	–	–	150	150
Dividends paid by a subsidiary company to non-controlling interests	16	–	–	–	–	–	(1,232)	(1,232)
Total changes in ownership interests in subsidiaries		–	–	–	–	–	(1,082)	(1,082)
Total transactions with owners		–	–	–	(1,692)	(1,692)	(1,082)	(2,774)
At 31 December 2023		137,302	108	(6,248)	45,139	176,301	23,811	200,112

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 $'000	2023 $'000
Cash flows from operating activities			
Profit before tax		**5,307**	7,138
Adjustments for:			
Share of after-tax results of associates		**20**	–
Amortisation of debt securities at amortised cost	8	**(51)**	(25)
Amortisation of intangible assets	30	**141**	200
Depreciation of property, plant and equipment	29	**276**	322
Depreciation of investment properties	31	**175**	177
Depreciation of right-of-use assets	33	**764**	819
Gain on disposal of debt and equity securities	8	**(64)**	(40)
Loss/(gain) on disposal of property, plant and equipment	9	**13**	(40)
Net change in fair value of financial assets through profit or loss	8	**(358)**	(276)
Property, plant and equipment written-off	29	**21**	3
Recognition of allowance for impairment on debt securities at amortised cost	10	**(15)**	8
Recognition of allowance for loan losses and impairment of other assets	10	**734**	1,679
Interest income	4	**(34,237)**	(30,232)
Interest income from investments and fixed deposits	8	**(951)**	(1,033)
Dividend income from investments	8	**(244)**	(679)
Interest expense on borrowings	5	**9,008**	8,145
Interest expense on lease liabilities	33	**140**	196
Operating cash flows before changes in working capital		**(19,321)**	(13,638)
Changes in working capital:			
Accounts receivable purchase		**(14,514)**	(17,845)
Accounts receivable purchase owing to clients		**(812)**	7,843
Loans and advances		**(15,166)**	(96,252)
Hire purchase and leasing receivables		**(864)**	(1,530)
Other receivables and reinsurance contract assets		**(3,994)**	(1,885)
Trade and other payables and insurance contract liabilities		**13,322**	(993)
Cash used in operations		**(41,349)**	(124,300)
Interest received		**35,188**	31,265
Interest paid		**(8,104)**	(8,145)
Interest expense on lease liabilities paid	33	**(140)**	(196)
Taxes paid, net		**(1,617)**	(1,554)
Net cash used in operating activities		**(16,022)**	(102,930)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 $'000	2023 $'000
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		**13**	40
Purchase of property, plant and equipment	29	**(107)**	(176)
Purchase of intangible assets	30	**(117)**	(66)
Purchase of investments		**(23,753)**	(15,935)
Proceeds from disposal of investments		**24,057**	17,096
Dividends received from investments	8	**244**	679
Net cash from investing activities		**337**	1,638
Cash flows from financing activities			
Dividends paid to owners of the Company		**(1,880)**	(1,692)
Dividends paid to non-controlling interests		**(983)**	(1,232)
Repayment of interest-bearing borrowings	18	**(941,113)**	(345,067)
Proceeds from drawdown of interest-bearing borrowings	18	**952,399**	439,559
Proceeds from non-controlling interests investments to subsidiary		**2,413**	150
Repayment of lease liabilities	33	**(700)**	(805)
Net cash from financing activities		**10,136**	90,913
Net decrease in cash and cash equivalents		**(5,549)**	(10,379)
Cash and cash equivalents at 1 January		**43,292**	54,582
Net foreign exchange difference		**3,239**	(911)
Cash and cash equivalents at 31 December	22	**40,982**	43,292

Included in cash and cash equivalents is $1,599,000 (2023: $821,000) of deposits held as collaterals for guarantees issued on behalf of policyholders in respect of the Group's insurance business. These deposits are not available for use in the Group's day to day operations.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

1. CORPORATE INFORMATION

IFS Capital Limited (the "Company") is a company incorporated in Singapore and has its registered office at 10 Eunos Road 8, #09-04 Singapore Post Centre, Singapore 408600.

The financial statements of the Group as at and for the year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The immediate and ultimate holding company is Phillip Assets Pte. Ltd., a company incorporated in Singapore.

The principal activities of the Company are those relating to the provision of commercial, alternative and structured finance businesses such as accounts receivable purchase services, working capital, asset based financing and the provision of alternative and structured financial solutions offered to clients to address either equity or debt capital requirements. The principal activities of the subsidiaries are detailed in Note 32.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 BASIS OF PREPARATION

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

The assets and liabilities of the Group which relate to the insurance business carried on in Singapore are subject to the requirements of the Insurance Act 1966 ("Insurance Act"). Such assets and liabilities are accounted for in the books of the insurance funds established under the Insurance Act. The net assets of the Group held in the insurance funds must be sufficient to meet the solvency requirements stipulated in Section 17 of the Insurance Act at all times. Assets held in the insurance funds may be withdrawn only if the withdrawal meets the requirements stipulated in Section 16 and the Group continues to be able to meet the solvency requirements of Section 17 of the Insurance Act.

2.2 BASIS OF MEASUREMENT

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

2.4 USE OF ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with SFRS(I)s requires management to make judgements, 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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 USE OF ESTIMATES AND JUDGEMENTS (CONTINUED)

Information about significant judgements, assumptions and estimation in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements and may have a significant risk of resulting in a material adjustment within the next financial year are included in Note 38.

2.5 CHANGES IN ACCOUNTING POLICIES

New standards and amendments

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2024. The impact of the adoption of these new or amended standards and interpretations in the financial statements is assessed to be immaterial.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 BASIS OF CONSOLIDATION

(a) *Business combinations*

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Where share-based payment awards (replacement awards) are exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 BASIS OF CONSOLIDATION (CONTINUED)

(a) *Business combinations* (Continued)

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(b) *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(c) *Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(d) *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 BASIS OF CONSOLIDATION (CONTINUED)

(e) *Subsidiaries in the separate financial statements*

Investments in subsidiaries, except for IFSAM VCC, are stated in the Company's statement of financial position at cost less any accumulated impairment losses.

Structured entities

The Company classifies its subsidiary, IFSAM VCC, as a structured entity per SFRS(I) 12 due to the nature of its establishment as an investment entity. A structured entity is one that has been set up so that any voting rights or similar rights are not the dominant factor in deciding who controls the entity. An example is when voting rights relate only to administrative tasks and the relevant activities are directed by contractual arrangements.

A structured entity often has some or all of the following features or attributes:

- Restricted activities;
- A narrow and well defined objective;
- Insufficient equity to permit the structured entity to finance its activities without subordinated financial support; and
- Financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

IFSAM VCC is accounted for at fair value through profit or loss and presented under other investments in the Company's statement of financial position. IFSAM VCC is being consolidated as part of the Group's financial statements.

3.2 FOREIGN CURRENCY

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Singapore dollars at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 FOREIGN CURRENCY (CONTINUED)

Foreign currency transactions (Continued)

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to Singapore dollars at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss. However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income ("OCI"):

- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedge is effective.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI. Since 1 January 2017, the Group's date of transition to SFRS(I), such differences have been recognised in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the translation reserve in equity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.3 FINANCIAL INSTRUMENTS

(a) *Recognition and initial measurement*

Non-derivative financial assets and financial liabilities

At initial recognition, financial assets and liabilities are classified as measured at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") and amortised cost, in accordance with their characteristics and purposes. All financial assets are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provision of the instrument. This includes 'Regular way trades': purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace.

Financial assets and liabilities are initially measured at fair value, and the transaction costs directly attributable to the acquisition of financial assets (liabilities) are added to (deducted from) the fair value at initial recognition if they are not measured at FVTPL. The fair value of the financial assets and liabilities is defined as the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair value of financial instruments is measured at the transaction price (the fair value of the consideration received or transferred) at initial recognition.

(b) *Classification and subsequent measurement*

Non-derivative financial assets

Subsequent measurement of financial assets depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The Group classified its financial assets in the following categories: FVTPL, amortised cost and FVOCI.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.3 FINANCIAL INSTRUMENTS (CONTINUED)

(b) *Classification and subsequent measurement* (Continued)

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 Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group 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;

- how the performance of the portfolio is evaluated and reported to the Group's management;

- the risks that affect the performance of the business model (and 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 Group'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.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. **SUMMARY OF MATERIAL ACCOUNTING POLICIES** (CONTINUED)

3.3 **FINANCIAL INSTRUMENTS** (CONTINUED)

(b) *Classification and subsequent measurement* (Continued)

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

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group 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 Group 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 Group's claim to cash flows from specified assets (e.g., non-recourse features).

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

Financial assets at FVTPL

Financial assets measured at FVTPL are measured at fair value and the gain or loss on valuation is recognised as profit or loss. Dividends and interest income from the financial assets are also recognised as profit or loss.

The Group's financial assets classified as FVTPL comprise mainly other equity securities and a portion of its debt securities.

Financial assets at amortised cost

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 amortisation process.

The Group's financial assets classified as amortised cost comprise mainly cash and cash equivalents, loans and advances, accounts receivable purchase, hire purchase and leasing receivables, debt securities, trade and other receivables.

Equity investments at FVOCI

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.3 FINANCIAL INSTRUMENTS (CONTINUED)

(b) *Classification and subsequent measurement* (Continued)

Non-derivative financial liabilities: Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Non-derivative financial liabilities: Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains or losses are recognised in profit or loss when the liabilities are de-recognised and through the amortisation process.

The Group's financial liabilities classified as amortised cost comprise mainly interest-bearing borrowings, lease liabilities, trade and other payables.

(c) *Derecognition*

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either;
- substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.3 FINANCIAL INSTRUMENTS (CONTINUED)

(c) *Derecognition* (Continued)

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(d) *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(e) *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the statement of cash flows, bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents while deposits related to cash collaterals from policyholders are excluded.

(f) *Share capital*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(g) *Financial guarantees*

Financial guarantees are financial instruments issued by the Group and Company that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees are initially measured at fair value and are classified as financial liabilities. Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the amount that would be recognised if they were accounted for as contingent liabilities. When financial guarantees are terminated before their original expiry date, the carrying amount of the financial guarantee is transferred to profit or loss.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.4 PROPERTY, PLANT AND EQUIPMENT

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if the component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset.

The estimated useful lives for the current and comparative years are as follows:

Freehold residential properties	50 years
Freehold office properties	19 and 40 years
Renovations	5 years
Office equipment, furniture and fittings	2 to 6 years
Computer equipment	3 to 5 years
Motor vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified accordingly.

3.5 INTANGIBLE ASSETS

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line and reducing balance basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative years are as follows:

Computer software	3 to 5 years
Customer lists	5 years
Copyrights	5 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.6 INVESTMENT PROPERTIES

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods and services or for administrative purposes. Investment properties are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property and any other costs directly attributable to bringing the investment property to a working condition for its intended use.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

3.7 LEASES

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.7 LEASES (CONTINUED)

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.7 LEASES (CONTINUED)

As a lessee (Continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense over the lease term.

3.8 IMPAIRMENT

(a) *Non-derivative financial assets*

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

Loss allowances of the Group are measured on either of the following bases:

- 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), financial instrument for which 12-month ECL is recognised are referred to as 'Stage 1 financial assets'; or

- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset. Financial instrument for which a lifetime ECL is recognised but which are not credit impaired are referred to as 'Stage 2 financial assets'.

General approach

The Group applies the general approach to provide for ECL on all financial assets at amortised cost, except for purchased or originated financial assets that are credit-impaired on initial recognition. Under the general approach, loss allowance is measured at an amount equal to 12-month ECL at initial recognition.

At each reporting date, the Group assessed 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 ECL.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.8 IMPAIRMENT (CONTINUED)

(a) *Non-derivative financial assets* (Continued)

General approach (Continued)

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 ECL.

The following non-exhaustive list of information may be relevant in assessing changes in credit risk:

- Significant changes in internal price indicators of credit risk as a result of change in credit risk since inception
- Other changes in the rates or terms of an existing financial instrument that would be significantly different
- An actual or expected significant change in the financial instrument's external credit rating
- An actual or expected internal credit rating downgrade for the borrower or decrease in behavioural scoring used to assess credit risk internally
- An actual or expected significant change in the operating results of the borrower
- Past due information

Forward-looking information

The Group measures the significance of the increase of credit risk and the expected credit loss using forward-looking information. In doing so, the Group assumes that the risk component is correlated with changes in market conditions, and calculates the expected credit loss using the forward-looking information by modelling macroeconomic variables and risk components.

Measurement of ECL for financial assets measured at amortised cost

Expected credit loss for financial assets measured at amortised cost is measured as the difference between the present value of the cash flows expected to be received and the cash flows expected to be paid.

- *financial assets* that *are not credit-impaired at the reporting date*: as 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 Group expects to receive);
- *financial assets that are credit-impaired at the reporting date*: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- *undrawn loan commitments*: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
- *financial guarantee contracts*: the expected payments to reimburse the holder less any amounts that the Group expects to recover.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.8 IMPAIRMENT (CONTINUED)

(a) *Non-derivative financial assets* (Continued)

<u>General approach</u> (Continued)

Non-credit impaired financial assets

Loss allowance for non-credit impaired financial assets uses the estimation model that accounts for the forward-looking information based on the past loss rate to measure the expected credit loss. The model considers the probability of default ("PD") and the loss given default ("LGD") reflecting the type of instruments and borrowers, credit rating, portfolio size and collection period. Also, certain assumptions are applied to model the expected credit loss measurement and to determine input variables based on past experiences and forward-looking information. Methodologies and assumptions for this model are regularly reviewed to minimise the difference between the loss allowance and the actual loss.

The expected credit loss for financial assets measured at amortised cost is recognised as the loss allowance, and when the financial asset is determined to be irrecoverable, the carrying amount and loss allowance will be written off. If financial assets previously written off are recovered, the gain from the recovery is recognised through the current period's profit or loss under other income.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired (referred to as 'Stage 3 financial assets'). 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 past due event;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is becoming 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.

A loan that has been renegotiated due to deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.8 IMPAIRMENT (CONTINUED)

(a) *Non-derivative financial assets* (Continued)

General approach (Continued)

Loss allowance for credit-impaired financial assets is based on management's best estimates in relation to the present value of cash flows expected to be recovered from receivables. In estimating the cash flows, the Group uses all available information such as the operating cash flows of counterparties and the net realisable value of collaterals provided.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- *financial assets measured at amortised cost*: as a deduction from the gross carrying amount of the assets.

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.

- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Write-off

Financial assets are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower or counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in 'other income' in the statement of profit or loss.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.8 IMPAIRMENT (CONTINUED)

(b) *Non-financial assets*

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro-rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.9 CLASSIFICATION OF INSURANCE CONTRACTS AND REINSURANCE CONTRACTS

The Group issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk. The Group issues non-life insurance to individuals and businesses. Non-life insurance products offered include motor vehicles, property, bond and guarantee, maid, hospital and surgical, foreign workers medical insurance and others. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of a policyholder's accident. The Group also issues reinsurance contracts in the normal course of business to compensate other entities for claims arising from one or more insurance contracts issued by those entities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.10 RECOGNITION AND MEASUREMENT OF INSURANCE AND REINSURANCE CONTRACTS

The accounting policies adopted by the Group can be summarised, as follows:

(i) Separating components from insurance and reinsurance contracts

The Group assesses its non-life insurance and reinsurance products to determine whether they contain distinct components which must be accounted for under another SFRS(I) instead of under SFRS(I) 17. After separating any distinct components, the Group applies SFRS(I) 17 to all remaining components of the (host) insurance contract. Currently, the Group's products do not include any distinct components that require separation.

(ii) *Level of aggregation*

SFRS(I) 17 requires an entity to determine the level of aggregation for applying its requirements. The level of aggregation for the Group is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together.

The Group has elected to group contracts/portfolio with similar risks and managed together as a cohort. The cohort is determined by underwriting year written between January to December.

(iii) *Onerous group of contracts*

The Group has assessed the historical performance of each contract in order to conclude whether it should be classified as loss making. In addition, the expected combined operating ratio for each policy will be used to inform the group of contracts as onerous. Specific analysis and justification will be made at each reporting period.

(iv) *Contract boundary*

The Group includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with insurance contract services.

The analysis on the contract written was based on the following criteria:

- The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contains the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and

- The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment.

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.10 RECOGNITION AND MEASUREMENT OF INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(v) *Discount rate*

SFRS(I) 17 outlines two prescribed methods; namely: bottom-up and top-down methods, for generating a yield curve to be used for the discounting calculation.

The Group considers the bottom-up method to be the most appropriate in order to generate the yield curves required under SFRS(I) 17.

(vi) *Risk adjustment*

Risk adjustments for non-financial risk is the compensation that the Group requires for bearing uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that the Group would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.

For contracts with contract boundary of one year or less are automatically eligible for the PAA and those which pass the PAA eligibility test, the risk adjustment valuation may therefore only be required for liability for incurred claims as the Group would expect the time between providing each part of the services and the related premium due date will be no more than a year. Accordingly, for the risk adjustment calculation permitted under SFRS(I) 17, the Group applies a provision of risk margin for adverse deviation ("PAD") to determine the risk adjustment for non-financial risk. The PAD allows for the possibility that reinsured claims may be higher than expected and ensures the sufficiency of reserves at 75% confidence level.

3.10.1 *Insurance contracts – initial measurement*

The Group applies the premium allocation approach ("PAA") to all the insurance contracts that it issues and reinsurance contracts that it holds, as:

- The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary.

- For contracts longer than one year, the Group has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model.

- In assessing materiality, the Group has also considered qualitative factors such as the nature of the risk and types of its lines of business. Variability in the fulfilment cash flows increases with, for example: The extent of future cash flows related to any derivatives embedded in the contracts. The length of the coverage period of the group of contracts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.10 RECOGNITION AND MEASUREMENT OF INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

3.10.1 *Insurance contracts – initial measurement* (Continued)

For a group of contracts that is not onerous at initial recognition, the Group measures the liability for remaining coverage as:

- The premiums, if any, received at initial recognition
- Plus or minus any amount arising from the derecognition at that date of the asset recognised for insurance acquisition cash flows and
- Any other asset or liability previously recognised for cash flows related to the group of contracts that the Group pays or receives before the group of insurance contracts is recognised.

Where facts and circumstances indicate that contracts are onerous at initial recognition, the Group performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs. The Company chose to expense insurance acquisition cash flows as they occur.

3.10.2 *Reinsurance contracts held – initial measurement*

The Group measures its reinsurance assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues. However, they are adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued, for example the generation of expenses or reduction in expenses rather than revenue.

Where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

The Group calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held. The Group uses a systematic and rational method to determine the portion of losses recognised on the group to insurance contracts covered by the group of reinsurance contracts held where some contracts in the underlying group are not covered by the group of reinsurance contracts held. The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.10 RECOGNITION AND MEASUREMENT OF INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

3.10.3 *Insurance contracts – subsequent measurement*

The Group measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- Plus premiums received in the period
- Plus any adjustment to the financing component, where applicable
- Minus the amount recognised as insurance revenue for the services provided in the period
- Minus any investment component paid or transferred to the liability for incurred claims

The Group estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims.

The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Group, and include an explicit adjustment for non-financial risk (the risk adjustment). The Group does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred. Where, during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

3.10.4 *Reinsurance contracts held – subsequent measurement*

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held. Where the Group has established a loss-recovery component, the Group subsequently reduces the loss recovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

3.10.5 *Insurance acquisition cash flows*

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs. The Group chooses to expense insurance acquisition cash flows as they occur.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.10 RECOGNITION AND MEASUREMENT OF INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

3.10.6 *Insurance contracts – modification and derecognition*

The Group derecognises insurance contracts when the rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled, or expired).

3.10.7 *Presentation*

The Group has presented separately, in the statement of financial position, the carrying amount of portfolios of insurance contracts issued that are assets, portfolios of insurance contracts issued that are liabilities, portfolios of reinsurance contracts held that are assets and portfolios of reinsurance contracts held that are liabilities.

Any assets for insurance acquisition cash flows recognised before the corresponding insurance contracts are included in the carrying amount of the related groups of insurance contracts are allocated to the carrying amount of the portfolios of insurance contracts that they relate to. The Group disaggregates the total amount recognised in the statement of comprehensive income into an insurance service result, comprising insurance revenue and insurance service expense, and insurance finance income or expenses, if any. The Group does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result. The Group separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

3.10.8 *Insurance revenue*

The insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period. The Group allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. But if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred insurance service expenses.

The Group changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate. For the periods presented, all revenue has been recognised on the basis of the passage of time.

3.10.9 *Loss components*

The Group assumes that no contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. Where this is not the case, and if at any time during the coverage period, the facts and circumstances indicate that a group of insurance contracts is onerous, the Group establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the carrying amount of the liability for remaining coverage of the group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.10 RECOGNITION AND MEASUREMENT OF INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

3.10.10 *Loss-recovery components*

Where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts, or when further onerous underlying insurance contracts are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the expected recovery of the losses. A loss-recovery component is subsequently reduced to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

3.10.11 *Net income or expense from reinsurance contracts held*

The Group presents separately on the face of the consolidated statement of comprehensive income, the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid. The Group treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held, and excludes investment components and commissions from an allocation of reinsurance premiums presented on the face of the statement of profit or loss and other comprehensive income.

3.11 EMPLOYEE BENEFITS

Defined contributions plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to statutory defined contribution pension plan are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset).

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11 EMPLOYEE BENEFITS (CONTINUED)

Defined benefit plans (Continued)

Remeasurements of the net defined benefit liability comprise actuarial gains and losses. The Group recognises them immediately in other comprehensive income and all expenses related to defined benefit plans in employee benefits expense in profit or loss.

When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised immediately in profit or loss when the plan amendment or curtailment occurs.

The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The gain or loss on settlement is the difference between the present value of the defined benefit obligation being settled as determined on the date of settlement and the settlement price, including any plan assets transferred and any payments made directly by the Group in connection with the settlement.

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 cash bonus or profit-sharing plans if the Group 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.

3.12 PROVISIONS

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.13 FINANCE INCOME AND FINANCE COST

Finance income comprises interest income, dividend income, gains on disposal of financial assets at fair value through other comprehensive income, fair value gains on financial assets at fair value through profit or loss, that are recognised in profit or loss and reclassifications of net gains previously recognised in other comprehensive income.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.13 FINANCE INCOME AND FINANCE COST (CONTINUED)

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, the Group applied a conservative method of non-recognition of interest income. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Interest income from loans and advances, accounts receivable purchase, hire purchase and leasing receivables

Interest income on loans and advances, accounts receivable purchase, hire purchase and leasing receivables is recognised in profit or loss on an accrual basis, taking into account the effective yield of the assets using the effective interest method.

Net investment income from debt securities and bank deposits

Net investment income from debt securities and bank deposits are recognised as it accrues in profit or loss using the effective interest method.

Dividend income

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

Finance costs

Finance costs comprise interest expense on borrowings and are recognised in profit or loss at amortised cost using the effective interest method.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.14 REVENUE RECOGNITION

Revenue from provision of services in the ordinary course of business is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised services.

The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.14 REVENUE RECOGNITION (CONTINUED)

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO.

Fee and commission income

Fee and commission income related to the loan and accounts receivable purchase financing services of the Group are recognised when the services are rendered.

Insurance contracts

Revenue recognition from insurance contracts is explained in Note 3.10.

3.15 TAX

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.15 TAX (CONTINUED)

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.16 DEPOSITS RELATING TO COLLATERAL OF CLIENTS

Deposits relating to collateral of the Group's insurance subsidiary's clients are held in a fiduciary capacity on behalf of the Group's clients and are excluded from the financial statements.

3.17 EARNINGS PER SHARE

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.18 CONTINGENCIES

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the branch.

A present obligation that arises from past events but is not recognised because:

(a) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(b) The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised on the statement of financial position of the Group and Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.19 SEGMENT REPORTING

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segment's operating results are reviewed regularly by the Group's CEO to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

4. INTEREST INCOME

	Group	
	2024	**2023**
	$'000	**$'000**
At amortised cost and arising from:		
Loans and advances, accounts receivable purchase, hire purchase and leasing receivables	**34,237**	30,232

Interest income for the years ended 31 December 2024 and 2023 have been calculated based on the effective interest rate method.

5. INTEREST EXPENSE

	Group	
	2024	**2023**
	$'000	**$'000**
At amortised cost and arising from:		
Borrowings from banks and Enterprise Singapore	**9,008**	8,054
Unwinding of discount for loans	**–**	91
	9,008	8,145

Interest expense for the years ended 31 December 2024 and 2023 have been calculated based on the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

6. INSURANCE SERVICE RESULTS OF INSURANCE SUBSIDIARY – ECICS LIMITED (AFTER INTERCOMPANY ELIMINATION)

	Group	
	2024	**2023**
	$'000	**$'000**
Insurance revenue	**13,769**	8,051
Insurance service expenses	**(24,717)**	(10,628)
Insurance service results before reinsurance contracts held	**(10,948)**	(2,577)
Allocation of reinsurance premiums	**(5,897)**	(2,182)
Reinsurance acquisition income	**2,401**	1,457
Amount recoverable from reinsurers from incurred claims	**8,301**	1,469
Net income from reinsurance contracts held	**4,805**	744
Insurance services results	**(6,143)**	(1,833)

The insurance service results reflect the maid insurance and work injury compensation, bonds and guarantee, property, casualty and motor insurance businesses of the insurance subsidiary, ECICS Limited, that are consolidated in the Group's profit or loss. All intra-group transactions relating to credit premium income and expenses are eliminated on consolidation.

7. FEE AND COMMISSION INCOME

	Group	
	2024	**2023**
	$'000	**$'000**
Fee income	**7,412**	6,482

The fee income are mainly service fees from provision of loans and advances, and accounts receivable purchase financing services to the customers. Fee income from loans are received/receivable on the disbursement of the loans, subject to the loan agreements. Fee income from accounts receivable purchase financing services are received/receivable on a monthly basis based on the amount of outstanding invoices being factored. These fees are recognised when services are rendered.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

8. NET INVESTMENT INCOME

	Group	
	2024	**2023**
	$'000	**$'000**
Net exchange gain/(loss)	**51**	(74)
Dividend income	**244**	679
Gain on disposal of financial assets through profit or loss	**64**	40
Net gain arising from financial assets through profit or loss	**521**	482
Interest income arising from:		
Debt securities at amortised cost	**419**	441
Bank and fixed deposits at amortised cost	**369**	386
Net accretion of discount for debt securities at amortised cost	**51**	25
	1,719	1,979

Interest income for the years ended 31 December 2024 and 2023 of financial assets at amortised cost have been calculated based on the effective interest rate method.

9. OTHER INCOME

	Group	
	2024	**2023**
	$'000	**$'000**
Recoveries – loans and advances, accounts receivable purchase, hire purchase and leasing receivables#	**32**	92
Gain on disposal of property, plant and equipment	**13**	40
Grant income	**99**	97
Write-back of reinsurance and other payables	**358**	664
Rental and service income	**102**	142
Facility and cancellation fees	**–**	132
Others	**271**	259
	875	1,426

Represents recoveries from loans and advances, accounts receivable purchase, hire purchase and leasing receivables which were previously written off.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

10. RECOGNITION OF ALLOWANCES FOR LOAN LOSSES AND IMPAIRMENT OF OTHER ASSETS

		Group	
	Note	2024 $'000	2023 $'000
In respect of loan loss allowance and impairment (made)/reversed:			
– loans and advances, hire purchase, leasing and accounts receivable purchase	24,25,26	**(627)**	(1,625)
– other receivables	27	**(105)**	(54)
– debt securities at amortised cost		**15**	(8)
– debts written-off		**(2)**	(30)
		(719)	(1,717)

11. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

		Group	
	Note	2024 $'000	2023 $'000
Amortisation of intangible assets	30	**141**	200
Depreciation of property, plant and equipment	29	**276**	322
Depreciation of investment property	31	**175**	177
Depreciation of right-of-use assets	33	**764**	819
Exchange (gain)/loss arising from revaluation		**(24)**	103
Audit fees			
– auditors of the Company		**495**	425
– other member firms of Ernst & Young International		**41**	41
– other auditors		**140**	125
Non-audit fees			
– auditors of the Company		**15**	15
– other auditors		**1**	19
Directors' fees		**354**	286
Fees paid to corporations in which the directors have interests	35	**296**	327
Contributions to defined contribution plans included in staff costs		**977**	1,148
Provision for severance pay and long service awards	20	**379**	202

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

12. TAX EXPENSE

	Note	Group 2024 $'000	Group 2023 $'000
Current tax expense			
Current year		**(1,878)**	(1,795)
Over/(under) provided in prior years		**39**	(100)
		(1,839)	(1,895)
Deferred tax expense			
Movements in temporary differences	21	**241**	79
		(1,598)	(1,816)
Reconciliation of effective tax rate			
Profit before tax		**5,307**	7,138
Tax using Singapore tax rate of 17% (2023:17%)		**(903)**	(1,213)
Effect of tax rates in foreign jurisdictions		**(201)**	(194)
Non-deductible expenses		**(293)**	(370)
Tax exempt income		**114**	228
Income not subject to tax		**36**	105
(Under)/over provided in prior years		**39**	(100)
Deferred tax asset not recognised		**(390)**	(284)
Others		**–**	12
		(1,598)	(1,816)

International tax reform – Pillar Two Model Rules

The new Pillar Two global minimum tax rules are substantively enacted in Singapore and will be effective for financial years starting on or after 1 January 2025. The Group is not in scope of Pillar Two Model Rules as its annual revenue falls below €750 million for the current and preceding four financial years.

The Group continues to follow Pillar Two legislative developments to evaluate the potential future impact on its operations, financial position and cash flows.

13. EARNINGS PER SHARE

	Group 2024 $'000	Group 2023 $'000
Basic and diluted earnings per share		
Basic earnings per share is based on:		
Net profit attributable to ordinary shareholders	**1,889**	3,439
	Number of shares	
Issued ordinary shares at beginning and end of the year	**375,969,665**	375,969,665

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

14. SHARE CAPITAL

	Group and Company Number of shares	
	2024	**2023**
Fully paid ordinary shares, with no par value		
At 1 January and 31 December	**375,969,665**	375,969,665

Issue of ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Capital management

Except for the regulated insurance, fund management, consumer lending and lending business in Indonesia, other subsidiaries of the Group are not regulated by externally imposed capital requirements. The capital of these regulated entities are separately managed to comply with the capital requirements required by the respective regulator.

The minimum paid up share capital required for the insurance business as stipulated by the local regulator is $25 million. The regulated insurance subsidiary has to comply with the Risk Based Capital Adequacy Requirement ("CAR") as prescribed by the Monetary Authority of Singapore ("MAS") (subject to the financial resource of the subsidiary not being less than $5 million). The regulated insurance subsidiary is in compliance with all externally imposed capital requirements during the year.

The regulated insurance subsidiary manages and ensures adequacy of its capital resources requirement in accordance with the computation of risk charge on insurance risk, investment risks and interest rate sensitivity and foreign currency mismatch between assets and liabilities and concentration risks as stipulated under the Insurance (Valuation and Capital) (Amendment) Regulations 2020. In addition, stress tests are conducted to understand the sensitivity of the key assumptions in the regulated insurance subsidiary's capital to the effects of plausible stress scenarios and evaluate how the regulated insurance subsidiary can continue to maintain adequate capital under such scenarios.

The minimum base capital required for the fund management business as stipulated by the local regulator is $250,000. The regulated fund management subsidiary has to comply with the base capital as prescribed by MAS. Base capital is the sum of paid-up ordinary share capital, paid-up irredeemable and non-cumulative preference share capital, statutory reserves and any unappropriated profit or loss in the latest audited accounts, less any interim loss in the latest accounts of the subsidiary and any dividend that has been declared since the latest audited accounts. The subsidiary is in compliance with all externally imposed capital requirements during the year.

The minimum paid up capital required for the consumer lending business as stipulated by the local regulator is $100,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

14. SHARE CAPITAL (CONTINUED)

Capital management (Continued)

The minimum equity required for the lending business in Indonesia as stipulated by the local regulator is at least IDR 100 billion and a minimum equity-to-paid up capital of 50%. The subsidiary is in compliance with all externally imposed capital requirements as at balance sheet date.

The Group's policy is to maintain a strong capital base so as to maintain market confidence and to sustain future development of the business as well as to ensure that the minimum required capital of its regulated subsidiaries is maintained at all times.

The Board of Directors monitors the return on equity, which the Group defines as profit after tax divided by total average shareholders' equity, excluding non-controlling interests. The Board of Directors also monitors the leverage ratio as well as the level of dividends to ordinary shareholders. The leverage ratio is defined as total consolidated liabilities divided by the total consolidated tangible net assets.

The Group's strategy is to maintain a leverage ratio of less than 5.5 times and dividend distribution of at least 30% of the earnings each year.

There were no changes to the Group's approach to capital management during the year.

15. OTHER RESERVES

The other reserves of the Group comprise the following balances:

	Group	
	2024	**2023**
	$'000	**$'000**
Capital reserve		
– Statutory reserve	**1,604**	1,604
– Other capital reserve	**(1,496)**	(1,496)
	108	108
Translation reserve	**(4,122)**	(6,248)
	(4,014)	(6,140)

Statutory reserve

The statutory reserve relates to the statutory legal reserve transferred from accumulated profits in accordance with the foreign jurisdiction in which one of the Group's subsidiaries operates.

Other capital reserve

The other capital reserve represents the effect of 25.07% dilution from 98.2% to 73.13% of the Group's shareholding interest in IFS Capital (Thailand) Public Company Limited following its initial public offer of 120 million new shares at an offer price of THB1.35 per share on 5 August 2010. As the change did not result in a loss of control, the effect of the dilution as computed was recognised directly in equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

15. OTHER RESERVES (CONTINUED)

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from the functional currency of the Company.

Dividends

The following dividends were declared and paid by the Company:

	2024 $'000	2023 $'000
Dividends paid		
A first and final one-tier tax exempt dividend of 0.50 cents per ordinary share (2023: 0.45 cents per ordinary share) paid in respect of previous financial year ended 31 December	**1,880**	1,692

Dividends proposed

A first and final one-tier tax exempt dividend of 0.50 (2023: 0.50) cents per ordinary share in respect of the financial year ended 31 December 2024 was proposed, subject to the approval of the Shareholders at the Annual General Meeting. The dividend has not been provided in these financial statements and there is no income tax consequence.

16. NON-CONTROLLING INTERESTS

The following subsidiaries have material non-controlling interests:

Company name	Principal place of business/ Country of incorporation	Operating segment	Ownership interests held by non-controlling interests 2024 %	2023 %
IFS Capital (Thailand) Public Company Limited	Thailand	Accounts receivable purchase, hire purchase and leasing	**26.9**	26.9
IFSAM VCC	Singapore	Invest in private credit fund	**22.0**	21.6

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

16. NON-CONTROLLING INTERESTS (CONTINUED)

The following summarises the financial information for IFS Capital (Thailand) Public Company Limited, prepared in accordance with SFRS(I)s. The information is before inter-company eliminations.

IFS Capital (Thailand) Public Company Limited

	2024 $'000	2023 $'000
Revenue	**14,540**	14,598
Profit	**5,153**	6,042
Other comprehensive income	**–**	(31)
Total comprehensive income	**5,153**	6,011
Attributable to NCI:		
– Profit	**1,385**	1,624
– Other comprehensive income	**–**	(8)
– **Total comprehensive income**	**1,385**	1,616
Total assets	**161,216**	145,362
Total liabilities	**(89,139)**	(77,908)
Net assets	**72,077**	67,454
Net assets attributable to NCI	**19,361**	18,118
Cash flows from/(used in) operating activities	**11**	(2,122)
Cash used in investing activities	**(1,962)**	(24)
Cash from/(used in) financing activities	**5,107**	(1,597)
Net increase/(decrease) in cash and cash equivalents	**3,156**	(3,743)
Dividends paid to non-controlling interests during the year*	**838**	869

* Included in cash flows from financing activities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

16. NON-CONTROLLING INTERESTS (CONTINUED)

The following summarises the financial information for IFSAM VCC, prepared in accordance with SFRS(I)s. The information is before inter-company eliminations.

IFSAM VCC

	2024 $'000	2023 $'000
Revenue	**2,159**	1,949
Profit	**1,552**	1,175
Total comprehensive income		
Attributable to NCI:		
– Profit	**444**	262
– **Total comprehensive income**	**444**	262
Total assets	**29,537**	26,424
Total liabilities	**(342)**	(491)
Net assets	**29,195**	25,933
Net assets attributable to NCI	**8,396**	5,693
Cash flows (used in)/from operating activities	**(1,226)**	1,150
Cash from/(used in) financing activities	**1,069**	(751)
Net (decrease)/increase in cash and cash equivalents	**(157)**	399
Dividends paid to non-controlling interests during the year*	**145**	363

* Included in cash flows from financing activities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

17. TRADE AND OTHER PAYABLES

	Note	Group 2024 $'000	Group 2023 $'000	Company 2024 $'000	Company 2023 $'000
Accounts receivable purchase owing to clients	26	**721**	793	**721**	793
Trade payables		**5,369**	713	**221**	129
Accrued operating expenses		**5,009**	4,716	**2,520**	2,424
Clients' deposits		**350**	773	**–**	429
Accrued interest payable		**904**	615	**857**	511
Dividend payable		**–**	141	**–**	–
		12,353	7,751	**4,319**	4,286
Payable within 12 months		**12,353**	7,751	**4,319**	4,286

Group and Company

Trade payables, accrued operating expenses and clients' deposits are non-interest bearing financial liabilities.

18. INTEREST-BEARING BORROWINGS

	Group 2024 $'000	Group 2023 $'000	Company 2024 $'000	Company 2023 $'000
Payable:				
Within 12 months	**269,538**	251,841	**186,497**	179,185
Between 1 and 5 years	**8,261**	11,494	**4,750**	10,544
	277,799	263,335	**191,247**	189,729

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

18. INTEREST-BEARING BORROWINGS (CONTINUED)

The interest-bearing borrowings comprise:

	Note	2024 Face Value $'000	2024 Carrying amount $'000	2023 Face value $'000	2023 Carrying amount $'000
Group					
Unsecured short-term bank loans	(a)	**245,203**	**245,203**	226,145	226,145
Unsecured long-term bank loans	(b)	**19,528**	**19,528**	21,250	21,250
Unsecured EFS loans	(c)	**13,068**	**13,068**	15,940	15,940
		277,799	**277,799**	263,335	263,335

	Note	2024 Face Value $'000	2024 Carrying amount $'000	2023 Face value $'000	2023 Carrying amount $'000
Company					
Unsecured short-term bank loans	(a)	**167,214**	**167,214**	156,281	156,281
Unsecured long-term bank loans	(b)	**10,965**	**10,965**	17,508	17,508
Unsecured EFS loans	(c)	**13,068**	**13,068**	15,940	15,940
		191,247	**191,247**	189,729	189,729

(a) The unsecured short-term bank loans bear nominal interest rates ranging from 2.9% to 5.3% (2023: 2.1% to 6.2%) per annum and are repayable in 2025. For the Group, these include subsidiaries' bank loans denominated in Malaysian Ringgit and Thai Baht.

(b) The unsecured long-term bank loans bear nominal interest rates 3.1% to 4.2% (2023: 3.1% to 4.7%) per annum and are repayable monthly or quarterly between 2025 to 2027 (2023: 2024 to 2027). For the Group, these include subsidiaries' bank loans denominated in Thai Baht.

(c) These represent unsecured advances from Enterprise Singapore to fund loans and advances extended by the Company to borrowers under the Enterprise Financing Scheme ("EFS"). Credit risk for loans and advances made under these schemes are shared by the providers of these borrowings and the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

18. INTEREST-BEARING BORROWINGS (CONTINUED)

Interest rates and repricing analysis:

	Floating rate $'000	Fixed interest rate maturing within 1 year $'000	Fixed interest rate maturing in 1 to 5 years $'000	Total $'000
Group				
31 December 2024				
Unsecured short-term bank loans	**245,203**	**–**	**–**	**245,203**
Unsecured long-term bank loans	**8,564**	**6,214**	**4,750**	**19,528**
Unsecured EFS loans	**–**	**13,068**	**–**	**13,068**
	253,767	**19,282**	**4,750**	**277,799**
31 December 2023				
Unsecured short-term bank loans	226,145	–	–	226,145
Unsecured long-term bank loans	3,742	6,964	10,544	21,250
Unsecured EFS loans	–	15,940	–	15,940
	229,887	22,904	10,544	263,335
Company				
31 December 2024				
Unsecured short-term bank loans	**167,215**	**–**	**–**	**167,215**
Unsecured long-term bank loans	**–**	**6,214**	**4,750**	**10,964**
Unsecured EFS loans	**–**	**13,068**	**–**	**13,068**
	167,215	**19,282**	**4,750**	**191,247**
31 December 2023				
Unsecured short-term bank loans	156,281	–	–	156,281
Unsecured long-term bank loans	–	6,964	10,544	17,508
Unsecured EFS loans	–	15,940	–	15,940
	156,281	22,904	10,544	189,729

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

18. INTEREST-BEARING BORROWINGS (CONTINUED)

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

	Interest-bearing borrowings $'000	Lease liabilities $'000	Total $'000
Balance at 1 January 2024	**263,335**	**3,076**	**266,411**
Changes from financing cash flow:			
Proceeds	**952,399**	**–**	**952,399**
Repayments	**(941,113)**	**(840)**	**(941,953)**
Translation adjustments	**3,178**	**12**	**3,190**
Total changes from financing cash flow	**14,464**	**(828)**	**13,636**
Other changes:			
Additions	**–**	**92**	**92**
Interest expenses accretion	**–**	**140**	**140**
Total other changes	**–**	**232**	**232**
Balance at 31 December 2024	**277,799**	**2,480**	**280,279**
Balance at 1 January 2023	169,540	3,772	173,312
Changes from financing cash flow:			
Proceeds	439,559	–	439,559
Repayments	(345,067)	(1,001)	(346,068)
Translation adjustments	(697)	(13)	(710)
Total changes from financing cash flow	93,795	(1,014)	92,781
Other changes:			
Additions	–	243	243
Written-off	–	(121)	(121)
Interest expenses accretion	–	196	196
Total other changes	–	318	318
Balance at 31 December 2023	263,335	3,076	266,411

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

19. INSURANCE AND REINSURANCE CONTRACTS

The breakdown of groups of insurance and reinsurance contracts issued, and reinsurance contracts held, that are in an asset position and those in a liability position is set out in the table below:

	2024			2023		
	Assets $'000	Liabilities $'000	Net $'000	Assets $'000	Liabilities $'000	Net $'000
Insurance contract issued						
Motor	**–**	**19,693**	**19,693**	–	10,918	10,918
Non-motor	**–**	**4,543**	**4,543**	–	3,649	3,649
Total insurance contracts issued	**–**	**24,236**	**24,236**	–	14,567	14,567
Reinsurance contract held						
Motor	**5,785**	**–**	**5,785**	2,074	–	2,074
Non-motor	**1,103**	**–**	**1,103**	780	–	780
Total reinsurance contracts held	**6,888**	**–**	**6,888**	2,854	–	2,854

The Group disaggregates information to provide disclosure in respect of major product lines separately: Motor and Non-Motor. This disaggregation has been determined based on how the Group is managed. The rollforward of the net asset or liability for insurance contracts issued and reinsurance contract held, showing the asset/liability for remaining coverage and the asset/liability for incurred claims for motor and non-motor insurance product line, is disclosed in the table below; The Group has made an accounting policy choice for the product line to expense acquisition cash flows as they arise.

19. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

19.1. ROLLFORWARD OF NET ASSET OR LIABILITY FOR INSURANCE CONTRACTS ISSUED SHOWING THE LIABILITY FOR REMAINING COVERAGE AND THE LIABILITY FOR INCURRED CLAIMS

19.1.1. *Motor insurance*

	2024					2023				
	Liability for remaining coverage		Liability for incurred claims		Total	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component $'000	Loss component $'000	Estimates of the PV of FCF $'000	Risk adjustment $'000	$'000	Excluding loss component $'000	Loss component $'000	Estimates of the PV of FCF $'000	Risk adjustment $'000	$'000
Insurance contract liabilities as at 1 January	**4,215**	**–**	**6,116**	**587**	**10,918**	3,138	–	3,958	428	7,524
Insurance contract assets as at 1 January	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
Net insurance contract liabilities/ (assets) as at 1 January	**4,215**	**–**	**6,116**	**587**	**10,918**	3,138	–	3,958	428	7,524
Insurance revenue	**(12,662)**	**–**	**–**	**–**	**(12,662)**	(7,218)	–	–	–	(7,218)
Insurance service expenses										
– Incurred claims and other expenses	**–**	**–**	**3,212**	**–**	**3,212**	–	–	2,727	–	2,727
– Insurance acquisition expense	**–**	**–**	**4,145**	**–**	**4,145**	–	–	2,428	–	2,428
– Losses on onerous contracts and reversals of those losses	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
– Changes to liabilities for incurred claims	**–**	**–**	**10,638**	**513**	**11,151**	–	–	4,740	159	4,899
Total insurance service expenses	**–**	**–**	**17,995**	**513**	**18,508**	–		9,895	159	10,054
Investment component	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
Insurance service results	**(12,622)**	**–**	**17,995**	**513**	**5,846**	(7,218)	–	9,895	159	2,836
Insurance finance expenses	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
Effect of movements in exchange rate	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
Total changes in the statement of comprehensive income	**(12,622)**	**–**	**17,995**	**513**	**5,846**	(7,218)	–	9,895	159	2,836
Cash flows										
– Premiums received	**16,015**	**–**	**–**	**–**	**16,015**	8,295	–	–	–	8,295
– Cash collateral received/(refunded)	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
– Claims and other expenses paid	**–**	**–**	**(13,086)**	**–**	**(13,086)**	–	–	(7,737)	–	(7,737)
Total cash flows	**16,015**	**–**	**(13,086)**	**–**	**2,929**	8,295	–	(7,737)	–	558
Insurance contract liabilities as at 31 December	**7,568**	**–**	**11,025**	**1,100**	**19,693**	4,215	–	6,116	587	10,918
Insurance contract assets as at 31 December	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
Net insurance contract liabilities/ (assets) as at 31 December	**7,568**	**–**	**11,025**	**1,100**	**19,693**	4,215	–	6,116	587	10,918

19. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

19.1. ROLLFORWARD OF NET ASSET OR LIABILITY FOR INSURANCE CONTRACTS ISSUED SHOWING THE LIABILITY FOR REMAINING COVERAGE AND THE LIABILITY FOR INCURRED CLAIMS (CONTINUED)

19.1.2. *Non-Motor insurance*

	2024					2023				
	Liability for remaining coverage		Liability for incurred claims		Total	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component $'000	Loss component $'000	Estimates of the PV of FCF $'000	Risk adjustment $'000	$'000	Estimates of the PV of FCF $'000	Risk adjustment $'000	Estimates of the PV of FCF $'000	Risk adjustment $'000	$'000
Insurance contract liabilities as at 1 January	**1,312**	**3**	**1,998**	**336**	**3,649**	1,087	–	2,583	375	4,045
Insurance contract assets as at 1 January	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
Net insurance contract liabilities/ (assets) as at 1 January	**1,312**	**3**	**1,998**	**336**	**3,649**	1,087	–	2,583	375	4,045
Insurance revenue	**(1,107)**	**–**	**–**	**–**	**(1,107)**	(833)	–	–	–	(833)
Insurance service expenses										
– Incurred claims and other expenses	**–**	**–**	**252**	**–**	**252**	–	–	248	–	248
– Insurance acquisition expense	**–**	**–**	**342**	**–**	**342**	–	–	407	–	407
– Losses on onerous contracts and reversals of those losses	**–**	**(3)**	**–**	**–**	**(3)**	–	3	–	–	3
– Changes to liabilities for incurred claims	**–**	**–**	**5,626**	**(8)**	**5,618**	–	–	(45)	(39)	(84)
Total insurance service expenses	**–**	**(3)**	**6,220**	**(8)**	**6,209**	–	3	610	(39)	574
Investment component	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
Insurance service results	**(1,107)**	**(3)**	**6,220**	**(8)**	**5,102**	(833)	3	610	(39)	(259)
Insurance finance expenses	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
Effect of movements in exchange rate	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
Total changes in the statement of comprehensive income	**(1,107)**	**(3)**	**6,220**	**(8)**	**5,102**	(833)	3	610	(39)	(259)
Cash flows										
– Premiums received	**1,194**	**–**	**–**	**–**	**1,194**	1,039	–	–	–	1,039
– Cash collateral received/(refunded)	**778**	**–**	**–**	**–**	**778**	19	–	–	–	19
– Claims and other expenses paid	**–**	**–**	**(6,180)**	**–**	**(6,180)**	–	–	(1,195)	–	(1,195)
Total cash flows	**1,972**	**–**	**(6,180)**	**–**	**(4,208)**	1,058	–	(1,195)	–	(137)
Insurance contract liabilities as at 31 December	**2,177**	**–**	**2,038**	**328**	**4,543**	1,312	3	1,998	336	3,649
Insurance contract assets as at 31 December	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
Net insurance contract liabilities/ (assets) as at 31 December	**2,177**	**–**	**2,038**	**328**	**4,543**	1,312	3	1,998	336	3,649

19. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

19.2. ROLLFORWARD OF NET ASSET OR LIABILITY FOR REINSURANCE CONTRACTS HELD SHOWING THE ASSETS FOR REMAINING COVERAGE AND THE AMOUNTS RECOVERABLE ON INCURRED CLAIMS

19.2.1. *Motor insurance*

	2024					2023				
	Asset for remaining coverage		Amount recoverable on incurred claims		Total	Asset for remaining coverage		Amount recoverable on incurred claims		Total
	Excluding loss recovery component $'000	Loss recovery component $'000	Estimates of the PV of FCF $'000	Risk adjustment $'000	$'000	Excluding loss recovery component $'000	Loss recovery component $'000	Estimates of the PV of FCF $'000	Risk adjustment $'000	$'000
Reinsurance contract assets as at 1 January	**730**	**–**	**1,204**	**140**	**2,074**	–	–	175	21	196
Reinsurance contract liabilities as at 1 January	**–**	**–**	**–**	**–**	**–**	(383)	–	–	–	(383)
Net reinsurance contract assets/(liabilities) as at 1 January	**730**	**–**	**1,204**	**140**	**2,074**	(383)	–	175	21	(187)
Allocation of reinsurance premiums	**(5,688)**	**–**	**–**	**–**	**(5,688)**	(1,934)	–	–	–	(1,934)
Amount recoverable incurred claims and other expenses										
– Loss recovery on onerous underlying contracts and adjustments	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
– Changes to amount recoverable for incurred claims	**–**	**–**	**4,161**	**237**	**4,398**	–	–	1,526	119	1,645
– Acquisition income from reinsurance contracts	**2,188**	**–**	**–**	**–**	**2,188**	1,445	–	–	–	1,445
Total amount recoverable incurred claims and other expenses	**2,188**	**–**	**4,161**	**237**	**6,586**	1,445	–	1,526	119	3,090
Reinsurance investment components	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
Net income or expense from reinsurance contracts held	**(3,500)**	**–**	**4,161**	**237**	**898**	(489)	–	1,526	119	1,156
Reinsurance finance income	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
Effect of changes in non-performance risk of reinsurers	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
Effect of movements in exchange rate	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
Total changes in the statement of comprehensive income	**(3,500)**	**–**	**4,161**	**237**	**898**	(489)	–	1,526	119	1,156
Cash flows										
– Premiums paid	**4,087**	**–**	**–**	**–**	**4,087**	3,047	–	–	–	3,047
– Amounts received	**(527)**	**–**	**(747)**	**–**	**(1,274)**	(1,445)	–	(497)	–	(1,942)
Total cash flows	**3,560**	**–**	**(747)**	**–**	**2,813**	1,602	–	(497)	–	1,105
Reinsurance contract assets as at 31 December	**790**	**–**	**4,618**	**377**	**5,785**	730	–	1,204	140	2,074
Reinsurance contract liabilities as at 31 December	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
Net reinsurance contract assets/(liabilities) as at 31 December	**790**	**–**	**4,618**	**377**	**5,785**	730	–	1,204	140	2,074

19. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

19.2. ROLLFORWARD OF NET ASSET OR LIABILITY FOR REINSURANCE CONTRACTS HELD SHOWING THE ASSETS FOR REMAINING COVERAGE AND THE AMOUNTS RECOVERABLE ON INCURRED CLAIMS (CONTINUED)

19.2.2. *Non-Motor insurance*

	2024 Asset for remaining coverage		2024 Amount recoverable on incurred claims		2024	2023 Asset for remaining coverage		2023 Amount recoverable on incurred claims		2023
	Excluding loss recovery component $'000	Loss recovery component $'000	Estimates of the PV of FCF $'000	Risk adjustment $'000	Total $'000	Excluding loss recovery component $'000	Loss recovery component $'000	Estimates of the PV of FCF $'000	Risk adjustment $'000	Total $'000
Reinsurance contract assets as at 1 January	**49**	**–**	**610**	**121**	**780**	309	–	741	140	1,190
Reinsurance contract liabilities as at 1 January	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
Net reinsurance contract assets/ (liabilities) as at 1 January	**49**	**–**	**610**	**121**	**780**	309	–	741	140	1,190
Allocation of reinsurance premiums	**(209)**	**–**	**–**	**–**	**(209)**	(248)	–	–	–	(248)
Amount recoverable incurred claims and other expenses										
– Loss recovery on onerous underlying contracts and adjustments	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
– Changes to amount recoverable for incurred claims	**–**	**–**	**3,913**	**(10)**	**3,903**	–	–	(157)	(19)	(176)
– Acquisition income from reinsurance contracts	**213**	**–**	**–**	**–**	**213**	12	–	–	–	12
Total amount recoverable incurred claims and other expenses	**213**	**–**	**3,913**	**(10)**	**4,116**	12	–	(157)	(19)	(164)
Reinsurance investment components	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
Net income or expense from reinsurance contracts held	**4**	**–**	**3,913**	**(10)**	**3,907**	(236)	–	(157)	(19)	(412)
Reinsurance finance income	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
Effect of changes in non-performance risk of reinsurers	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
Effect of movements in exchange rate	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
Total changes in the statement of comprehensive income	**4**	**–**	**3,913**	**(10)**	**3,907**	(236)	–	(157)	(19)	(412)
Cash flows										
– Premiums paid	**145**	**–**	**–**	**–**	**145**	(12)	–	–	–	(12)
– Amounts received	**(213)**	**–**	**(3,516)**	**–**	**(3,729)**	(12)	–	26	–	14
Total cash flows	**68**	**–**	**(3,516)**	**–**	**(3,584)**	(24)	–	26	–	2
Reinsurance contract assets as at 31 December	**(15)**	**–**	**1,007**	**111**	**1,103**	49	–	610	121	780
Reinsurance contract liabilities as at 31 December	**–**	**–**	**–**	**–**	**(15)**	–	–	–	–	–
Net reinsurance contract assets/ (liabilities) as at 31 December	**(15)**	**–**	**1,007**	**111**	**1,103**	49	–	610	121	780

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20. EMPLOYEE BENEFITS

Two foreign subsidiaries of the Group provide for employee benefits under each respective country. In Thailand, severance pay under the Thai Labour Protection Act and long service awards are payable to employees. In Indonesia, post-employment benefits are provided for its employees when their services are terminated due to retirement. The foreign subsidiaries of the Group calculated the provision for employee benefits by using the actuarial technique.

In respect of the actuarial assumptions of Thailand, the principal actuarial assumptions at the reporting date are as follows:

	Group	
	2024	**2023**
Discount rate at 31 December	**2.84%**	2.84%
Resignation rate based on age group of employees	**3%, 9% and 26%**	3%, 9% and 26%
Future salary increases	**5%**	5%

In respect of the actuarial assumptions of Indonesia, the principal actuarial assumptions at the reporting date are as follows:

	Group	
	2024	**2023**
Discount rate at 31 December	**7.13%**	7.10%
Future salary increases	**5%**	5%

Provision for employee benefits for the year ended 31 December consists of the following:

		Group	
	Note	**2024 $'000**	**2023 $'000**
At 1 January		**1,427**	1,426
Provision for severance pay and long service awards	11	**379**	202
Remeasurements:			
– Experience assumptions		**(78)**	16
Benefits paid during the year		**(110)**	(204)
Translation adjustments		**55**	(13)
At 31 December		**1,673**	1,427

An amount of $379,000 (2023: $202,000) in respect of the defined benefit provisions was recognised in "General and administrative expenses" in the consolidated statement of profit or loss for the year ended 31 December 2024 (Note 11).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

20. EMPLOYEE BENEFITS (CONTINUED)

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarises how the impact on the defined benefit obligation at the end of the reporting period would have increased/(decreased) as a result of a change in the respective assumptions by one percent.

	Defined benefit obligation			
	2024		2023	
Group	**1 percent increase $'000**	**1 percent decrease $'000**	**1 percent increase $'000**	**1 percent decrease $'000**
Discount rate	**(124)**	**143**	(118)	136
Future salary increases	**151**	**(132)**	132	(116)

The above sensitivities are based on the average duration of the benefit obligation determined at the date of the last full actuarial valuation and are applied to adjust the defined benefit obligation at the end of the reporting period for the assumptions concerned.

21. DEFERRED TAX ASSETS AND LIABILITIES

The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in respective countries in which certain subsidiaries operate. The deductible temporary differences do not expire under current tax legislation, except for unutilised tax losses of the Malaysia incorporated subsidiaries which will expire in 2028.

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2024 $'000	**2023 $'000**	**2024 $'000**	**2023 $'000**
Group				
Credit loss allowance for loans and advances, hire purchase and leasing receivables	**(551)**	(222)	**–**	–
Credit loss allowance for accounts receivable purchase	**(859)**	(829)	**–**	–
Employee benefits	**(343)**	(288)	**–**	–
Unutilised tax losses and capital allowances	**(1,741)**	(1,752)	**–**	–
Property, plant and equipment	**–**	–	**94**	66
Deferred tax (assets)/liabilities	**(3,494)**	(3,091)	**94**	66
Set-off of tax	**94**	66	**(94)**	(66)
Net deferred tax assets	**(3,400)**	(3,025)	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

21. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

Recognised deferred tax assets and liabilities (Continued)

The movements in temporary differences during the year are as follows:

	Balance as at 1.1.2024 $'000	Recognised in profit or loss (Note 12) $'000	Recognised in other comprehensive income $'000	Exchange differences $'000	Balance as at 2024 $'000
Group					
Deferred tax assets					
Credit loss allowance for loans and advances, hire purchase and leasing receivables	(222)	(301)	–	(28)	(551)
Credit loss allowance for accounts receivable purchase	(829)	–	–	(30)	(859)
Employee benefits	(288)	(43)	–	(12)	(343)
Unutilised tax losses and capital allowances	(1,752)	76	–	(65)	(1,741)
	(3,091)	(268)	–	(135)	(3,494)
Deferred tax liabilities					
Property, plant and equipment	66	27	–	1	94
Other investments	–	–	–	–	–
	66	27	–	1	94

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

21. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

Recognised deferred tax assets and liabilities (Continued)

	Balance as at 1.1.2023 $'000	Recognised in profit or loss (Note 12) $'000	Recognised in other comprehensive income $'000	Exchange differences $'000	Balance as at 2023 $'000
Group					
Deferred tax assets					
Credit loss allowance for loans and advances, hire purchase and leasing receivables	(221)	(3)	–	2	(222)
Credit loss allowance for accounts receivable purchase	(826)	(11)	–	8	(829)
Employee benefits	(278)	(12)	(2)	4	(288)
Unutilised tax losses and capital allowances	(1,847)	25	–	70	(1,752)
	(3,172)	(1)	(2)	84	(3,091)
Deferred tax liabilities					
Property, plant and equipment	144	(78)	–	–	66
	144	(78)	–	–	66

	Balance as at 1.1.2023 $'000	Recognised in profit or loss $'000	Balance as at 2023 $'000
Company			
Deferred tax liabilities			
Property, plant and equipment	84	(84)	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

21. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	2024 $'000	2023 $'000
Unutilised tax losses	**24,120**	24,591

Deferred tax assets have not been recognised in respect of these tax losses because it is not probable that sufficient future taxable profit will be available against which the specific Group entities can utilise the benefits.

22. CASH AND CASH EQUIVALENTS

	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Cash at banks and in hand	**28,907**	36,226	**3,543**	8,469
Fixed deposits	**1,876**	6,245	**813**	5,219
Money market fund	**8,600**	–	**–**	–
Deposit held on behalf of policyholder in respect of insurance business	**1,599**	821	**–**	–
Cash and cash equivalents in the consolidated statement of cash flows	**40,982**	43,292	**4,356**	13,688

Cash and cash equivalents held at the end of the reporting period is interest bearing (with the exception of cash in hand) and are classified as Stage 1 financial assets as they are entered into with counterparties of an investment grade. The loss allowance of these financial assets is measured at an amount equal to a 12-month ECL and is not considered material.

The Group has clients' monies placed as fixed deposits of $1,599,000 (2023: $821,000) held as collaterals for guarantees issued on behalf of policyholders which are not available for use in the Group's day to day operations. The fair value of the cash collateral as at reporting dates approximate their carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

22. CASH AND CASH EQUIVALENTS (CONTINUED)

Interest rates and repricing analysis:

	Weighted average contractual interest rate %	Floating rate $'000	Fixed interest rate maturing within 1 year $'000	Non-interest bearing $'000	Total $'000
Group					
31 December 2024					
Cash at banks and in hand	**0.8**	**17,832**	**553**	**10,522**	**28,907**
Fixed deposits	**2.3**	**–**	**1,876**	**–**	**1,876**
Money market fund	**2.9**	**8,600**	**–**	**–**	**8,600**
Deposit held on behalf of policyholder in respect of insurance business		**–**	**1,599**	**–**	**1,599**
		26,432	**4,028**	**10,522**	**40,982**
31 December 2023					
Cash at banks and in hand	0.9	22,844	–	9,248	32,092
Fixed deposits	2.5	4,134	6,245	–	10,379
Deposit held on behalf of policyholder in respect of insurance business		–	821	–	821
		26,978	7,066	9,248	43,292
Company					
31 December 2024					
Cash at banks and in hand	**0.7**	**1,835**	**–**	**1,708**	**3,543**
Fixed deposits	**2.9**	**–**	**813**	**–**	**813**
		1,835	**813**	**1,708**	**4,356**
31 December 2023					
Cash at banks and in hand	–	4,825	–	3,644	8,469
Fixed deposits	4.0	–	5,219	–	5,219
		4,825	5,219	3,644	13,688

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

23. OTHER INVESTMENTS

	Note	Group 2024 $'000	Group 2023 $'000	Company 2024 $'000	Company 2023 $'000
Non-current					
Amortised cost					
– Quoted debt securities	(a)	**7,971**	11,196	**–**	–
Allowance for impairment loss		**(26)**	(41)	**–**	–
		7,945	11,155	**–**	–
Mandatorily at FVTPL					
– Unquoted equity securities		**1,253**	1,140	**–**	–
– Unquoted private credit fund	(b)	**–**	–	**19,000**	19,000
		9,198	12,295	**19,000**	19,000
Current					
Amortised cost					
– Quoted debt securities	(a)	**6,582**	6,520	**–**	–
Allowance for impairment loss		**(2,000)**	(2,000)	**–**	–
		4,582	4,520	**–**	–
Mandatorily at FVTPL					
– Quoted equity securities		**4,656**	4,166	**–**	–
– Quoted perpetual securities	(c)	**4,457**	3,580	**–**	–
– Unquoted convertible loans	(d)	**1**	1	**–**	–
		13,696	12,267	**–**	–
Total		**22,894**	24,562	**19,000**	19,000

(a) Debt securities classified as at amortised cost (2023: at amortised cost) of the Group have stated interest rates at zero coupon to 5.46% (2023: zero coupon to 5.70%) and mature in years from 2023 to 2032.

(b) Unquoted private credit fund is a sub-fund of IFSAM VCC, a subsidiary of IFS Capital Limited. As such, the private credit fund has been consolidated in the group financials as IFS Capital Limited has controlling interest as at balance sheet date. IFSAM VCC is a consolidated structured entity. During the year and as at year end, there is no contractual arrangements that requires the Group to provide financial support to IFSAM VCC and there are no events or circumstances that could expose the Group to a loss. During the year, the Group has not provided any financial or other support to IFSAM VCC that are on a non-contractual basis.

(c) Perpetual securities at FVTPL have stated interest rates of 2.55% to 5.65% (2023: 3.15% to 5.90%).

(d) Unquoted convertible loans are non-interest bearing and contain embedded equity conversion options.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

23. OTHER INVESTMENTS (CONTINUED)

The maximum credit exposure to credit risk of debt securities, perpetual securities and unquoted convertible loans at the reporting date is the carrying amount.

Information about the Group's and Company's exposures to credit and market risk and fair value measurement is included in Note 36.

The weighted average contractual interest rates per annum of debt securities at the reporting date and the periods in which they mature are as follows:

Interest rates and repricing analysis:

	Weighted average contractual interest rate %	within 1 year $'000	Fixed interest rate maturing more than 1 year $'000	Total $'000
Group				
31 December 2024				
Debt securities at amortised cost	**2.9**	**4,582**	**7,945**	**12,527**
Perpetual securities at FVTPL	**4.3**	**4,457**	**–**	**4,457**
		9,039	**7,945**	**16,984**
31 December 2023				
Debt securities at amortised cost	3.3	4,520	11,155	15,675
Perpetual securities at FVTPL	4.4	3,580	–	3,580
		8,100	11,155	19,255

24. LOANS AND ADVANCES

	Note	Group 2024 $'000	Group 2023 $'000	Company 2024 $'000	Company 2023 $'000
Loans and advances		**284,556**	271,633	**181,576**	136,774
Allowances for expected credit loss		**(1,493)**	(3,766)	**(422)**	(424)
	36	**283,063**	267,867	**181,154**	136,350
Due within 12 months		**167,048**	156,018	**77,113**	75,998
Due after 12 months		**116,015**	111,849	**104,041**	60,352
		283,063	267,867	**181,154**	136,350

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

24. LOANS AND ADVANCES (CONTINUED)

The movements in allowances for expected credit loss on loans and advances during the year are as follows:

		Group		Company	
	Note	2024 $'000	2023 $'000	2024 $'000	2023 $'000
At 1 January		**3,766**	4,281	**424**	257
Translation adjustment		**82**	(114)	**–**	–
Allowance made/(reversed) during the year	10	**23**	(401)	**16**	167
Allowance utilised during the year		**(2,378)**	–	**(18)**	–
At 31 December		**1,493**	3,766	**422**	424

Interest rates and repricing analysis:

	Weighted average contractual interest rate %	Floating rate $'000	Fixed interest rate maturing within 1 year $'000	Fixed interest rate maturing in 1 to 5 years $'000	Total $'000
Group					
31 December 2024					
Fixed rate	**13.1**	**–**	**40,896**	**11,649**	**52,545**
Variable rate	**8.4**	**230,518**	**–**	**–**	**230,518**
		230,518	**40,896**	**11,649**	**283,063**
31 December 2023					
Fixed rate	8.6	–	38,537	10,866	49,403
Variable rate	8.8	218,464	–	–	218,464
		218,464	38,537	10,866	267,867
Company					
31 December 2024					
Fixed rate	**5.7**	**–**	**4,710**	**10,812**	**15,522**
Variable rate	**8.7**	**165,632**	**–**	**–**	**165,632**
		165,632	**4,710**	**10,812**	**181,154**
31 December 2023					
Fixed rate	5.2	–	9,104	10,097	19,201
Variable rate	8.0	117,149	–	–	117,149
		117,149	9,104	10,097	136,350

Variable rate loans and advances are repriced at intervals of three or six months (2023: three or six months).

The above loans and advances are reflected net of expected credit loss allowance for doubtful receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

25. HIRE PURCHASE AND LEASING RECEIVABLES

	Note	Group 2024 $'000	Group 2023 $'000
Gross receivables	36	**22,212**	23,051
Less: Unearned income		**(1,925)**	(1,890)
Less: Deposits on leasing receivables		**(2,974)**	(3,098)
		17,313	18,063
Allowances for expected credit loss			
– hire purchase receivables		**(59)**	(60)
– leasing receivables		**(328)**	(2,442)
		(387)	(2,502)
		16,926	15,561
Due within 12 months		**8,925**	7,339
Due after 12 months		**8,001**	8,222
		16,926	15,561

The movements in allowances for expected credit loss on hire purchase and leasing receivables during the year are as follows:

	Note	Group 2024 $'000	Group 2023 $'000
At 1 January		**2,502**	808
Translation adjustment		**(17)**	(76)
Allowance (reversed)/made during the year	10	**(138)**	1,785
Allowance utilised during the year		**(1,960)**	(15)
At 31 December		**387**	2,502

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

25. HIRE PURCHASE AND LEASING RECEIVABLES (CONTINUED)

Interest rates and repricing analysis:

	Weighted average contractual interest rate %	Floating rate $'000	Fixed interest rate maturing within 1 year $'000	Fixed interest rate maturing in 1 to 5 years $'000	Total $'000
Group					
31 December 2024					
Hire purchase and leasing receivables					
– fixed rate	**10.1**	**–**	**6,318**	**5,661**	**11,979**
– variable rate	**9.4**	**4,947**	**–**	**–**	**4,947**
		4,947	**6,318**	**5,661**	**16,926**
31 December 2023					
Hire purchase and leasing receivables					
– fixed rate	11.8	–	4,708	4,966	9,674
– variable rate	8.8	5,887	–	–	5,887
		5,887	4,708	4,966	15,561

The above hire purchase and leasing receivables are reflected net of expected credit loss allowance for doubtful receivables.

26. ACCOUNTS RECEIVABLE PURCHASE

	Note	Group 2024 $'000	Group 2023 $'000	Company 2024 $'000	Company 2023 $'000
Accounts receivable purchase	36	**189,443**	177,438	**20,368**	14,803
Less:					
Accounts receivable purchase owing to clients		**(41,395)**	(41,508)	**(6,190)**	(5,685)
		148,048	135,930	**14,178**	9,118
Allowance for expected credit loss		**(5,084)**	(9,717)	**(106)**	(2)
		142,964	126,213	**14,072**	9,116
Due within 12 months		**142,964**	126,213	**14,072**	9,116

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

26. ACCOUNTS RECEIVABLE PURCHASE (CONTINUED)

The movements in allowances for expected credit loss on accounts receivable purchase during the year are as follows:

		Group		Company	
	Note	2024 $'000	2023 $'000	2024 $'000	2023 $'000
At 1 January		**9,717**	9,895	**2**	2
Allowance made during the year	10	**742**	241	**104**	–
Allowance utilised during the year		**(5,626)**	(196)	**–**	–
Translation adjustment		**251**	(223)	**–**	–
At 31 December		**5,084**	9,717	**106**	2

The weighted average interest rates of accounts receivable purchase, net of accounts receivable purchase owing to clients included in trade and other payables of $721,000 for the Group and Company (2023: Group and Company: $793,000) (refer to Note 17), and allowance for doubtful receivables at the reporting date, and the periods in which they reprice are as follows:

	Weighted average contractual interest rate %	Total 2024 $'000	Weighted average contractual interest rate %	Total 2023 $'000
Group				
Accounts receivable purchase, net – variable rate	**8.9**	**142,243**	9.4	125,420
Company				
Accounts receivable purchase, net – variable rate	**8.6**	**13,351**	8.9	8,323

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

27. OTHER RECEIVABLES

		Group		Company	
	Note	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Amount owing by non-controlling shareholders		**122**	122	**3,708**	3,708
Loans to subsidiaries	28	**–**	–	**56,169**	96,202
Deposits		**54**	52	**3**	4
Tax recoverable		**10**	11	**–**	–
Accrued interest receivable		**139**	198	**–**	–
Others:					
– Gross receivables		**951**	1,279	**12**	21
– Allowances for expected credit loss		**(458)**	(508)	**(6)**	(25)
Others, net		**493**	771	**6**	(4)
		818	1,154	**59,886**	99,910
Prepayment		**833**	627	**262**	288
		1,651	1,781	**60,148**	100,198
Due within 12 months		**1,651**	1,781	**60,148**	100,198

The amount owing by non-controlling shareholders is unsecured and interest-free.

The loans to subsidiaries (trade) are unsecured and interest-bearing. The loans to subsidiaries (non-trade) are unsecured and non-interest bearing. Interest rates and repricing analysis for loans to subsidiaries are as set out in Note 28.

The movements in allowances for expected credit loss during the year are as follows:

		Group		Company	
	Note	2024 $'000	2023 $'000	2024 $'000	2023 $'000
At 1 January		**508**	554	**25**	121
Allowance made/(reversed) during the year	10	**105**	54	**–**	(2)
Allowance utilised during the year		**(155)**	(90)	**(19)**	(94)
Translation adjustments		**–**	(10)	**–**	–
At 31 December		**458**	508	**6**	25

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

28. LOANS TO SUBSIDIARIES

	Company 2024 $'000	Company 2023 $'000
Trade	**57,090**	93,271
Non-trade	**899**	4,751
	57,989	98,022
Allowance for impairment	**(1,820)**	(1,820)
	56,169	96,202
Due within 12 months (Note 27)	**56,169**	96,202

There is no movement in allowance for impairment loss on loan to a subsidiary (trade) during the year.

The loans to subsidiaries (trade) are unsecured and interest-bearing. The loans to subsidiaries (non-trade) are unsecured and non-interest bearing.

Interest rates and repricing analysis:

	Weighted average contractual interest rate %	Total 2024 $'000	Weighted average contractual interest rate %	Total 2023 $'000
Company				
Loans to subsidiaries				
– variable rate	**3.95**	**57,759**	3.7	96,613
– non-interest bearing		**230**		1,409
		57,989		98,022

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

29. PROPERTY, PLANT AND EQUIPMENT

	Freehold residential properties $'000	Freehold office properties $'000	Renovations $'000	Office equipment, furniture and fittings $'000	Computer equipment $'000	Motor vehicles $'000	Total $'000
Group							
Cost							
At 1 January 2024	183	2,976	490	1,338	1,301	373	6,661
Additions	–	–	–	61	46	–	107
Disposals	–	–	–	(12)	(13)	(55)	(80)
Write-offs	–	–	(95)	(423)	(487)	–	(1,005)
Effect of movements in exchange rates	–	80	10	22	7	7	126
At 31 December 2024	183	3,056	405	986	854	325	5,809
Accumulated depreciation and impairment							
At 1 January 2024	140	2,257	444	1,272	1,170	319	5,602
Depreciation for the year	3	164	7	23	59	20	276
Disposals	–	–	–	(12)	(13)	(55)	(80)
Write-offs	–	–	(76)	(423)	(485)	–	(984)
Effect of movements in exchange rates	–	73	10	21	6	8	118
At 31 December 2024	143	2,494	385	881	737	292	4,932
Carrying amounts							
At 31 December 2024	40	562	20	105	117	33	877

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

29. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold residential properties $'000	Freehold office properties $'000	Renovations $'000	Office equipment, furniture and fittings $'000	Computer equipment $'000	Motor vehicles $'000	Total $'000
Group							
Cost							
At 1 January 2023	183	2,997	471	1,307	1,287	463	6,708
Additions	–	–	31	53	55	37	176
Disposals	–	–	–	(4)	–	(120)	(124)
Write-offs	–	–	–	(4)	(29)	–	(33)
Effect of movements in exchange rates	–	(21)	(12)	(14)	(12)	(7)	(66)
At 31 December 2023	183	2,976	490	1,338	1,301	373	6,661
Accumulated depreciation and impairment							
At 1 January 2023	136	2,107	413	1,277	1,134	424	5,491
Depreciation for the year	4	166	41	15	75	21	322
Disposals	–	–	–	(4)	–	(120)	(124)
Write-offs	–	–	–	(2)	(28)	–	(30)
Effect of movements in exchange rates	–	(16)	(10)	(14)	(11)	(6)	(57)
At 31 December 2023	140	2,257	444	1,272	1,170	319	5,602
Carrying amounts							
At 31 December 2023	43	719	46	66	131	54	1,059

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

29. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold residential properties $'000	Renovations $'000	Office equipment, furniture and fittings $'000	Computer equipment $'000	Motor vehicles $'000	Total $'000
Company						
Cost						
At 1 January 2024	**183**	**152**	**158**	**414**	**16**	**923**
Additions	**–**	**–**	**33**	**20**	**–**	**53**
Disposal	**–**	**–**	**(1)**	**–**	**–**	**(1)**
Write-offs	**–**	**(61)**	**(70)**	**(219)**	**–**	**(350)**
At 31 December 2024	**183**	**91**	**120**	**215**	**16**	**625**
Accumulated depreciation						
At 1 January 2024	**140**	**131**	**137**	**349**	**7**	**764**
Depreciation for the year	**4**	**1**	**7**	**25**	**3**	**40**
Disposal	**–**	**–**	**–**	**(1)**	**–**	**(1)**
Write-offs	**–**	**(41)**	**(70)**	**(217)**	**–**	**(328)**
At 31 December 2024	**144**	**91**	**74**	**156**	**10**	**475**
Net carrying amounts						
At 31 December 2024	**39**	**–**	**46**	**59**	**6**	**150**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

29. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold residential properties $'000	Renovations $'000	Office equipment, furniture and fittings $'000	Computer equipment $'000	Motor vehicles $'000	Total $'000
Company						
Cost						
At 1 January 2023	183	152	140	410	16	901
Additions	–	–	22	33	–	55
Disposal	–	–	–	–	–	–
Write-offs	–	–	(4)	(29)	–	(33)
At 31 December 2023	183	152	158	414	16	923
Accumulated depreciation						
At 1 January 2023	136	109	138	343	4	730
Depreciation for the year	4	22	1	34	3	64
Disposal	–	–	–	–	–	–
Write-offs	–	–	(2)	(28)	–	(30)
At 31 December 2023	140	131	137	349	7	764
Net carrying amounts						
At 31 December 2023	43	21	21	65	9	159

As at 31 December 2024 and 2023, the Group's properties held as property, plant and equipment consist of the following:

Location	Title	Description of properties
#14-06 Seaview Tower, Ocean Palms Klebang Besar, Malacca, Malaysia	Freehold	Residential apartment
1168/55 Lumpini Tower #20-00, Units B, C, D, E & F, Rama IV Road, Tungmahamek, Sathorn, Bangkok, Thailand	Freehold	5 units – Offices Floor area: 14,396 sq ft

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

30. INTANGIBLE ASSETS

	Computer software $'000	Customer lists $'000	Membership rights $'000	Total $'000
Group				
Cost				
At 1 January 2024	**4,816**	**1,131**	**22**	**5,969**
Additions	**117**	**–**	**–**	**117**
Write-off	**(1,106)**	**–**	**–**	**(1,106)**
Effect of movements in exchange rates	**26**	**–**	**–**	**26**
At 31 December 2024	**3,853**	**1,131**	**22**	**5,006**
Accumulated amortisation and impairment loss				
At 1 January 2024	**4,623**	**1,131**	**17**	**5,771**
Amortisation charge for the year	**141**	**–**	**–**	**141**
Write-off	**(1,080)**	**–**	**–**	**(1,080)**
Effect of movements in exchange rates	**27**	**–**	**–**	**27**
At 31 December 2024	**3,711**	**1,131**	**17**	**4,859**
Net carrying amounts				
At 31 December 2024	**142**	**–**	**5**	**147**

	Computer software $'000	Customer lists $'000	Membership rights $'000	Total $'000
Group				
Cost				
At 1 January 2023	4,776	1,131	22	5,929
Additions	66	–	–	66
Write-off	(2)	–	–	(2)
Effect of movements in exchange rates	(24)	–	–	(24)
At 31 December 2023	4,816	1,131	22	5,969
Accumulated amortisation and impairment loss				
At 1 January 2023	4,449	1,131	17	5,597
Amortisation charge for the year	200	–	–	200
Write-off	(2)	–	–	(2)
Effect of movements in exchange rates	(24)	–	–	(24)
At 31 December 2023	4,623	1,131	17	5,771
Net carrying amounts				
At 31 December 2023	193	–	5	198

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

30. INTANGIBLE ASSETS (CONTINUED)

	Computer software	
	2024	**2023**
	$'000	**$'000**
Company		
Cost		
At 1 January	**1,790**	1,790
Additions	**50**	–
Write-off	**(765)**	–
At 31 December	**1,075**	1,790
Accumulated amortisation		
At 1 January	**1,680**	1,521
Amortisation charge for the year	**94**	159
Write-off	**(765)**	–
At 31 December	**1,009**	1,680
Carrying amounts		
At 31 December	**66**	110

The amortisation charge for the year is included in "General and administrative expenses" in the consolidated statement of profit or loss.

31. INVESTMENT PROPERTIES

	Group	
	2024	**2023**
	$'000	**$'000**
Cost		
At 1 January	**3,366**	3,398
Effects of movements in exchange rates	**123**	(32)
At 31 December	**3,489**	3,366
Accumulated depreciation		
At 1 January	**1,510**	1,346
Depreciation for the year	**175**	177
Effects of movements in exchange rates	**64**	(13)
At 31 December	**1,749**	1,510
Net carrying amounts		
At 31 December	**1,740**	1,856
Fair value		
At 31 December	**5,000**	4,823

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

31. INVESTMENT PROPERTIES (CONTINUED)

The fair value measurement for investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used by an independent valuer.

As at 31 December 2024 and 2023, the Group's investment properties consist of the following:

Location	**Title**	**Description of properties**
1168/73 Lumpini Tower, #25-00 Units C, D, E & F, Rama IV Road, Tungmahamek, Sathorn, Bangkok, Thailand	Freehold	4 units – Office Floor area: 11,492 sq ft
1168/53-54 Lumpini Tower, #20-00 Units A Rama IV Road, Tungmahamek, Sathorn, Bangkok, Thailand	Freehold	1 unit – Office Floor area: 4,549 sq ft

32. INVESTMENT IN SUBSIDIARIES

	Company	
	2024	**2023**
	$'000	**$'000**
Quoted ordinary shares, at cost	**9,048**	9,048
Unquoted ordinary shares, at cost	**87,207**	86,707
Quasi-equity loan	**10,970**	10,970
	107,225	106,725
Allowance for impairment	**(27,792)**	(10,592)
	79,433	96,133

Quasi-equity loan

Quasi-equity loan represents an interest-free loan provided by the Company to its subsidiary, PT. IFS Capital Indonesia, which is not expected to be repaid in the foreseeable future.

In 2024, there is an allowance for impairment loss on subsidiaries $17,200,000 (2023: Nil).

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the investee and insurance industry in Singapore (2023: investee and insurance industry in Singapore).

	2024	**2023**
Forecast years	**5**	5
Discount rate	**9% to 15%**	7% to 14%
Terminal value growth rate	**2.5% to 5.1%**	2.5% to 5%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

32. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:

Company name		Proportion of ownership interest					
		2024			2023		
Direct and indirect subsidiaries	Principal place of business/country of incorporation	Group's effective interest %	Held by Company %	Held by Subsidiary %	Group's effective interest %	Held by Company %	Held by Subsidiary %
ECICS Limited	Singapore	**100**	**100**	**–**	100	100	–
IFS Asset Management Private Limited	Singapore	**100**	**100**	**–**	100	100	–
IFS Capital Assets Private Limited	Singapore	**100**	**100**	**–**	100	100	–
IFS Consumer Services Private Limited	Singapore	**100**	**100**	**–**	100	100	–
IFS Ventures Private Limited	Singapore	**100**	**–**	**100**	100	–	100
IFSAM VCC	Singapore	**71.4**	**67.8**	**3.6**	78.0	74.1	3.9
Lendingpot Private Limited	Singapore	**100**	**–**	**100**	100	–	100
Multiply Capital Limited	Singapore	**100**	**25**	**75**	100	25	75
IFS Capital (Malaysia) Sdn. Bhd.	Malaysia	**70+**	**70+**	**–**	70+	70+	–
IFS Factors (Malaysia) Sdn. Bhd.	Malaysia	**30+**	**–**	**30+***	30+	–	30+*
Lendingpot Sdn. Bhd.	Malaysia	**100**	**–**	**100**	100	–	100
PT. IFS Capital Indonesia	Indonesia	**85+**	**85+**	**–**	85+	85+	–
PT. Lendingpot Technology Indonesia	Indonesia	**99.9**	**–**	**99.9**	99.9	–	99.9
IFS Capital Holdings (Thailand) Limited	Thailand	**100**	**99.98**	**0.02**	100	99.98	0.02
IFS Capital (Thailand) Public Company Limited	Thailand	**73.1**	**36.49**	**36.64**	73.1	36.49	36.64

\+ Consolidation is prepared based on 100% beneficial interest.

* Although the Group owns less than half of the voting power of IFS Factors (Malaysia) Sdn. Bhd. ("IFS Factors"), the Group has power over IFS Factors' exposure or rights to variable returns from its involvement with IFS Factors and the ability to use its power to affect those returns. Consequently, the Group consolidates the results of IFS Factors.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

32. INVESTMENT IN SUBSIDIARIES (CONTINUED)

The principal activities of the subsidiaries are as follows:

	Name of subsidiaries	Principal activities
[1]	ECICS Limited	Direct general insurer under the Insurance Act 1966
[1]	IFS Asset Management Private Limited	Fund management activities
[1]	IFS Capital Assets Private Limited	Working capital, asset-based financing, venture capital investments and private equity investments
[1]	IFS Consumer Services Private Limited	Money lending
[1]	IFS Ventures Private Limited	Venture capital investments
[1]	Lendingpot Private Limited	Web portal and online loan marketplace
[1]	Multiply Capital Limited	Accounts receivable purchase and credit agency services
[2]	IFS Capital (Malaysia) Sdn. Bhd.	Hire purchase financing, business debt accounts receivable purchase and provision of other related services
[2]	IFS Factors (Malaysia) Sdn. Bhd.	Hire purchase financing, business debt accounts receivable purchase, provision of other related services, focusing on government related projects
[3]	IFS Capital Holdings (Thailand) Limited	Investment holding
[3]	IFS Capital (Thailand) Public Company Limited	Accounts receivable purchase, hire purchase and leasing business
[4]	PT. IFS Capital Indonesia	Accounts receivable purchase of onshore and offshore short-term trade receivables, direct financing, operating leases and consumer financing
	PT. Lendingpot Technology Indonesia	Web portal and online loan marketplace
	Lendingpot Sdn. Bhd.	Web portal and online loan marketplace
[1]	IFSAM VCC	Invest in private credit fund

[1] Audited by Ernst & Young LLP Singapore
[2] Audited by other member firms of Ernst & Young LLP
[3] Audited by Deloitte Touche Tohmatsu Jaiyos Co., Ltd., Thailand
[4] Audited by KAP Mirawati Sensi Idris (a member of Moore Global Network Limited)

NOTES TO THE FINANCIAL STATEMENTS

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32. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Ernst & Young LLP Singapore is the auditor of all Singapore-incorporated subsidiaries of the Group. The only significant foreign-incorporated subsidiary, IFS Capital (Thailand) Public Company Limited, is audited by Deloitte Touche Tohmatsu Jaiyos Co., Ltd., Thailand. For this purpose, a subsidiary is considered significant as defined under the Singapore Exchange Limited Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

The Company complies with SGX Listing Manual Rule 716 as the Board of Directors and Audit and Risk Committee are satisfied that the appointment of different auditors for its listed significant Thailand-incorporated subsidiary would not compromise the standard and effectiveness of the Company's audit.

33. LEASES

Leases as lessee (SFRS(I) 16)

The Group entities lease in office premises and accommodation for a staff. The leases run for a period of 1-6 years. The Group entities are restricted from entering into any sub-lease arrangements.

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1 January	**2,975**	3,687	**2,597**	3,247
Additions during the year	**92**	243	**–**	–
Depreciation charge for the year	**(764)**	(819)	**(557)**	(650)
Written-off	**–**	(121)	**–**	–
Translation adjustment	**11**	(15)	**–**	–
Balance at 31 December	**2,314**	2,975	**2,040**	2,597
Lease liabilities				
Balance at 1 January	**3,076**	3,772	**2,700**	3,245
Additions during the year	**92**	243	**–**	–
Interest expense on lease liabilities	**140**	196	**119**	161
Repayments	**(840)**	(1,001)	**(632)**	(706)
Written-off	**–**	(121)	**–**	–
Translation adjustments	**12**	(13)	**–**	–
Balance at 31 December	**2,480**	3,076	**2,187**	2,700
Payable within 12 months	**635**	702	**545**	513
Payable after 12 months	**1,845**	2,374	**1,642**	2,187
	2,480	3,076	**2,187**	2,700

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

33. LEASES (CONTINUED)

Leases as lessee (SFRS(I) 16) (Continued)

Amounts recognised in profit or loss

	Group	
	2024	**2023**
	$'000	**$'000**
Leases under SFRS(I) 16		
Interest on lease liabilities	**140**	196
Depreciation of right-of-use assets	**764**	819

Amounts recognised in statement of cash flows

	Group	
	2024	**2023**
	$'000	**$'000**
Total cash outflow for leases	**840**	1,001

Leases as lessor

The Group leases out its investment properties (see Note 31).

Operating lease commitment

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

	2024	**2023**
	$'000	**$'000**
Operating leases under SFRS(I) 16		
Less than one year	**51**	137
One to two years	**32**	43
More than two years	**60**	–
Total	**143**	180

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

34. CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities

As at 31 December, the Group have bankers guarantees issued on behalf of customers and intra-group financial guarantees issued by the Company to banks on behalf of its subsidiaries, for the purpose obtaining credit lines from banks:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Bankers guarantees	**3,195**	353	**–**	–
Intra-group financial guarantees	**–**	–	**28,932**	37,348
	3,195	353	**28,932**	37,348

35. SIGNIFICANT RELATED PARTIES TRANSACTIONS

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Key management personnel compensation

	Group	
	2024	**2023**
	$'000	**$'000**
Short-term benefits	**2,514**	2,578
Post-employment benefits	**103**	97
	2,617	2,675

Key management personnel refers to the Group Chief Executive Officer, Chief Executive Officers and Country Head equivalent of the subsidiaries, and Senior Management of the Company, who have the authority and responsibility for planning, directing and controlling the activities of the Group and the Company.

Remuneration comprise salary, allowances, bonuses (comprises annual wage supplement and performance bonus), employers' contributions to defined contribution plans and other benefits including severance and retirement benefits provided for a key management personnel of an overseas subsidiary as required under the country's labour regulations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

35. SIGNIFICANT RELATED PARTIES TRANSACTIONS (CONTINUED)

Other related parties transactions

Other than disclosed elsewhere in the financial statements, the expenses/(income) arising from transactions with related parties under common control are as follows:

	Group	
	2024	**2023**
	$'000	**$'000**
Related parties		
Brokerage fees	**42**	181
Professional fees	**159**	49
Custodian fee	**23**	24
Fund management fees incurred	**72**	73
Rental income	**(26)**	(26)

36. FINANCIAL AND INSURANCE RISK MANAGEMENT

Accepting and managing risk is central to the business of being a financial services provider and is an important part of the Group's overall business strategy. The Group has adopted formal risk management policies and procedures which are approved by the Board of Directors. These risk management guidelines set out both procedures as well as quantitative limits to minimise risks arising from the Group's exposures to such factors. The main financial and insurance risks that the Group is exposed to and how they are being managed are set out below.

Credit risk

The principal risk to which the Group is exposed is credit risk in connection with its loans, accounts receivable purchase, bond, guarantee and insurance activities. Credit risk is the potential financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its financial and contractual obligations, as and when they fall due. Management has established credit and insurance processes and limits to manage these risks including performing credit reviews of its customers and counterparties, risk-sharing and obtaining collaterals as security where considered necessary.

Other credit risks represent the loss that would be recognised if counterparties in connection with insurance, reinsurance, investment and banking transactions failed to perform as contracted. Credit evaluations are performed on all new brokers, reinsurers, financial institutions and other counterparties.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

Credit risk in respect of the Group's lending activities is managed and monitored in accordance with defined credit policies and procedures. Significant credit risk strategies and policies are approved, and reviewed periodically by the Board of Directors. These include setting authority limits for approving credit facilities and establishing limits on single client, related entities, and industry exposures to ensure the broad diversification of credit risk and to avoid undue concentration. These policies are delegated to and disseminated under the guidance and control of the Regional Risk Manager. A delegated credit approval authority limit structure, approved by the Board of Directors, is as follows:

- The Independent Credit Department and senior management staff assess, review and make decisions on credit risks of the Group within the authority limits imposed by the Board;
- The Credit Risk Management Department independently assesses the creditworthiness and risk profile of the obligors and formulates credit policies and procedures for the Group;
- The Client Survey Department conducts audits on new accounts receivable purchase clients and sometimes, loan clients before account activation and for existing ones, on a periodic basis;
- Daily monitoring of accounts is handled by Client Relationship and Business Development Teams together with Operations Department and Credit Risk Management Department;
- The Internal Audit function provides independent assurance to senior management and the Audit Committee concerning compliance with credit processes, policies and the adequacy of internal controls; and
- Established limits and actual levels of exposure are regularly reviewed and reported to the Board of Directors on a periodic basis.

Credit risk arising on loans to customers under the Enterprise Financing Scheme are under risk-sharing arrangements with Enterprise Singapore, with the risk-sharing ranging from 50% to 70% (2023: 50% to 70%) of the funds disbursed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

(I) Credit quality analysis

The following table sets out information about the credit quality of loans and advances, hire purchase, leasing and accounts receivable purchase measured at amortised cost. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

Explanation of the terms 'Stage 1', 'Stage 2', and 'Stage 3' is included in Note 3.8.

	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000
Group				
31 December 2024				
Loans advances, hire purchase, and leasing receivables at amortised cost				
Grade 1-10	263,691	355	–	264,046
Grade 11: Special mention	–	33,981	–	33,981
Grade 12: Substandard	–	–	112	112
Grade 13: Doubtful	–	–	1,071	1,071
Grade 14: Loss	–	–	2,659	2,659
	263,691	34,336	3,842	301,869
Loss allowance	(800)	(134)	(946)	(1,880)
Carrying amount	262,891	34,202	2,896	299,989
Accounts receivable purchase at amortised cost				
Grade 1-10	161,499	18,275	–	179,774
Grade 11: Special mention	–	3,025	–	3,025
Grade 12: Substandard	–	–	2,364	2,364
Grade 13: Doubtful	–	–	25	25
Grade 14: Loss	–	–	4,255	4,255
	161,499	21,300	6,644	189,443
Loss allowance	(11)	(74)	(4,999)	(5,084)
Carrying amount*	161,488	21,226	1,645	184,359

* The carrying amount for accounts receivable purchase does not include accounts receivable purchase amounts owing to clients (Note 26).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

(I) Credit quality analysis (Continued)

	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000
Group				
31 December 2023				
Loans advances, hire purchase, and leasing receivables at amortised cost				
Grade 1-10	234,096	4,130	9,226	247,452
Grade 11: Special mention	–	31,806	–	31,806
Grade 12: Substandard	–	–	1,830	1,830
Grade 13: Doubtful	–	–	3,291	3,291
Grade 14: Loss	–	–	5,317	5,317
	234,096	35,936	19,664	289,696
Loss allowance	(521)	(502)	(5,245)	(6,268)
Carrying amount	233,575	35,434	14,419	283,428
Accounts receivable purchase at amortised cost				
Grade 1-10	154,851	11,979	–	166,830
Grade 11: Special mention	–	783	–	783
Grade 12: Substandard	–	–	1,172	1,172
Grade 13: Doubtful	–	–	24	24
Grade 14: Loss	–	–	8,629	8,629
	154,851	12,762	9,825	177,438
Loss allowance	(8)	(34)	(9,675)	(9,717)
Carrying amount*	154,843	12,728	150	167,721

* The carrying amount for accounts receivable purchase does not include accounts receivable purchase amounts owing to clients (Note 26).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

(I) Credit quality analysis (Continued)

	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000
Company				
31 December 2024				
Loans advances, hire purchase, and leasing receivables at amortised cost				
Grade 1-10	152,927	–	–	152,927
Grade 11: Special mention	–	28,649	–	28,649
Grade 12: Substandard	–	–	–	–
Grade 13: Doubtful	–	–	–	–
Grade 14: Loss	–	–	–	–
	152,927	28,649	–	181,576
Loss allowance	(315)	(107)	–	(422)
Carrying amount	152,612	28,542	–	181,154
Accounts receivable purchase at amortised cost				
Grade 1-10	16,731	–	–	16,731
Grade 11: Special mention	–	2,171	–	2,171
Grade 12: Substandard	–	–	276	276
Grade 13: Doubtful	–	–	–	–
Grade 14: Loss	–	–	1,190	1,190
	16,731	2,171	1,466	20,368
Loss allowance	(2)	(4)	(100)	(106)
Carrying amount*	16,729	2,167	1,366	20,262

* The carrying amount for accounts receivable purchase does not include accounts receivable purchase amounts owing to clients (Note 26).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

(I) Credit quality analysis (Continued)

	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000
Company				
31 December 2023				
Loans advances, hire purchase, and leasing receivables at amortised cost				
Grade 1-10	125,814	–	–	125,814
Grade 11: Special mention	–	9,288	–	9,288
Grade 12: Substandard	–	–	1,616	1,616
Grade 13: Doubtful	–	–	–	–
Grade 14: Loss	–	–	56	56
	125,814	9,288	1,672	136,774
Loss allowance	(383)	(21)	(20)	(424)
Carrying amount	125,431	9,267	1,652	136,350
Accounts receivable purchase at amortised cost				
Grade 1-10	14,707	–	–	14,707
Grade 11: Special mention	–	96	–	96
Grade 12: Substandard	–	–	–	–
Grade 13: Doubtful	–	–	–	–
Grade 14: Loss	–	–	–	–
	14,707	96	–	14,803
Loss allowance	(1)	(1)	–	(2)
Carrying amount*	14,706	95	–	14,801

* The carrying amount for accounts receivable purchase does not include accounts receivable purchase amounts owing to clients (Note 26).

NOTES TO THE FINANCIAL STATEMENTS

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36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

(I) Credit quality analysis (Continued)

(a) *Accounts receivable purchase*

The Group's credit risk exposures on accounts receivable purchase comprise the following types of risks: recourse and non-recourse accounts receivable purchase. The receivables represent the debts that were factored to the Group by its clients of which the Group may provide funding up to 90% of the eligible debts.

The "recourse" accounts receivable purchase relates to debts for which the Group and the Company do not bear the risk of non-payment from the customers. Conversely, in the "non-recourse" accounts receivable purchase, the Group and the Company bear any bad debt risk that may arise. The Group reinsures part of the debts under non-recourse accounts receivable purchase with external reinsurers.

The breakdown by type of accounts receivable purchase risk is as follows:

		Accounts receivable purchase			
		Group		**Company**	
	Note	**2024 $'000**	**2023 $'000**	**2024 $'000**	**2023 $'000**
Recourse		**185,941**	175,030	**16,865**	12,395
Non-recourse		**3,502**	2,408	**3,503**	2,408
	26	**189,443**	177,438	**20,368**	14,803

(b) *Guarantees*

The maximum exposure of the Group and Company with regards to financial guarantee contracts is disclosed in Note 34. At the reporting date, the Group and Company does not consider it probable that a claim will be made under these financial guarantee contracts.

(c) *Debt securities (including perpetual securities whose coupon payments cannot be deferred)*

The Group invests in debt securities (including perpetual securities whose coupon payments cannot be deferred) and limits its exposure by only investing in debt securities issued by corporates and financial institutions that are deemed to be of reasonable credit quality. As at 31 December 2024 and 2023, substantially all of these corporates and financial institutions or their respective holding companies are listed on stock exchanges in Singapore or elsewhere. The Group monitors credit risk on an on-going basis.

Investments in debt securities are subject to adverse changes in the financial condition of the issuer, or in general economic conditions, or both, or an unanticipated rise in interest rates, which may impair the ability of the issuer to make payments of interest and principal. Such issuer's ability to meet its debt obligations may also be adversely affected by specific projected business forecast, or the unavailability of additional financing.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

(I) Credit quality analysis (Continued)

(c) *Debt securities (including perpetual securities whose coupon payments cannot be deferred)* (Continued)

The Group does not expect any counterparty to fail to meet their obligations as and when they fall due within the next 12 months. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

The Group limits its exposure to credit risk on investments held by investing only in liquid debt securities that provide attractive long-term yield and at acceptable credit quality. The aim is to provide a stable stream of positive income on the respective investments.

The Group uses general approach for assessment of ECL for debt securities. 12-month and lifetime probabilities of default are based on data supplied by Moody's or its equivalents for each credit rating.

The following table presents an analysis of the credit quality of debt investments at amortised cost and FVTPL. It indicates whether assets measured at amortised cost were subject to a 12-month ECL or lifetime ECL allowance and, in latter case, whether they were credit-impaired.

	Group							
	2024				2023			
		At amortised cost				At amortised cost		
	FVTPL $'000	12-month ECL $'000	Lifetime ECL- not credit – impaired $'000	Lifetime ECL – credit impaired $'000	FVTPL $'000	12-month ECL $'000	Lifetime ECL- not credit – impaired $'000	Lifetime ECL – credit impaired $'000
BBB- to AAA	**3,153**	**12,540**	**–**	**–**	3,580	15,720	–	–
BB- to BB+	**–**	**–**	**–**	**–**	–	–	–	–
B- to B+	**–**	**–**	**–**	**–**	–	–	–	–
C to CCC+	**–**	**–**	**–**	**–**	–	–	–	–
D	**–**	**–**	**–**	**–**	–	–	–	–
Not rated	**1,304**	**–**	**–**	**2,000**	–	–	–	2,000
Gross carrying amounts	**4,457**	**12,540**	**–**	**2,000**	3,580	15,720	–	2,000
Loss allowance	**–**	**(26)**	**–**	**(2,000)**	–	(41)	–	(2,000)
Amortisation of debt securities	**–**	**13**	**–**	**–**	–	(4)	–	–
Carrying amount	**4,457**	**12,527**	**–**	**–**	3,580	15,675	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

(I) Credit quality analysis (Continued)

(d) *Deposits and other receivables*

The Group uses a similar approach for assessment of ECLs for these receivables to those used for cash and cash equivalents. Impairment on these balances has been measured on the 12-month expected loss basis which reflects the credit risk of the exposures. The amount of the allowance is disclosed in Note 27.

(e) *Cash and cash equivalents*

The cash and cash equivalents are placed with bank and financial institution counterparties which are regulated.

The Group and the Company held cash and cash equivalents of $40,982,000 and $4,356,000 respectively at 31 December 2024 (2023: $43,292,000 and $13,688,000 respectively), of which deposits held as collaterals for guarantees issued on behalf of policyholders are not available for use in the Group's day to day operations. The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AA- to A+, based on reputable agency ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

(f) *Loans to subsidiaries*

The Company held loans to its subsidiaries of $56,169,000 (2023: $98,022,000). These balances are amounts lent to subsidiaries for their working capital requirements. Impairment on these balances has been measured on the 12-month expected loss basis which reflects the credit risk of the exposures. The amount of the allowance is disclosed in Note 28.

(II) Amount arising from ECL

Inputs, assumptions and techniques used for estimating impairment

See accounting policy in Note 3.8.

Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group 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 Group's historical experience and expert credit assessment and including forward-looking information.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

(II) Amount arising from ECL (Continued)

Significant increase in credit risk (Continued)

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default ("PD") as at the reporting date; with the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

The Group uses three criteria for determining whether there has been a significant increase in credit risk:

- quantitative test based on movement in PD;
- qualitative indicators; and
- a backstop of 60 days past due.

Credit risk grades

The Group allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates so, for example, the difference in risk of default between credit risk grades 1 and 2 is smaller than the difference between credit risk grades 2 and 3.

Each exposure is allocated to a credit risk grade on initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring typically involves use of the following data:

- Information obtained during periodic review of customer files: e.g., audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are: gross profit margins, financial leverage ratios, debt service coverage, compliance with covenants, quality of management, senior management changes

- Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities

- Payment record – this includes overdue status as well as other payment – related parameters

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

(II) Amount arising from ECL (Continued)

Credit risk grades (Continued)

- Requests for and granting of forbearance
- Existing and forecast changes in business, financial and economic conditions

The table below provides an indicative mapping of how the Group's internal credit risk grades relate to PD.

The portfolio of the Group is comprised of loans and advances, accounts receivable purchase, hire purchase and leasing receivables to small and medium enterprises and individuals.

Small and medium enterprises

Grading	**Range of implied PD**
Grades 1-10	0.15% to 34.97%
Grades 11: Special mention	19.61% to 34.97%
Grades 12-14: Substandard, doubtful, loss	100%

Range of implied PD takes into account the varying inputs of forward-looking information in relation to the geographical locations of lending entities within the Group.

Individuals

Grading	**Range of implied PD**
Grades AA-HZ	0.09% to 3.48%

Individuals who are owners of the enterprises which have an existing credit exposure with the Group are graded using the small and medium enterprises credit risk grades.

Generating the term structure of PD

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Group collects performance and default information about its credit risk exposures analysed by jurisdiction or region and by type of product and borrower as well as by credit risk grading.

The Group analyses the data collected and generates estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

(II) Amount arising from ECL (Continued)

Determining whether credit risk has increased significantly

The Group assesses whether credit risk has increased significantly since initial recognition at each reporting date. Determining whether an increase in credit risk is significant depends on the characteristics of the financial instrument and the borrower, and the geographical region.

The credit risk may also be deemed to have increased significantly since initial recognition based on qualitative factors linked to the Group's credit risk management processes that may not otherwise be fully reflected in its quantitative analysis on a timely basis. Such qualitative factors are based on its expert judgment and relevant historical experiences.

As a backstop, the Group considers that a significant increase credit risk occurs no later than when an asset is more than 60 days past due or, for a accounts receivable purchase account, if more than 50% of factored receivables are more than 60 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL. Some qualitative indicators of an increase in credit risk, such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist. In these cases, the Group determines a probation period (normally 6 months) during which the financial asset is required to demonstrate good behaviour to provide evidence that its credit risk has declined sufficiently. When contractual terms of a loan have been modified, evidence that the criteria for recognising lifetime ECL are no longer met includes a history of up-to-date payment performance against the modified contractual terms.

The Group monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when a financial instrument becomes 60 days past due;
- the average time between the identification of a significant increase in credit risk and default appears reasonable;
- exposures are not generally transferred directly from 12-month ECL measurement to credit impaired; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (Stage 1) and lifetime PD (Stage 2).

36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

(II) Amount arising from ECL (Continued)

Determining whether credit risk has increased significantly (Continued)

Definition of default

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

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held);

- the borrower is more than 90 days past due on any material credit obligation to the Group. Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding; or

- it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

In assessing whether a borrower is in default, the Group considers indicators that are:

- qualitative: e.g., breaches of covenant;

- quantitative: e.g., overdue status and non-payment on another obligation of the same issuer to the Group; and

- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Incorporation of forward-looking information

The Group incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL.

The Group formulates economic scenarios: external information considered includes economic data and forecasts published by governmental bodies and monetary authorities in the countries where the Group operates, supranational organisations such as the International Monetary Fund. The key forward-looking driver for credit risk identified and used in the Group's ECL model for the Group's loans and accounts receivable purchase is GDP growth.

Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 5 to 9 years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

(II) Amount arising from ECL (Continued)

Determining whether credit risk has increased significantly (Continued)

Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

The methodology of estimating PDs is discussed above under the heading 'Generating the term structure of PD'.

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. For loans secured by property, LTV ratios are a key parameter in determining LGD. LGD estimates are recalibrated for different economic scenarios and, for real estate lending, to reflect possible changes in property prices. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation. The EAD of a financial asset is its gross carrying amount at the time of default. For lending commitments, the EADs are potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For financial guarantees, the EAD represents the amount of the guaranteed exposure when the financial guarantee becomes payable. For some financial assets, EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

As described above, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Group measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the Group considers a longer period. The maximum contractual period extends to the date at which the Group has the right to require repayment of an advance or terminate a loan commitment or guarantee.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

(II) Amount arising from ECL (Continued)

Loss allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument.

	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000
Group				
31 December 2024				
Loans advances, hire purchase, and leasing receivables at amortised cost				
Balance at 1 January	521	502	5,245	6,268
Net remeasurement of loss allowance	273	(367)	(125)	(219)
New financial assets originated or purchased	3	–	–	3
Financial assets that have been derecognised	(1)	–	(5)	(6)
Write-off	–	(1)	(4,230)	(4,231)
Foreign exchange and other movements	3	–	62	65
Balance at 31 December	799	134	947	1,880
Accounts receivable purchase at amortised cost				
Balance at 1 January	8	34	9,675	9,717
Net remeasurement of loss allowance	1	51	701	753
New financial assets originated or purchased	3	2	–	5
Financial assets that have been derecognised	(1)	(15)	–	(16)
Write-off	–	–	(5,586)	(5,586)
Foreign exchange and other movements	–	3	208	211
Balance at 31 December	11	75	4,998	5,084
Debt investments				
Balance at 1 January	41	–	2,000	2,041
Net remeasurement of loss allowance	(15)	–	–	(15)
Balance at 31 December	26	–	2,000	2,026

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

(II) Amount arising from ECL (Continued)

Loss allowance (Continued)

	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000
Group				
31 December 2023				
Loans advances, hire purchase, and leasing receivables at amortised cost				
Balance at 1 January	636	131	4,322	5,089
Net remeasurement of loss allowance	(150)	140	1,184	1,174
New financial assets originated or purchased	49	232	1	282
Financial assets that have been derecognised	(19)	–	(68)	(87)
Write-off	–	–	–	–
Foreign exchange and other movements	5	(1)	(194)	(190)
Balance at 31 December	521	502	5,245	6,268
Accounts receivable purchase at amortised cost				
Balance at 1 January	19	32	9,844	9,895
Net remeasurement of loss allowance	(10)	4	62	56
New financial assets originated or purchased	1	–	–	1
Financial assets that have been derecognised	(1)	(2)	(9)	(12)
Write-off	–	–	–	–
Foreign exchange and other movements	(1)	–	(222)	(223)
Balance at 31 December	8	34	9,675	9,717
Debt investments				
Balance at 1 January	33	–	2,000	2,033
Net remeasurement of loss allowance	8	–	–	8
Balance at 31 December	41	–	2,000	2,041

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

(II) Amount arising from ECL (Continued)

Loss allowance (Continued)

	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000
Company				
31 December 2024				
Loans advances				
Balance at 1 January	**383**	**21**	**20**	**424**
Net remeasurement of loss allowance	**(68)**	**86**	**–**	**18**
Write-off	**–**	**–**	**(20)**	**(20)**
Balance at 31 December	**315**	**107**	**–**	**422**
Accounts receivable purchase at amortised cost				
Balance at 1 January	**1**	**1**	**–**	**2**
Net remeasurement of loss allowance	**1**	**3**	**100**	**104**
Financial assets that have been derecognised	**–**	**–**	**–**	**–**
Write-off	**–**	**–**	**–**	**–**
Balance at 31 December	**2**	**4**	**100**	**106**
31 December 2023				
Loans advances				
Balance at 1 January	238	3	16	257
Net remeasurement of loss allowance	145	18	4	167
Write-off	–	–	–	–
Balance at 31 December	383	21	20	424
Accounts receivable purchase at amortised cost				
Balance at 1 January	1	1	–	2
Net remeasurement of loss allowance	–	–	–	–
Financial assets that have been derecognised	–	–	–	–
Write-off	–	–	–	–
Balance at 31 December	1	1	–	2

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

(II) Amount arising from ECL (Continued)

Loans with renegotiated terms

Loans with renegotiated terms are defined as loans that have been restructured due to a deterioration in the borrower's financial position, for which the Group has made concessions by agreeing to terms and conditions that are more favourable for the borrower than the Group had provided initially and that it would not otherwise consider. A loan continues to be presented as part of loans with renegotiated terms until maturity, early repayment or write-off.

(III) Concentration of credit risk

The Group monitors concentration of credit risk by sectors.

For held to maturity investments in debt securities, the Group invests primarily in securities issued by the Singapore Government, Statutory Boards and high grade corporate bonds. Such investments require approval from two delegated authorities. The Group has put in place investment, counterparty and foreign currency limits in relation to its investment activities to ensure that there is no over-concentration to any one class of investment.

An analysis of concentration of credit risk of loans, investments and accounts receivable purchase at the reporting date is shown below:

	Loans and advances, hire purchase and leasing receivables – net (Notes 24 and 25)		**Investments – debt securities (Note 23)**	
	2024 $'000	**2023 $'000**	**2024 $'000**	**2023 $'000**
Group				
Concentration by sector				
Manufacturing	**13,824**	11,428	**–**	–
Services	**68,080**	91,499	**248**	500
Property	**206,828**	163,880	**5,911**	5,910
Financial services	**–**	–	**5,276**	7,122
Transport	**3,981**	3,695	**–**	–
Others	**7,276**	12,926	**5,549**	5,723
	299,989	283,428	**16,984**	19,255

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

(III) Concentration of credit risk (Continued)

	Loans and advances, hire purchase and leasing receivables – net (Notes 24 and 25)		Investments – debt securities (Note 23)	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Company				
Concentration by sector				
Manufacturing	**6,940**	–	**–**	–
Services	**3,558**	1,272	**–**	–
Property	**170,656**	135,078	**–**	–
Others	**–**	–	**–**	–
	181,154	136,350	**–**	–

	Accounts receivable purchase – gross (Note 26)			
	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Concentration by sector				
Manufacturing	**71,961**	70,114	**4,142**	3,222
Services	**97,194**	97,737	**10,725**	11,330
Transport	**15,149**	9,143	**592**	66
Property	**4,910**	185	**4,909**	185
Others	**229**	259	**–**	–
	189,443	177,438	**20,368**	14,803

The maximum exposure to credit risk for loans, accounts receivable purchase and investments at the reporting date by geographical region is shown below:

	Loans and advances, hire purchase and leasing receivables – net (Notes 24 and 25)			
	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Singapore	**275,382**	262,076	**181,154**	136,350
Southeast Asia	**24,607**	21,352	**–**	–
	299,989	283,428	**181,154**	136,350

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

(III) Concentration of credit risk (Continued)

	Accounts receivable purchase – net (Note 17)/(Note 26)			
	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Singapore	**13,351**	8,323	**13,351**	8,323
Southeast Asia	**128,892**	117,097	**–**	–
	142,243	125,420	**13,351**	8,323

	Investments – debt securities (Note 23)			
	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Singapore	**15,861**	15,176	**19,000**	19,000
Southeast Asia	**–**	–	**–**	–
Rest of Asia	**870**	1,433	**–**	–
Others	**253**	2,646	**–**	–
	16,984	19,255	**19,000**	19,000

(IV) Collateral

The Group holds collateral against loans and advances to clients in the form of mortgage interests over property, other registered securities over assets, and guarantees. Estimates of the fair value are based on the value of collateral at the time of lending and generally are not updated except when the loan is individually assessed as impaired. Generally, collateral is not held against the Group's investment securities, and no such collateral was held as at 31 December 2024 and 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

(IV) Collateral (Continued)

An estimate fair value of collateral and other security enhancements held against financial assets is shown below:

	Loans and advances, hire purchase and leasing receivables			
	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Against individually impaired				
Stage 3				
Properties	**420**	15,542	**–**	6,650
Equipment	**6**	279	**–**	–
Motor vehicles	**63**	308	**–**	–
Subtotal	**489**	16,129	**–**	6,650
Against past due but not impaired				
Stage 2				
Properties	**56,640**	18,820	**48,890**	18,820
Equipment	**373**	375	**–**	–
Subtotal	**57,013**	19,195	**48,890**	18,820
Against neither past due nor impaired				
Stage 1				
Fixed/cash deposits	**365**	647	**–**	374
Properties	**522,047**	557,881	**319,906**	308,203
Equipment	**10,636**	9,190	**–**	–
Motor vehicles	**10,323**	1,809	**–**	–
Subtotal	**543,371**	569,527	**319,906**	308,577
Total	**600,873**	604,851	**368,796**	334,047

Interest rate risk

In carrying out its lending activities, the Group strives to meet client demands for products with various interest rate structures and maturities. Sensitivity to interest rate movements arises from mismatches in the repricing dates, cash flows and other characteristics of the assets and their corresponding liabilities funding. As interest rates and yield curves change over time, the size and nature of these mismatches may result in a loss or gain in earnings.

The Group attempts to minimise the interest rate risks wherever possible over the tenor of the financing. Floating rate lending is matched by floating rate borrowings. For fixed rate loans, these are matched by shareholders' funds and fixed rate borrowings and, if economically feasible, of the same tenor and amount. However, gaps may arise due to prepayments or delays in drawdown by clients.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Interest rate risk (Continued)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rate at the reporting date would not affect the Group's profit or loss.

Sensitivity analysis for variable rate instruments

As at 31 December 2024, it is estimated that a general increase of 100 basis points (bp) in interest rates would have increased the Group's profit before tax by approximately $81,000 (2023: $214,000) and decrease (2023: decrease) the Company's loss before tax (2023: loss before tax) by approximately $580,000 (2023: $623,000). A decrease in 100 bp in interest rates would have an equal but opposite effect. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Exposure to interest rate risk

At the reporting date, the interest rate profile of the interest-bearing financial instruments was as follows:

	Group Nominal amount		Company Nominal amount	
	2024 $'000	**2023 $'000**	**2024 $'000**	**2023 $'000**
Fixed rate instruments				
Financial assets	**210,795**	191,563	**29,686**	32,743
Financial liabilities	**(24,032)**	(33,448)	**(24,032)**	(33,448)
	186,763	158,115	**5,654**	(705)
Variable rate instruments				
Financial assets	**261,897**	251,329	**225,225**	218,586
Financial liabilities	**(253,767)**	(229,886)	**(167,215)**	(156,281)
	8,130	21,443	**58,010**	62,305

36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group manages and projects its cash flow commitments on a regular basis and this involves monitoring the concentration of funding maturity at any point in time and ensuring that there are committed credit lines from banks for its funding requirements.

The following are the expected contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount $'000	Contractual cash flows $'000	6 months or less $'000	6-12 months $'000	1-2 years $'000	2-5 years $'000
Group						
As at 31 December 2024						
Non-derivative financial liabilities						
Trade and other payables	**12,353**	**12,353**	**12,353**	**–**	**–**	**–**
Insurance contract liabilities	**24,236**	**24,236**	**24,236**	**–**	**–**	**–**
Interest-bearing borrowings	**277,799**	**277,922**	**253,408**	**5,762**	**13,637**	**5,115**
Lease liabilities	**2,480**	**2,691**	**424**	**410**	**712**	**1,145**
Bankers guarantees	**–**	**3,195**	**3,195**	**–**	**–**	**–**
	316,868	**320,397**	**293,616**	**6,172**	**14,349**	**6,260**
As at 31 December 2023						
Non-derivative financial liabilities						
Trade and other payables	7,751	7,751	7,751	–	–	–
Insurance contract liabilities	14,567	14,567	14,567	–	–	–
Interest-bearing borrowings	263,335	264,367	236,445	7,100	17,895	2,927
Lease liabilities	3,076	3,448	426	416	795	1,811
Bankers guarantees	–	353	353	–	–	–
	288,729	290,486	259,542	7,516	18,690	4,738

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Liquidity risk (Continued)

	Carrying amount $'000	Contractual cash flows $'000	6 months or less $'000	6-12 months $'000	1-2 years $'000	2-5 years $'000
Company						
As at 31 December 2024						
Non-derivative financial liabilities						
Trade and other payables	**4,319**	**4,319**	**4,319**	**–**	**–**	**–**
Interest-bearing borrowings	**191,247**	**193,127**	**175,254**	**4,173**	**11,111**	**2,589**
Lease liabilities	**2,187**	**2,382**	**316**	**320**	**646**	**1,100**
Intra-group financial guarantees	**–**	**28,932**	**–**	**28,932**	**–**	**–**
	197,753	**228,760**	**179,889**	**33,425**	**11,757**	**3,689**
As at 31 December 2023						
Non-derivative financial liabilities						
Trade and other payables	4,286	4,286	4,286	–	–	–
Interest-bearing borrowings	189,729	190,442	164,144	6,438	16,933	2,927
Lease liabilities	2,700	3,014	316	316	636	1,746
Intra-group financial guarantees	–	37,348	–	37,348	–	–
	196,715	235,090	168,746	44,102	17,569	4,673

Currency risk

The Group operates in Southeast Asia with dominant operations in Singapore, Indonesia, Malaysia and Thailand. Entities in the Group also transact in currencies other than their respective functional currencies ("foreign currencies") such as United States Dollar ("USD"), Japanese Yen ("JPY"), Malaysian Ringgit ("MYR") and Thai Baht ("THB").

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Currency risk (Continued)

The Group is exposed to foreign currency risk on investments, loans and advances and accounts receivable purchase and borrowings that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily USD, THB, MYR, Sterling Pound ("GBP"), Australian Dollar ("AUD") and JPY. If necessary, the Group may use derivative financial instruments to hedge its foreign currency risk.

Certain interest-bearing borrowings are denominated in foreign currencies that match cashflows generated by the underlying operations of the Group, primarily USD and JPY. This provides an economic hedge and no derivatives are entered into.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying and selling foreign currencies at spot rates when necessary to address short term imbalances.

The Company's investments in foreign subsidiaries are not hedged as these currency positions are considered to be non-monetary and long-term in nature.

The Group and Company's exposures to major foreign currency risks are as follows:

	USD $'000	THB $'000	GBP $'000	AUD $'000	JPY $'000	HKD $'000
Group						
As at 31 December 2024						
Trade and other receivables*	**2,975**	**–**	**–**	**–**	**–**	**–**
Other investments	**2,785**	**–**	**–**	**338**	**–**	**–**
Cash and cash equivalents	**450**	**12**	**15**	**37**	**8**	**–**
Trade and other payables	**(576)**	**–**	**–**	**–**	**–**	**–**
Interest-bearing borrowings	**(3,126)**	**–**	**–**	**–**	**–**	**–**
Net currency exposure	**2,508**	**12**	**15**	**375**	**8**	**–**
As at 31 December 2023						
Trade and other receivables*	2,698	–	–	–	–	–
Other investments	2,566	–	–	350	–	129
Cash and cash equivalents	892	2,007	15	39	9	–
Trade and other payables	(435)	–	–	–	–	–
Interest-bearing borrowings	(3,240)	–	–	–	–	–
Net currency exposure	2,481	2,007	15	389	9	129

* Trade and other receivables consist of loans and advances, hire purchase and leasing receivables, accounts receivable purchase and other receivables.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Currency risk (Continued)

	USD $'000	THB $'000	MYR $'000	GBP $'000	AUD $'000	JPY $'000
Company						
As at 31 December 2024						
Trade and other receivables*	**2,983**	**16**	**24**	**–**	**–**	**–**
Cash and cash equivalents	**438**	**12**	**–**	**15**	**37**	**8**
Trade and other payables	**(576)**	**–**	**–**	**–**	**–**	**–**
Interest-bearing borrowings	**(3,126)**	**–**	**–**	**–**	**–**	**–**
Net currency exposure	**(281)**	**28**	**24**	**15**	**37**	**8**
As at 31 December 2023						
Trade and other receivables*	2,705	16	24	–	–	–
Cash and cash equivalents	856	2,007	–	15	39	9
Trade and other payables	(435)	–	–	–	–	–
Interest-bearing borrowings	(3,240)	–	–	–	–	–
Net currency exposure	(114)	2,023	24	15	39	9

* Trade and other receivables consist of loans and advances, hire purchase and leasing receivables, accounts receivable purchase and other receivables.

Sensitivity analysis

A 10 percent strengthening of the Singapore dollar, as indicated below, against the following currencies at the reporting date would have increased/(decreased) equity and profit or loss before tax by the amounts shown below.

	Profit or loss	
	Group $'000	Company $'000
2024		
USD	**(251)**	**28**
THB	**(1)**	**(3)**
MYR	**–**	**(2)**
GBP	**(2)**	**(2)**
AUD	**(37)**	**(4)**
JPY	**(1)**	**(1)**
HKD	**–**	**–**
2023		
USD	(248)	11
THB	(201)	(202)
MYR	–	(2)
GBP	(2)	(2)
AUD	(39)	(4)
JPY	(1)	(1)
HKD	(13)	–

36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Currency risk (Continued)

Sensitivity analysis (Continued)

A 10 percent weakening of the Singapore dollar would have an equal but opposite effect. This analysis assumes that all other variables, in particular interest rates, remain constant.

Other market price risk

The Group has equity interests in private companies as well as quoted equity shares which are subject to market risks such as fluctuations in market prices, economic risks, credit default risks and investment risks inherently arising from the nature of the venture capital business activities.

The Group's venture capital investments are managed internally. Venture capital investments are predominantly investments that the Group is looking to divest.

Investments in equity securities arise mainly from structured finance activities and they relate to those financial instruments in which embedded derivatives either in the form of the options or warrants are attached. Upon the maturity of the derivatives, the options or warrants are exercised and converted into equity with the moratorium period attached. As such, the Group has to hold these equities until the expiry of the moratorium before divesting. The Group has established policies and procedures to monitor and control its divestments.

For investments under the Insurance Fund, the Group has asset allocation guidelines which are reviewed periodically by the management and the Board of Directors. Under the asset allocation guidelines, limits are set in place for various asset classes such as equities, bonds and fixed/cash deposits.

Sensitivity analysis – market price risk

For other investments carried at fair value, a 5 percent increase in the underlying equity prices at the reporting date would have increased equity and profit or loss after tax by the amounts shown below:

	Group		**Company**	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Profit or loss	**247**	173	**–**	–

A 5 percent decrease in the underlying equity prices at the reporting date would have had the equal but opposite effect to the amounts shown above.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations and are faced by all business entities.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost of effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit.

Compliance with Group standards is supported by a risk based plan approved by the Audit and Risk Committee on an annual basis and carried out by Internal Audit. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, and reported to the Audit and Risk Committee on a periodic basis.

The Compliance Department of the Group updates management and the Board of Directors on the changes and development in the laws and regulations and assists management to check on the Group's compliance of the limits set by the Risk Management guidelines.

Insurance risks

The Group principally issues motor insurance being the Group's main insurance portfolio. The motor segment accounted for 93% (2023: 90%) of the total business in terms of insurance revenue.

For motor insurance, the most significant risks arise from the weather and profiles of the drivers.

The objective of the Group is to ensure that sufficient reserves are available to cover the liabilities associated with these insurance and reinsurance contracts that it issues.

The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance held arrangements.

Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are established to reduce the risk exposure of the Group. The Group further enforces a policy of actively managing and promptly settling claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities and pricing appropriately.

The Group purchases reinsurance as part of its risk mitigation programme. Reinsurance held is placed on a proportionate basis. The proportionate reinsurance is quota-share reinsurance which is taken out to reduce the overall exposure of the Group to the Motor line of business.

36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Insurance risks (Continued)

Amounts recoverable from reinsurers are estimated in a manner consistent with underlying insurance contract liabilities and in accordance with the reinsurance contracts. Although the Group has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to reinsurance held, to the extent that any reinsurer is unable to meet its obligations. The Group's placement of reinsurance for its motor business is with a single reinsurer; the exposure is being mitigated by high credit rating and state ownership of the reinsurer.

The following tables show the concentration of net insurance contract liabilities by line of businesses namely motor and non-motor:

	2024			2023		
	Insurance contract $'000	**Reinsurance contract held $'000**	**Net $'000**	**Insurance contract $'000**	**Reinsurance contract held $'000**	**Net $'000**
Motor	**19,693**	**(5,785)**	**13,908**	10,918	(2,074)	8,844
Non-motor	**4,543**	**(1,103)**	**3,440**	3,649	(780)	2,869

Claims development table

Claim development tables are disclosed to allow comparison of the outstanding claim provisions with those of prior years. In effect, the tables highlight the Group's ability to provide an estimate of the total value of claims. The top part of the table provides a review of current estimates of cumulative claims and demonstrates how the estimated claims have changed at subsequent reporting or accident year-ends. The estimate is increased or decreased as losses are paid and more information becomes known about the frequency and severity of unpaid claims. The lower part of the table provides a reconciliation of the total provision included in the statement of financial position and the estimated cumulative claims. While the information in the table provides a historical perspective on the adequacy of unpaid claims estimates in previous years, users of these financial statements are cautioned against extrapolating redundancies or deficiencies of the past on current unpaid loss balances. The Group believes that the liability for incurred claims as at the reporting date are adequate. However, due to the inherent uncertainties in the reserving process, it cannot be assured that such balances will ultimately prove to be adequate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Claims development table (Continued)

The analysis of claims development has been performed on a net basis after accounting for reinsurance and grossed up based on historical incurred net-to-gross loss experience as well as expected. There is no significant change in the approach adopted by the certifying actuary.

The claims information for the accident years below is based on the following:

Accident year:

2017 – 12 months ended 31 December 2017 and prior
2018 – 12 months ended 31 December 2018
2019 – 12 months ended 31 December 2019
2020 – 12 months ended 31 December 2020
2021 – 12 months ended 31 December 2021
2022 – 12 months ended 31 December 2022
2023 – 12 months ended 31 December 2023
2024 – 12 months ended 31 December 2024

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date. As required by SFRS(I) 17, in setting claims provisions, the Company gives consideration to the probability and magnitude of future experience being more adverse than assumed which is reflected in the risk adjustment. In general, the uncertainty associated with the ultimate cost of settling claims is greatest when the claim is at an early stage of development. As claims develop, the ultimate cost of claims becomes more certain. The Company has not disclosed previously unpublished information about claims development that occurred earlier than seven years before the end of the annual reporting period in which it first applies SFRS(I) 17.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Claims development table (Continued)

Analysis of claims development – gross of reinsurance contract held as at 31 December 2024 (motor and non-motor) – Unit: $'000s

Estimate of cumulative claims Accident year	**2018 and prior**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**Total**
At end of accident year	24,307	7,495	23,951	4,141	4,449	5,462	16,071	
One year later	23,972	6,422	23,461	3,349	4,342	5,624		
Two years later	23,891	5,343	20,486	3,068	4,292			
Three years later	22,290	4,848	20,124	2,987				
Four years later	21,755	4,834	20,142					
Five years later	21,752	4,858						
Six years later	21,737							
Seven years later	22,018							
Current estimate of ultimate claims	22,018	4,858	20,142	2,987	4,292	5,624	16,071	75,992
Cumulative payments	(21,843)	(4,582)	(19,933)	(2,521)	(3,615)	(3,972)	(8,835)	(65,301)
Gross estimate of outstanding claim liability	175	276	209	466	677	1,652	7,236	10,691
Unallocated loss adjustment expenses								403
Best estimate of gross outstanding claim liability								11,094
Estimated claims for prior accident years								59
Provision for adverse deviation								1,428
Gross provision for insurance claims								12,581
Other liability for incurred claims								1,910
Liability for incurred claims gross of reinsurance contract held								14,491

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Claims development table (Continued)

Analysis of claims development – gross of reinsurance contract held as at 31 December 2023 (motor and non-motor) – Unit: $'000s

Estimate of cumulative claims Accident year	2017 and prior	2018	2019	2020	2021	2022	2023	Total
At end of accident year	25,468	10,488	7,495	23,951	4,141	4,449	5,462	
One year later	25,903	9,868	6,422	23,461	3,349	4,342		
Two years later	25,815	9,703	5,343	20,486	3,068			
Three years later	25,340	8,658	4,848	20,124				
Four years later	25,077	8,479	4,834					
Five years later	25,099	8,513						
Six years later	25,062							
Seven years later	25,016							
Current estimate of ultimate claims	25,016	8,513	4,834	20,124	3,068	4,342	5,462	71,359
Cumulative payments	(24,688)	(8,405)	(4,495)	(19,825)	(2,440)	(3,307)	(1,739)	(64,899)
Gross estimate of outstanding claim liability	328	108	339	299	628	1,035	3,723	6,460
Unallocated loss adjustment expenses								366
Best estimate of gross outstanding claim liability								6,826
Estimated claims for prior accident years								4
Provision for adverse deviation								923
Gross provision for insurance claims								7,753
Other liability for incurred claims								1,284
Liability for incurred claims gross of reinsurance contract held								9,037

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Claims development table (Continued)

Analysis of claims development – net of reinsurance contract held as at 31 December 2024 (motor and non-motor) – Unit: $'000s

Estimate of cumulative claims Accident year	**2018 and prior**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**Total**
At end of accident year	18,217	6,032	9,034	3,437	4,034	3,653	7,506	
One year later	18,187	5,347	8,781	3,048	4,119			
Two years later	17,685	4,879	7,735	2,861	4,114			
Three years later	16,600	4,598	7,463	2,828				
Four years later	16,089	4,629	7,482					
Five years later	16,067	4,653						
Six years later	16,056							
Seven years later	16,337							
Current estimate of ultimate claims	16,337	4,653	7,482	2,828	4,114	3,768	7,506	46,688
Cumulative payments	(16,162)	(4,383)	(7,322)	(2,516)	(3,590)	(2,703)	(3,123)	(39,799)
Gross estimate of outstanding claim liability	175	270	160	312	524	1,065	4,383	6,889
Unallocated loss adjustment expenses								403
Best estimate of gross outstanding claim liability								7,292
Estimated claims for prior accident years								47
Provision for adverse deviation								937
Net provision for insurance claims								8,276
Other net liabilities for incurred claims								102
Liability for incurred claims net of reinsurance contract held								8,378

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Claims development table (Continued)

Analysis of claims development – net of reinsurance contract held as at 31 December 2023 (motor and non-motor) – Unit: $'000s

Estimate of cumulative claims Accident year	**2017 and prior**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**Total**
At end of accident year	18,583	7,516	6,032	9,034	3,437	4,034	3,653	
One year later	17,333	7,249	5,347	8,781	3,048	4,119		
Two years later	18,886	6,706	4,879	7,735	2,861			
Three years later	18,439	6,154	4,598	7,463				
Four years later	18,225	5,995	4,629					
Five years later	18,218	6,025						
Six years later	18,153							
Seven years later	18,122							
Current estimate of ultimate claims	18,122	6,025	4,629	7,463	2,861	4,119	3,653	46,872
Cumulative payments	(17,807)	(5,918)	(4,295)	(7,214)	(2,435)	(3,282)	(1,278)	(42,229)
Gross estimate of outstanding claim liability	315	107	334	249	426	837	2,375	4,643
Unallocated loss adjustment expenses								366
Best estimate of gross outstanding claim liability								5,009
Estimated claims for prior accident years								4
Provision for adverse deviation								661
Net provision for insurance claims								5,674
Other net liabilities for incurred claims								1,288
Liability for incurred claims net of reinsurance contract held								6,962

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Claims development table (Continued)

Summary of composition of liability for incurred claims – gross and reinsurance contract held basis

		Estimated present value of future cash flows $'000	Risk adjustment $'000	Total $'000
Motor	Note 19.1.1.	11,025	1,100	12,125
	Note 19.2.1.	(4,618)	(377)	(4,995)
Non-Motor	Note 19.1.2.	2,038	328	2,366
	Note 19.2.2.	(1,007)	(111)	(1,118)
Total, net		7,438	940	8,378

Sensitivities analysis

The liability for incurred claims is sensitive to the key assumptions in the table below. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process. The following sensitivity analysis shows the impact on gross and net liabilities, profit before tax and equity for reasonably possible movements in key assumptions with all other assumptions held constant. The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions have been changed on an individual basis. It should be noted that movements in these assumptions are non-linear. The method used for deriving sensitivity information and significant assumptions did not change from the previous period.

	Change in assumption (%)	Impact on profit before tax gross of reinsurance $'000	Impact on profit before tax net of reinsurance $'000	Impact on equity gross of reinsurance $'000	Impact on equity net of reinsurance $'000
2024					
Ultimate Loss Ratio	**+2%**	**-329**	**-195**	**-329**	**-195**
URR loss ratio	**+2%**	**-260**	**-163**	**-260**	**-163**
Claim handling expense	**+2%**	**-219**	**-219**	**-219**	**-219**
Risk adjustments	**+2%**	**-336**	**-224**	**-336**	**-224**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

Claims development table (Continued)

Sensitivities analysis (Continued)

	Change in assumption (%)	Impact on profit before tax gross of reinsurance $'000	Impact on profit before tax net of reinsurance $'000	Impact on equity gross of reinsurance $'000	Impact on equity net of reinsurance $'000
2024					
Ultimate Loss Ratio	**-2%**	**329**	**195**	**329**	**195**
URR loss ratio	**-2%**	**260**	**163**	**260**	**163**
Claim handling expense	**-2%**	**219**	**219**	**219**	**219**
Risk adjustments	**-2%**	**336**	**224**	**336**	**224**

	Change in assumption (%)	Impact on profit before tax gross of reinsurance $'000	Impact on profit before tax net of reinsurance $'000	Impact on equity gross of reinsurance $'000	Impact on equity net of reinsurance $'000
2023					
Ultimate Loss Ratio	+2%	-199	-137	-199	-137
URR loss ratio	+2%	-149	-98	-149	-98
Claim handling expense	+2%	-136	-136	-136	-136
Risk adjustments	+2%	-190	-134	-190	-134

	Change in assumption (%)	Impact on profit before tax gross of reinsurance $'000	Impact on profit before tax net of reinsurance $'000	Impact on equity gross of reinsurance $'000	Impact on equity net of reinsurance $'000
2023					
Ultimate Loss Ratio	-2%	199	137	199	137
URR loss ratio	-2%	149	98	149	98
Claim handling expense	-2%	136	136	136	136
Risk adjustments	-2%	190	134	190	134

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

37. FAIR VALUE OF FINANCIAL INSTRUMENTS

Investments in equity and debt securities

The fair values of quoted equity securities are their last bid price at the reporting date. The fair values of unquoted corporate bonds, unquoted unit trusts and money market funds are their indicative prices at the reporting date. The fair value of investments at amortised cost is determined for disclosure purposes only.

The fair values of unquoted equity securities are determined using recent transaction prices for the same security or the realisable net asset value approach, which takes into consideration the fair value of the underlying assets and liabilities of the entities to which the equity securities relate. The assets and liabilities held by the relevant entities comprise mainly financial assets and financial liabilities whose carrying amounts are found to approximate their fair values. As such, management has determined that the share of the reported net asset value represents the fair value of the unquoted equity securities at the date of the statement of financial position.

Loans and advances, hire purchase, leasing and accounts receivable purchase

The fair values of loans and advances, hire purchase, leasing and accounts receivable purchase that reprice within six months of reporting date are assumed to equate the carrying values. The fair values of fixed rate loans and advances, hire purchase, leasing and accounts receivable purchase were calculated using discounted cash flow models based on the maturity of the loans. The discount rates applied in this exercise were based on the current interest rates of similar types of loans and advances, hire purchase, leasing and accounts receivable purchase if these assets were performing at the reporting date.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values because of the short period to maturity.

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

37. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Other financial assets and liabilities (Continued)

	Carrying amount $'000	Fair value Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group					
As at 31 December 2024					
Financial assets measured at fair value					
FVTPL financial assets					
– Equity securities	**5,909**	**4,656**	**–**	**1,253**	**5,909**
– Debt securities	**4,457**	**3,153**	**1,304**	**–**	**4,457**
– Convertible loans	**1**	**–**	**–**	**1**	**1**
	10,367	**7,809**	**1,304**	**1,254**	**10,367**
Financial assets not measured at fair value					
Debt securities at amortised cost	**12,527**	**12,345**	**201**	**–**	**12,546**
As at 31 December 2023					
Financial assets measured at fair value					
FVTPL financial assets					
– Equity securities	5,306	4,166	–	1,140	5,306
– Debt securities	3,580	3,580	–	–	3,580
– Convertible loans	1	–	–	1	1
	8,887	7,746	–	1,141	8,887
Financial assets not measured at fair value					
Debt securities at amortised cost	15,675	15,307	196	–	15,503

37. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Other financial assets and liabilities (Continued)

		Fair value			
	Carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Company					
As at 31 December 2024					
Financial assets measured at fair value					
FVTPL financial assets					
– Private credit fund	**19,000**	**–**	**–**	**19,000**	**19,000**
As at 31 December 2023					
Financial assets measured at fair value					
FVTPL financial assets					
– Private credit fund	19,000	–	–	19,000	19,000

Level 3 fair values largely relate to unquoted equity securities and funds which have no observable market prices.

During the financial years presented, there have been no transfers between level 1, 2 and 3.

The following table shows a reconciliation from the beginning balances to the ending balances for the fair value measurements in Level 3 of fair value hierarchy:

	Group $'000	Company $'000
As at 1 January 2023	1,227	19,000
Disposal	(55)	–
Fair value change recognised in profit or loss	(2)	–
Translation adjustment	(29)	–
As at 31 December 2023	1,141	19,000
Addition	67	–
Fair value change recognised in profit or loss	15	–
Translation adjustment	30	–
As at 31 December 2024	**1,253**	**19,000**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

37. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Other financial assets and liabilities (Continued)

The following table shows the valuation technique used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Type	Valuation Technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Equity securities	*Net asset value* The valuation model inputs are based on net assets value of the equity securities invested.	Net asset value of the underlying entities	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
	Price of recent investment The valuation model inputs are based on the most recent transaction price for the same security.	Recent transaction prices for the same security	The estimated fair value would increase (decrease) if the recent transaction price was higher (lower).
Funds	*Net asset value* The valuation model inputs are based on net assets value of the funds invested.	Net asset value of the funds	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

Sensitivity analysis – Level 3 valuation

For the fair values of unquoted equity securities, reasonable possible changes at the reporting date to recent transaction prices by 10%, holding other inputs constant, would have the following effects.

	Statement of profit or loss			
	Group		Company	
Recent transaction price (10% movement)	Increase $'000	Decrease $'000	Increase $'000	Decrease $'000
2024				
Unquoted equity securities	**109**	**(109)**	**–**	**–**
2023				
Unquoted equity securities	99	(99)	–	–

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

37. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Sensitivity analysis – Level 3 valuation (Continued)

The aggregate net fair values of recognised financial assets which are not carried at fair values in the statement of financial position as at 31 December are represented in the following table:

	2024		2023	
	Carrying value $'000	**Fair value $'000**	**Carrying value $'000**	**Fair value $'000**
Group				
Financial assets				
Debt securities at amortised cost	**12,523**	**12,546**	15,675	15,503
Unrecognised gain/(loss) in profit or loss		**19**		(172)

38. ACCOUNTING JUDGEMENTS AND ESTIMATES

Management has assessed the development, selection and disclosure of the significant accounting judgements and estimates, and the application of these policies and estimates.

The following are critical accounting judgements or estimates made by the management in applying accounting policies:

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The Finance Department led by the Group Chief Financial Officer has overall responsibility for all significant fair value measurements and is reviewed on a quarterly basis.

Significant valuation issues are reported to the Group Audit and Risk Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

38. ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Measurement of fair values (Continued)

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 37.

Impairment losses on loans and advances, hire purchase, leasing and accounts receivable purchase

The Group reviews its loan portfolio to assess impairment on a regular basis. To determine whether there is an impairment loss, the Group makes judgements as to whether there is any observable data indicating a measurable decrease in the estimated future cash flows of the loan portfolio. The evidence may include observable data indicating adverse changes in the payment status of the borrowers or local economic conditions that correlate with defaults in the loan portfolio. The methodology and assumptions used for estimating the amount and timing of cash flows are reviewed regularly to reduce any differences between estimated and actual loss experience. For more information on the methodologies and assumptions used by the Group, refer to Note 36 (II).

Impairment losses on debt securities at amortised cost

The impairment provisions for debt securities at amortised cost are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, existing market conditions, as well as forward looking estimates at the end of each reporting period. The Group uses 12-month and lifetime probabilities of default based on data from Moody's or its equivalents for each credit rating.

Valuation of deferred tax assets

The Group recognises deferred tax assets arising from unutilised tax losses to the extent that is probable that sufficient future taxable profit will be available against which the specific Group entities can utilise the benefits. In estimating future taxable profits, management uses assumptions and judgement to forecast projected financial performance of specific group entities which includes and not limited to revenue growth rate, budgeted future expenses and investment performance.

NOTES TO THE
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

38. ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Insurance and reinsurance contracts

The Group applies the PAA to simplify the measurement of insurance contracts. When measuring liabilities for remaining coverage, the PAA is broadly similar to the Group's previous accounting treatment under SFRS(I) 4.

Liability for remaining coverage

- *Onerous groups*

For groups of contracts that are onerous, the liability for remaining coverage is determined by the fulfilment cash flows. Any loss-recovery component is determined with reference to the loss component recognised on underlying contracts and the recovery expected on such claims from reinsurance contracts held.

Liability for incurred claims

- *Discounted probability of weighted average*

Measurement of the liability for incurred claims (previously claims outstanding and incurred-but-not-reported ("IBNR") claims) is determined on a discounted probability-weighted expected value basis and includes an explicit risk adjustment for non-financial risk. The liability includes the Group's obligation to pay other incurred insurance expenses.

- *Risk adjustments*

For contracts with contract boundary of one year or less are automatically eligible for the PAA and those which pass the PAA eligibility test, the risk adjustment valuation may therefore only be required for liability for incurred claims as the Group would expect the time between providing each part of the services and the related premium due date will be no more than a year. Accordingly, for the risk adjustment calculation permitted under SFRS(I) 17, the Group applies a provision of risk margin for adverse deviation ("PAD") to determine the risk adjustment for non-financial risk. The PAD allows for the possibility that reinsured claims may be higher than expected and ensures the sufficiency of reserves at 75% confidence level.

39. OPERATING SEGMENTS

The Group has four reportable segments which relate to the Group's strategic business units. The strategic business units offer different products and services, and are managed separately. The reportable segment presentation is prepared based on the Group's management and internal reporting structure. As some of the activities of the Group are integrated, internal cost allocation has been made in preparing the segment information such as the Group's centralised support costs and funding costs. The Group's CEO reviews the internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

39. OPERATING SEGMENTS (CONTINUED)

Credit financing: Credit financing encompasses commercial finance businesses and focuses on providing services to corporate clients, mainly the small and medium-sized enterprises. The commercial services provided include accounts receivable financing, trade financing. asset-based loans, working capital, leasing, hire purchase as well as participation in the Enterprise Financing Scheme administered by Enterprise Singapore. Credit financing also include consumer loan service.

Insurance: The issuance of performance bonds and guarantees, domestic maid insurance, property and casualty insurance, motor insurance, and engineering insurance. The segment includes holding of equity securities and bonds under the regulated insurance fund.

Private equity and other investments: The provision of development capital in the form of equity and convertible debt instruments.

Fund management: The provision of fund management service.

Total operating income comprises net interest income, insurance service results, fee and commission income and investment income. Performance is measured based on segment profit before tax.

Information about reportable segments

	Credit financing $'000	Insurance $'000	Private equity and other investments $'000	Fund management $'000	Total $'000
As at 31 December 2024					
Operating results					
Total operating income	**32,673**	**(4,780)**	**357**	**–**	**28,250**
Reportable segment profit/(loss) before tax	**10,129**	**(4,664)**	**357**	**(515)**	**5,307**
Net interest income	**25,229**	**–**	**–**	**–**	**25,229**
Insurance service results	**–**	**(6,143)**	**–**	**–**	**(6,143)**
Non-interest income	**8,082**	**1,567**	**357**	**–**	**10,006**
Other material non-cash items:					
– Recognition of allowances for loan losses and impairment of other assets	**(734)**	**15**	**–**	**–**	**(719)**
– Depreciation and amortisation	**(1,304)**	**(27)**	**–**	**–**	**(1,331)**
Assets and liabilities					
Reportable segment assets	**484,075**	**35,454**	**2,552**	**818**	**522,899**
Capital expenditure	**167**	**57**	**–**	**–**	**224**
Reportable segment liabilities	**294,151**	**24,225**	**97**	**121**	**318,594**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

39. OPERATING SEGMENTS (CONTINUED)

Information about reportable segments (Continued)

	Credit financing $'000	Insurance $'000	Private equity and other investments $'000	Fund management $'000	Total $'000
As at 31 December 2023					
Operating results					
Total operating income	28,660	(1,008)	1,155	–	28,807
Reportable segment profit/(loss) before tax	6,877	(380)	1,155	(514)	7,138
Net interest income	22,087	–	–	–	22,087
Insurance service results	–	(1,833)	–	–	(1,833)
Non-interest income	7,141	1,494	1,155	–	9,790
Other material non-cash items:					
– Recognition of allowances for loan losses and impairment of other assets	(1,709)	(8)	–	–	(1,717)
– Depreciation and amortisation	(1,488)	(30)	–	–	(1,518)
Assets and liabilities					
Reportable segment assets	454,125	32,228	698	611	487,662
Capital expenditure	219	23	–	–	242
Reportable segment liabilities	275,130	14,878	68	74	290,150

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

39. OPERATING SEGMENTS (CONTINUED)

Information about reportable segments (Continued)

Reconciliations of reportable segment operating income, profit or loss, assets and liabilities and other material items

	2024 $'000	2023 $'000
Operating income		
Net interest income	**25,229**	22,087
Insurance service results	**(6,143)**	(1,833)
Fee and commission income	**7,412**	6,482
Investment income/(loss)	**1,719**	1,979
Others*	**33**	92
Total operating income for reportable segments	**28,250**	28,807
Profit		
Total profit before tax for reportable segments	**5,307**	7,138
Consolidated profit before tax	**5,307**	7,138
Non-interest income		
Fee and commission income	**7,412**	6,482
Investment income/(loss)	**1,719**	1,979
Others#	**776**	1,329
Total non-interest income for reportable segments	**9,907**	9,790

* Represents recoveries from loans and advances, accounts receivable purchase, hire purchase and leasing receivables which were previously written off, included in other income.

\# Excludes grant income.

	2024 $'000	2023 $'000
Assets		
Total assets for reportable segments	**522,899**	487,662
Other unallocated amounts	**2,944**	3,666
Consolidated assets	**525,843**	491,328
Liabilities		
Total liabilities for reportable segments	**318,594**	290,150
Other unallocated amounts	**978**	1,066
Consolidated liabilities	**319,572**	291,216

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

39. OPERATING SEGMENTS (CONTINUED)

Information about reportable segments (Continued)

Geographical segments

In view of the Group's continuing efforts to develop its businesses across the region, resources are now allocated mainly to four principal geographical areas.

Geographical segments are analysed by four principal geographical areas. *Singapore, Thailand, Malaysia and Indonesia* are the major markets for credit financing and insurance activities. *Others* are also the markets for private equity and other investment activities.

In presenting information on the basis of geographical segments, segment operating income is based on the geographical location of the clients. Segment assets are based on the geographical location of the assets.

	Operating income $'000	**Total assets $'000**
Geographical information		
2024		
Singapore	**12,230**	**335,313**
Thailand	**14,202**	**161,824**
Malaysia	**1,209**	**15,872**
Indonesia	**609**	**12,834**
	28,250	**525,843**
2023		
Singapore	12,881	323,105
Thailand	14,245	146,833
Malaysia	1,185	8,669
Indonesia	497	12,721
	28,808	491,328

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

40. EVENT AFTER REPORTING DATE

On 24 March 2025, the Company made a S$3 million capital injection into ECICS Limited via issuance of new shares at a par value of $1 per share. This capital injection is intended to support ECICS's financial position and business growth.

41. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Description	Effective for annual year beginning on or after
Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Amendments to SFRS(I) 9 and SFRS(I) 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to SFRS(I)s – Volume 11	1 January 2026
Amendments to SFRS(I) 9 and SFRS(I) 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
SFRS(I) 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
SFRS(I) 18: Presentation and Disclosure in Financial Statements	1 January 2027

The Group has not early adopted any standard, interpretation or amendment that has been issued but not yet effective. The Group is assessing the impact from the adoption of the standards above.

42. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors on 28 March 2025.

STATISTICS OF SHAREHOLDINGS

AS AT 14 MARCH 2025

SHARE CAPITAL

Issued and Paid-up Share Capital	:	$137,906,932
Number of Shares	:	375,969,665
Class of Shares	:	ordinary shares
Voting Rights	:	one vote per share
Number of Treasury Shares	:	nil
Number of Subsidiary Holdings[1]	:	nil

ANALYSIS OF SHAREHOLDINGS

Range of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	217	6.52	8,009	0.00
100 – 1,000	140	4.21	60,741	0.02
1,001 – 10,000	2,075	62.33	8,054,159	2.14
10,001 – 1,000,000	882	26.49	46,912,207	12.48
1,000,001 and above	15	0.45	320,934,549	85.36
Total	**3,329**	**100.00**	**375,969,665**	**100.00**

TOP TWENTY SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	PHILLIP SECURITIES PTE LTD	242,650,002	64.54
2	DBS NOMINEES PTE LTD	52,747,075	14.03
3	UNITED OVERSEAS BANK NOMINEES PTE LTD	4,963,363	1.32
4	RAFFLES NOMINEES (PTE) LIMITED	3,786,200	1.01
5	OCBC NOMINEES SINGAPORE PTE LTD	2,962,057	0.79
6	LIM HOW TECK	2,170,000	0.58
7	ANG HAO YAO (HONG HAOYAO)	1,877,530	0.50
8	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	1,703,950	0.45
9	BOON SUAN AIK	1,298,160	0.35
10	LIM CHIN CHOO @ ELIZABETH LIM	1,243,500	0.33
11	YEO WEI HUANG	1,155,000	0.31
12	RAMESH S/O PRITAMDAS CHANDIRAMANI	1,150,000	0.31
13	OCBC SECURITIES PRIVATE LTD	1,112,252	0.30
14	TAN SOON LIN	1,080,460	0.29
15	TEO YEW HOCK	1,035,000	0.28
16	LEE SOON KIE	992,900	0.26
17	TAYERS HOLDINGS PTE LTD	832,400	0.22
18	MAYBANK SECURITIES PTE. LTD.	687,550	0.18
19	NG POH CHENG	670,450	0.18
20	TOH ONG TIAM	550,000	0.15
	Total	**324,667,849**	**86.38**

Note:

1 "Subsidiary Holdings" is defined in the Listing Manual issued by the Singapore Exchange Securities Trading Limited to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act, Chapter 50.

STATISTICS OF SHAREHOLDINGS

AS AT 14 MARCH 2025

SHAREHOLDING HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 14 March 2025, approximately 29.44% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

SUBSTANTIAL SHAREHOLDERS

Substantial shareholders as recorded in the Register of Substantial Shareholders as at 14 March 2025.

	No. of Shares			
Substantial Shareholder	**Direct Interest**	**Deemed Interest**	**Total Interest**	**%**
Phillip Assets Pte. Ltd.	226,586,029[1]	–	226,586,029	60.27
Lim Hua Min	–	226,949,029[2]	226,949,029	60.36
Factorie, L.P.	25,773,280	–	25,773,280	6.86
Factorie Ltd	–	25,773,280[3]	25,773,280	6.86
Diamond GP Holdings Ltd.	–	25,773,280[4]	25,773,280	6.86
Dymon Asia Private Equity (S.E. Asia) Ltd	–	25,773,280[5]	25,773,280	6.86
DAPE Ltd	–	25,773,280[6]	25,773,280	6.86
Tan Keng Soon	–	25,773,280[7]	25,773,280	6.86
Dymon Asia Capital Ltd	–	25,773,280[8]	25,773,280	6.86
Chiu Yoong Chian Gerald	–	25,773,280[9]	25,773,280	6.86
Yong Ming Chong	–	25,773,280[10]	25,773,280	6.86

Notes:

1 Deposited with the Depository Agent, Phillip Securities Pte. Ltd.

2 Lim Hua Min is deemed to have an interest in the 226,586,029 shares held by Phillip Assets Pte. Ltd and 363,000 shares held by Phillip Thematic Fund Pte. Ltd. (total deemed interest of 226,949,029 shares).

3 Factorie Ltd is the general partner of Factorie, L.P. and is deemed to have an interest in the 25,773,280 shares held by Factorie, L.P.

4 Diamond GP Holdings Ltd. has a controlling interest in Factorie Ltd and is deemed to have an interest in the 25,773,280 shares held by Factorie, L.P.

5 Dymon Asia Private Equity (S.E. Asia) Ltd has a controlling interest in Diamond GP Holdings Ltd. and is deemed to have an interest in the 25,773,280 shares held by Factorie, L.P.

6 DAPE Ltd has a controlling interest in Dymon Asia Private Equity (S.E. Asia) Ltd and is deemed to have an interest in the 25,773,280 shares held by Factorie, L.P.

7 Tan Keng Soon holds more than 20% voting rights in DAPE Ltd and is deemed to have an interest in the 25,773,280 shares held by Factorie, L.P.

8 Dymon Asia Capital Ltd holds more than 20% voting rights in DAPE Ltd and is deemed to have an interest in the 25,773,280 shares held by Factorie, L.P.

9 Chiu Yoong Chian Gerald holds more than 20% voting rights in DAPE Ltd and is deemed to have an interest in the 25,773,280 shares held by Factorie, L.P.

10 Yong Ming Chong has a controlling interest in Dymon Asia Capital Ltd and is deemed to have an interest in the 25,773,280 shares held by Factorie, L.P.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Eighth (38th) Annual General Meeting of IFS Capital Limited (the "**Company**") will be held at 10 Eunos Road 8, #03-102 Singapore Post Centre, Singapore 408600 (NTUC Club Clubhouse) on Monday, 28 April 2025 at 2.30 p.m. to transact the following business:

ROUTINE BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2024 together with the Auditors' Report thereon. **(Resolution 1)**

2. To approve the payment of a first and final one-tier tax exempt ordinary cash dividend of 0.50 cents per share for the financial year ended 31 December 2024. **(Resolution 2)**

3. To approve the Directors' fees of S$208,050 (2023: S$221,472) for the financial year ended 31 December 2024. **(Resolution 3)**

4. To re-elect the following Directors retiring by rotation in accordance with Article 94 of the Constitution of the Company:

   (a) Mr Loo Hock Leong **(Resolution 4(a))**
   (b) Mr Randy Sim Cheng Leong **(Resolution 4(b))**

5. To re-appoint Ernst & Young LLP as the auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

SPECIAL BUSINESS

To consider, and if thought fit, to pass with or without modifications, the following Resolution which will be proposed as an Ordinary Resolution:

6. That authority be and is hereby given to the Directors to:

   (a) (i) issue shares of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

   (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

NOTICE OF ANNUAL GENERAL MEETING

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent. of the total number of issued shares of the Company excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20 per cent. of the total number of issued shares of the Company excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("**SGX-ST**")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares of the Company excluding treasury shares and subsidiary holdings at the time this Resolution is passed, after adjusting for:

    (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

    (ii) any subsequent bonus issue, consolidation or subdivision of shares;

    and, in sub-paragraph (1) above and this sub-paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in General Meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. **(Resolution 6)**

By Order of the Board

Chionh Yi Chian/Angeline Ng
Company Secretary/Assistant Company Secretary
IFS Capital Limited
Singapore
10 April 2025

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

1. Notes to Resolutions 4(a) and 4(b):

In relation to Resolution 4(a), Mr Loo Hock Leong will, upon re-election as a Director of the Company, continue to serve as the Chairman of the Audit and Risk Committee. Mr Loo is considered independent for the purpose of Rule 704(8) of the Listing Manual of SGX-ST.

Please refer to the "Board of Directors" and the "Additional Information on Directors Seeking Re-election" in the Company's Annual Report 2024 for further information on Mr Loo Hock Leong and Mr Randy Sim Cheng Leong.

2. Notes to Resolution 6:

Resolution 6 is to empower the Directors to issue shares of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding 50 per cent. of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings), with a sub-limit of 20 per cent. for issues other than on a *pro rata* basis to shareholders. The aggregate number of shares which may be issued shall be based on the total number of the issued shares of the Company (excluding treasury shares and subsidiary holdings) at the time that Resolution 6 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Resolution 6 is passed, and (b) any subsequent bonus issue, consolidation or subdivision of shares. As at 14 March 2025, the Company had no treasury shares and no subsidiary holdings.

Notes:

1. The Company's Annual General Meeting (the "**AGM**") will be held physically, at 10 Eunos Road 8, #03-102 Singapore Post Centre, Singapore 408600 (NTUC Club Clubhouse). Shareholders, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives will be able to ask questions and vote at the AGM by attending the AGM in person. **There will be no option for shareholders to participate virtually**. Printed copies of this Notice of AGM and the Proxy Form will be sent to members by post. These documents will also be made available on the Company's website at the URL https://www.ifscapital.com.sg/annual-general-meetings-announcements and on the Singapore Exchange's ("**SGX**") website at the URL https://www.sgx.com/securities/company-announcements.

2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

   A member who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy(ies), before submitting it in the manner set out below.

   A proxy need not be a member of the Company. A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

3. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) if submitted by post, be deposited with the Company's share registrar, Tricor Barbinder Share Registration Services, 9 Raffles Place #26-01 Republic Plaza Tower 1 Singapore 048619; or

   (b) if submitted electronically, be submitted via email to sg.is.proxy@vistra.com,

   in either case, by 2.30 p.m. on 25 April 2025, being 72 hours before the time appointed for holding the AGM.

4. CPF and SRS investors:

   (a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

   (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 17 April 2025.

5. Shareholders, including CPF and SRS investors, may submit questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM, in the following manner by 2.30 p.m. on 18 April 2025:

   (a) by email to ir@ifscapital.com.sg or

   (b) by post to the Company's registered address at 10 Eunos Road 8 #09-04 Singapore Post Centre Singapore 408600.

   The Company will endeavour to address all substantial and relevant questions submitted prior to the AGM by publishing the responses to such questions on the Company's corporate website and on SGXNet by 22 April 2025 after trading hours.

6. The Company's Annual Report 2024 ("**2024 Annual Report**") may be accessed at the Company's website at the URL https://www.ifscapital.com.sg/annual-general-meetings-announcements and at the Singapore Exchange's ("**SGX**") website at the URL https://www.sgx.com/securities/company-announcements. Members may request for printed copy of the 2024 Annual Report by completing and submitting the Request Form sent to them, by post by 5.00 p.m. on 17 April 2025.

NOTICE OF ANNUAL GENERAL MEETING

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees to indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ADDITIONAL INFORMATION
ON DIRECTORS SEEKING RE-ELECTION

At the 38th Annual General Meeting
[Pursuant to SGX-ST Listing Manual – Rule 720(6) and Appendix 7.4.1]

Name of Director	**LOO HOCK LEONG**
Date of Appointment	26 September 2023
Date of last re-appointment	29 April 2024
Age	54
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board had considered the Executive Resource and Compensation Committee's recommendation and assessment on Mr Loo's background, experience, independence and commitment in the discharge of his duties as a Director of IFS Capital Limited and is satisfied that he will continue to contribute to the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	– Non-Executive and Independent Director – Chairman of Audit and Risk Committee
Professional qualifications	– Bachelor of Electrical Engineering Degree (Honours), National University of Singapore – Master Degree in Applied Finance, Macquarie University – Chartered Accountant of Singapore – Advanced Management Programme, Harvard Business School – Senior Accredited Director by Singapore Institute of Directors – GRI Certified Sustainability Professional
Working experience and occupation(s) during the past 10 years	Jul 2008 – 31 Dec 2024: Chief Financial Officer, Parkway Trust Management Limited 1 Jan 2025 – Present: Chief Financial Officer and Chief Operating Officer, Parkway Trust Management Limited
Shareholding interest in the listed issuer and its subsidiaries	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

At the 38th Annual General Meeting
[Pursuant to SGX-ST Listing Manual – Rule 720(6) and Appendix 7.4.1]

Name of Director	**LOO HOCK LEONG**
Other Principal Commitments (Including Directorships)	
Past (for the last 5 years)	– Director, Matsudo Investment Pte. Ltd.
Present	– Director, Union Gas Holdings Limited – Director, Parkway Life Malaysia Pte. Ltd. – Director, Parkway Life Malaysia Sdn Bhd – Director, Parkway Life MTN Pte. Ltd. – Director, Parkway Life Japan2 Pte. Ltd. – Director, Parkway Life Japan3 Pte. Ltd. – Director, Parkway Life Japan4 Pte. Ltd. – Director, Parkway Life Nova Pte Ltd – Manager, Parkway Life Sauté – Manager, Parkway Life Sauté 1 SCI – Manager, Parkway Life Sauté 2 SCI – Manager, Parkway Life Sauté 3 SCI – Manager, Parkway Life Sauté 4 SCI – Manager, Parkway Life Sauté 5 SCI – Manager, Parkway Life Sauté 6 SCI – Manager, Parkway Life Sauté 7 SCI – Manager, Parkway Life Sauté 8 SCI – Manager, Parkway Life Sauté 9 SCI

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

At the 38th Annual General Meeting
[Pursuant to SGX-ST Listing Manual – Rule 720(6) and Appendix 7.4.1]

Name of Director	RANDY SIM CHENG LEONG
Date of Appointment	1 July 2020
Date of last re-appointment	20 April 2023
Age	45
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board had considered the Executive Resource and Compensation Committee's recommendation and assessment on Mr Sim's background, experience and commitment in the discharge of his duties as a Director of IFS Capital Limited and is satisfied that he will continue to contribute to the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive. Responsible for the overall business and operations of the Group.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Group Chief Executive Officer & Executive Director
Professional qualifications	Bachelor of Engineering (Honours), Electrical and Electronic Engineering, Nanyang Technological University, Singapore
Working experience and occupation(s) during the past 10 years	Jul 2020 – Present: Group Chief Executive Officer & Executive Director IFS Capital Limited Feb 2016 – Jun 2020: Chief Executive Officer/Country Head IFS Capital Limited, Singapore Office Jun 2014 – Feb 2016: Team Head – Middle Markets, Commercial Bank Citibank May 2010 – Jun 2014: AVP & VP – Middle Markets, Commercial Bank Citibank
Shareholding interest in the listed issuer and its subsidiaries	IFS Capital Limited – 4,650,000 shares IFS Factors (Malaysia) Sdn. Bhd. – 1 share
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil
Conflict of Interest (including any competing business)	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

At the 38th Annual General Meeting
[Pursuant to SGX-ST Listing Manual – Rule 720(6) and Appendix 7.4.1]

Name of Director	**RANDY SIM CHENG LEONG**
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments (Including Directorships)	
Past (for the last 5 years)	– Director, Multiply Capital Limited
Present	– Group CEO & Director, IFS Capital Limited – Director, IFS Capital Assets Private Limited – Director, Lendingpot Private Limited – Director, IFS Ventures Private Limited – Director, IFS Consumer Services Private Limited – Director, IFS Asset Management Private Limited – Chairman, IFS Capital (Thailand) Public Company Limited – Director, IFS Capital Holdings (Thailand) Limited – Director, IFS Factors (Malaysia) Sdn. Bhd – Director, IFS Capital (Malaysia) Sdn. Bhd. – President Commissioner, PT. IFS Capital Indonesia

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

At the 38th Annual General Meeting
[Pursuant to SGX-ST Listing Manual – Rule 720(6) and Appendix 7.4.1]

	LOO HOCK LEONG	RANDY SIM CHENG LEONG
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
c) Whether there is any unsatisfied judgment against him?	No	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

At the 38th Annual General Meeting
[Pursuant to SGX-ST Listing Manual – Rule 720(6) and Appendix 7.4.1]

	LOO HOCK LEONG	RANDY SIM CHENG LEONG
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

IFS CAPITAL LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No. 198700827C

PROXY FORM

Thirty-Eighth (38th) Annual General Meeting

IMPORTANT

1. The AGM (as defined below) is being convened, and will be held physically at 10 Eunos Road 8, #03-102 Singapore Post Centre, Singapore 408600 (NTUC Club Clubhouse) on Monday, 28 April 2025 at 2.30 p.m. **There will be no option for shareholders to participate virtually.**
2. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy(ies).
3. This proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF and SRS investors.
4. CPF and SRS investors:
   (a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
   (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 17 April 2025.
5. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 10 April 2025.

I/We ______________________________ (Name) ______________ (NRIC/Passport No./Co. Reg No.)

of ____ (Address)

being a member/members of **IFS Capital Limited** (the "**Company**"), hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

as my/our proxy/proxies, to attend, speak and vote for me/us on my/our behalf at the Thirty-Eighth (38th) Annual General Meeting ("**AGM**") of the Company to be convened and held at 10 Eunos Road 8, #03-102 Singapore Post Centre, Singapore 408600 (NTUC Club Clubhouse) on Monday, 28 April 2025 at 2.30 p.m. and at any adjournment thereof in the following manner:

	Resolutions Relating To:	For	Against	Abstain
Routine Business				
1	Adoption of Directors' Statement, Audited Financial Statements and Auditors' Report			
2	Payment of a First and Final One-Tier Tax Exempt Ordinary Cash Dividend of 0.50 cents per share			
3	Approval of Directors' fees amounting to S$208,050			
4(a)	Re-election of Director: Mr Loo Hock Leong			
4(b)	Re-election of Director: Mr Randy Sim Cheng Leong			
5	Re-appointment of Ernst & Young LLP as the auditors of the Company and to authorise the Directors to fix their remuneration			
Special Business				
6	Ordinary Resolution: Authority for Directors to Issue Shares and Instruments Convertible into Shares			

Voting will be conducted by poll. If you wish your proxy/proxies to cast all your votes "For" or "Against", please indicate with an "X" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish your proxy/proxies to abstain from voting on a resolution, please indicate with an "X" in the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of shares that your proxy/proxies is/are directed to abstain from voting in the "Abstain" box provided in respect of that resolution. **In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deems fit on any of the above resolutions if no voting instruction is specified, and on any other matter arising at the AGM.**

Dated this ________ day of ______________________ 2025

Total Number of Shares Held

____
Signature(s) of Member(s) or
Common Seal of Corporate Member

IMPORTANT: PLEASE READ NOTES TO PROXY FORM OVERLEAF

NOTES TO PROXY FORM:

1. A member should insert the total number of shares held. If the member has shares entered against his/her/its name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she/it should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he/she/it should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register as well as shares registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967.
3. A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.
4. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) if submitted by post, be deposited at the office of the Company's share registrar, Tricor Barbinder Share Registration Services, 9 Raffles Place #26-01 Republic Plaza Tower 1, Singapore 048619; or

   (b) if submitted electronically, be submitted via email to the Company's share registrar at sg.is.proxy@vistra.com.

   in either case, by 2.30 p.m. on 25 April 2025, being 72 hours before the time appointed for holding the AGM.
5. Completion and submission of the instrument appointing a proxy(ies) by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the AGM.
6. The instrument appointing a proxy(ies) must be signed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. A corporation which is a member may, in accordance with Section 179 of the Companies Act 1967, authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM.
8. The Company shall be entitled to reject the instrument appointing a proxy(ies) which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies) (including any related attachment). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy/proxies lodged or submitted if such members, being the appointor, are not shown to have shares entered against their names in the Depository Register at least 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
9. For purposes of the appointment of a proxy(ies) and/or representative(s), the member(s)' and the proxy(ies)' or representative(s)' full name and full NRIC/passport number will be required for verification purposes, and the proxy(ies)' or representative(s)' NRIC/passport will need to be produced for sighting at registration at the AGM. This is so as to ensure that only duly appointed proxy(ies)/representative(s) attend, speak and vote at the AGM. The Company reserves the right to refuse admittance to the AGM if the proxy(ies)' or representative(s)' identity cannot be verified accurately.

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Affix
Postage
Stamp

IFS Capital Limited
c/o Tricor Barbinder Share Registration Services
9 Raffles Place #26-01 Republic Plaza Tower 1
Singapore 048619

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman
Lim Hua Min

Group Chief Executive Officer
Randy Sim Cheng Leong

Lead Independent Director
Barney Lau Tai Chiau

Members
Chen Xialing
Loo Hock Leong

AUDIT & RISK COMMITTEE

Chairman
Loo Hock Leong

Members
Barney Lau Tai Chiau
Chen Xialing

EXECUTIVE RESOURCE & COMPENSATION COMMITTEE

Chairman
Barney Lau Tai Chiau

Members
Chen Xialing
Lim Hua Min

GROUP MANAGEMENT COMMITTEE

Chairman
Randy Sim Cheng Leong

Members
AB. Razak Khalil
Chan Yee Sun
Chionh Yi Chian
Choi Kin Seng
Han Yeh Kwong Ken
Tan Ley Yen
Toh Boon Kim Henry
Zeng Renchun

COMPANY SECRETARY

Chionh Yi Chian

ASSISTANT COMPANY SECRETARY

Angeline Ng Ching Loo

AUDITORS

Ernst & Young LLP
Level 18 North Tower
One Raffles Quay
Singapore 048583

Partner-In-Charge
Wilson Woo Siew Wah
Appointed on 22 April 2022

REGISTERED OFFICE

10 Eunos Road 8 #09-04
Singapore Post Centre
Singapore 408600
Tel: 6270 7711
Website: www.ifscapital.com.sg

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
9 Raffles Place #26-01
Republic Plaza Tower 1
Singapore 048619
Tel: 6236 3333
Website: www.vistra.com

PLACE OF INCORPORATION

Singapore

COMPANY REGISTRATION NO.

198700827C

DATE OF INCORPORATION

28 March 1987

IFS CAPITAL LIMITED

(Reg No: 198700827C)
10 Eunos Road 8
#09-04 Singapore Post Centre
Singapore 408600
Tel: (65) 6270 7711

SUBSIDIARIES

ECICS LIMITED
10 Eunos Road 8
#09-04A Singapore Post Centre
Singapore 408600
Tel: (65) 6337 4779

IFS CAPITAL ASSETS PRIVATE LIMITED

IFS CONSUMER SERVICES PRIVATE LIMITED

IFS VENTURES PRIVATE LIMITED

MULTIPLY CAPITAL LIMITED
10 Eunos Road 8
#09-04 Singapore Post Centre
Singapore 408600
Tel: (65) 6270 7711

IFS ASSET MANAGEMENT PRIVATE LIMITED

IFSAM VCC

LENDINGPOT PRIVATE LIMITED
10 Eunos Road 8
#09-04A Singapore Post Centre
Singapore 408600
Tel: (65)6653 3351 / (65) 6653 3353

IFS CAPITAL (MALAYSIA) SDN. BHD.

IFS FACTORS (MALAYSIA) SDN. BHD.

LENDINGPOT SDN. BHD.
Suite 2-01, 2nd Floor
Menara Atlan
161B Jalan Ampang
50450 Kuala Lumpur, Malaysia
Tel: (603) 2161 7080

PT. IFS CAPITAL INDONESIA

PT. LENDINGPOT TECHNOLOGY INDONESIA
ATRIA @SUDIRMAN
Jl. Jenderal Sudirman Kav 33-A
15th Floor
Jakarta 10220, Indonesia
Tel: (6221) 579 32649

IFS CAPITAL (THAILAND) PUBLIC COMPANY LIMITED

IFS CAPITAL HOLDINGS (THAILAND) LIMITED
20th Floor, Lumpini Tower
1168/55 Rama IV Road
Tungmahamek Sathorn
Bangkok 10120 Thailand
Tel: (662) 285 6326

RESILIENCE