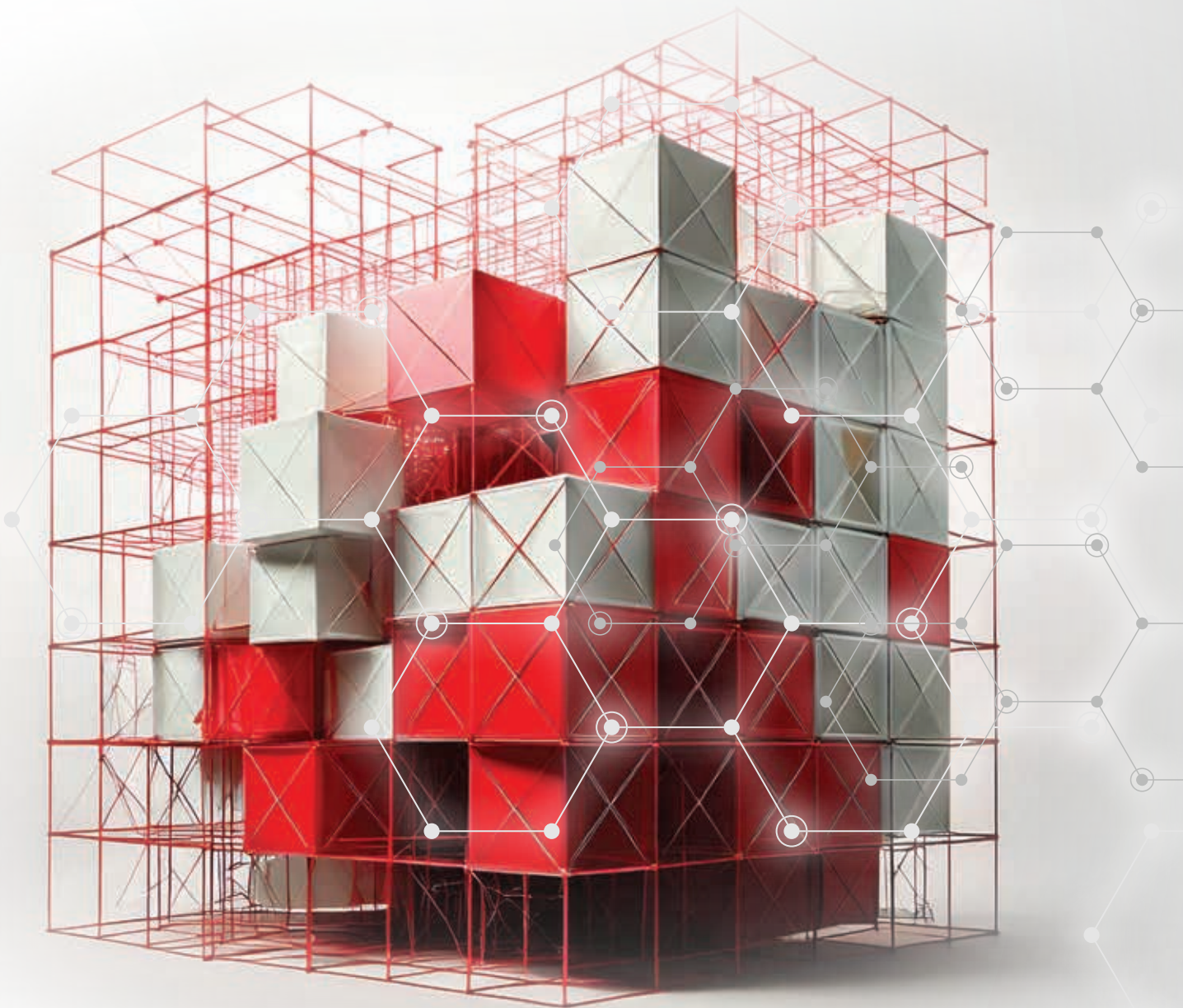




IFS Capital Limited

REIMAGINED  
GROWTH



ANNUAL REPORT 2025

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IFS Capital Limited is a specialist financial institution providing private credit origination, insurance, and asset management services to SMEs, consumers, and investors across Asia. The Group manages a diverse portfolio of subsidiaries that range from General Insurance to FinTech and Asset Management. We operate through offices in Singapore, Thailand, Malaysia, Indonesia, and Hong Kong (SAR). Incorporated in Singapore in 1987 and listed on the Mainboard of the Singapore Exchange since 1993, IFS Capital is part of the PhillipCapital Group. Our regional presence allows us to provide cross-border financing solutions through our subsidiaries. By providing these facilities in their domestic currencies, our clients avoid the need to hedge against that currency.

## 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



# GROUP OVERVIEW

IFS Capital Limited is an SGX-listed financial services group with operations across Singapore, Thailand, Malaysia, Indonesia, and China (Hong Kong SAR). The Group provides private credit, asset management, and insurance services to corporations, SMEs, and consumers in the region – built on nearly four decades of experience navigating credit cycles.

## Market Presence

**5 Markets**

SG · TH · MY · ID · HK

## Annual Capital Extended

**>\$1 Billion**

per annum

## THE GROUP OPERATES ACROSS THREE PILLARS

### PILLAR 1 Private Credit

Direct lending to SMEs and consumers across five markets

### PILLAR 2 Asset Management

Private credit funds for institutional and HNW investors

### PILLAR 3 Insurance

General insurance products for individuals and businesses

### PILLAR 1 – PRIVATE CREDIT

Private credit is the core of the Group. It comprises our direct lending operations across Singapore, Thailand, Malaysia, Indonesia, and Hong Kong SAR – extended to corporations, SMEs, and consumers. The portfolio has been built over nearly four decades and is managed under a consistent credit framework emphasising risk discipline over market cycles.

#### Accounts Receivable Purchase

Accounts Receivable Purchase (ARP) allows businesses to convert outstanding invoices into immediate working capital by selling those receivables to IFS. The facility applies to both domestic sales and export transactions, with optional credit protection.

Advances typically range from 70% to 100% of invoice value. Once the borrower's customer settles the invoice, IFS returns the balance after deducting applicable fees.

Key features:

- No collateral required in most cases – accessible to asset-light businesses
- Scalable funding that grows in line with a company's receivables
- Improved cash-flow stability for managing operations and business opportunities
- IFS manages collections, reducing administrative burden on the borrower
- Independent reconciliation of accounts receivable with reporting and aging analysis

#### Real Estate Financing

IFS provides bridging facilities secured against residential, commercial, and industrial properties. The primary use case is time-sensitive transactions – acquisitions or refinancings where speed of execution matters. Facilities are structured to the specific requirements of the borrower.

#### Leasing and Hire Purchase

For capital-intensive businesses, IFS's leasing and hire purchase products allow companies to acquire revenue-generating assets without upfront capital outlay. Asset classes include commercial vehicles, heavy equipment, medical equipment, IT infrastructure, and production machinery.

#### Supply Chain Financing

The Group's supply chain financing platform facilitates credit between anchor buyers and their SME suppliers. Buyers can optimise their cash conversion cycles and balance sheet; suppliers receive collateral-free liquidity based on the credit quality of the anchor buyer rather than their own.

#### Consumer Services – Friday Finance

Friday Finance is IFS's licensed moneylending operation in Singapore, serving individuals and early-stage entrepreneurs through a range of secured and unsecured credit products.

- Life-Stage Loans: Financing for marriage, home renovation, education, and medical expenses
- Start-Up Loans: Credit for founders managing early-stage cash flow alongside business development
- Income Advance: Salary or receivables drawn in advance, designed for own-account workers, agents, and freelancers with variable income

#### Lendingpot – Loan Marketplace

Lendingpot is an online platform connecting SMEs and consumers with more than 70 lenders across Singapore, Malaysia, Indonesia, and Hong Kong SAR through a single application. Borrowers can compare offers across mortgages, home equity, personal loans, and business loans without approaching each lender individually.

# GROUP OVERVIEW

## PILLAR 2 – ASSET MANAGEMENT

IFS Asset Management Private Limited (IFSAM) is a fund management company licensed by the Monetary Authority of Singapore. It extends the Group's private credit capabilities to institutional investors, family offices, and high-net-worth individuals – applying the same credit framework used in the Group's direct lending operations.

IFSAM's strategy is to develop a select number of scalable investment products to provide investors with access to private credit opportunities with attractive risk-return characteristics. Expertise, scale and deal flow from the Group's direct lending operations underpin the strategy.

## PILLAR 3 – INSURANCE

ECICS Limited is a wholly-owned subsidiary of IFS Capital and a fully licensed general insurer regulated by the Monetary Authority of Singapore under the Insurance Act 1966. ECICS has operated since 1975, providing personal and commercial insurance in Singapore.

### Personal Insurance

- Motor insurance: Private cars, electric vehicles, and commercial vehicles
- Property insurance: Coverage for damage and loss
- Domestic helper insurance: Personal accident, hospitalisation, and security bonds

### Commercial Insurance

- Property and asset protection: Fire insurance, Contractors' All Risks, and Machinery All Risks
- Liability: Protection against third-party liability arising from business operations
- Commercial fleet: Comprehensive insurance solutions for commercial vehicle fleets
- Bonds and guarantees: Performance bonds under contractual agreements and foreign worker bonds

The three pillars are designed to draw on a common foundation – risk management and regional relationships built over decades. The Group's view is that scale and expertise across the three pillars reinforce one another over time.



# LETTER TO SHAREHOLDERS

## DEAR FELLOW SHAREHOLDERS,

I appreciate the opportunity to bring you an account of our business and the key changes that have taken place in the past year. As economies in ASEAN adapt to evolving market realities shaped by geopolitical tensions and intensifying global competition, our company must likewise transform how we operate to compete effectively across these markets.

## PERFORMANCE ACROSS THREE PILLARS

During the year, we reorganized our business around three related pillars: private credit, asset management, and insurance. While each pillar serves a different segment, they are all built on the same foundation of risk management over market cycles.

Private credit remains the core of our Group and comprises our lending operations in Singapore, Thailand, Malaysia, and Indonesia. In 2025, total lending assets grew marginally to S\$468 million. Credit quality across most markets remained stable but Thailand was the exception, where we recorded S\$4.2 million in provisions, related primarily to a group of SMEs that experienced sudden business disruptions. We recognized the provisions upfront based on policy and continue to work with the borrowers to restructure payments. Despite the higher provisions in Thailand, profit before tax for our overall private credit business grew 5% to S\$11 million in 2025 due to improved performance across all other markets.

As we continue to grow this business, including a planned expansion to Hong Kong in 2026, we will monitor carefully for signs of broader stress among SMEs and consumers in regional markets. An environment of heightened uncertainty increases the likelihood of misjudging risks for both lenders as well as borrowers, a consideration we remained mindful of as we put your capital to work.

Our asset management business builds directly on our private credit platform. In 2025, we concluded our first fund, delivering cumulative net returns of 22.4% (equivalent to annualized returns of approximately 5.5%). During the year, we also launched the IFSAM Private Credit Income Fund, applying the same investment framework with an emphasis on stable income generation. The fund has achieved asset under management of more than S\$50 million. Our



# LETTER TO SHAREHOLDERS

focus remains on developing a select number of scalable investment products, collaborating with specialist partners where appropriate, to bring private credit opportunities to investors where we believe risk and return are properly aligned.

Our insurance business made tangible progress in 2025. Losses declined by more than half to S\$2.2 million from S\$5.1 million in 2024. The improvement in results was driven primarily by a doubling of net earned premiums to S\$14.8 million from S\$7 million in 2024, while our overall loss ratio improved significantly to 69% in 2025 from 115% in 2024. The work is not yet complete, and our insurance unit remains loss-making from insufficient scale, but we are growing in the right direction.

These three pillars are designed to reinforce one another as scale and expertise build across them. The Group's net operating income grew 33% to S\$38.6 million while operating expenses grew 11% to S\$25.7 million, and profit after tax increased 72% to S\$6.4 million. We continue to work on eliminating waste while investing for the future. We ended the year with a healthy balance sheet – debt/equity ratio was 1.58x (stable vs 1.55x in 2024) and cash and cash equivalent totalled S\$51 million (up from S\$41 million in 2024). As a result of the Group's performance in 2025, we are pleased to propose a dividend of 0.8 Singapore cents per share (an increase of 60% from 0.50 Singapore cents in 2024) for approval at the upcoming annual general meeting.

## ORGANIZATIONAL CHANGES

In 2025, we centralized technology, product, marketing, strategic account management, and operations while maintaining sales origination in market. This reduced duplication and lets us move faster on priorities such as building common core systems for credit and insurance, incorporating recent advances in AI into workflows as well as automating manual

processes that were limiting customer experience. Our businesses in each market will increasingly operate with the scale, technology, and expertise of the Group, rather than as standalone operations.

Planned leadership transitions are also underway. Mr. Tan Ley Yen (Country Head for Thailand) and Mr. Abdul Razak (Country Head for Malaysia), who have served the Group for 40 years and 15 years respectively, will retire in 2026. Ley Yen played a pivotal role in establishing and growing our business in Thailand while Razak made significant contributions to the development of our supply chain business in Malaysia. Successors have been identified from within their respective country teams, and both will transition into advisory roles to ensure continuity. Mr. Ken Han (Country Head for IFS Indonesia) will be leaving the Group after 17 years of service. In his final role, he helped stabilize the portfolio in Indonesia and positioned the business for sustainable growth.

On behalf of the Group and the Board of Directors, I would like to express our sincere appreciation to Ley Yen, Razak, and Ken for their valuable contributions to the Group.

## MOVING FORWARD 2026

For several years, we have been restructuring, building, and refining different parts of the Group. In 2025, those efforts began to connect such that progress in one area strengthens the others. As we continue this work in 2026, I would like to thank our employees and all our stakeholders for your commitment and support.

With a grateful heart,

**LIM HUA MIN**



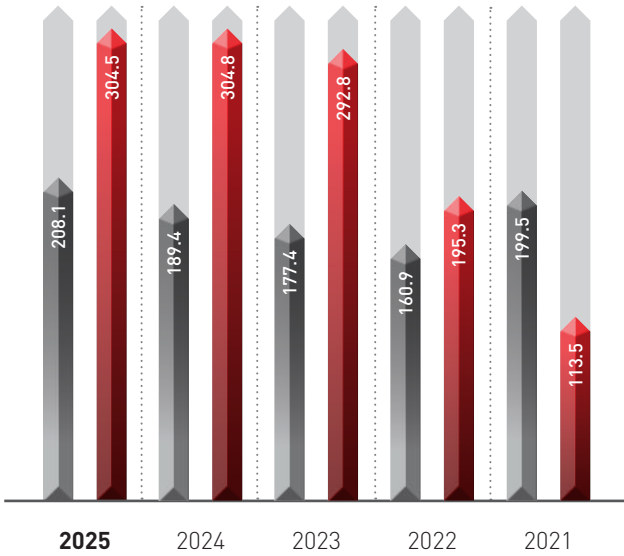
# GROUP FINANCIAL HIGHLIGHTS

S\$000	2025	2024	2023	2022	2021
				(Restated)*	(Restated)*
<b>INCOME STATEMENT</b>					
<b>Net operating income</b>	<b>38,647</b>	29,092	30,141	26,349	34,371
<b>Profit/(loss) before tax – by business segment</b>					
– Lending business	<b>10,944</b>	10,399	7,830	6,910	13,099
– Insurance	<b>(2,205)</b>	(5,092)	(692)	(483)	(410)
<b>Profit – Overall</b>					
– before tax	<b>8,739</b>	5,307	7,138	6,427	12,689
– after tax	<b>6,361</b>	3,709	5,322	4,856	9,649
– attributable to shareholders	<b>4,740</b>	1,889	3,439	3,059	7,951
* Restatement of prior years numbers due to the initial application of SFRS(I)17 Insurance Contracts					
<b>BALANCE SHEET</b>					
Number of shares ('000)	<b>375,970</b>	375,970	375,970	375,970	375,970
Issued share capital	<b>137,302</b>	137,302	137,302	137,302	137,302
Shareholder's funds	<b>181,885</b>	178,514	176,301	175,435	178,955
Non-controlling interests ("NCI")	<b>34,268</b>	27,757	23,811	23,143	17,305
Total assets	<b>556,699</b>	525,843	491,328	397,761	403,294
Total liabilities	<b>340,546</b>	319,572	291,216	199,183	207,034
<b>DIVIDEND INFORMATION</b>					
Dividend proposed/paid for the year (net of tax)	<b>3,008</b>	1,880	1,880	1,692	2,933
Gross dividends declared per share					
– ordinary (cents)	<b>0.80</b>	0.50	0.50	0.45	0.78
Dividend yield as of 31 December	<b>4.49%</b>	4.50%	3.90%	2.40%	4.20%
<b>FINANCIAL RATIOS</b>					
Earning per share (cents)	<b>1.26</b>	0.50	0.91	0.81	2.11
Net tangible asset per share (\$)	<b>0.48</b>	0.47	0.47	0.47	0.47
Return on average shareholders' funds	<b>3.5%</b>	2.1%	3.0%	2.7%	5.4%
Cost-income ratio	<b>66.4%</b>	79.2%	70.6%	70.7%	59.0%
Current ratio (times)	<b>1.1</b>	1.2	1.3	1.9	2.0
Debt to equity ratio (times)	<b>1.6</b>	1.5	1.5	1.0	0.9

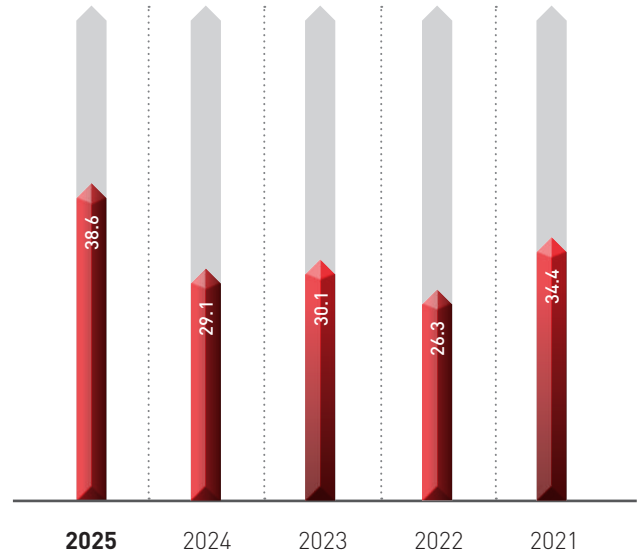
# PERFORMANCE AT A GLANCE

**Outstanding Loan Book (Gross)**  
(S\$ million)

▲ Account receivables purchase    ▲ Loans & advances

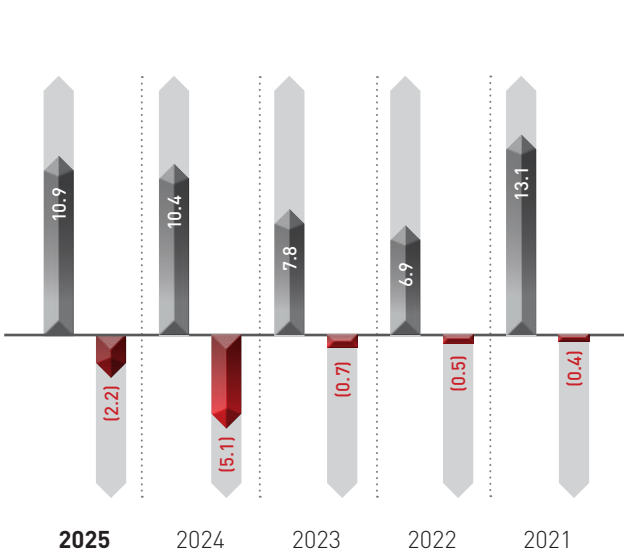


**Net Operating Income**  
(S\$ million)



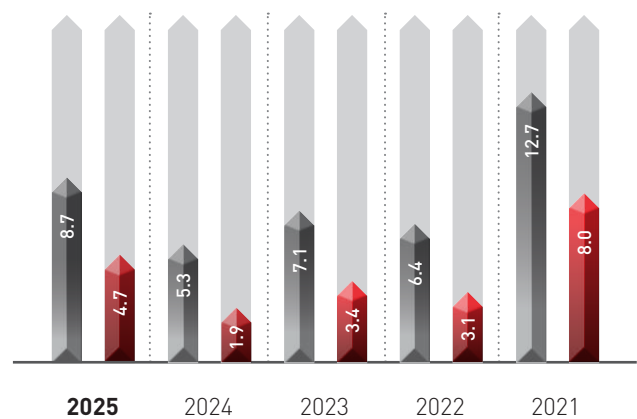
**Profit/(Loss) Before Tax – By Business Segment**  
(S\$ million)

▲ Lending business    ▼ Insurance



**Profit Overall**  
(S\$ million)

▲ Before tax    ▲ Attributable to shareholders



# BOARD OF DIRECTORS



From left to right:

1. BARNEY LAU TAI CHIAU
2. LIM HUA MIN
3. LOO HOCK LEONG
4. RANDY SIM CHENG LEONG
5. 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 of 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 (Honours) in Chemical Engineering, University of Surrey, England
- ◆ Master of Science (Operational Research and Management Studies), Imperial College, London University

### Present Directorships in Other Listed Companies

Nil

### 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 : 28 April 2025

#### 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)
- ◆ Singapore Lam Ann Association

##### 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 : 28 April 2025*

### 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.
- ◆ IFS Capital (Hong Kong) Limited

#### 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
- ◆ Completed CFA Program, 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



## 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.



## CHAN YEE SUN

GROUP CHIEF OPERATIONS OFFICER  
OPERATIONS AND DATA ANALYTICS

Yee Sun was appointed Group Chief Operations Officer in February 2024 and is responsible for the Group's operations 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.



## CHOI KIN SENG

CHIEF EXECUTIVE OFFICER  
ECICS LIMITED

Kin Seng joined ECICS Limited as Chief Executive Officer in January 2019. He holds a Bachelor of Science from Universiti Malaysia Sabah and began his career in the Malaysian insurance industry before relocating to Singapore in 2005.

His Singapore career spans several institutions — MACS-UIB Insurance Brokers, Etiqa Insurance's Singapore Branch, and FWD Singapore, where he served as Chief Operations Officer immediately prior to joining ECICS. At Etiqa, he rose to Chief Executive in 2014 and received the Claims Innovation of the Year award at the Claims Awards Asia that same year. He brings more than 21 years of experience in the industry.

# GROUP MANAGEMENT TEAM



**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.



**KELVIN TAN KOK WAI**  
GENERAL MANAGER AND COUNTRY HEAD  
IFS CAPITAL (MALAYSIA) SDN. BHD.

Kelvin is appointed as General Manager and Country Head of IFS Capital (Malaysia) Sdn. Bhd. in March 2026, succeeding Razak after his retirement. Kelvin has over 20 years of leadership experience across consumer banking, retail lending, payments, and insurance. He brings regional exposure spanning Malaysia, Singapore, and Indonesia. He has held senior leadership roles in global financial

institutions, including Visa, Standard Chartered Bank, and Citibank, where he spent over a decade managing nationwide sales channels across cards, loans, mortgages, and wealth products. Kelvin holds a Bachelor of Business (Economics and Finance) from RMIT University, Melbourne, Australia.

## 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.



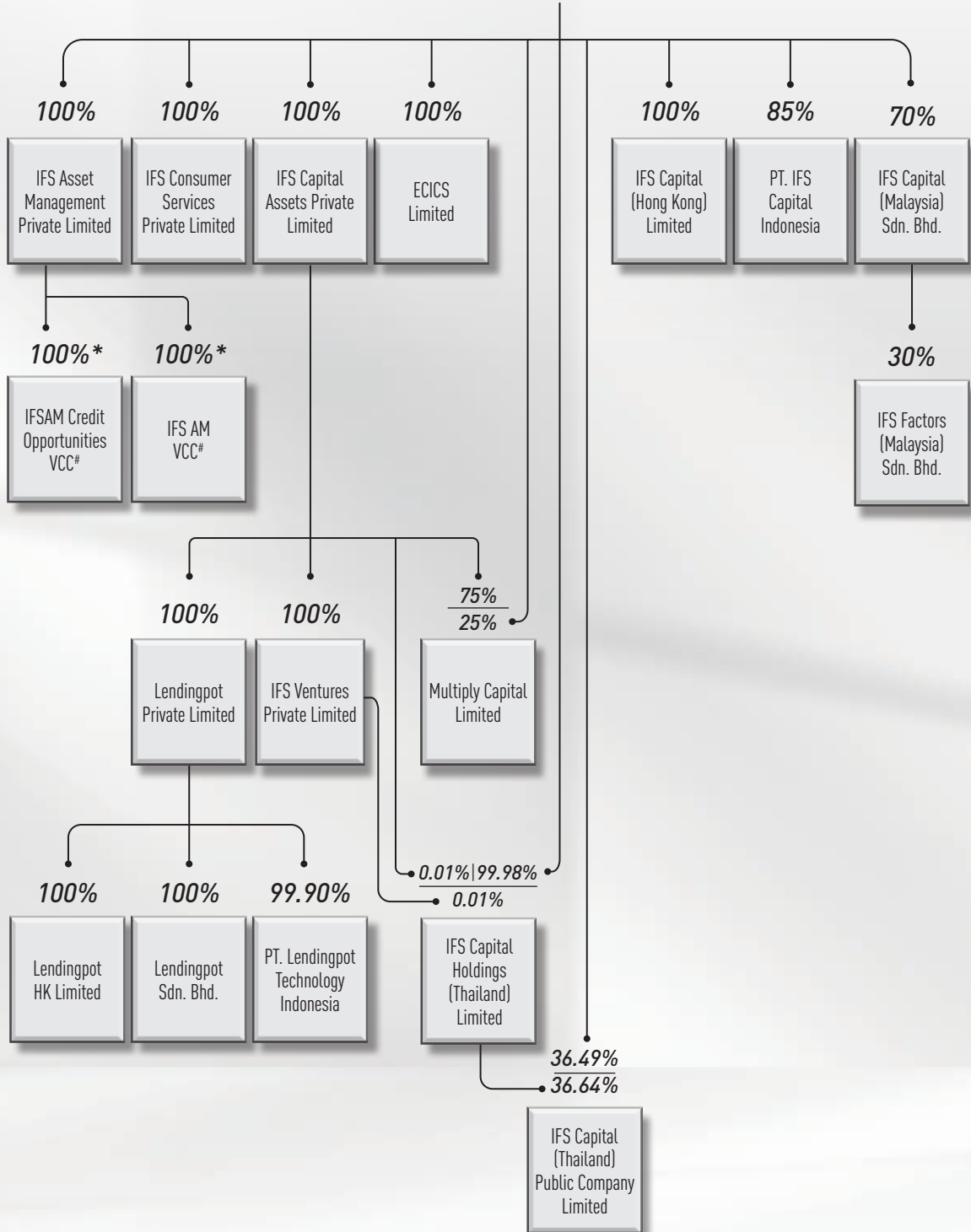
**ZENG RENCHUN**  
CHIEF EXECUTIVE OFFICER AND COUNTRY HEAD  
IFS CAPITAL LIMITED

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



## IFS Capital Limited



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

# sub-funds of the VCCs, and any underlying special purpose investment vehicles, are not shown in the corporate structure chart above

# SUSTAINABILITY REPORT

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# SUSTAINABILITY REPORT

## MESSAGE FROM THE BOARD

FY2025 was a year of disciplined growth and continued transformation. We remained focused on executing our three-pillar business strategy – integrating private credit, asset management, and insurance to create a reinforcing flywheel. At the same time, we remained committed to delivering long-term value to our shareholders and advancing our mission to empower creditworthy SMEs and individuals with access to capital, and protection through simple and affordable solutions.

Our sustainability strategy continues to be anchored on three core pillars.

### Ethical Foundation, Responsible Business

Strong governance is the bedrock of our resilience. We are fortifying our governance frameworks to remain robust in an increasingly complex and interconnected environment. In FY2025, we evolved our sustainability reporting to meet the mandatory climate-related disclosure requirements under the IFRS Sustainability Disclosure Standards, as prescribed by SGX-ST. This transition builds upon the reporting foundation we established through the Task Force on Climate-Related Financial Disclosures (TCFD) framework adopted since FY2023. Investments in our people and business are ongoing as we enhance our alignment with these global standards to meet SGX-ST's phased implementation timeline.

By anchoring our governance practices in transparency and evolving regulatory expectations, we ensure that the Group remains a trusted and dependable partner within the regional financial ecosystem.

### Nurturing Nature, Sustaining Tomorrow

We are taking pragmatic steps to improve operational efficiency and manage our carbon footprint. Over the past few years, we have progressively transitioned our business operations to cloud infrastructure and energy-efficient consumption. We are also conducting a longer-term evaluation of fleet electrification across our regional offices, subject to local infrastructure readiness. To better manage climate-related risks and opportunities, we commenced a study using the Science Based Targets initiative (SBTi) and sector-specific guidance to deepen our understanding of our emissions profile and will progressively refine our emissions management approach.

### Empowering Lives, Building Bonds

**Our People.** Our staff is central to our business growth and expansion. We continue to invest in upskilling our workforce to be future-ready, focusing on artificial intelligence (AI), while supporting employee wellbeing and engagement.

**Our Clients.** We have intensified our focus on technological transformation to enhance accessibility and improve client experience. Our progress was recognised when we were named one of “**Singapore’s Top Fintech Companies 2026**” by Tech in Asia and Statista in the alternative lending category. This affirms our role in providing flexible access to capital beyond traditional banking channels.

**Community & Resilience.** We remain committed to the communities where we operate. During the year, we supported initiatives focused on environmental stewardship, social inclusion and assistance for the less privileged. When severe floods affected parts of Indonesia in late 2025, we responded with targeted relief efforts to support the impacted communities.

### Looking Ahead

We remain committed to building a resilient, digitally enabled, and sustainable financial ecosystem for the years ahead. Finally, we would like to thank our employees, partners, clients, and stakeholders for their continued trust and support as we advance this journey together.

Board of Directors  
IFS Capital Limited

# SUSTAINABILITY REPORT

## ABOUT THIS REPORT

### REPORTING PRINCIPLES AND STATEMENT OF USE

IFS Capital Limited ("IFS Capital") is pleased to present the sustainability report for the financial year ended 31 December 2025 ("FY2025").

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") Listing Rules 711A and 711B and Practice Note 7.6 Sustainability Reporting Guide (applicable to the FY2025 transition period);
- Global Reporting Initiative ("GRI") Standards 2021 (updated July 2021);
- Sustainability Accounting Standards Board ("SASB") standards within the financial sector: Commercial Banks (FN-CB), Consumer Finance (FN-CF), Insurance (FN-IN), Mortgage Finance (FN-MF), and Asset Management & Custody Activities (FN-AC);
- International Financial Reporting Standards Sustainability Disclosure Standards (IFRS SDS)<sup>1</sup>; and
- Guidelines on Responsible Financing issued in October 2015 by the Association of Banks in Singapore (updated June 2018).

### Reporting Scope

Unless otherwise stated, this report covers IFS Capital and its subsidiaries (together, the "Group") across our core markets for the financial year from 1 January to 31 December 2025.<sup>2</sup>

### Assurance

We have engaged our internal auditor to undertake limited assurance on the sustainability reporting process for our Sustainability Report for FY2025.

### Availability and feedback

We welcome feedback from our stakeholders as it will enable us to continuously improve our policies, processes, and performance. Queries may be directed to [ir@ifscapital.com.sg](mailto:ir@ifscapital.com.sg).



<sup>1</sup> Our climate-related disclosures were previously prepared based on the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. Following the dissolution of TCFD in 2024, its recommendations have been fully incorporated into the IFRS Sustainability Disclosure Standards, specifically IFRS S2 on Climate-Related Disclosures.

<sup>2</sup> We have included our Hong Kong subsidiary in our employment figures for FY2025, and will commence tracking other ESG and GHG emissions data in FY2026 when its operations are officially launched.

# SUSTAINABILITY REPORT

## AWARDS AND ESG PERFORMANCE HIGHLIGHTS IN 2025



Named one of Singapore's Top Fintech Companies 2026 by Tech in Asia and Statista (Alternative Financing category) (Material Factor: Financial Inclusion)



Group AML/CFT Policy and the procedures were reviewed and updated to ensure robustness and compliance with the evolving regulatory requirements (Material Factor: Strengthening Corporate Governance)



Launched a promotional reward for owners of a leading Electric Vehicle (EV) brand who purchase/renew EV insurance with ECICS Limited. In collaboration with PhillipCapital, eligible policyholders receive fractional shares of the EV manufacturer, supporting Singapore's transition to low-carbon transport (Material Factor: Climate Action)



Lendingpot surpassed 1,000 Google reviews with a 4.9/5.0 rating. This milestone validates our effort to transparency and good client experience in the digital lending marketplace (Material Factor: Client Experience)








# SUSTAINABILITY REPORT

## STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

As an organisation, we collaborate closely with key stakeholders to understand their needs. This enables us to build trust and drive sustainability performance. The current 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:

Stakeholder	Engagement Channel	Frequency	Key Areas of Discussion	Section Reference
<b>Employees</b> 	<ul style="list-style-type: none"> <li>Town Hall</li> <li>Employee satisfaction survey</li> <li>Employee appraisal</li> </ul> <hr/> <ul style="list-style-type: none"> <li>Email communication</li> <li>Recreational bonding</li> <li>Professional training</li> </ul>	Biannually  Annually  Throughout the year	<ul style="list-style-type: none"> <li>Updates on company performance and strategies</li> <li>Job satisfaction and reward performance</li> <li>Career development</li> <li>Employee safety and welfare</li> <li>Professional development opportunities</li> <li>Remuneration and benefits</li> </ul>	Pillar 3: Empowering Lives, Building Bonds
<b>Governments and regulators</b> 	<ul style="list-style-type: none"> <li>Regular engagements</li> <li>Meetings</li> <li>Consultations</li> <li>Site visits</li> </ul>	Ad hoc	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Operational efficiency</li> <li>Regulatory compliance</li> </ul>	Pillar 1: Ethical Foundation, Responsible Business
<b>Investors and shareholders</b> 	<ul style="list-style-type: none"> <li>Annual General Meeting (AGM)</li> <li>Annual &amp; Sustainability Report</li> </ul> <hr/> <ul style="list-style-type: none"> <li>Half-year financial results and announcement</li> </ul>	Annually  Biannually	<ul style="list-style-type: none"> <li>Updates on financial performance</li> <li>Business continuity plans</li> <li>Industry development and market outlook</li> <li>Investment plans in the pipeline</li> </ul>	Pillar 1: Ethical Foundation, Responsible Business Pillar 2: Nurturing Nature, Sustaining Tomorrow
<b>Communities</b> 	<ul style="list-style-type: none"> <li>Local community outreach programmes</li> <li>Business forums</li> <li>Industry events</li> <li>Informative Articles</li> <li>Company website</li> </ul>	Throughout the year	<ul style="list-style-type: none"> <li>Corporate social responsibility</li> <li>Sharing insights on financial management (financial literacy)</li> <li>Industry training</li> </ul>	Pillar 3: Empowering Lives, Building Bonds
<b>Clients</b> 	<ul style="list-style-type: none"> <li>Live Help chat</li> <li>Live Help appointments</li> <li>Social media platforms</li> <li>Other feedback forums (e.g. Google Reviews)</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>Product queries</li> <li>Service feedback</li> </ul>	Pillar 1: Ethical Foundation, Responsible Business Pillar 3: Empowering Lives, Building Bonds

# SUSTAINABILITY REPORT




## MATERIALITY ASSESSMENT

In FY2022, the Group conducted its first materiality assessment through a group-wide survey to identify material Environmental, Social and Governance (ESG) topics most significant to our business. The Group took into consideration the results of the survey, together with an evaluation of the IFS Capital's operating context, the financial sector, to narrow down and prioritise its material ESG factors into 9 material factors. The outcomes have guided our sustainability disclosures and priorities since then.

For FY2025, we have reviewed these factors and deemed them still relevant and material to IFS Capital's business and people. Accordingly, we have retained these material ESG factors.

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, to include engagement with other key stakeholder groups.

## MATERIAL FACTORS

Pillar	Material Factor	ESG Issue
<b>1: Ethical foundation, responsible business</b>  	• Strengthening corporate governance	• Regulatory compliance • Preventing corruption, fraud, and financial crime
	• Data protection and privacy	• Data protection and privacy
	• Fair dealing	• Fair dealing
<b>2: Nurturing nature, sustaining tomorrow</b>  	• Climate action	• Climate-related disclosures • GHG emissions • Energy management • Waste management
<b>3: Empowering lives, building bonds</b>  	• Human capital development	• Talent acquisition and retention • Professional growth and development • Diversity, equity, and inclusion • Workplace safety, health and well-being • Human rights
	• Financial inclusion	• Financial inclusion • Promoting financial literacy
	• Client experience	• Client experience • Making insurance affordable and accessible
	• Giving back to society	• Employee volunteerism
	• Economic contribution	• Economic contribution

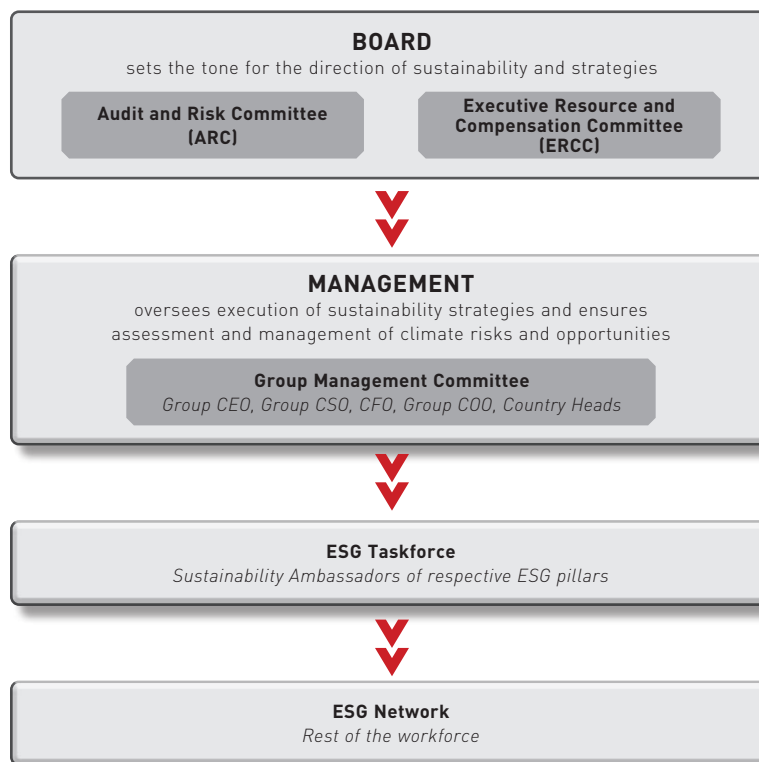
# SUSTAINABILITY REPORT

## PILLAR 1: ETHICAL FOUNDATION, RESPONSIBLE BUSINESS

At IFS Capital, we operate on the conviction that responsible business and sustainable profitability are mutually reinforcing. Strong governance serves as our bedrock, providing a disciplined framework for prudent decision-making that ensures the Group and our stakeholders thrive over the long term.

By setting a clear tone at the top, our Board of Directors (the "Board") and management ensure that ESG considerations, including climate-related risks and opportunities, are systematically integrated into our core operations across our three business pillars – Private Credit, Asset Management and Insurance. This culture of accountability drives operational excellence and resilience internally, while externally reinforcing the confidence of our shareholders and engendering the enduring trust of our clients.

### SUSTAINABILITY GOVERNANCE AND BOARD STATEMENT



The Board is central to the success of the Group's sustainability journey, setting the strategic direction required for our long-term success. It assumes ultimate responsibility for sustainability and climate-related matters through (i) oversight of the Group's ESG strategy and climate-related risk management framework, and (ii) identification of emerging opportunities.

The Board considers sustainability issues as a core component of its business oversight, and the setting of strategy for the Group. The Board oversees the identification, monitoring and management of the material ESG factors, ensuring the Groups stays resilient and focused on sustainable value creation amidst an evolving economic landscape.

# SUSTAINABILITY REPORT

The Board's oversight is operationalised through a structured governance framework, supported by the:

- **Audit and Risk Committee** ("ARC") and the **Executive Resource and Compensation Committee** ("ERCC"). These Board committees ensure that ESG and climate risk considerations are integrated into the Group's strategic decision-making processes and leadership accountability.
- **Group Management Committee** ("GMC"), comprising the senior management team, supports the Board in the execution of sustainability strategies, as well as effective management of the climate-related risks and opportunities faced by the Group. The GMC adopts a holistic approach to ESG policies and standards, making sure that material ESG factors are monitored and managed on an ongoing basis.
- **Group Chief Sustainability Officer** ("GCSO"), who provides strategic leadership and oversight of the Group's sustainability agenda. The GCSO leads the **ESG Taskforce**, which comprises representatives from Singapore and regional offices, and various functions in the Group. This ensures that sustainability is covered from all aspects of our business operations. As part of ongoing efforts to enhance data collection quality, the GCSO has organised the ESG Taskforce into specialised subgroups focused on ESG data type or metrics to ensure robust reporting across all the offices across the region.
- **ESG Taskforce**, which continues to play a central role in analysing the Group's ESG performance and identifying key areas for improvement. It is responsible for the management of data collection across business functions and contributes to ground-level insights that shape our sustainability journey.
- **ESG Network**, which comprises our entire workforce who translate our mission and ethical foundation into action. Our workforce actively engages in volunteer activities organised by the Group, enabling us to make a meaningful and positive impact on the community.

## CORPORATE GOVERNANCE

### Strengthening Corporate Governance

IFS Capital recognises that building stakeholders' trust and confidence in our internal governance is essential for sustained business growth. We view good corporate governance as the foundation for stakeholder trust. Beyond regulatory compliance, our governance framework ensures we act with integrity and accountability necessary to serve our clients and communities effectively. As a financial institution of more than 38 years of heritage, this principled approach has been our guide and the foundation upon which we continue to build our future.

### Regulatory Compliance

The Group maintains compliance with all applicable laws and regulations, including the Code of Corporate Governance 2018 (the "2018 CG Code") and the SGX-ST Listing Manual (the "Listing Manual").

The Group is guided by the IFS Code of Business Conduct (the "IFS Code"), a group-wide policy applying to all directors, officers, and employees. It ensures a consistent approach to ethics and professionalism, and governs critical areas including:

- conflicts of interest & disclosure;
- gifts and entertainment;
- anti-bribery & corruption ("ABC");
- anti-money laundering ("AML") and countering the financing of terrorism ("CFT");
- dealing with government agencies;
- dealing with clients;
- protecting company assets and intellectual property;
- dealings in IFS Capital securities and prohibition of insider trading; and
- whistleblowing policy and procedures.

Besides the IFS Code, employees are guided by policies and procedures on specific areas of regulatory compliance. To embed a proactive compliance culture and vigilance, all staff, including new hires, must complete training across the IFS Code, AML & CFT and Sanctions, ABC, Anti-Fraud and Data Protection.

Our compliance team proactively designs policies to identify, assess, and mitigate regulatory risks. In addition, it conducts regular reviews on existing policies. To prepare the Group for any legislative shifts, compliance also (i) monitors the evolving industry and regulatory landscape, (ii) interacts with the relevant regulatory authorities to keep abreast of change, and (iii) ensures our internal stakeholders are informed and prepared early.

# SUSTAINABILITY REPORT

To strengthen and safeguard our governance process, we maintain a robust whistleblowing policy that provides a secure and confidential channel for employees to raise concerns regarding unethical behaviour, misconduct, or policy violations, without fear of reprisal. Whistleblowing complaints are handled directly by the independent Chairman of the ARC and are kept confidential. The ARC Chairman oversees the entire investigation process, ensuring independence, confidentiality and impartiality.

## **Preventing Corruption, Fraud, and Financial Crime**

As a financial institution, we recognise our responsibility to protect market integrity by actively combating corruption, fraud and financial crime.

### ***Anti-Bribery and Corruption***

We adopt a zero-tolerance stance against bribery and corruption in all forms, governed by our Group ABC Policy and the IFS Code. Beyond internal policies, the Group adheres to anti-bribery laws of all the jurisdictions we operate, including those with extraterritorial effect.

We conduct due diligence checks on business associates and intermediaries prior to engagement. Our stance against bribery and corruption is clearly communicated to them to ensure alignment to our ethical standards. Employees are trained to recognise and report suspected acts of bribery and corruption.

### ***Anti-Fraud***

Our approach to fraud management is designed to identify, mitigate and safeguard the Group against internal and external fraud risks.

Employees are equipped to identify red flags and mitigate risks. Management also provides rigorous oversight to ensure our fraud prevention controls are effective. Any suspicion of fraud or irregularity is to be reported directly to the Head of Group Internal Audit and Group Management, or through the whistleblowing channel.

### ***Combating Financial Crime: Anti-Money Laundering & Countering Financial Terrorism***

To combat financial crime, we maintain a Group AML & CFT Policy. This is designed to detect and prevent risks associated with money laundering, terrorist financing, and proliferation financing and sanctions. Our AML & CFT Policy aligns with regulatory expectation and best practices, incorporates a risk-based approach to client due diligence (CDD), ongoing transaction monitoring, and the reporting of suspicious activities to relevant authorities.

In FY2025, we updated the AML & CFT Policy to specifically address the risks associated with proliferation financing, reflecting the current regulatory focus.

Our Sanctions Policy enables us to adhere to international sanctions – through the adoption of the strict policy of not dealing with clients and counterparties subject to sanctions, aligning with international laws and local regulations.

We monitor for risks to prevent money laundering, terrorist financing, proliferation financing and sanctions risks through know-your-client (KYC) requirements, CDD processes and controls, ongoing transaction monitoring, risk assessment matrices, documentation and record-keeping. Enhanced CDD is conducted on higher risk profiles to ensure compliance.

## **Data Protection and Privacy**

At IFS Capital, we recognise that safeguarding sensitive client information entrusted to us is a fundamental fiduciary duty. As our operations increasingly utilise digital platforms, our security protocols must evolve to meet modern threats.

Our data protection strategy integrates two key areas: (i) data protection policy and governance, which defines our standards to protect the data; and (ii) cybersecurity policies and practices, which serve as the technical engine protecting those standards.

### **Data protection policy and governance**

We maintain a Data Protection Policy anchored on the Singapore Personal Data Protection Act 2012. This policy provides a definitive guide to the collection, usage and disclosure of personal data across the Group.

# SUSTAINABILITY REPORT

Our data protection governance and management is conducted through:

- **Dedicated oversight** by our Data Protection Officers, working in coordination with the technology team, who is responsible for continuous risk assessment and ensuring compliance of policies and procedures for data protection.
- **Protection by system design** whereby we employ the “principles of least privilege”, where system access is granted strictly on an “as-required” basis. Access for departing staff is revoked immediately upon their resignation to prevent unauthorised data exposure.
- **Incident response.** To ensure transparency and rapid response, our Data Breach Management Policy mandates employees to report any suspected or actual data incidents, providing a clear framework for the containment and handling of data breaches.
- **Continuous awareness** through mandatory training to all employees to ensure they understand the importance of data privacy and are updated on latest regulatory shifts.

## Cybersecurity

Critical to data protection is strong cybersecurity measures within the Group – the technical defence. We adhere to the Group Security Baseline Policy, Scam Management Framework, and Risk Management Framework (all adapted from the Personal Data Protection Commission (PDPC) guidelines). In addition, our insurance business, ECICS Limited (“ECICS”), adopts the applicable MAS Technology Risk Management Guidelines.

Our technology team translates these policies into regular technical vigilance:

- **Active monitoring.** The technology team performs daily checklists, including log reviews to detect suspicious activities. Patch levels of desktops and servers are kept current to mitigate potential vulnerabilities.
- **Data resilience.** Regular data backups are practised to insure against data loss, ensuring business continuity.
- **Proactive testing.** The technology team conducts periodic penetration testing to identify and strengthen potential weaknesses in our defence mechanisms.
- **Heightened staff vigilance.** We conduct quarterly phishing tests to evaluate employee resilience and vigilance. Employees who fail such phishing tests are automatically enrolled in remedial training to enhance our “human firewall”.

## Fair Dealing

At IFS Capital, fair dealing is premised on our commitment to transparency, impartiality and balanced approach to the prioritising of client interests. These values ensure we foster and support informed decision-making throughout the client journey.

These principles are codified across the Group within the IFS Code.

While specific subsidiaries operate under formal regulatory fair dealing guidelines, such as those issued by the Monetary Authority of Singapore (“MAS”), we apply the spirit of such guidelines across our Group in our dealings with clients.

## Transparency and disclosure

Our fair dealing approach is grounded on transparency and disclosure. We ensure that the technical and financial aspects of our service or products are fully understood before our clients commit to the service or product.

Within our private credit operations, we emphasise responsible business practices that involve explicit disclosure of the total costs of borrowing – including interest rates, processing fees and terms. This transparency allows our clients to accurately assess the sustainability of financing for their business operations.

Our insurance business, ECICS, employs an omnichannel approach, using both digital platforms, and physical touchpoints to deliver information and create a seamless experience for clients. Product brochures are written in clear language, subject to internal compliance reviews for accuracy, and are readily available via the website of ECICS.

# SUSTAINABILITY REPORT

ECICS' staff and business partners, including registered agents and brokers, are required to provide quotations that include full terms and conditions, ensuring clients are informed about the key aspects of each product such as coverage terms and limits, scope of protection, and any unique exclusions.

Our fund management business, IFS Asset Management Private Limited ("IFSAM") provides potential investors with detailed product features through fund Private Placement Memorandum (PPM), fund supplement, and risk statements, that align with MAS guidelines.

## Engagement throughout the Client Lifecycle

Our commitment to fair dealing extends beyond the initial transaction to ensure ongoing support for our clients at each stage of their journey. Our relationship managers and client service staff remain accessible to address any queries.

For instance, ECICS ensures that its clients receive clear explanations of the claims process, including the role of adjusters and options for dispute resolution.

IFSAM ensures that investors receive balanced information on risks and returns through regular fund updates and periodic reporting. The investment team remains accessible to address queries on investment strategy, performance, and risk management.

We maintain independent channels for feedback to ensure disputes are resolved promptly and handled fairly.

## Targets – Pillar 1

Targets	Performance
To implement appropriate measures to enhance the Group's processes and prevent any potential misconduct in the future.	● Following the successful rollout of the Group's Anti-Bribery and Corruption ("ABC") Policy and the review of the IFS Code of Business Conduct (the "IFS Code"), and Fraud Policy in FY2024, we continued to review our compliance frameworks in FY2025. This included a thematic review of our Anti-Money Laundering ("AML") and Counter-Terrorism Financing ("CFT") protocols, with specific enhancements to our Proliferation Financing risk assessments. These measures ensure our Client Due Diligence (CDD) processes remain robust and aligned with evolving regional regulatory standards.
To reinforce employees' understanding of proper compliance governance and data protection & cybersecurity, we aim for 100% completion rate on these courses: <ul style="list-style-type: none"> <li>• IFS Code of Business Conduct (the "IFS Code")</li> <li>• AML &amp; CFT policy</li> <li>• IT Cybersecurity</li> <li>• Personal Data Protection Laws and the Handling of Confidential Information and Prevention of Insider Trading.</li> </ul>	● We achieved 100% completion rate for the mandatory training.
To ensure the Group's Data Protection Policy undergoes reviews and reflects changes in the regulatory, technological, and data security landscape.	● We completed the review and updated the relevant policies.
To have zero complaints of unfair dealing.	● We achieved zero substantiated complaints of unfair dealing.
Status: ● Met ● Partially met ● Not met	

# SUSTAINABILITY REPORT

## PILLAR 2: NURTURING NATURE, SUSTAINING TOMORROW

IFS Capital recognises that proactive climate action is one of the key drivers of long-term business resilience. As the global economy transitions to a low-carbon future, our ability to identify and manage climate-related risks and opportunities is critical to maintaining a competitive edge and securing value for our stakeholders.

Our environmental strategy is aligned with the Singapore Green Plan 2030 and the nation's ambition of achieving Net Zero emissions by 2050. We focus on monitoring GHG emissions, energy consumption and waste, prioritising actions within our operational control to optimise resource efficiency and reduce our environmental footprint.

### CLIMATE ACTION

#### Climate-Related Disclosures

##### Governance

The Board maintains ultimate oversight of climate-related risks and opportunities. For a detailed description of our governance structure, please refer to "Sustainability Governance and Board Statement" section under **Pillar 1: Ethical Foundation, Responsible Business**.

##### Transition in Climate-Related Disclosures

Our climate-related disclosures were previously prepared according to a framework adopted in FY2023 based on the Task Force for Climate-Related Financial Disclosures (TCFD) recommendations. These recommendations have since been incorporated into the IFRS Sustainability Disclosure Standards ("IFRS SDS") following the dissolution of TCFD in 2024.

In line with the updated regulatory roadmap announced jointly by SGX and ACRA on 25 August 2025, the Group is transitioning its climate-related disclosures to IFRS SDS based on the phased implementation timeline applicable to IFS Capital.

We are leveraging the foundation built upon the TCFD framework in the gradual alignment to IFRS SDS according to the latest announced implementation roadmap.

In FY2025, we continue our disclosures of Scope 1 and Scope 2 emissions, meeting the mandatory requirement applicable to IFS Capital. While Scope 3 disclosures are currently not mandatory for IFS Capital under the updated reporting roadmap, we are continuing with the disclosures of selected Scope 3 categories established in FY2023.

Our preparatory work started in FY2024 where we prioritised "reporting readiness" by engaging external sustainability consultant to lead cross-functional workshops. Representatives from Business Development, Finance, Human Resource, Risk, Operations and Compliance were trained on the evolving expectations of the IFRS SDS, specifically focusing on materiality and the integration of climate risks into financial reporting.

In FY2025, we continued our knowledge building. The phased implementation timeline will allow us to focus on building a reliable foundation for future IFRS SDS-aligned disclosures.

#### Greenhouse Gas ("GHG") Emissions & Energy Management

We actively do our part to manage GHG emissions. We monitor our GHG emissions, and endeavour to reduce our GHG emissions where possible.

##### Methodology

In FY2023, in accordance with the GHG Protocol Corporate Accounting and Reporting Standard ("GHG protocol"), we developed an emissions inventory for Scope 1, 2 and 3 using the operational control approach.

# SUSTAINABILITY REPORT

We continue to calculate our emissions using this approach in FY2025, consistent with FY2023 and FY2024:

Scope 1	Direct GHG emissions from fuel consumption from the use of company-owned vehicles.
Scope 2	Indirect GHG emissions from purchased electricity across our facilities.
Scope 3	Indirect GHG emissions from three selected categories: (i) Purchased Goods and Services, (ii) Business Travel; and (iii) Employee Commuting.  The figures presented in 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.

#### Note on Scope 3:

The Group acknowledges that our currently reported Scope 3 categories – Business Travel, Employee Commuting and Purchased Goods and Services – were selected based on the availability of verifiable internal data. While these allow for immediate monitoring and management, we recognise they do not yet encompass the full scale of our indirect impact.

We note that financed emissions generally represent a significant climate-related impact for a financial services group. However, the Group has not yet embarked on formal disclosure in this area due to the high degree of complexity in data collection. As many of our SME clients do not currently track or report their own carbon footprints, a significant data gap remains. As the regional ecosystem for SME sustainability reporting matures, the Group will continue to evaluate the feasibility of expanding the Scope 3 boundary to include financed emissions in the future.

#### Emissions calculations

The Group utilises an ESG data management and reporting platform (“ESG Platform”) to record and calculate emissions based on internationally recognised databases, including the US Environmental Protection Agency (US EPA) (including the US Environmentally-Extended Input-Output (USEEIO) model) and the UK Department for Environment, Food & Rural Affairs (Defra).

For the FY2025 reporting cycle, we applied the following location-based grid emission factors, using the latest available data as of the February 2026 reporting cut-off date:

Country	Grid Emission Factor* (kg CO <sub>2</sub> e/kWh)	Data Source (original published value)
Singapore (Nationwide)	0.4020	Energy Market Authority (EMA) (based on 2024 data; published 2026: 0.402 kg CO <sub>2</sub> e/kWh)
Indonesia (Jamali)	0.8700	Ministry of Energy and Mineral Resources (Kementerian Energi dan Sumber Daya Mineral) (based on 2019 data; published 2021: 0.87 tCO <sub>2</sub> e/MWh)
Malaysia (Peninsular)	0.7400	Energy Commission of Malaysia (Suruhanjaya Tenaga) (MyEnergyStats; based on provisional 2024 data; published 2026: 0.74 Gg CO <sub>2</sub> e/GWh)
Thailand (Nationwide)	0.4999	Thai National LCI Database (TIISMTEC-NSTDA, AR5) (based on 2018 data; published 2026: 0.4999 kg CO <sub>2</sub> e/kWh)

\*All factors are expressed in kgCO<sub>2</sub>e per kWh for easy reference.

#### Restatement of GHG Emissions Data

As part of the Group’s ongoing efforts to enhance the consistency and accuracy of its sustainability reporting, certain emissions figures disclosed in prior financial years have been updated to reflect a refinement in calculation methodology. The adjustments relate to selected activity data conversions and do not involve changes to the Group’s reporting boundaries, emissions sources, or underlying operations. Comparative figures have been restated where relevant to ensure consistency and comparability across reporting periods. The Group remains committed to transparent and robust sustainability disclosures and will continue to review and refine its methodologies in line with evolving best practices.

# SUSTAINABILITY REPORT

## **Energy/emissions management initiatives so far**

We engaged an external consultant to conduct a study using the Science Based Targets initiative (SBTi) and sector-specific guidance to deepen our understanding of our emissions profile and identify potential areas for GHG emissions reduction. We will progressively refine our emissions management approach and consider the feasibility of internal targets for GHG emissions to guide us in our journey.

We take a pragmatic approach to sustainability, acknowledging our transition involves navigating limitations that arise from localised infrastructure, and lease or building owner-specific constraints:

**Switching to the cloud** – Over the past few years, the Group has been executing a phased migration from on-site data servers to cloud-based architecture to enhance operational resilience and reduce local energy consumption. Currently, our Singapore and Indonesia offices have fully transitioned to the cloud. Thailand and Malaysia operate hybrid environments, combining cloud solutions with a limited number of on-site servers for specific business needs, and will complete their transition when operationally feasible.

**Reduction of energy use through conversion to LED lighting** – To date, most of our business units (BUs) have transitioned progressively to LED lights to lower electricity usage. Our offices in Thailand and Indonesia have switched to 100% LED lighting, while our offices in Malaysia and Singapore are at about 80% and 40% LED lighting respectively. Moving forward, Malaysia office targets to achieve 100% LED lighting. For Singapore office, it has not yet been able to achieve 100% LED lighting and further progress in this is currently balanced against lease-related requirements and building owner specific constraints.

**Electrification of company-owned/leased vehicles** – We commit to progressive electrification of the company-owned/leased vehicles by our overseas operations, with the pace of adoption guided by the availability of local EV charging infrastructure.

**1-hour lights off at lunchtime** – Most of the BUs, such as Thailand, Malaysia, and Indonesia have implemented a 1-hour lights off at lunchtime, to reduce energy use and emissions. However, Singapore has to remain open at lunchtime for client-facing business needs.

## **FY2025 GHG Performance**

### Overview

In FY2025, the Group's total GHG emissions were **1,075.34 tCO<sub>2</sub>e**, compared to **889.04 tCO<sub>2</sub>e** for FY2024, representing an increase of **20.96%**. While our Scope 1 emissions remained stable and Scope 2 emissions continued to reduce due to energy efficiency initiatives, our indirect Scope 3 emissions increased in line with our strategic digital transformation roadmap.

As the Group scales its technology infrastructure, our emissions intensity in FY2025 was **4.01 tCO<sub>2</sub>e per headcount<sup>3</sup>** compared to **3.61 tCO<sub>2</sub>e per headcount** in FY2024. We view this as a foundational investment for the future, and acknowledge the near-term carbon impact.

### Key Movements Explanation:

#### **Scope 1 (Mobile Combustion)**

Emissions remained stable at 40.02 tCO<sub>2</sub>e, reflecting a marginal 3.87% increase compared to FY2024. Our direct operational footprint continues to be managed consistently across our company-owned vehicles.

#### **Scope 2 (Purchased Electricity)**

Emissions decreased by 10.23% year-on-year to 140.59 tCO<sub>2</sub>e. Significant reductions were recorded in Malaysia (-13.63%) and Thailand (-14.55%), driven by a combination of targeted office energy-saving initiatives and favourable updates to the Malaysia grid emission factor. More details are set out under the section "Energy Consumption" below.

<sup>3</sup> Effective FY2025, the Group transitioned its reporting from **Full-Time Employee (FTE) to Headcount**. This change ensures our metrics reflect actual staff strength and is supported by improved data tracking across our regional offices. For intensity denominators, **Average Headcount** is used. To ensure better performance comparability over time, intensity figures for FY2024 and FY2023 have been **restated** using this consistent definition. Refer to **Appendix 1** for Headcount definition and details.

# SUSTAINABILITY REPORT

## Scope 3 (Value Chain)

In FY2025, the Group's total Scope 3 emissions were 894.73 tCO<sub>2</sub>e, representing a 28.95% increase from FY2024 (693.88 tCO<sub>2</sub>e). This uplift in emissions is primarily attributed to a 61.54% increase within the Purchased Goods and Services category, driven by strategic investments in our technology infrastructure and digital transformation roadmap.

Under our spend-based methodology, these foundational investments into the Group's long-term operational resilience are recorded as a near-term increase in our carbon inventory. This impact was partially offset by a reduction in emissions from Employee Commuting, while emissions associated with Business Travel remained relatively stable year-on-year.

GHG emissions (tCO <sub>2</sub> e)	FY	Singapore	Malaysia	Indonesia	Thailand	Total	Movement
<b>Scope 1</b>	<b>FY2025</b>	<b>0.66</b>	<b>17.28</b>	<b>16.50</b>	<b>5.58</b>	<b>40.02</b>	<b>↑</b>
	FY2024	0.70	15.38	16.48	5.98	38.53	↓
	FY2023	0.63	18.87	19.44	19.99	58.93	Baseline year
<b>Scope 2<sup>4</sup></b>	<b>FY2025</b>	<b>31.42</b>	<b>21.19</b>	<b>11.69</b>	<b>76.29</b>	<b>140.59</b>	<b>↓</b>
	FY2024	30.84	24.53	11.98	89.28	156.62	↓
	FY2023	30.69	23.73	25.28	93.96	173.66	Baseline year
<b>Upstream Scope 3 Emissions</b>							
Purchased Goods and Services	FY2025	431.10	17.50	8.86	113.17	570.62	↑
	FY2024	273.49	9.34	8.54	61.87	353.24	↑
	FY2023	218.72	5.78	6.80	50.47	281.77	Baseline year
Business Travel <sup>5</sup>	FY2025	74.14	4.75	32.26	31.45	142.60	↑
	FY2024	84.22	1.03	26.72	28.75	140.71	↑
	FY2023	61.80	2.87	8.79	18.29	91.76	Baseline year
Employee Commuting	FY2025	30.68	40.24	21.71	88.87	181.50	↓
	FY2024	31.79	40.02	26.32	101.79	199.93	↓
	FY2023	40.77	17.71	20.17	193.84	272.50	Baseline year
<b>Total Scope 3 emissions</b>	<b>FY2025</b>	<b>535.92</b>	<b>62.48</b>	<b>62.83</b>	<b>233.49</b>	<b>894.73</b>	<b>↑</b>
	FY2024	389.50	50.39	61.57	192.41	693.88	↑
	FY2023	321.29	26.37	35.76	262.60	646.02	Baseline year
<b>Total GHG emissions – FY2025</b>						<b>1,075.34</b>	<b>↑</b>
Total GHG emissions – FY2024						889.04	↑
Total GHG emissions – FY2023						878.61	Baseline year
<b>Emissions intensity – FY2025</b>						<b>4.01<sup>6</sup></b>	<b>↑</b>
Emissions intensity – FY2024						3.61 <sup>7</sup>	↓
Emissions intensity – FY2023						3.76 <sup>8</sup>	Baseline year

<sup>4</sup> In FY2025, the Group enhanced its data collection for Malaysia to include central air-conditioning usage (based on building management records). To ensure better performance comparability over time, Scope 2 emissions for FY2024 and FY2023 have been restated to include the associated indirect emissions from this consumption.

<sup>5</sup> GHG emissions for Business Travel in FY2023 and FY2024 have been restated to ensure methodological consistency with FY2025. The adjustment reflects technical realignment for the distance-based conversion emission factors. This restatement is to ensure comparability year-on-year.

<sup>6</sup> Calculated based on average headcount of 268 for FY2025.

<sup>7</sup> Calculated based on average headcount of 246.5 for FY2024.

<sup>8</sup> Calculated based on average headcount of 233.5 for FY2023.

# SUSTAINABILITY REPORT

## Energy Consumption

For FY2025, total energy consumption from electricity usage across the Group's premises was 272,834.38 kWh, a decrease of 9.09% compared to FY2024. Energy intensity for FY2025 was 1,018.04 kWh per headcount<sup>9</sup>, compared to 1,217.52 kWh per headcount for FY2024, a decrease of 16.38%.

These reductions were primarily driven by the Group's ongoing migration away from on-premises server infrastructure. FY2025 captured the full-year electricity savings from Thailand's decommissioning of 3 data servers in the prior year, while Indonesia retired a further 4 on-premises servers during FY2025, completing its cloud migration and retaining only a single server for essential backup purposes. Additional contributions came from continued LED lighting upgrades, with Malaysia progressing from 40% to 80% adoption, complementing Thailand and Indonesia which have operated on 100% LED lighting since FY2024.

Energy Consumption (kWh)	Singapore	Malaysia <sup>10</sup>	Indonesia	Thailand	Total	
FY2025	78,160.00	28,628.38	13,441.00	152,605.00	272,834.38	↓
FY2024	74,851.00	31,688.42	14,974.00	178,605.00	300,118.42	↓
FY2023	73,609.00	30,659.00	32,157.00	212,576.00	349,001.00	Baseline year
Energy intensity FY2025					1,018.04 <sup>11</sup>	↓
Energy intensity FY2024					1,217.52 <sup>12</sup>	↓
Energy intensity FY2023					1,494.65 <sup>13</sup>	Baseline year

## Climate Scenario Assessment

For FY2025, we continue to follow a phased approach for climate-related disclosures. The Group has not yet established specific metrics and targets for climate-related risks and opportunities, as many potential metrics are either in the early stages of development or are not widely available for practical use. Despite this, we prioritise the measurement of GHG emissions as our fundamental metric for managing climate-related risks.

In FY2025, our regional country heads performed a review of the climate-related risks and opportunities assessment. The assessment methodology, built on TCFD framework, assesses our business resilience, and remains consistent with the methodology used in FY2023 and FY2024, with minor refinements to enhance the accuracy of our analysis. The review results for FY2025 showed no major changes compared to the previous year's assessment.

For the climate scenario assessment, we continued to assess potential physical and transition risks<sup>14</sup> (climate drivers) and opportunities under two Representative Concentration Pathways (RCP) and across three different time horizons.

Two RCPs:

- **RCP 2.6** – to signify a scenario aimed at limiting global warming to below 2°C above pre-industrial levels; and
- **RCP 8.5** – to signify global warming that is likely to surpass 4°C.

Time Horizons:

- **Near term:** 5 years or up to year 2030;
- **Mid-term:** 5 to 10 years or up to 2035; and
- **Long-term:** 10 to 27 years or up to 2052.

<sup>9</sup> Effective FY2025, the Group transitioned its reporting from **Full-Time Employee (FTE)** to **Headcount**. This change ensures our metrics reflect actual staff strength and is supported by improved data tracking across our regional offices. For intensity denominators, **Average Headcount** is used. To ensure better performance comparability over time, intensity figures for FY2024 and FY2023 have been **re-stated** using this consistent definition. Refer to **Appendix 1** for Headcount definition and details.

<sup>10</sup> In FY2025, we enhanced the data collection for Malaysia to include central air-conditioning usage obtained from the building management in FY2025. Hence, FY2023 and FY2024 have been re-stated to include central air-conditioning for better comparability.

<sup>11</sup> Calculated based on average headcount of 268 for FY2025.

<sup>12</sup> Calculated based on average headcount of 246.5 for FY2024.

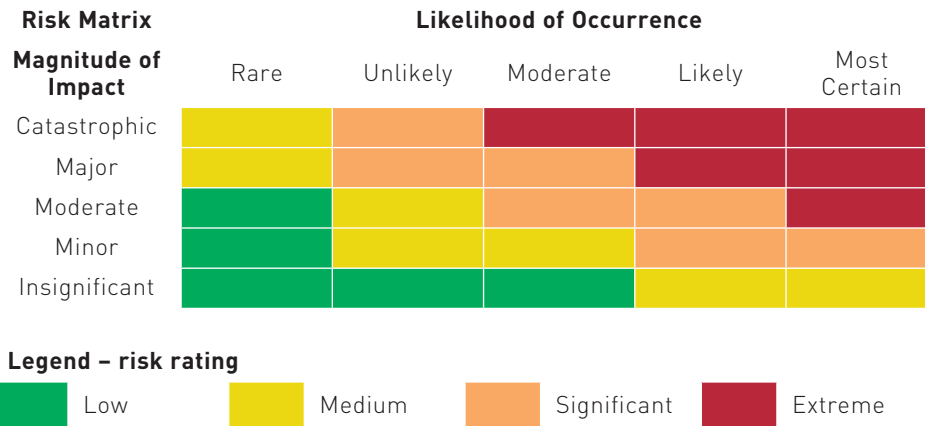
<sup>13</sup> Calculated based on average headcount of 233.5 for FY2023.

<sup>14</sup> Physical risks refer to acute or chronic risks related to the physical impacts of climate change, and transition risks refer to risks related to the transition to a lower carbon economy.

# SUSTAINABILITY REPORT

## Risk Assessment Framework

Currently, the Group assesses these climate drivers using a 5 X 5 Risk Matrix, evaluating the likelihood of occurrence against the magnitude of impact. This framework aligns with our broader risk assessment methodology of other business risks, ensuring a consistent approach to identifying and prioritising the factors most material to our operations.



We are currently still in the process of formally integrating climate-related risk drivers into the Group’s enterprise risk management framework. Our goal is to treat climate risks with the same rigor as the other business risks we face in this ongoing initiative. We envisage a risk-based approach, prioritising efforts based on the potential likelihood and impact of identified risks on the Group.

For a detailed summary of our climate scenarios qualitative assessment results for climate-related risks and opportunities, please refer to **Appendix 2**.

### Waste Management

As a financial services group with primarily office-based operations, the Group does not generate substantial operational waste. However, we recognise our responsibility to manage our environmental footprint through responsible disposal and recycling where practicable.

#### Our Practice

**E-waste Management:** We recognise that retired electronics, like laptops and monitors, require proper handling. In FY2025, our Singapore office recycled its e-waste through participation in a recycling initiative organised by the building management, that engages a reputable and National Environment Agency (NEA)-licensed third-party e-waste vendor. In some of our regional offices, retired equipment is stored until appropriate disposal channels are engaged.

**Waste Segregation:** Our Thailand office continues to lead internal efforts in waste segregation and minimisation at the source. This initiative fosters environmental consciousness among staff and supports our broader commitment to sustainable office management.

# SUSTAINABILITY REPORT

## Performance Data

In FY2025, the Group enhanced its data collection methodology to focus on e-waste, where diversion from landfill remains one of our primary objectives.

In 2025, we generated **E-waste of 88 kg**, of which all was diverted from general disposal. This includes 45kg of e-waste recycled in Singapore and 43 kg of e-waste from Indonesia and Malaysia offices currently stored (diverted from disposal).

Given the nature of our operations, general office waste is mainly managed through communal waste disposal systems/public waste collection in our offices. These wastes are considered non-material to the Group's total environmental footprint and are not centrally tracked for the reporting period.

**Note:** Waste is not yet included in the Group's Scope 3 GHG Emissions due mainly to current data limitations. The Group continues to evaluate the feasibility of expanding its tracking processes to improve data granularity.

## Targets – Pillar 2

Targets		Performance
To conduct knowledge sharing with regional offices to ensure consistent GHG measurements across the Group to track the emissions footprint.	●	We have conducted regular knowledge sharing with regional offices to standardise GHG data collection methods, including discussions on Scope 3 requirements for Group-wide consistency.
To assess the relevance and materiality of additional Scope 3 categories that may apply across our regional offices.	●	<p>In line with the updated regulatory roadmap announced jointly by SGX and ACRA on 25 August 2025, the Group is transitioning its climate-related disclosures to IFRS Disclosures Standards based on the phased implementation timeline applicable to IFS Capital.</p> <p>While Scope 3 disclosures are currently not mandatory for IFS Capital under the updated reporting roadmap, we have proactively decided to continue and focus our efforts on improving data collection for the 3 upstream categories for Scope 3 that we selected in FY2023.</p> <p>This pragmatic approach ensures we build a robust foundation of verifiable internal data before expanding our boundaries to include more categories.</p>
Status: ● Met   ● Partially met   ● Not met		

# SUSTAINABILITY REPORT

## PILLAR 3: EMPOWERING LIVES, BUILDING BONDS



At IFS Capital, our social commitment is integrated into our business model. We nurture our people's potential, champion financial inclusion for the underserved, and prioritise a seamless client experience.

Providing access to funding for the underserved has been part of IFS Capital's core mission for the past 39 years. By combining societal financial literacy, digital innovation and active community give-back, we ensure our growth translates to shared value creation for our employees, clients and society.

### HUMAN CAPITAL DEVELOPMENT

People are our most valued asset. Hence, we encourage employees to adopt a **"Think and Act like Owners"** philosophy, empowering them to drive results, through a culture of meritocracy and continuous learning.

#### Talent Acquisition and Retention

##### Talent Acquisition

We attract talent through a multimodal hiring strategy designed to reach a broad spectrum of candidates from entry-level graduates to experienced industry professionals.

To build a pipeline of early-career and fresh digital-native talent, we actively engage in campus recruitment at universities, polytechnics, and Institutes of Technical Education (ITEs). To reach out to experienced professionals, we utilise platforms like MyCareersFuture.sg and LinkedIn.

Underlying our recruitment strategy is the belief in equal opportunity and merit-based recruitment.

# SUSTAINABILITY REPORT

## Retention

Retaining talent is as crucial as acquiring it. Our retention strategy is built on competitive remuneration, performance-based bonuses, career development, and a culture of care, recognition and appreciation.

Once staff are part of the IFS Capital family, we prioritise **internal mobility**. We view lateral moves not merely as a change in role, but as a strategic push to create versatile and multi-skilled talent, with a deep and broad understanding of the organisation.

As part of staff appreciation culture, we use targeted recognition programs:

- **Long service awards** – We celebrate career milestones through long service awards for every 5-year mark. To make these awards meaningful, we empower employees to choose their own gifts within the award amount, ensuring the personalisation of employee recognition.
- **SPOT awards** – We have implemented **SPOT awards** for “real-time” recognition of major achievements. A standout example in FY2025 was, during **ECICS’ 50th anniversary event**, when the team who secured a partnership to advance business growth in **electric vehicle insurance** was recognised at the event.

We also believe in supporting our employees’ personal well-being, as part of an overall retention strategy. Key to this strategy is creating an environment where employees are motivated to give their best. Rest, time for friends and family, as well as mental well-being are crucial for achieving this environment. In connection with this, IFS Capital has introduced a **2-day selfcare leave** for employees to prioritise personal wellness.

### Parental leave<sup>15</sup>

Supporting our employees during and after significant life milestones is also key in long-term retention. In FY2025, all employees who took parental leave ultimately returned to work upon conclusion of their leave. This 100% return-to-work rate reflects a positive and consistent trend in our workforce, and our commitment to support our people in their parenthood duties.

Category	Male	Female	Total
Employees entitled to parental leaves	59	79	138
Employees who availed for the year	1	2	3
Employees due to return after parental leave	1	2	3
Employees who returned to work after parental leave	1	2	3
Return to work rate (%)	100	100	100

## Professional Growth and Development

At IFS Capital, we firmly encourage the professional growth and development of our workforce through training and performance appraisal. We believe that continuous upskilling and reskilling is crucial for achieving an upward trajectory of growth for the Group.

### Performance Feedback

We utilise structured performance appraisals to provide employees with actionable, measurable and objective goals. This process helps in developing the employees’ potential.

In FY2025, we achieved a 100% completion rate for the annual performance review process for all eligible employees<sup>16</sup>.

<sup>15</sup> According to GRI 401: Employment 2016, parental leave is availed on the grounds of “the birth of a child” to eligible employees across our regional operations. Eligibility is determined by local regulatory requirements and policy, including minimum service periods (typically 3 to 12 months) and legal marital or citizenship status as defined by the labour laws of respective countries.

<sup>16</sup> All permanent employees were eligible for performance and career development review if they joined the Group before 1 October 2025 and successfully passed probation by 31 December 2025.

# SUSTAINABILITY REPORT

## **Professional Training and Development**

Across the Group, FY2025 was a year of purposeful investment in human capital. From our Singapore headquarters to our subsidiaries in Thailand, Indonesia, and Malaysia, we delivered a broad and diverse range of training programmes – spanning technology and artificial intelligence, financial and commercial expertise, regulatory compliance, ESG and sustainability, as well as leadership and personal effectiveness. Our training focus areas reflect our shared commitment to building a future-ready workforce to face the challenges of AI and automation.

### **Strategic Training Pillars:**

#### ***Technology, Artificial Intelligence (AI) & Digital Transformation***

Technology and AI remained the dominant training themes across the Group in FY2025.

Singapore led the Group's technology learning agenda with an extensive portfolio of externally sourced programmes, ranging from foundational AI literacy to advanced cloud and infrastructure certifications. Notable course titles (not exhaustive) from local universities and selected training providers included "Machine Learning without Mathematics and Programming", "Generative AI: Prompt Engineering Training and Generative AI" and "Artificial Intelligence in Finance and Fintech".

Thailand's technology training was anchored by an in-house programme: "AI Driven: Empowering You to See the Future" – a session designed to build employees' awareness of AI applications in business operations, data-driven decision-making, and innovation. This was complemented by an external Power BI Desktop Workshop to enhance data analytics and business intelligence capabilities across the Thai team.

#### ***Financial, Commercial & Industry Knowledge***

Strengthening commercial acumen and deepening industry expertise remained a core training priority across the Group. Programmes spanned factoring, credit, insurance, fintech, and broader financial analysis.

Singapore also ran its signature comprehensive onboarding programme for all Business Development ("BD") hires, with 47 hours of structured training spanning 16 topics, delivered by the BD Head. This ensures that new joiners are well-equipped from Day One.

#### ***Regulatory, Legal & Compliance***

Keeping pace with the evolving regulatory frameworks was a critical focus across the Group, particularly given significant legislative and tax changes in some jurisdictions. Training in the Malaysia office was shaped by the Malaysian government's announcement of significant changes to the Sales and Service Tax (SST) framework and the nationwide rollout of e-invoicing.

#### ***ESG, Sustainability & Green Finance***

To continue to build sustainability capabilities, we focused on technical training centred on emerging global standards, carbon accounting and green finance.

In FY2025, selected staff across the Group participated in specialised programmes to deepen knowledge in sustainability frameworks. In Singapore, this included courses on Greenhouse Gas (GHG) Accounting Verification and Validation, and the IFRS SDS. In Thailand, ESG courses included digital solutions for carbon management, as well as methods for assessing and managing Scope 3 GHG emissions. Similarly, in Indonesia, targeted training on Indonesia's Sustainable Finance Taxonomy framework was conducted to understand local green standards.

#### ***Leadership, HR & Personal Effectiveness***

Developing leadership and empowering staff with interpersonal and communication skills, rounded out the Group's FY2025 training portfolio. Singapore trained on ensuring staff were future-ready through structured career planning, while Thailand trained on talent transformation, advancing human capital development and leadership capabilities, as well as managing the Employee Welfare Fund.

# SUSTAINABILITY REPORT

## FY2025 Training Performance

FY2025 demonstrated the Group’s commitment to continuous learning for the workforce as a strategic imperative.

In FY2025, the Group’s workforce underwent a total of 4,479.5 training hours, a 117.03% increase from 2,064 hours in FY2024. The significant uplift in total training hours is primarily attributable to a more comprehensive data capture process of the training activities during the reporting period leveraging the ESG Platform, and partly reflects a growing workforce and the Group’s focus on future-proofing our staff through training.

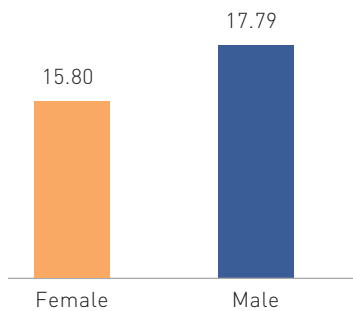
To enhance disclosure and align with global reporting standards such as GRI 404: Training and Education 2016, FY2025 marks the introduction of Average Training Hours per Employee<sup>17</sup>. This metric allows us to gain deeper insight into training density and helps monitor equitable access to training and development opportunities across all gender and employee categories.

### GROUP-WIDE WORKFORCE TRAINING & DEVELOPMENT – FY2025

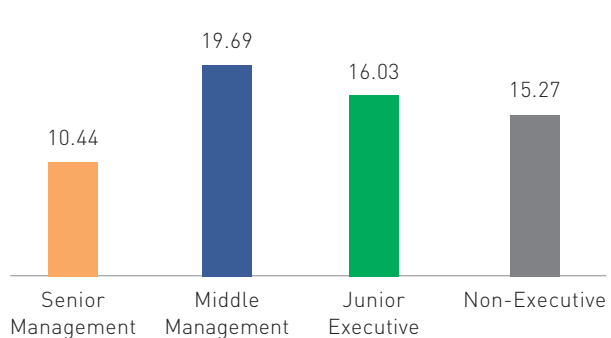


Average Training Hours per Employee

#### Average Training Hours by Gender



#### Average Training Hours by Employee Category



## Diversity, Equity, and Inclusion

We are committed to building a culture of inclusiveness – one where people feel safe to be themselves and empowered to take initiative with an owner’s mindset. We value the diverse perspectives our employees bring, shaped by their varied life and work experiences. This diversity guards against groupthink and fosters fresh and distinctive ideas that drive innovation.

### Diversity: A Safeguard for Innovation and Risk

In the specialised fields of private credit, asset management and insurance, the diverse skills and experience of our 285-strong workforce act as a buffer against the status quo. We draw on varied viewpoints and approaches to ensure our risk assessments are multi-dimensional, identifying opportunities and threats from all angles.

We leverage the advantages of our cross-generational workforce to navigate a technology and AI-driven economy. The deep institutional knowledge of our long-tenured employees is complemented by the digital-native energy of our newer talent. The two work side-by-side, in an environment of mutual respect, facilitating a two-way knowledge transfer. This cross-generational diversity is reflected in our demographic breakdown, where our core 30-to-50-year-old talent pool is complemented by a steady influx of new hires across all age groups.

<sup>17</sup> Average training hours per employee is calculated based on the total training hours for the financial year divided by the average headcount (the simple average of employee headcount at the beginning and end of the reporting period). This consistent methodology is applied for breakdowns by gender and by employee category.

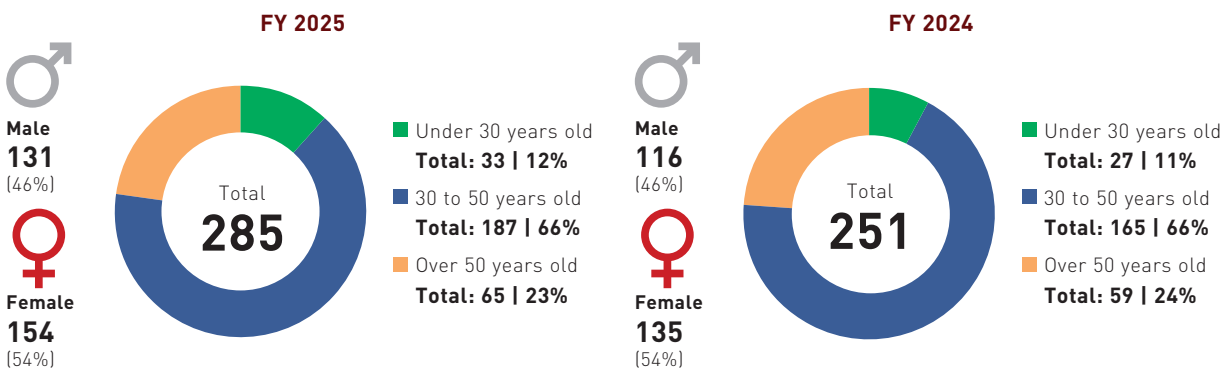
# SUSTAINABILITY REPORT

## FY2025 Workforce Snapshot:

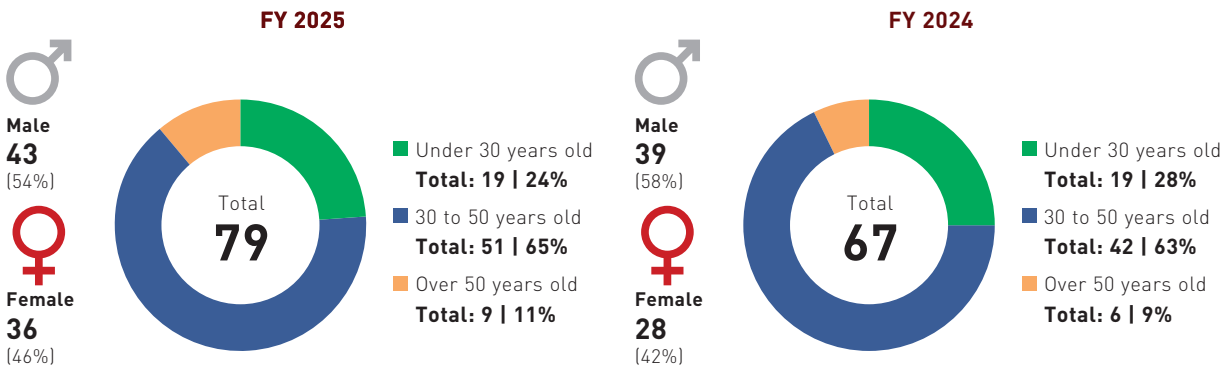
- **Gender Balance:** Our total workforce consists of 54% female and 46% male, reflecting a balanced gender perspective across our Group.
- **Talent Influx:** We welcomed 79 new hires this year (a new hire rate<sup>18</sup> of 27.72%), with a diverse age spread: 24% under 30 years old, 65% between 30-50 years old, and 11% over 50 years old.
- **Retention:** Our turnover rate<sup>19</sup> improved to 16.79% (from 23.53% in FY2024), demonstrating the effectiveness of our engagement and retention strategies.

## Workforce Snapshot<sup>20</sup>

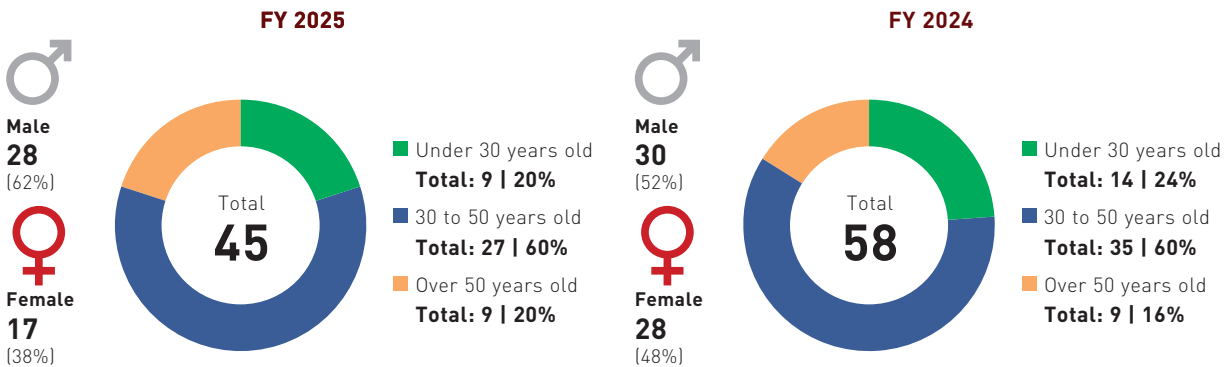
### Employees by Gender and Age Groups



### New Hires by Gender and Age Groups



### Turnover by Gender and Age Groups



<sup>18</sup> New hire rate is calculated as the total number of new hires during the reporting period relative to the total Group year-end headcount. Refer to Appendix 1 for more details on calculation methodology.

<sup>19</sup> Turnover Rate is calculated as the total number of employees who left the Group during the reporting period relative to the Group Average Headcount. Further details on the calculation methodology and the definition of Average Headcount are provided in Appendix 1.

<sup>20</sup> Employment Basis: Headcount includes all employees (including full-time, part-time, and contract employees) but excludes interns. In FY2025, the Group refined its classification and data collection process to ensure greater accuracy. Figures for FY2024 and FY2023 have been restated to align with this enhanced methodology and ensure year-on-year comparability.

# SUSTAINABILITY REPORT

## Workplace Safety, Health and Wellbeing

The wellbeing of our workforce is fundamental to our operational excellence and contributes to staff retention. We provide a supportive environment that prioritises both the physical health and mental resilience of our employees, ensuring they can perform at their best.

All permanent and contract employees receive equitable health and insurance benefits and leave benefits.

To encourage long-term health, we facilitate on-site preventive health screenings in Singapore through established medical providers. Recognising the importance of mental wellness, as highlighted in our retention strategy, our Singapore office has implemented 2 days of Self-Care Leave, allowing employees to prioritise their personal well-being.

In alignment with Ministry of Manpower (MOM) Tripartite Guidelines, we actively support **flexible work arrangement (FWA)** requests to help employees balance professional duties with family commitments, such as childcare or supporting children through national examinations.

There were no workplace injury or fatality for FY2025.

## Human Rights

We uphold the highest standards of fair employment, adhering to the Ministry of Manpower (MOM) guidelines to safeguard the rights of our staff. We believe that equitable treatment – irrespective of ethnicity, religion, age, or gender – directly enhances morale, engagement, and productivity.

Our recruitment and career progression frameworks are strictly merit-based, focusing on qualifications, skills, and industry experience. To ensure a safe and transparent culture, employees are encouraged to utilise our independent whistle-blowing mechanism to report any perceived violations of rights or misconduct without fear of retaliation.

There were no human rights-related grievances received in FY2025.

## FINANCIAL INCLUSION

### Financial Inclusion

The Group's approach to financial inclusion is driven by our mission: **to empower all creditworthy SMEs and individuals to have access to capital and protection through simple and affordable solutions**. We drive this mission by designing products that serve the real needs of our target clients, and by leveraging technology to deliver our services with greater speed, agility and reach.

### Private Credit: Unlocking liquidity for SMEs

At IFS Capital, our mission centres on addressing the working capital and cashflow needs that underpin SME growth.

We offer a range of financing solutions – including asset-based products such as **Accounts Receivable Purchase (ARP) and Supply Chain Financing (SCF)** – that allow SMEs to unlock value embedded in their business operations by converting receivables into immediate working capital.

For ARP and SCF, we assess the strength of the entire value chain rather than focus solely on the limitations of a standalone balance sheet. This approach effectively widens the circle of creditworthiness, enabling access to capital for businesses that might otherwise be underserved.

# SUSTAINABILITY REPORT

## Platform and Technology Driven Choices and Efficiency

Beyond our financing products, we have developed digital-first business models that aim to make the journey of access to capital simpler, faster and more affordable:

- **Lendingpot** (our online loan marketplace): Lendingpot functions as a digital bridge, connecting borrowers to a curated network of over 70 lenders. By digitising the application process, we deliver convenience to borrowers while providing lenders with a streamlined channel to reach a broader pool of applicants – expanding choice for underserved borrowers and enabling them to secure competitive rates through a single, efficient application. Currently operating in Singapore, Malaysia, and Indonesia, Lendingpot is expanding to Hong Kong to further widen its reach. In FY2025, it surpassed **1,000 Google reviews** with an overall rating of 4.9/5.0, a testament to genuine client satisfaction and engagement at scale.
- **Friday Finance**: Within our consumer lending business, Friday Finance (“Friday”) uses digital automation to deliver faster, smarter service. Central to its mission is the promotion of responsible borrowing. We actively incentivise healthy financial habits by rewarding prompt repayment – refunding 50% of administrative fees to on-time payers, a benefit received by **75% of our clients** in FY2025. This empowers users to build stronger credit profiles while reducing their overall cost of borrowing.
- **FRIYAY** (Earned Wage Access): FRIYAY’s Earned Wage Access (EWA) Platform partners with employers seeking to enhance employee benefits. It provides employees with near-instant access to salary already earned, at nominal transaction costs and interest-free. By enabling employees to manage urgent expenses with dignity and speed, FRIYAY reduces their reliance on higher-cost short-term borrowing.

IFS Capital’s efforts in financial inclusion and technology-driven value delivery were recognised in FY2025. Tech in Asia and Statista named IFS Capital as one of “**Singapore’s Top Fintech Companies 2026**” in the alternative lending category, validating our ongoing technology transformation.

## Promoting Financial Literacy

We treat financial education as a core social contribution, helping businesses and individuals build the knowledge and confidence to navigate a complex financial landscape and borrow sustainably.

In FY2025, we continued our education outreach across the regions we operate:

- **SME empowerment seminars**: We conducted specialised workshops to business owners across several states in Malaysia, covering SCF and the Group’s broader suite of financing solutions. Our Thailand office, in partnership with the Thailand Board of Investment and Thai Factors Association, educated business owners on ARP and non-loan solutions for liquidity management and cross-border expansion.
- **Digital and Social Media Outreach**: Our digital platforms serve as knowledge hubs on financial health and literacy. In FY2025:
  - We published 39 articles through Lendingpot on topics such as cashflow management for SMEs “Your Step-by-Step Guide to SME Invoice Financing”, avoiding credit traps “Common Credit Traps and How to Avoid It?”, and a comparative guide to lender rates and policies “Who Has Better SME Loan Interest Rates, Private Lenders or Moneylenders?”
  - Our Singapore and Indonesia teams posted regular financial literacy content on LinkedIn and Instagram covering areas such as personal spending habits and financial wellness.

In FY2025, our financial literacy outreach reached **165 participants** across in-person workshops and seminars and generated **81,095 views** across our educational blogs and social media platforms.

# SUSTAINABILITY REPORT

## GIVING BACK TO SOCIETY

### Employee Volunteerism

We believe that an organisation's success is linked to the well-being of the communities we serve. Our philosophy is rooted in reciprocity: where we benefit, we seek to give back. We believe that lasting change is built through presence, not donations. We prioritise hands-on employee engagement, encouraging our people to personally drive the social and environmental progress across our region. Our approach focuses on long-term impact: through environmental conservation, support for vulnerable populations, strengthening healthcare, and building resilience in communities facing crisis. In so doing, our volunteerism aligns with the United Nations Sustainable Development Goals (UN SDGs), a global framework of 17 goals addressing the world's most pressing social and environmental challenges.

### Environmental Conservation – Restoring Vital Ecosystems

To protect natural ecosystems, our people engaged in direct conservation efforts in FY2025:

- **Marine and Coastal Restoration**



In Thailand, our people worked hands-on at the **Marine Science and Conservation Camp, Chonburi Province in Thailand**, to replant coral reefs. Coral fragments initially harvested from healthy corals and nursed to growth in a "nursery" were reattached onto degraded coral reefs to restore habitats. Coral reef rehabilitation is vital as coral reefs help support the growth of fish populations and coastal fishing activities, while acting as natural barriers protecting shorelines from storms and erosion (UN SDG 14: Life Below Water).



In Singapore, our people partnered with the **Public Hygiene Council of Singapore** to clean up litter, including plastic bottles, plastic bags, and general trash at Coney Beach, Singapore, helping address ocean plastic pollution. Plastic waste that reaches our waterways and oceans causes lasting damage to the natural ecosystems that help keep our planet healthy. By removing litter before it can make its way into the water, we take direct action to reduce environmental degradation and build more resilient ecosystems for future generations (UN SDG 13: Climate Action).

- **Wildlife Protection**



Our Thailand team provided animal feed and essential food supplies to the **Wildlife Rescue Centre 1 in Nakhon Nayok Province**, supporting the rehabilitation and protection of rescued and endangered animals in Thailand and the preservation of biodiversity. Biodiversity underpins the healthy ecosystems that people and nature depend on — when wildlife declines, entire ecosystems can be disrupted. By ensuring these animals receive the daily care they need to recover and return to the wild, we contribute to protecting Thailand's natural habitats (UN SDG 15: Life On Land).

# SUSTAINABILITY REPORT

## Social Service and Inclusion

Close to our heart is the mission to protect and empower the vulnerable and marginalised. In both practical and symbolic ways, we act to provide relief and long-term dignity to individuals and families facing systemic challenges:

- **Food Security and Child Welfare**



In Singapore, our people worked shoulder-to-shoulder with **Food from the Heart**, a nonprofit organisation in Singapore, to hand-assemble food packs, comprising staples, protein and cooking essentials, for families in need. Access to regular, nutritious food is a basic human need – yet many families in Singapore face food insecurity, often quietly and out of sight. Each pack assembled represents direct, tangible support for vulnerable families – including the elderly and those facing financial hardship – reinforcing the principle that food security is a shared responsibility (UN SDG 2: Zero Hunger).



Our Malaysia team organised a hands-on visit to a child orphanage in Malacca, donating essential supplies, sharing meals, engaging the children in recreational activities, and assisting with housekeeping. Children in orphanages are among the most vulnerable in society, lacking the support and connections that many take for granted. UN SDG 10 calls for reducing inequalities in opportunity, dignity, and social inclusion – not just income. By showing up in person, our team offered something beyond material donations: human connection and a reminder that these children are seen and valued (UN SDG10: Reduced Inequalities).

- **Advancing Neurodiversity Inclusion and Accessibility**



We champion inclusion through active presence and specialised support for the neurodivergent and those with physical impairments.

In Singapore, our staff once again participated in the “**Walk of a Lifetime**” event organised by **St Andrew’s Autism Centre (SAAC)**, walking side-by-side with persons with autism. This event sends a powerful message: that people with autism belong in our shared spaces, and that acceptance is built one step at a time.

Our Thailand team donated used calendars to the **Foundation for the Blind** in Thailand to be repurposed into Braille learning tools, directly supporting the educational journey of the visually impaired persons. While a simple act of upcycling, it empowers this group with tools for learning and independence (UN SDG 10: Reduced Inequalities).

## Strengthening Healthcare



Access to quality healthcare is a foundation of resilient communities. Our Thailand office donated THB 100,000 to the **Ramathibodi Foundation**, to contribute towards the building of a new **Ramathibodi Hospital**, as well as the development of the **Yothi Medical Innovation District** in Thailand. These initiatives will expand national capacity for medical care and health-tech research, creating a lasting impact on communities across Thailand (UN SDG 3: Good Health and Wellbeing).

# SUSTAINABILITY REPORT

## Humanitarian and Disaster Relief

We maintain readiness to respond swiftly to sudden disasters affecting our region, believing that how we show up in moments of crisis is fundamental to building stronger, more resilient communities.



Following floods and landslides in late November/December 2025 that struck Aceh, North Sumatra, and West Sumatra in Indonesia – affecting more than 3 million people, injuring 2,600, and forcing one million to evacuate – our Indonesia office mobilised IDR 50,000,000 in essential in-kind donations, distributed through the Indonesian Red Cross, providing critical relief to victims and evacuees. By responding quickly, our team helped ensure support reached those who needed it most – contributing not just to immediate relief, but to the longer-term recovery and resilience of affected communities (UN SDG 11: Sustainable Cities and Communities).

Our FY2025 social impact initiatives saw our workforce contribute 1,060 CSR hours hands-on, while our FY2024 was 996 CSR hours.

## CLIENT EXPERIENCE

### Client Experience

Our “client-first” principle underpins our operational design. In recent years, we have increasingly leveraged AI, data analytics and automation to enhance the client experience and drive internal efficiencies.

### Technology and Digital Innovation

We adopt a digital-first approach across our private credit and insurance business to reduce friction in client journey to deliver more seamless experiences and drive internal efficiencies.

Our cross-functional digitalisation team focuses on high-impact touchpoints. In FY2025, we enhanced the client portal to enable faster funds access for ARP clients. We also upgraded our systems to automate the generation of facility letters and streamline internal processes, reducing loan approval turnaround times. The rollout of secure e-signing for selected documents further improved convenience and accelerated client onboarding.

### Measuring Impact: Client Satisfaction and Public Reviews

Client advocacy and word-of-mouth referrals are powerful tools to build brand loyalty. Our commitment to exceptional client experience is reflected in our **Net Promoter Score (NPS)** and public reviews.

In FY2025, our Singapore ARP clients surveyed reported a strong level of satisfaction. We achieved an NPS of 68 for the question: “How likely are you to recommend our Accounts Receivable Purchase services to a friend or colleague?”. From the respondents’ response, 71% were promoters, 26% were passives, and 3% were detractors.

We also continue to maintain strong Google review ratings, further validating our client-centric approach:

- 5.0/5.0 – Friday Finance
- 4.8/5.0 – ECICS
- 4.9/5.0 – Lendingpot

### Making Insurance Affordable and Accessible

Our insurance arm, **ECICS**, is committed to providing insurance products that remain both affordable and accessible to our clients. Current core offerings include Motor, Fire, Maid, and Electric Vehicle (EV) insurance. To meet evolving protection needs, ECICS is in the process of broadening its product suite to include new offerings, such as Travel insurance, in the near future.

To support these objectives, ECICS has enhanced the digital purchase journey for Private Car Motor and Maid insurance through the integration of Singpass MyInfo, expanded payment options (including Google Pay and Apple Pay), and a live chatbot for FAQs and client service. These advancements enable faster, more seamless transactions and are part of our ongoing efforts to improve **operational efficiency**. By focusing on continuous efforts to reduce “cost-to-serve”, we will be better positioned to pass such benefits to our clients through competitive pricing, indirectly supporting the affordability of essential protection for our clients.

# SUSTAINABILITY REPORT

## ECONOMIC CONTRIBUTION

Beyond profits, we extend our influence on the local economies by creating jobs, paying dividends and taxes, contributing towards overall economic prosperity.

### Tax responsibility

We are committed to full compliance with all relevant tax laws and regulations in the jurisdictions we operate in. We view responsible tax contribution as a fundamental part of our social contract, supporting the public infrastructure and services that allow our regional economies to thrive.

### FY2025 Economic Value Generated and Distributed

In FY2025, the Group delivered a 32.8% growth in Net Operating Income, supporting our capacity to provide meaningful economic value to our stakeholders:

- S\$2.4m in income tax
- S\$20.2m in employee compensation and benefits
- S\$3.0m in dividends to shareholders of IFS Capital<sup>21</sup>

For a detailed breakdown of our financial performance, please refer to the following sections of the IFS Capital's Annual Report:

- Key financial highlights: page 5
- Financial review: page 74
- Financial contents: page 74.

### Targets – Pillar 3

Targets		Performance
To maintain 100% appraisal rate for all permanent staff.	●	We have maintained 100% appraisal rate for all permanent staff.
To ensure that each employee receives equitable feedback on their performance.	●	Achieved through an annual standardised, merit-based appraisal system for employees to receive equitable feedback on their performance.
To support the economy through the creation of meaningful jobs and fulfilling tax obligations.	●	Expanded strategically our workforce to 285 in FY2025 vs 251 in FY2024 and fulfilled tax obligations, contributing to national economic growth.
To achieve 1,000 hours of employee volunteerism.	●	We achieved 1,060 hours of employee volunteerism.
Status: ● Met ● Partially met ● Not met		

<sup>21</sup> Represents dividends attributable to FY2025, which is subject to shareholder approval at the forthcoming Annual General Meeting.

# SUSTAINABILITY REPORT

## APPENDIX 1: EMPLOYMENT FIGURES<sup>22</sup>

	Headcount			New Hires			New Hire Rate (%) <sup>23</sup>			Turnover			Turnover Rate (%) <sup>24</sup>		
	2025	2024	2023	2025	2024	2023	2025	2024	2023	2025	2024	2023	2025	2024	2023
<b>Gender</b>															
Male	131	116	107	43	39	29	15.09	15.54	11.98	28	30	17	10.45	12.17	7.28
Female	154	135	135	36	28	33	12.63	11.16	13.64	17	28	28	6.34	11.36	11.99
<b>By Age Group</b>															
Under 30	33	27	28	19	19	18	6.67	7.57	7.44	9	14	6	3.36	5.68	2.57
30-50	187	165	158	51	42	40	17.89	16.73	16.53	27	35	36	10.07	14.20	15.42
Above 50	65	59	56	9	6	4	3.16	2.39	1.65	9	9	3	3.36	3.65	1.28
<b>By Country</b>															
Singapore	119	102	105	36	28	33	12.63	11.16	13.64	19	31	23	7.09	12.58	9.85
Malaysia	50	43	29	21	24	9	7.37	9.56	3.72	14	10	7	5.22	4.06	3.00
Indonesia	27	26	25	10	10	7	3.51	3.98	2.89	9	9	6	3.36	3.65	2.57
Thailand	88	80	83	11	5	13	3.86	1.99	5.37	3	8	9	1.12	3.25	3.85
Hong Kong <sup>25</sup>	1	n.a.	n.a.	1	n.a.	n.a.	0.35	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Total</b>	285	251	242	79	67	62	27.72	26.69	25.62	45	58	45	16.79	23.53	19.27

<sup>22</sup> Employment Basis: Headcount includes all employees (including full-time, part-time, and contract employees) but excludes interns. In FY2025, the Group refined its classification and data collection process to ensure greater accuracy. Figures for FY2024 and FY2023 have been restated to align with this enhanced methodology and ensure year-on-year comparability.

<sup>23</sup> New Hire Rate Methodology: New Hire Rate is calculated by dividing the total number of new hires within each demographic category (Gender, Age Group and Country) by the total Group year-end headcount for the respective financial year.

<sup>24</sup> Turnover Rate Methodology: Turnover Rate is calculated by dividing the total number of employees who left within each demographic category (Gender, Age Group and Country) by the total Group average headcount for the respective financial year (**FY2025: 268 | FY2024: 246.5 | FY2023: 233.5**). This methodology reflects each segment's contribution to overall Group turnover stability.

Average headcount is based on simple average of employee headcount at the beginning and end of the reporting period.

<sup>25</sup> Inaugural Operations (Hong Kong): Figures for Hong Kong reflect the commencement of new entity in FY2025 and the on-boarding of the first headcount for the newly established entity. Accordingly, data for FY2024 and FY2023 as well as the FY2025 turnover and turnover rate, are indicated "n.a." (not applicable).

## APPENDIX 2: CLIMATE-RELATED RISKS AND OPPORTUNITIES

RISK TYPE	Scenario Pathway	Time Horizon	Risk Description How it can potentially impact us	Opportunities How we can potentially mitigate and adapt
<b>Physical Risk</b>				
<b>Acute (physical)</b>				
<b>Floods</b>	<b>RCP 2.6/RCP 8.5</b>	<b>Long-term</b>	<ul style="list-style-type: none"> <li>Severe flooding may disrupt transportation networks, making it difficult for our employees to commute to office, potentially impacting productivity and operations.</li> <li>Floods may cause damage to infrastructure, motor vehicles and property, affecting our properties, our client's projects and increasing insurance claims and credit risks.</li> </ul>	<ul style="list-style-type: none"> <li>Allow employees to work remotely in the event of severe floods will minimise operational disruptions, while ensuring employee safety.</li> <li>Equip employees with reliable work-from-home tools and technologies to enhance business continuity.</li> <li>Diversify insurance and financing portfolio across different locations in the country to reduce impact of a single flood event.</li> <li>Optimise our own insurance coverage to better manage flood-related risks to our operations and assets.</li> </ul>
<b>Droughts</b>	<b>RCP 2.6/RCP 8.5</b>	<b>Long-term</b>	<ul style="list-style-type: none"> <li>While the Group has low exposure to drought-sensitive industries, the potential increase in drought occurrence may affect our employees' health, wellbeing and workforce productivity.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Installation of water-saving fixtures, frequent leak checks, and efficient water management systems.</li> <li>Promote water conservation policies to encourage responsible water usage.</li> <li>Adopt water-efficient technologies and appliances to reduce consumption.</li> <li>Use of rainwater harvesting in office buildings.</li> </ul>
<b>Heatwaves</b>	<b>RCP 2.6/RCP 8.5</b>	<b>Long-term</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Frequent heatwaves may affect employees' health, well-being and workforce productivity.</li> <li>Our insurance policies do not cover claims related to heatwaves. Damages due to heatwaves-related events would not be eligible for insurance payouts.</li> </ul>	<ul style="list-style-type: none"> <li>Consider relocating to Green Mark Certified commercial buildings which has effective insulation and ventilation systems.</li> <li>Routine upkeep of air conditioning and cooling systems.</li> <li>Implement flexible working arrangements during periods of extreme heat to minimise outdoor exposure.</li> </ul>

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RISK TYPE	Scenario Pathway	Time Horizon	Risk Description How it can potentially impact us	Opportunities How we can potentially mitigate and adapt
<b>Chronic (physical)</b>				
<b>Changes in Precipitation and Extreme Weather</b>	<b>RCP 2.6/RCP 8.5</b>	<b>Long-term</b>	<ul style="list-style-type: none"> <li>Increased risk of weather-related accidents due to climate variability may lead to higher insurance claim payouts.</li> <li>Frequent extreme weather events can increase likelihood of climate-related illnesses affecting employees' health, well-being and workforce productivity.</li> <li>Climate projections for Jakarta indicate varied precipitation patterns, posing potential disruptions to our operations in Jakarta.</li> </ul>	<ul style="list-style-type: none"> <li>Implement health programmes for employees (flu shots, wellness workshops).</li> <li>Implement flexible working arrangements during extreme weather events to minimise outdoor exposure.</li> <li>Providing access to healthcare resources and telemedicine services.</li> <li>Diversify financing and insurance portfolio across less weather-disruptive industries or products.</li> <li>Conduct scenario planning and stress testing to assess the resilience of our insurance and financing portfolios against weather-related scenarios.</li> </ul>
<b>Prolonged Rainy Season</b>	<b>RCP 2.6/RCP 8.5</b>	<b>Long-term</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Prolonged heavy rainfall increases the risk of flooding and influences vehicle performance and driver behaviour, potentially leading to a surge in motor insurance claims.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Prioritise financing for companies with resilient infrastructure built to withstand prolonged rainy seasons, minimising potential disruptions and financial losses.</li> <li>Support businesses developing climate-resilient products or services suited for extended wet seasons (e.g. waterproof technologies or flood-resistant construction materials).</li> <li>Diversify insurance portfolio across less weather-disruptive products.</li> </ul>
<b>Rise in Mean Temperature</b>	<b>RCP 2.6/RCP 8.5</b>	<b>Long-term</b>	<ul style="list-style-type: none"> <li>Urban Heat Island (UHI) effect poses health risks to our employees in the service sector economy, impacting their work productivity and well-being.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Invest in green finance initiatives that support renewable energy projects and sustainable infrastructure to mitigate temperature rise.</li> <li>Develop investment portfolios focused on business solutions that aim to combat the effects of rising temperatures.</li> </ul>

# SUSTAINABILITY REPORT

RISK TYPE	Scenario Pathway	Time Horizon	Risk Description How it can potentially impact us	Opportunities How we can potentially mitigate and adapt
<b>Rise in Sea Level</b>	<b>RCP 2.6/RCP 8.5</b>	<b>Long-term</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Providing financial products or incentives for constructing climate-resilient buildings, elevating structures, or implementing flood-resistant designs in vulnerable coastal areas.</li> <li>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.</li> <li>Diversifying asset locations and financing products and explore appropriate insurance-backed leasing.</li> </ul>
<b>Transition Risk</b>				
<b>Carbon Pricing</b>	<b>RCP 2.6/RCP 8.5</b>	<b>Mid-term</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Implement energy efficiency measures within operations.</li> <li>Utilise economic incentives provided by government to offset costs associated with carbon pricing.</li> <li>Strategically diversify financing activities toward sustainable and renewable energy projects to align with government's goals, mitigating exposure to declining sectors.</li> <li>Enhanced climate risk assessment in lending and investment decisions.</li> </ul>
<b>Enhanced Emissions Reporting Obligations</b>	<b>RCP 2.6/RCP 8.5</b>	<b>Mid-term</b>	<ul style="list-style-type: none"> <li>Higher compliance costs associated with measuring and reporting GHG emissions, impacting overall operational expenses.</li> <li>Our clients in carbon-intensive industries may face elevated credit risk due to regulatory obligations, impacting their financial stability.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen sustainability disclosures.</li> <li>Invest in robust data management systems and reporting tools to meet evolving reporting mandates, reducing administrative burden and costs.</li> </ul>

# SUSTAINABILITY REPORT

RISK TYPE	Scenario Pathway	Time Horizon	Risk Description How it can potentially impact us	Opportunities How we can potentially mitigate and adapt
<b>Exposure to Litigation</b>	<b>RCP 2.6/RCP 8.5</b>	<b>Mid-term</b>	<ul style="list-style-type: none"> <li>Heightened legal and regulatory costs associated with lawsuits, investigations, or regulatory actions related to climate risk.</li> <li>Reputational damage may influence client retention and acquisition, impacting the overall value and composition of the loan portfolio.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure strict compliance with environmental regulations and guidelines to minimise legal risks.</li> <li>Propose checks of client's environment permits and regulatory compliance as part of due diligence process.</li> <li>Uphold responsible business conduct.</li> </ul>
<b>Phase Out of Internal Combustion Engine (ICE)</b>	<b>RCP 2.6/RCP 8.5</b>	<b>Mid-term</b>	<ul style="list-style-type: none"> <li>A decline in demand for ICE vehicles may limit financing opportunities for traditional vehicle loans.</li> <li>The shift towards Electric Vehicles ("EVs") could shift insurance market demand away from traditional insurance for ICE vehicles.</li> </ul>	<ul style="list-style-type: none"> <li>Diversify financing and insurance offerings to cater to the growing market for EVs, ensuring adaptability to changing consumer preferences and market dynamics.</li> </ul>
<b>Market Risk</b>				
<b>Consumer Preference for Sustainable Product &amp; Services</b>	<b>RCP 2.6/RCP 8.5</b>	<b>Mid-term</b>	<ul style="list-style-type: none"> <li>Failure to adapt to demand for sustainable financing solutions may result in a loss of market share or missed business opportunities.</li> <li>Inadequate adaptation to sustainable financing demand, may impact composition of loan portfolio, exposing us to declining traditional sectors.</li> <li>Misalignment in our insurance offerings with client's preference and sustainability trends may weaken our competitiveness.</li> </ul>	<ul style="list-style-type: none"> <li>Introduce sustainable products (e.g. green loans) to incentivise and support companies engaging in responsible initiatives.</li> <li>Gain a competitive edge within the industry by offering sustainable financial products.</li> <li>Adapting insurance offerings to align with ESG-conscious clients' preferences for sustainable products or projects by making changes to underwriting practices and product.</li> </ul>
<b>Reputational Risk</b>				
<b>Stakeholder Concerns or Negative Feedback</b>	<b>RCP 2.6/RCP 8.5</b>	<b>Mid-term</b>	<ul style="list-style-type: none"> <li>Dissatisfied clients may lead to decreased retention rates and hinder the acquisition of new clients, affecting the overall client base and revenue.</li> <li>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.</li> <li>Difficulty in accessing capital may limit the Company's ability to fund operations, expansion, or strategic initiatives, impacting overall financial health.</li> <li>Capital constraints may affect the composition and diversity of the loan portfolio, potentially influencing risk exposure and profitability.</li> </ul>	<ul style="list-style-type: none"> <li>Integrate responsible financing principles and ESG criteria into key business processes.</li> <li>Engaging with stakeholders to communicate our efforts towards environmental sustainability.</li> </ul>

# SUSTAINABILITY REPORT

## APPENDIX 3: INDEXES

### SGX SIX PRIMARY COMPONENTS INDEX

S/N	Primary component	Section reference	Page no.
1	Material Environmental, Social and Governance Factors	Materiality Assessment	20
2	Climate-Related Disclosures	Pillar 2: Nurturing Nature, Sustaining Tomorrow Appendix 2: Climate-Related Risks and Opportunities	30, 45
3	Policies, Practices and Performance	Pillars 1-3	21-43
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# CORPORATE GOVERNANCE REPORT

The Board of Directors of IFS Capital Limited (the “Company”) and its subsidiaries (the “Group”) is committed to ensuring a high standard 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 2025 (“FY2025”), which forms part of the continuing obligations of the Listing Rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”). 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.*

#### Board Duties

The Board is responsible for overseeing and managing the Group’s business and is accountable to shareholders for the long-term performance and financial soundness of the Group.

In addition to its statutory responsibilities, the Board:

- sets the appropriate tone-from-the-top for the Group in respect of values, desired organisational culture and standards of ethical behaviour, and ensures proper accountability within the Group;
- 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;
- oversees the processes of evaluating the adequacy and effectiveness of the Group’s internal controls and risk management systems; and
- considers sustainability issues as part of its strategic formulation.

The Board decides on matters that require its approval and clearly communicates to the Management in writing. These include:

- annual budgets and business plans for the Group;
- corporate/financial restructurings or corporate exercise;
- issuance of shares, dividend policy and payouts, and other returns to shareholders;
- risk appetite and risk tolerance for the different categories of risks;
- substantial transactions which have a material effect on the Group;
- the Group’s half-yearly and full-year financial results announcements and the release of annual report and sustainability report;
- material acquisitions and disposals of assets/investments; and
- any other matters as prescribed under the relevant legislations as well as the provision of the Company’s Constitution.

# CORPORATE GOVERNANCE REPORT

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/herself 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 FY2025, the Board held four meetings.

The attendance of the Board members at the Annual General Meeting ("AGM"), Board and Board Committee meetings during FY2025 is set out as follows:

### **Attendance at the AGM, Board and Board Committee Meetings**

Name of Director	AGM	Board		ARC		ERCC	
	Attendance	No. of Meetings <sup>(1)</sup>	Attendance	No. of Meetings <sup>(1)</sup>	Attendance	No. of Meetings <sup>(1)</sup>	Attendance
Lim Hua Min	1	4	3	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 <sup>(2)</sup>	4 <sup>(2)</sup>	1 <sup>(2)</sup>	1 <sup>(2)</sup>

ARC Audit and Risk Committee

ERCC Executive Resource and Compensation Committee

NA Not applicable

<sup>(1)</sup> The number of meetings held during which each director was in office

<sup>(2)</sup> 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 Secretaries circulate information on available training courses that directors may attend, with the costs covered by the Company.

During FY2025, 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 Secretaries, Management and external auditors during Board or Board Committee meetings.

## **Board 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 Secretaries, exercises control over the quality and timeliness of information flow between the Board and Management.

## **Access to Senior Management and Company Secretaries**

The directors have separate and independent access to the Company's senior management and the Company Secretaries. Any additional materials or information requested by the directors to make informed decisions are promptly furnished.

The Company Secretaries assist the Chairman and the Chairpersons of each Board Committee in the development of the agendas for the various Board and Board Committee meetings. The Company Secretaries attend and prepare minutes of all the Board meetings. The Company Secretaries are also responsible for, among other things, ensuring that Board procedures are observed and that the relevant rules and regulations, are complied with.

The appointment and removal of the Company Secretaries 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.

# CORPORATE GOVERNANCE REPORT

## 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.*

### Board Composition and Board Independence

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.

The Board comprises five directors of whom three 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

The Executive Resource and Compensation Committee conducts a review and determines annually the independence of each director. In its deliberation on the independence of a director, the Executive Resource and Compensation Committee considered the applicable Listing Rules of SGX-ST and the relevant provisions of the 2018 Code, including independence in conduct, character and judgment, and confirmed that the director has no business relationships with the Group, its substantial shareholders or its officers which 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 an annual declaration to confirm his/her independence based on the applicable Listing Rules of SGX-ST and relevant provisions of 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.

# CORPORATE GOVERNANCE REPORT

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.

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. Currently, 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.

# CORPORATE GOVERNANCE REPORT

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 Secretaries. 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.

## **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.

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

Under the terms of reference approved by the Board, 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;

# CORPORATE GOVERNANCE REPORT

- (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.

## **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 appointments of potential new directors are 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 FY2025, 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.

# CORPORATE GOVERNANCE REPORT

The Executive Resource and Compensation Committee is satisfied that all directors have devoted sufficient time and attention to matters of the Group in the discharge of their duties for FY2025.

No alternate director has been appointed to the Board in FY2025.

## **Rotation and Re-election of Directors**

Under the Constitution of the Company, one-third of the directors, comprising those who are longest-serving since their last re-election, are required to retire from office and, if eligible, stand for re-election at each AGM (or, if the number is not a multiple of three, the number nearest to but not less than one-third). Based on this rotation process, each director is required to submit himself or herself for re-election at regular intervals. In addition, all new directors (who are appointed in between AGMs) are required under the Company's Constitution to stand for re-election at the first AGM after their appointment. The Executive Resource and Compensation Committee reviews and recommends to the Board the rotation and re-election of Directors at the AGM.

At the forthcoming Annual General Meeting, Mr Lim Hua Min and Ms Chen Xialing will be retiring by rotation. At the recommendation of the Executive Resource and Compensation Committee and as approved by the Board, both Mr Lim Hua Min and Ms Chen Xialing will be standing for re-election.

The detailed information on Mr Lim Hua Min and Ms Chen Xialing can be found on pages 217 to 222.

## **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 in place a formal 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 FY2025, 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 FY2025.

# CORPORATE GOVERNANCE REPORT

## **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.

## **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); and
- (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 approved by the Board, 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 FY2025.

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.

# CORPORATE GOVERNANCE REPORT

## **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.

### **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 FY2025.

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.

# CORPORATE GOVERNANCE REPORT

The structure of the fees payable to the Non-Executive Directors of the Company for FY2025 is as follows:

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

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 FY2025 is as follows:

Name of Directors	Director's Fees <sup>(1)</sup> (%)	Fixed Salary <sup>(2)</sup> (%)	Variable Bonus <sup>(2)</sup> (%)	Allowance & Other Benefits (%)	Total Remuneration (\$)
<b>Non-Executive Directors</b>					
Lim Hua Min	100%	–	–	–	55,100
Barney Lau Tai Chiau	100%	–	–	–	54,150
Loo Hock Leong	100%	–	–	–	48,450
Chen Xialing	100%	–	–	–	50,350
<b>Executive Director/Group Executive Officer</b>					
Randy Sim Cheng Leong	–	55	45	–	550,831

<sup>(1)</sup> Directors' Fees refer to fees for FY2025, subject to approval by shareholders at the forthcoming AGM

<sup>(2)</sup> Inclusive of employer's CPF contribution for FY2025

# CORPORATE GOVERNANCE REPORT

- (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 FY2025 is as follows:

Remuneration Band*	FYE 31 Dec 2025	FYE 31 Dec 2024
\$250,000 to below \$500,000	5	4
Below \$250,000	3	5
Total	<b>8</b>	<b>9</b>

\* 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 \$2.3 million for FY2025.

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 FY2025, 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.

# CORPORATE GOVERNANCE REPORT

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.

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 FY2025, 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, for FY2025, 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 2025.

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.

# CORPORATE GOVERNANCE REPORT

## AUDIT AND RISK COMMITTEE

### Principle 10

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

### Composition of the Audit and Risk Committee

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 possess 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 or hold any financial interest in Ernst and Young LLP.

### 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.

# CORPORATE GOVERNANCE REPORT

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 FY2025, 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 FY2025 and the Board has approved them.

## **Review of Independence of External Auditor**

The Audit and Risk Committee reviews the independence of external auditors annually as well as 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 FY2025 is found in note 11 of the financial statement on page 122 of this Annual Report.

## **Internal Audit ("IA")**

The Group has an in-house IA function that is independent of the activities it audits. The IA 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 Head of IA reports functionally to the Chairman of the Audit and Risk Committee on audit matters and to the Group Chief Executive Officer on administrative matters.

# CORPORATE GOVERNANCE REPORT

## **Adequacy of the Internal Audit Function**

The Audit and Risk Committee ensures that the IA function has adequate resources, is staffed with persons with relevant qualification and expertise and has appropriate independent 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 IA;
- (v) their relationship with the external auditors; and
- (vi) their independence of the areas reviewed.

The Audit and Risk Committee is satisfied with the effectiveness of the IA function and that the IA function is currently adequately resourced and has appropriate independent standing within the Group to perform its functions.

## **Whistle-Blowing Policy**

The Company has established a Code of Business Conduct that sets the principles of the code of conduct and business ethics which applies to all employees of the Group. This code covers areas such as conduct in workplace, business conduct, protection of the Company's assets, confidentiality of information and conflict of interest, etc. All employees are expected to observe and uphold high standards of integrity which are in compliance with the Company's policies and the law and regulations of the countries in which it operates.

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.

# CORPORATE GOVERNANCE REPORT

## SHAREHOLDER RIGHTS AND ENGAGEMENT

### SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

#### **Principle 11**

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

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 on their behalf. Shareholders who are relevant intermediaries may appoint more than two proxies while investors who hold shares through nominee companies, custodian banks or CPF agent banks may attend, speak and vote as proxies of the nominee companies, custodian banks or CPF agent banks.

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 shareholders' 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.

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.

# CORPORATE GOVERNANCE REPORT

## **Conduct of Annual General Meeting in 2025 (“2025 AGM”)**

The 2025 AGM was convened and held physically at 10 Eunos Road 8 #03-102 Singapore Post Centre Singapore 408600 (NTUC Club Clubhouse). Arrangements were put in place for attendance at the 2025 AGM, the 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).

## **Conduct of Annual General Meeting in 2026 (“2026 AGM”)**

The 2026 AGM will be held wholly physical at 11 Eunos Road 8, Lifelong Learning Institute, Event Hall 2-2 Level 2, Singapore 408601. Arrangements relating to the attendance at the 2026 AGM, submission of questions to the Chairman of the Meeting in advance of, or at, the 2026 AGM, and voting at the 2026 AGM by shareholders or their duly appointed proxy(ies), are set out in a separate announcement released on SGXNet on 10 April 2026.

## **Dividends**

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.

## **ENGAGEMENT WITH SHAREHOLDERS**

### **Principle 12**

*The Company communicates regularly with its shareholders and facilitates 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.

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.

# CORPORATE GOVERNANCE REPORT

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 53.

#### **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.

#### **Interested Person Transactions**

The Group has established policies, processes and guidelines for the approval of and entry into interested person transactions. These policies, processes and guidelines are based on the SGX-ST Listing Rules. The Audit and Risk Committee assesses whether the transactions are undertaken in the ordinary course of business, on normal commercial terms and at arm’s length. It will also review and provide its opinion on interested person transactions, where required under the SGX-ST Listing Rules. The particulars of interested person transactions entered into in 2025 are set out on page 73.

# 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 2025 S\$'000	12 months 31 December 2025 S\$'000
Phillip Securities Pte Ltd	Controlling shareholder Lim Hua Min	163	NIL
CQ TDT Asia Joint Stock Company	Controlling shareholder Lim Hua Min	422	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.

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# 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 2025.

## 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 2025, 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 2025 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:

<b>Name of director and corporation in which interests are held</b>	<b>Holdings at beginning of the year</b>	<b>Holdings at end of the year</b>
<b>Ultimate holding company</b>		
<b>Phillip Assets Pte. Ltd.</b>		
<b>Lim Hua Min</b>		
– ordinary shares	39,100,000	39,100,000
<b>IFS Capital Limited – Company</b>		
<b>Lim Hua Min</b>		
– ordinary shares		
– deemed interests	226,949,029	252,722,309
<b>Randy Sim Cheng Leong</b>		
– ordinary shares	2,150,000	6,258,000
<b>IFS Factors (Malaysia) Sdn. Bhd. – Subsidiary</b>		
<b>Randy Sim Cheng Leong</b>		
– 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

27 March 2026

# INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 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 2025, 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 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

### 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), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. 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 2025

## 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.

<b>Areas of focus</b>	<b>How our audit addressed the risk factors</b>
<p><b>Credit loss provisioning for loans and advances, accounts receivable purchase, hire purchase and leasing receivables</b></p> <p>At 31 December 2025, the Group's loans and advances, accounts receivable purchase, hire purchase and leasing receivables represents 82% (2024: 84%) 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.</p> <p><u>Non-impaired credit exposures</u></p> <p>In respect of non-credit impaired exposures, the following areas are identified to involve greater levels of management judgement and estimation uncertainties:</p> <ul style="list-style-type: none"> <li>the selection of economic scenarios and corresponding probability weightages applied;</li> <li>the criteria in determining significant increase in credit risk ("SICR"); and</li> <li>the probabilities of default ("PD"), loss-given default ("LGD"), and the exposure at default ("EAD") model assumptions.</li> </ul>	<p><u>Non-impaired credit exposures</u></p> <p>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:</p> <ul style="list-style-type: none"> <li>the completeness and accuracy of data inputs into the ECL model;</li> <li>the selection and implementation of multiple economic scenarios and probabilities; and</li> <li>the staging of credit exposures based on the Group's SICR criteria.</li> </ul> <p>We involved our internal modelling specialists in performing the following procedures:</p> <ul style="list-style-type: none"> <li>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;</li> <li>reviewed the appropriateness of SICR triggers used by management; and</li> <li>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.</li> </ul>

# INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## Key audit matters (Continued)

<b>Areas of focus</b>	<b>How our audit addressed the risk factors</b>
<p><b>Valuation of insurance contracts under SFRS(I) 17</b></p> <p>The Group's general insurance operations are conducted through its subsidiary, ECICS Limited ("ECICS").</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>• we continued to perform review of the Group's material accounting policy information on SFRS(I) 17 to understand, assess and ascertain whether ECICS's position in measuring insurance contracts continue to be acceptable and in accordance with SFRS(I) 17;</li> <li>• we performed walkthroughs, test of controls over ECICS's underwriting and claims process;</li> <li>• we performed test of details on ECICS's premiums and claims data, including integrity checks on the data used in the valuation of the insurance contracts under SFRS(I) 17;</li> <li>• 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's 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's Certifying Actuary; and</li> <li>• 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.</li> </ul>

# INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## **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 2025

## **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 2025

## **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 Yeo Jia Yun, Vanessa.

Ernst & Young LLP  
Public Accountants and  
Chartered Accountants  
Singapore

27 March 2026

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 \$'000	2024 \$'000
Interest income	4	37,773	34,237
Interest expense	5	(7,534)	(9,008)
<b>Net interest income</b>		<b>30,239</b>	25,229
Insurance revenue		21,488	13,769
Insurance service expenses		(23,603)	(24,717)
Insurance service results before reinsurance contracts held		(2,115)	(10,948)
Allocation of reinsurance premiums		(7,600)	(5,897)
Reinsurance acquisition income		1,825	2,401
Amount recoverable from reinsurers for incurred claims		4,237	8,301
Net income from reinsurance contracts held		(1,538)	4,805
<b>Insurance service results</b>	6	<b>(3,653)</b>	(6,143)
Fee and commission income	7	9,484	7,412
Net investment income	8	1,393	1,719
Other income	9	1,184	875
<b>Non-interest income</b>		<b>12,061</b>	10,006
<b>Income before operating expenses</b>		<b>38,647</b>	29,092
Business development expenses		(1,655)	(1,183)
Staff costs		(17,251)	(15,133)
General and administrative expenses		(6,766)	(6,730)
<b>Operating expenses</b>		<b>(25,672)</b>	(23,046)
<b>Operating profit before allowances</b>		<b>12,975</b>	6,046
Share of loss on share of associate		(44)	(20)
Recognition of allowances for loan losses and impairment of other assets	10	(4,192)	(719)
<b>Profit before tax</b>	11	<b>8,739</b>	5,307
Tax expense	12	(2,378)	(1,598)
<b>Profit for the year</b>		<b>6,361</b>	3,709
<b>Profit attributable to:</b>			
Owners of the Company	13	4,740	1,889
Non-controlling interests		1,621	1,820
<b>Profit for the year</b>		<b>6,361</b>	3,709
<b>Earnings per share</b>			
Basic earnings per share (cents)	13	1.26	0.50
Diluted earnings per share (cents)	13	1.26	0.50

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

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 \$'000	2024 \$'000
<b>Profit for the year</b>		<b>6,361</b>	3,709
<b>Other comprehensive income</b>			
<b><i>Items that will not be reclassified to profit or loss</i></b>			
Defined benefit plan remeasurements		69	78
Tax on other comprehensive income		<b>(23)</b>	-
		<b>46</b>	78
<b><i>Items that are or may be reclassified subsequently to profit or loss</i></b>			
Foreign currency translation differences of foreign operations		<b>746</b>	2,822
		<b>746</b>	2,822
<b>Other comprehensive income for the year, net of tax</b>		<b>792</b>	2,900
<b>Total comprehensive income for the year</b>		<b>7,153</b>	6,609
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		<b>5,139</b>	4,093
Non-controlling interests		<b>2,014</b>	2,516
<b>Total comprehensive income for the year</b>		<b>7,153</b>	6,609

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

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<b>Equity</b>					
Share capital	14	137,302	137,302	137,302	137,302
Other reserves	15	(3,654)	(4,014)	-	-
Accumulated profits		48,237	45,226	27,197	25,364
<b>Equity attributable to owners of the Company</b>					
		181,885	178,514	164,499	162,666
Non-controlling interests	16	34,268	27,757	-	-
<b>Total equity</b>		<b>216,153</b>	<b>206,271</b>	<b>164,499</b>	<b>162,666</b>
<b>Liabilities</b>					
Trade and other payables	17	17,838	12,353	5,413	4,319
Interest-bearing borrowings	18	283,747	277,799	182,268	191,247
Insurance contract liabilities	19	33,364	24,236	-	-
Lease liabilities	33	2,235	2,480	1,642	2,187
Current tax payable		1,455	1,031	49	-
Employee benefits	20	1,848	1,673	-	-
Deferred tax liabilities	21	59	-	59	-
<b>Total liabilities</b>		<b>340,546</b>	<b>319,572</b>	<b>189,431</b>	<b>197,753</b>
<b>Total equity and liabilities</b>		<b>556,699</b>	<b>525,843</b>	<b>353,930</b>	<b>360,419</b>
<b>Assets</b>					
Cash and cash equivalents	22	50,861	40,982	7,004	4,356
Other investments	23	24,910	22,894	11,397	19,000
Property held for sale		76	83	-	-
Loans and advances	24	276,596	283,063	154,208	181,154
Hire purchase and leasing receivables	25	23,375	16,926	-	-
Accounts receivable purchase	26	157,388	142,964	16,210	14,072
Other receivables	27	4,805	1,651	76,731	60,148
Reinsurance contract assets	19	8,356	6,888	-	-
Property, plant and equipment	29	844	877	148	150
Intangible assets	30	423	147	315	66
Investment properties	31	1,587	1,740	-	-
Investment in subsidiaries	32	-	-	86,433	79,433
Investment in associate		1,906	1,914	-	-
Deferred tax assets	21	3,505	3,400	-	-
Right-of-use assets	33	2,067	2,314	1,484	2,040
<b>Total assets</b>		<b>556,699</b>	<b>525,843</b>	<b>353,930</b>	<b>360,419</b>

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Note	Attributable to owners of the Company					
	Share capital \$'000	Capital reserve \$'000	Translation reserve \$'000	Accumulated profits \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>At 1 January 2025</b>	137,302	108	(4,122)	45,226	27,757	206,271
<b>Total comprehensive income for the year</b>						
Profit for the year	-	-	-	4,740	1,621	6,361
<i>Other comprehensive income</i>						
Foreign currency translation differences	-	-	360	-	386	746
Defined benefit plan remeasurements	-	-	-	60	9	69
Tax on other comprehensive income	-	-	-	(21)	(2)	(23)
Total other comprehensive income	-	-	360	39	393	792
<b>Total comprehensive income for the year</b>	-	-	360	4,779	2,014	7,153
<b>Transactions with owners, recognised directly in equity</b>						
<b>Contributions by and distributions to owners</b>						
Dividends paid to owners of the Company	-	-	-	(1,880)	-	(1,880)
<b>Total contributions by and distributions to owners</b>	-	-	-	(1,880)	-	(1,880)
<b>Changes in ownership interests in subsidiaries</b>						
Non-controlling interest arising from investment in subsidiary	-	-	-	-	14,124	14,124
Non-controlling interest arising from disposal in subsidiary	-	-	-	14	(8,330)	(8,316)
Dividends paid by a subsidiary company to non-controlling interests	-	-	-	-	(1,199)	(1,199)
<b>Total changes in ownership interests in subsidiaries</b>	-	-	-	112	4,497	4,609
<b>Total transactions with owners</b>	-	-	-	(1,768)	4,497	2,729
<b>At 31 December 2025</b>	137,302	108	(3,762)	48,237	34,268	216,153

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# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

		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
<b>At 1 January 2024</b>	137,302	108	(6,248)	45,139	176,301	23,811	200,112
<b>Total comprehensive income for the year</b>							
Profit for the year	-	-	-	1,889	1,889	1,820	3,709
<i>Other comprehensive income</i>							
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
<b>Total comprehensive income for the year</b>	-	-	2,126	1,967	4,093	2,516	6,609
<b>Transactions with owners, recognised directly in equity</b>							
<b>Contributions by and distributions to owners</b>							
Dividends paid to owners of the Company	-	-	-	(1,880)	(1,880)	-	(1,880)
<b>Total contributions by and distributions to owners</b>	-	-	-	(1,880)	(1,880)	-	(1,880)
<b>Changes in ownership interests in subsidiaries</b>							
Non-controlling interest arising from investment in subsidiary	-	-	-	-	-	2,413	2,413
Dividends paid by a subsidiary company to non-controlling interests	-	-	-	-	-	(983)	(983)
<b>Total changes in ownership interests in subsidiaries</b>	-	-	-	-	-	1,430	1,430
<b>Total transactions with owners</b>	-	-	-	(1,880)	(1,880)	1,430	(450)
<b>At 31 December 2024</b>	137,302	108	(4,122)	45,226	178,514	27,757	206,271

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 \$'000	2024 \$'000
<b>Cash flows from operating activities</b>			
Profit before tax		8,739	5,307
<u>Adjustments for:</u>			
Share of after-tax results of associates		44	20
Amortisation of debt securities at amortised cost	8	(75)	(51)
Amortisation of intangible assets	30	85	141
Depreciation of property, plant and equipment	29	288	276
Depreciation of investment properties	31	183	175
Depreciation of right-of-use assets	33	756	764
Gain on disposal of debt and equity securities	8	(289)	(64)
Loss on disposal of property, plant and equipment	9	-	13
Net change in fair value of financial assets through profit or loss	8	(277)	(358)
Property, plant and equipment written-off	29	-	21
Reversal of allowance for impairment on debt securities at amortised cost	10	(15)	(15)
Recognition of allowance for loan losses and impairment of other assets	10	4,207	734
Interest income	4	(37,773)	(34,237)
Interest income from investments and fixed deposits	8	(509)	(951)
Dividend income from investments	8	(343)	(244)
Interest expense on borrowings	5	7,534	9,008
Interest expense on lease liabilities	33	107	140
<b>Operating cash flows before changes in working capital</b>		<b>(17,338)</b>	<b>(19,321)</b>
<u>Changes in working capital:</u>			
Accounts receivable purchase		(17,472)	(14,514)
Accounts receivable purchase owing to clients		(373)	(812)
Loans and advances		6,576	(15,166)
Hire purchase and leasing receivables		(6,766)	(864)
Other receivables and reinsurance contract assets		(4,613)	(3,994)
Trade and other payables and insurance contract liabilities		14,365	13,322
<b>Cash used in operations</b>		<b>(25,621)</b>	<b>(41,349)</b>
Interest received		38,282	35,188
Interest paid		(7,357)	(8,104)
Interest expense on lease liabilities paid	33	(107)	(140)
Taxes paid, net		(1,679)	(1,617)
<b>Net cash generated from/(used in) operating activities</b>		<b>3,518</b>	<b>(16,022)</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 \$'000	2024 \$'000
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		-	13
Purchase of property, plant and equipment	29	(198)	(107)
Purchase of intangible assets	30	(414)	(117)
Purchase of investments		(49,644)	(23,753)
Proceeds from disposal of investments		48,136	24,057
Dividends received from investments	8	343	244
<b>Net cash (used in)/generated from investing activities</b>		<b>(1,777)</b>	<b>337</b>
<b>Cash flows from financing activities</b>			
Dividends paid to owners of the Company		(1,880)	(1,880)
Dividends paid to non-controlling interests		(1,199)	(983)
Repayment of interest-bearing borrowings	18	(1,435,450)	(941,113)
Proceeds from drawdown of interest-bearing borrowings	18	1,439,259	952,399
Proceeds from non-controlling interest's investments to subsidiary		14,124	2,413
Repayment by a subsidiary company to non-controlling interest on disposal		(8,319)	-
Repayment of lease liabilities	33	(753)	(700)
<b>Net cash generated from financing activities</b>		<b>5,782</b>	<b>10,136</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>7,523</b>	<b>(5,549)</b>
Cash and cash equivalents at 1 January		40,982	43,292
Net foreign exchange difference		2,356	3,239
<b>Cash and cash equivalents at 31 December</b>	22	<b>50,861</b>	<b>40,982</b>

Included in cash and cash equivalents is \$414,000 (2024: \$1,599,000) 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 information form an integral part of the financial statements.*

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 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 2025 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.

IFS Capital Limited is a specialist financial institution providing private credit origination, insurance, and asset management services to SMEs, consumers, and investors across Asia. The Company operates through offices in Singapore, Thailand, Malaysia and Indonesia. The Company was incorporated in Singapore in 1987 and listed on the Mainboard of the Singapore Exchange since 1993. 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 2025

## 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 2025. 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 2025

## 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 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 Credit Opportunities VCC, are stated in the Company's statement of financial position at cost less any accumulated impairment losses.

#### *Structured entities*

The Company classifies its subsidiaries, IFSAM Credit Opportunities VCC, IFSAM Credit Investments Aurum Pte. Ltd. and IFSAM Credit Investments Beacon Pte. Ltd., as structured entities per SFRS(I) 12 due to the nature of their establishment as investment entities. 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 Credit Opportunities VCC, IFSAM Credit Investments Aurum Pte. Ltd. and IFSAM Credit Investments Beacon Pte. Ltd. are accounted for at fair value through profit or loss and presented under other investments in the Company's statement of financial position. IFSAM Credit Opportunities VCC, IFSAM Credit Investments Aurum Pte. Ltd. and IFSAM Credit Investments Beacon Pte. Ltd. are 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 2025

## 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 2025

## 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 2025

## 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 2025

## 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 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 and other receivables.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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

### 3.3 FINANCIAL INSTRUMENTS (CONTINUED)

#### (c) *Derecognition* (Continued)

##### 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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 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.

#### *Reclassification to investment property*

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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

### 3.5 INTANGIBLE ASSETS

#### *Intangible assets*

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 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
Membership rights	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.

#### *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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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

### 3.7 LEASES (CONTINUED)

*As a lessee* (Continued)

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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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

### 3.7 LEASES (CONTINUED)

*As a lessee* (Continued)

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. The Group has changed the methodologies, inputs and assumptions applied in the measurement of expected credit losses, refer to Note 38.

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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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

### 3.8 IMPAIRMENT (CONTINUED)

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

General approach (Continued)

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 increase in model-generated probability of default 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 2025

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

### 3.8 IMPAIRMENT (CONTINUED)

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

##### General approach (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 2025

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

### 3.8 IMPAIRMENT (CONTINUED)

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

##### General approach (Continued)

##### *Credit-impaired financial assets* (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 2025

## 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 2025

## 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 2025

## 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 2025

## 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 Group 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 2025

## 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.

#### 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).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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

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

#### 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.

#### 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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

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

#### 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.

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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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

### 3.11 EMPLOYEE BENEFITS (CONTINUED)

#### *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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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

### 3.13 FINANCE INCOME AND FINANCE COST (CONTINUED)

#### *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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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

### 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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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

### 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.

### 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 4. INTEREST INCOME

	Group	
	2025	2024
	\$'000	\$'000
<i>At amortised cost and arising from:</i>		
Loans and advances, accounts receivable purchase, hire purchase and leasing receivables	<b>37,773</b>	34,237

Interest income for the years ended 31 December 2025 and 2024 have been calculated based on the effective interest rate method.

## 5. INTEREST EXPENSE

	Group	
	2025	2024
	\$'000	\$'000
<i>At amortised cost and arising from:</i>		
Borrowings from banks and Enterprise Singapore	<b>7,534</b>	9,008

Interest expense for the years ended 31 December 2025 and 2024 have been calculated based on the effective interest rate method.

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

	Group	
	2025	2024
	\$'000	\$'000
Insurance revenue	<b>21,488</b>	13,769
Insurance service expenses	<b>(23,603)</b>	(24,717)
Insurance service results before reinsurance contracts held	<b>(2,115)</b>	(10,948)
Allocation of reinsurance premiums	<b>(7,600)</b>	(5,897)
Reinsurance acquisition income	<b>1,825</b>	2,401
Amount recoverable from reinsurers from incurred claims	<b>4,237</b>	8,301
Net income from reinsurance contracts held	<b>(1,538)</b>	4,805
<b>Insurance services results</b>	<b>(3,653)</b>	(6,143)

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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 7. FEE AND COMMISSION INCOME

	Group	
	2025 \$'000	2024 \$'000
Fee income	<u>9,484</u>	<u>7,412</u>

The fee income are mainly service fees from provision of loans and advances, loan matching services 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.

## 8. NET INVESTMENT INCOME

	Group	
	2025 \$'000	2024 \$'000
Net exchange (loss)/gain	(100)	51
Dividend income	343	244
Gain on disposal of financial assets through profit or loss	289	64
Net gain arising from financial assets through profit or loss	372	521
<i>Interest income arising from:</i>		
Debt securities at amortised cost	301	419
Bank and fixed deposits at amortised cost	113	369
Net accretion of discount for debt securities at amortised cost	75	51
	<u>1,393</u>	<u>1,719</u>

Interest income for the years ended 31 December 2025 and 2024 of financial assets at amortised cost have been calculated based on the effective interest rate method.

## 9. OTHER INCOME

	Group	
	2025 \$'000	2024 \$'000
Recoveries – loans and advances, accounts receivable purchase, hire purchase and leasing receivables <sup>#</sup>	276	32
Gain on disposal of property, plant and equipment	–	13
Grant income	84	99
Write-back of reinsurance and other payables	410	358
Rental and service income	105	102
Others	309	271
	<u>1,184</u>	<u>875</u>

<sup>#</sup> 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 2025

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

		Group	
	Note	2025 \$'000	2024 \$'000
In respect of loan loss allowance and impairment (made)/reversed:			
- loans and advances, hire purchase, leasing and accounts receivable purchase	24,25,26	<b>(3,994)</b>	(627)
- other receivables	27	<b>(2)</b>	(105)
- debt securities at amortised cost		<b>15</b>	15
- debts written-off		<b>(211)</b>	(2)
		<b>(4,192)</b>	(719)

## 11. PROFIT BEFORE TAX

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

		Group	
	Note	2025 \$'000	2024 \$'000
Amortisation of intangible assets	30	<b>85</b>	141
Depreciation of property, plant and equipment	29	<b>288</b>	276
Depreciation of investment property	31	<b>183</b>	175
Depreciation of right-of-use assets	33	<b>756</b>	764
Exchange loss/(gain) arising from revaluation		<b>145</b>	(24)
Audit fees			
- auditors of the Company		<b>553</b>	495
- other member firms of Ernst & Young International		<b>42</b>	41
- other auditors		<b>111</b>	140
Non-audit fees			
- auditors of the Company		<b>31</b>	15
- other auditors		<b>30</b>	1
Directors' fees		<b>341</b>	354
Fees paid to corporations in which the directors have interests	35	<b>712</b>	296
Contributions to defined contribution plans included in staff costs		<b>1,248</b>	977
Provision for severance pay and long service awards	20	<b>260</b>	379

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 12. TAX EXPENSE

	Note	Group	
		2025 \$'000	2024 \$'000
<b>Current tax expense</b>			
Current year		(2,408)	(1,878)
Over provision in prior years		31	39
		<u>(2,377)</u>	<u>(1,839)</u>
<b>Deferred tax expense</b>			
Movements in temporary differences	21	(1)	241
		<u>(2,378)</u>	<u>(1,598)</u>
<b>Reconciliation of effective tax rate</b>			
Profit before tax		<u>8,739</u>	<u>5,307</u>
Tax using Singapore tax rate of 17% (2024:17%)		(1,486)	(903)
Effect of tax rates in foreign jurisdictions		(257)	(201)
Non-deductible expenses		(332)	(293)
Tax exempt income		2	114
Income not subject to tax		206	36
Over provision in prior years		31	39
Deferred tax asset not recognised		(699)	(390)
Utilisation of previously unrecognised tax losses		157	-
		<u>(2,378)</u>	<u>(1,598)</u>

### International tax reform – Pillar Two Model Rules

The new Pillar Two global minimum tax rules are substantively enacted in Singapore and is 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	
	2025 \$'000	2024 \$'000
<b>Basic and diluted earnings per share</b>		
Basic earnings per share is based on:		
Net profit attributable to ordinary shareholders	<u>4,740</u>	<u>1,889</u>
<b>Number of shares</b>		
Issued ordinary shares at beginning and end of the year	<u>375,969,665</u>	<u>375,969,665</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 14. SHARE CAPITAL

	Group and Company	
	Number of shares	
	2025	2024
<b>Fully paid ordinary shares, with no par value</b>		
At 1 January and 31 December	<u><b>375,969,665</b></u>	<u>375,969,665</u>

### *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, asset 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 \$5 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 2025

## 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:

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Capital reserve		
– Statutory reserve	<b>1,604</b>	1,604
– Other capital reserve	<b>(1,496)</b>	(1,496)
	<b>108</b>	108
Translation reserve	<b>(3,762)</b>	(4,122)
	<b>(3,654)</b>	(4,014)

### *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 2025

## 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:

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Dividends paid</i>		
A first and final one-tier tax exempt dividend of 0.50 cents per ordinary share (2024: 0.50 cents per ordinary share) paid in respect of previous financial year ended 31 December	<b>1,880</b>	1,880

### *Dividends proposed*

A first and final one-tier tax exempt dividend of 0.80 (2024: 0.50) cents per ordinary share in respect of the financial year ended 31 December 2025 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	
			2025	2024
			%	%
IFS Capital (Thailand) Public Company Limited	Thailand	Accounts receivable purchase, hire purchase and leasing	<b>26.9</b>	26.9
IFSAM VCC	Singapore	Invest in private credit fund	-	22.0
IFSAM Credit Opportunities VCC	Singapore	Invest in private credit fund	<b>48.53</b>	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 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

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Revenue	<b>16,195</b>	14,540
Profit	<b>3,753</b>	5,153
Other comprehensive income	<b>1,461</b>	2,590
<b>Total comprehensive income</b>	<b>5,214</b>	7,743
Attributable to NCI:		
– Profit	<b>1,009</b>	1,385
– Other comprehensive income	<b>393</b>	696
<b>– Total comprehensive income</b>	<b>1,402</b>	2,081
Total assets	<b>168,619</b>	161,216
Total liabilities	<b>(94,202)</b>	(89,139)
<b>Net assets</b>	<b>74,417</b>	72,077
<b>Net assets attributable to NCI</b>	<b>19,998</b>	19,361
Cash flows (used in)/from operating activities	<b>(230)</b>	11
Cash used in investing activities	<b>(136)</b>	(1,962)
Cash (used in)/from financing activities	<b>(145)</b>	5,107
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(511)</b>	3,156
<b>Dividends paid to non-controlling interests during the year*</b>	<b>772</b>	838

\* Included in cash flows from financing activities.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 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

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Revenue	<b>2,302</b>	2,159
Profit	<b>1,392</b>	1,552
<b>Total comprehensive income</b>		
Attributable to NCI:		
– Profit	<b>398</b>	444
– <b>Total comprehensive income</b>	<b>398</b>	444
Total assets	<b>303</b>	29,537
Total liabilities	<b>(303)</b>	(342)
<b>Net assets</b>	<b>–</b>	29,195
<b>Net assets attributable to NCI</b>		
	<b>–</b>	8,396
Cash flows generated from/(used in) operating activities	<b>29,990</b>	(1,226)
Cash (used in)/generated from financing activities	<b>(30,588)</b>	1,069
<b>Net decrease in cash and cash equivalents</b>	<b>(598)</b>	(157)
<b>Dividends paid to non-controlling interests during the year*</b>	<b>399</b>	145

\* Included in cash flows from financing activities.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 16. NON-CONTROLLING INTERESTS (CONTINUED)

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

### IFSAM Credit Opportunities VCC

	2025 \$'000	2024 \$'000
Revenue	572	-
Profit	358	-
<b>Total comprehensive income</b>		
Attributable to NCI:		
- Profit	208	-
- <b>Total comprehensive income</b>	208	-
Total assets	55,944	-
Total liabilities	26,517	-
<b>Net assets</b>	29,427	-
<b>Net assets attributable to NCI</b>	14,280	-
Cash flows used in operating activities	(20,303)	-
Cash generated from financing activities	29,069	-
<b>Net increase in cash and cash equivalents</b>	8,766	-
<b>Dividends paid to non-controlling interests during the year*</b>	28	-

\* Included in cash flows from financing activities.

## 17. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Accounts receivable purchase owing to clients	26	2,080	721	2,080	721
Trade payables		542	5,369	152	221
Accrued operating expenses		6,036	5,009	3,063	2,520
Advance subscription from investors		8,409	-	-	-
Clients deposits		594	350	-	-
Accrued interest payable		177	904	118	857
		<b>17,838</b>	12,353	<b>5,413</b>	4,319
Payable within 12 months		<b>17,838</b>	12,353	<b>5,413</b>	4,319

### Group and Company

The trade and other payables are non-interest bearing financial liabilities and not repayable on demand.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 18. INTEREST-BEARING BORROWINGS

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Payable:				
Within 12 months	278,756	269,538	179,854	186,497
Between 1 and 5 years	4,991	8,261	2,414	4,750
	<b>283,747</b>	<b>277,799</b>	<b>182,268</b>	<b>191,247</b>

The interest-bearing borrowings comprise:

	Note	2025		2024	
		Face value \$'000	Carrying amount \$'000	Face value \$'000	Carrying amount \$'000
<b>Group</b>					
Unsecured short-term bank loans	(a)	264,264	264,264	245,203	245,203
Unsecured long-term bank loans	(b)	9,903	9,903	19,528	19,528
Unsecured EFS loans	(c)	9,580	9,580	13,068	13,068
		<b>283,747</b>	<b>283,747</b>	<b>277,799</b>	<b>277,799</b>
<b>Company</b>					
Unsecured short-term bank loans	(a)	167,938	167,938	167,214	167,214
Unsecured long-term bank loans	(b)	4,750	4,750	10,965	10,965
Unsecured EFS loans	(c)	9,580	9,580	13,068	13,068
		<b>182,268</b>	<b>182,268</b>	<b>191,247</b>	<b>191,247</b>

(a) The unsecured short-term bank loans bear nominal interest rates ranging from 1.74% to 4.89% (2024: 2.9% to 5.3%) 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 3.05% to 3.6% (2024: 3.1% to 4.2%) per annum and are repayable monthly or quarterly between 2025 to 2027 (2024: 2025 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 2025

## 18. INTEREST-BEARING BORROWINGS (CONTINUED)

### *Interest rates and repricing analysis:*

	Floating rate \$'000	Fixed interest rate maturing		Total \$'000
		within 1 year \$'000	in 1 to 5 years \$'000	
<b>Group</b>				
<b>31 December 2025</b>				
Unsecured short-term bank loans	264,264	-	-	264,264
Unsecured long-term bank loans	5,153	4,500	250	9,903
Unsecured EFS loans	-	7,415	2,165	9,580
	<u>269,417</u>	<u>11,915</u>	<u>2,415</u>	<u>283,747</u>
<b>31 December 2024</b>				
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
	<u>253,767</u>	<u>19,282</u>	<u>4,750</u>	<u>277,799</u>
<b>Company</b>				
<b>31 December 2025</b>				
Unsecured short-term bank loans	167,938	-	-	167,938
Unsecured long-term bank loans	-	4,500	250	4,750
Unsecured EFS loans	-	7,415	2,165	9,580
	<u>167,938</u>	<u>11,915</u>	<u>2,415</u>	<u>182,268</u>
<b>31 December 2024</b>				
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
	<u>167,215</u>	<u>19,282</u>	<u>4,750</u>	<u>191,247</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 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
<b>Balance at 1 January 2025</b>	<b>277,799</b>	<b>2,480</b>	<b>280,279</b>
Changes from financing cash flow:			
Proceeds	1,439,259	-	1,439,259
Repayments	(1,435,450)	(860)	(1,436,310)
Translation adjustments	2,139	14	2,153
Total changes from financing cash flow	<b>5,948</b>	<b>(846)</b>	<b>5,102</b>
Other changes:			
Additions	-	494	494
Interest expenses accretion	-	107	107
Total other changes	-	<b>601</b>	<b>601</b>
<b>Balance at 31 December 2025</b>	<b>283,747</b>	<b>2,235</b>	<b>285,982</b>
<b>Balance at 1 January 2024</b>	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
<b>Balance at 31 December 2024</b>	<b>277,799</b>	<b>2,480</b>	<b>280,279</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 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:

	←----- 2025 -----→			←----- 2024 -----→		
	Assets \$'000	Liabilities \$'000	Net \$'000	Assets \$'000	Liabilities \$'000	Net \$'000
<u>Insurance contract issued</u>						
Motor	-	28,657	28,657	-	19,693	19,693
Non-motor	-	4,707	4,707	-	4,543	4,543
Total insurance contracts issued	<u>-</u>	<u>33,364</u>	<u>33,364</u>	<u>-</u>	<u>24,236</u>	<u>24,236</u>
<u>Reinsurance contract held</u>						
Motor	7,232	-	7,232	5,785	-	5,785
Non-motor	1,124	-	1,124	1,103	-	1,103
Total reinsurance contracts held	<u>8,356</u>	<u>-</u>	<u>8,356</u>	<u>6,888</u>	<u>-</u>	<u>6,888</u>

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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 19. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

### 19.1. ROLL FORWARD 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

	2025				2024				
	Liability for remaining coverage Excluding loss component \$'000	Liability for incurred claims Estimates of the PV of FCF \$'000	Total \$'000	Liability for incurred claims Estimates of the PV of FCF \$'000	Liability for remaining coverage Excluding loss component \$'000	Liability for incurred claims Estimates of the PV of FCF \$'000	Total \$'000	Liability for incurred claims Estimates of the PV of FCF \$'000	Liability for incurred claims Risk adjustment \$'000
Insurance contract liabilities as at 1 January	7,568	11,025	19,693	1,100	4,215	6,116	10,918	587	10,918
Insurance contract assets as at 1 January	-	-	-	-	-	-	-	-	-
<b>Net insurance contract liabilities/ (assets) as at 1 January</b>	<b>7,568</b>	<b>11,025</b>	<b>19,693</b>	<b>1,100</b>	<b>4,215</b>	<b>6,116</b>	<b>10,918</b>	<b>587</b>	<b>10,918</b>
<b>Insurance revenue</b>	<b>(20,730)</b>	<b>-</b>	<b>(20,730)</b>	<b>-</b>	<b>(12,662)</b>	<b>-</b>	<b>(12,662)</b>	<b>-</b>	<b>(12,662)</b>
Insurance service expenses	-	-	-	-	-	-	-	-	-
- Incurred claims and other expenses	-	4,130	4,130	-	-	3,212	3,212	-	3,212
- Insurance acquisition expense	-	4,767	4,767	-	-	4,145	4,145	-	4,145
- Losses on onerous contracts and reversals of those losses	-	-	-	-	-	-	-	-	-
- Changes to liabilities for incurred claims	-	-	-	-	-	-	-	-	-
<b>Total insurance service expenses</b>	<b>-</b>	<b>10,990</b>	<b>11,398</b>	<b>408</b>	<b>-</b>	<b>10,638</b>	<b>11,151</b>	<b>513</b>	<b>11,151</b>
Investment component	-	-	-	408	-	17,995	18,508	513	18,508
<b>Insurance service results</b>	<b>(20,730)</b>	<b>19,887</b>	<b>(435)</b>	<b>408</b>	<b>(12,662)</b>	<b>17,995</b>	<b>5,846</b>	<b>513</b>	<b>5,846</b>
Insurance finance expenses	-	-	-	-	-	-	-	-	-
Effect of movements in exchange rate	-	-	-	-	-	-	-	-	-
<b>Total changes in the statement of comprehensive income</b>	<b>(20,730)</b>	<b>19,887</b>	<b>(435)</b>	<b>408</b>	<b>(12,662)</b>	<b>17,995</b>	<b>5,846</b>	<b>513</b>	<b>5,846</b>
<b>Cash flows</b>	<b>23,087</b>	<b>-</b>	<b>23,087</b>	<b>-</b>	<b>16,015</b>	<b>-</b>	<b>16,015</b>	<b>-</b>	<b>16,015</b>
- Premiums received	-	-	-	-	-	-	-	-	-
- Cash collateral received/(refunded)	-	-	-	-	-	-	-	-	-
- Claims and other expenses paid	-	(13,688)	(13,688)	-	-	(13,086)	(13,086)	-	(13,086)
<b>Total cash flows</b>	<b>23,087</b>	<b>(13,688)</b>	<b>9,399</b>	<b>-</b>	<b>16,015</b>	<b>(13,086)</b>	<b>2,929</b>	<b>-</b>	<b>2,929</b>
Insurance contract liabilities as at 31 December	9,925	17,224	28,657	1,508	7,568	11,025	19,693	1,100	19,693
Insurance contract assets as at 31 December	-	-	-	-	-	-	-	-	-
<b>Net insurance contract liabilities/ (assets) as at 31 December</b>	<b>9,925</b>	<b>17,224</b>	<b>28,657</b>	<b>1,508</b>	<b>7,568</b>	<b>11,025</b>	<b>19,693</b>	<b>1,100</b>	<b>19,693</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 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

	2025				2024			
	Liability for remaining coverage Excluding loss component \$'000	Liability for incurred claims Estimates PV of FCF \$'000	Loss component \$'000	Total \$'000	Liability for remaining coverage Estimates PV of FCF \$'000	Liability for incurred claims Estimates PV of FCF \$'000	Risk adjustment \$'000	Total \$'000
Insurance contract liabilities as at 1 January	2,177	2,038	-	4,543	1,312	1,998	336	3,649
Insurance contract assets as at 1 January	-	-	-	-	-	-	-	-
<b>Net insurance contract liabilities/ (assets) as at 1 January</b>	<b>2,177</b>	<b>2,038</b>	<b>-</b>	<b>4,543</b>	<b>1,312</b>	<b>1,998</b>	<b>336</b>	<b>3,649</b>
Insurance revenue	(758)	-	-	(758)	(1,107)	-	-	(1,107)
Insurance service expenses	-	196	-	196	-	252	-	252
- Incurred claims and other expenses	-	199	-	199	-	342	-	342
- Insurance acquisition expense	-	-	-	-	-	-	-	-
- Losses on onerous contracts and reversals of those losses	-	-	-	-	-	-	(3)	(3)
- Changes to liabilities for incurred claims	-	2,972	-	2,913	-	5,626	(8)	5,618
<b>Total insurance service expenses</b>	<b>-</b>	<b>3,367</b>	<b>-</b>	<b>3,308</b>	<b>-</b>	<b>6,220</b>	<b>(8)</b>	<b>6,209</b>
Investment component	-	-	-	-	-	-	-	-
<b>Insurance service results</b>	<b>(758)</b>	<b>3,367</b>	<b>-</b>	<b>2,550</b>	<b>(1,107)</b>	<b>6,220</b>	<b>(8)</b>	<b>5,102</b>
Insurance finance expenses	-	-	-	-	-	-	-	-
Effect of movements in exchange rate	-	-	-	-	-	-	-	-
<b>Total changes in the statement of comprehensive income</b>	<b>(758)</b>	<b>3,367</b>	<b>-</b>	<b>2,550</b>	<b>(1,107)</b>	<b>6,220</b>	<b>(8)</b>	<b>5,102</b>
Cash flows	-	-	-	-	-	-	-	-
- Premiums received	2,743	-	-	2,743	1,194	-	-	1,194
- Cash collateral received/(refunded)	(1,506)	-	-	(1,506)	778	-	-	778
- Claims and other expenses paid	-	(3,623)	-	(3,623)	-	(6,180)	-	(6,180)
<b>Total cash flows</b>	<b>1,237</b>	<b>(3,623)</b>	<b>-</b>	<b>(2,386)</b>	<b>1,972</b>	<b>(6,180)</b>	<b>-</b>	<b>(4,208)</b>
Insurance contract liabilities as at 31 December	2,656	1,782	-	4,707	2,177	2,038	328	4,543
Insurance contract assets as at 31 December	-	-	-	-	-	-	-	-
<b>Net insurance contract liabilities/ (assets) as at 31 December</b>	<b>2,656</b>	<b>1,782</b>	<b>-</b>	<b>4,707</b>	<b>2,177</b>	<b>2,038</b>	<b>328</b>	<b>4,543</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 19. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

### 19.2. ROLL FORWARD 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

	2025		2024		Total		
	Asset for remaining coverage Excluding loss recovery component \$'000	Amount recoverable on incurred claims Estimates of the PV of FCF \$'000	Asset for remaining coverage Excluding loss recovery component \$'000	Amount recoverable on incurred claims Estimates of the PV of FCF \$'000	Asset for remaining coverage Excluding loss recovery component \$'000	Amount recoverable on incurred claims Estimates of the PV of FCF \$'000	Total
Reinsurance contract assets as at 1 January	790	4,618	730	1,204	730	140	2,074
Reinsurance contract liabilities as at 1 January	-	-	-	-	-	-	-
<b>Net reinsurance contract assets/ (liabilities) as at 1 January</b>	<b>790</b>	<b>4,618</b>	<b>730</b>	<b>1,204</b>	<b>730</b>	<b>140</b>	<b>2,074</b>
<b>Allocation of reinsurance premiums</b>	<b>(7,171)</b>	<b>-</b>	<b>(5,688)</b>	<b>-</b>	<b>(5,688)</b>	<b>-</b>	<b>(5,688)</b>
Amount recoverable incurred claims and other expenses	-	-	-	-	-	-	-
- Loss recovery on onerous underlying contracts and adjustments	-	-	-	-	-	-	-
- Changes to amount recoverable for incurred claims	-	4,125	-	4,161	-	237	4,398
- Acquisition income from reinsurance contracts	1,646	-	2,188	-	2,188	-	2,188
<b>Total amount recoverable incurred claims and other expenses</b>	<b>1,646</b>	<b>4,125</b>	<b>2,188</b>	<b>4,161</b>	<b>2,188</b>	<b>237</b>	<b>6,586</b>
Reinsurance investment components	-	-	-	-	-	-	-
<b>Net income or expense from reinsurance contracts held</b>	<b>(5,525)</b>	<b>4,125</b>	<b>(3,500)</b>	<b>4,161</b>	<b>(3,500)</b>	<b>237</b>	<b>898</b>
Reinsurance finance income	-	-	-	-	-	-	-
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-	-	-
Effect of movements in exchange rate	-	-	-	-	-	-	-
<b>Total changes in the statement of comprehensive income</b>	<b>(5,525)</b>	<b>4,125</b>	<b>(3,500)</b>	<b>4,161</b>	<b>(3,500)</b>	<b>237</b>	<b>898</b>
Cash flows	-	-	-	-	-	-	-
- Premiums paid	6,827	-	4,087	-	4,087	-	4,087
- Amounts received	(993)	(3,050)	(527)	(747)	(1,274)	-	(1,274)
<b>Total cash flows</b>	<b>5,834</b>	<b>(3,050)</b>	<b>3,560</b>	<b>(747)</b>	<b>3,560</b>	<b>-</b>	<b>2,813</b>
Reinsurance contract assets as at 31 December	1,099	5,693	790	4,618	790	377	5,785
Reinsurance contract liabilities as at 31 December	-	-	-	-	-	-	-
<b>Net reinsurance contract assets/ (liabilities) as at 31 December</b>	<b>1,099</b>	<b>5,693</b>	<b>790</b>	<b>4,618</b>	<b>790</b>	<b>377</b>	<b>5,785</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 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

	2025		2024		2023	
	Asset for remaining coverage Excluding loss recovery component \$'000	Amount recoverable on incurred claims Estimates of the PV of FCF \$'000	Asset for remaining coverage Excluding loss recovery component \$'000	Amount recoverable on incurred claims Estimates of the PV of FCF \$'000	Asset for remaining coverage Excluding loss recovery component \$'000	Amount recoverable on incurred claims Estimates of the PV of FCF \$'000
Reinsurance contract assets as at 1 January	(15)	1,007	49	610	780	780
Reinsurance contract liabilities as at 1 January	-	-	-	-	-	-
<b>Net reinsurance contract assets/ (liabilities) as at 1 January</b>	<b>(15)</b>	<b>1,007</b>	<b>49</b>	<b>610</b>	<b>780</b>	<b>780</b>
<b>Allocation of reinsurance premiums</b>	<b>(429)</b>	<b>-</b>	<b>(209)</b>	<b>-</b>	<b>(209)</b>	<b>(209)</b>
Amount recoverable incurred claims and other expenses	-	-	-	-	-	-
- Loss recovery on onerous underlying contracts and adjustments	-	-	-	-	-	-
- Changes to amount recoverable for incurred claims	-	42	-	3,913	(10)	3,903
- Acquisition income from reinsurance contracts	179	-	213	-	-	213
<b>Total amount recoverable incurred claims and other expenses</b>	<b>179</b>	<b>42</b>	<b>213</b>	<b>3,913</b>	<b>(10)</b>	<b>4,116</b>
Reinsurance investment components	-	-	-	-	-	-
<b>Net income or expense from reinsurance contracts held</b>	<b>(250)</b>	<b>42</b>	<b>4</b>	<b>3,913</b>	<b>(10)</b>	<b>3,907</b>
Reinsurance finance income	-	-	-	-	-	-
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-	-
Effect of movements in exchange rate	-	-	-	-	-	-
<b>Total changes in the statement of comprehensive income</b>	<b>(250)</b>	<b>42</b>	<b>4</b>	<b>3,913</b>	<b>(10)</b>	<b>3,907</b>
Cash flows	-	-	-	-	-	-
- Premiums paid	701	-	145	-	145	145
- Amounts received	(179)	(300)	(213)	(3,516)	(3,729)	(3,729)
<b>Total cash flows</b>	<b>522</b>	<b>(300)</b>	<b>(68)</b>	<b>(3,516)</b>	<b>(3,584)</b>	<b>(3,584)</b>
Reinsurance contract assets as at 31 December	257	749	(15)	1,007	1,103	1,103
Reinsurance contract liabilities as at 31 December	-	-	-	-	-	-
<b>Net reinsurance contract assets/ (liabilities) as at 31 December</b>	<b>257</b>	<b>749</b>	<b>(15)</b>	<b>1,007</b>	<b>1,103</b>	<b>1,103</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 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	
	2025	2024
Discount rate at 31 December	<b>1.78%</b>	2.84%
Resignation rate based on age group of employees	<b>4%, 16% and 47%</b>	3%, 9% and 26%
Future salary increases	<b>5%</b>	5%

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

	Group	
	2025	2024
Discount rate at 31 December	<b>7.12%</b>	7.13%
Future salary increases	<b>5%</b>	5%

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

	Note	Group	
		2025 \$'000	2024 \$'000
At 1 January		<b>1,673</b>	1,427
Provision for severance pay and long service awards	11	<b>260</b>	379
Remeasurements:			
– Experience assumptions		<b>(69)</b>	(78)
Benefits paid during the year		<b>(39)</b>	(110)
Translation adjustments		<b>23</b>	55
At 31 December		<b>1,848</b>	1,673

An amount of \$260,000 (2024: \$379,000) 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 2025 (Note 11).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 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.

Group	Defined benefit obligation			
	2025		2024	
	1 percent increase \$'000	1 percent decrease \$'000	1 percent increase \$'000	1 percent decrease \$'000
Discount rate	(129)	148	(124)	143
Future salary increases	141	(126)	151	(132)

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:

Group	Assets		Liabilities	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Credit loss allowance for loans and advances, hire purchase and leasing receivables	(521)	(551)	-	-
Credit loss allowance for accounts receivable purchase	(1,652)	(859)	-	-
Employee benefits	(373)	(343)	-	-
Unutilised tax losses and capital allowances	(1,060)	(1,741)	-	-
Property, plant and equipment	-	-	160	94
Deferred tax (assets)/liabilities	(3,606)	(3,494)	160	94
Set-off of tax	101	94	(101)	(94)
<b>Net deferred tax assets</b>	<b>(3,505)</b>	<b>(3,400)</b>	<b>59</b>	<b>-</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 21. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

### *Recognised deferred tax assets and liabilities* (Continued)

	Assets		Liabilities	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<b>Company</b>				
Property, plant and equipment	-	-	59	-

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

	Balance as at 1.1.2025 \$'000	Recognised in profit or loss (Note 12) \$'000	Recognised in other comprehensive income \$'000	Exchange differences \$'000	Balance as at 2025 \$'000
<b>Group</b>					
<b>Deferred tax assets</b>					
Credit loss allowance for loans and advances, hire purchase and leasing receivables	(551)	39	-	(9)	(521)
Credit loss allowance for accounts receivable purchase	(859)	(758)	-	(35)	(1,652)
Employee benefits	(343)	(49)	23	(4)	(373)
Unutilised tax losses and capital allowances	(1,741)	703	-	(22)	(1,060)
	<u>(3,494)</u>	<u>(65)</u>	<u>23</u>	<u>(70)</u>	<u>(3,606)</u>
<b>Deferred tax liabilities</b>					
Property, plant and equipment	94	66	-	-	160
Other investments	-	-	-	-	-
	<u>94</u>	<u>66</u>	<u>-</u>	<u>-</u>	<u>160</u>
			Balance as at 1.1.2025 \$'000	Recognised in profit or loss \$'000	Balance as at 2025 \$'000
<b>Company</b>					
<b>Deferred tax liabilities</b>					
Property, plant and equipment			-	59	59

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 21. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

### *Recognised deferred tax assets and liabilities* (Continued)

	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
<b>Group</b>					
<b>Deferred tax assets</b>					
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)
	<u>(3,091)</u>	<u>(268)</u>	<u>-</u>	<u>(135)</u>	<u>(3,494)</u>
<b>Deferred tax liabilities</b>					
Property, plant and equipment	66	27	-	1	94
Other investments	-	-	-	-	-
	<u>66</u>	<u>27</u>	<u>-</u>	<u>1</u>	<u>94</u>

### *Unrecognised deferred tax assets*

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

	2025 \$'000	2024 \$'000
Unutilised tax losses	<u>23,074</u>	<u>24,120</u>

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	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Cash at banks and in hand	48,882	28,907	7,004	3,543
Fixed deposits	1,375	1,876	-	813
Money market fund	190	8,600	-	-
Deposit held on behalf of policyholder in respect of insurance business	414	1,599	-	-
Cash and cash equivalents in the consolidated statement of cash flows	<u>50,861</u>	<u>40,982</u>	<u>7,004</u>	<u>4,356</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 22. CASH AND CASH EQUIVALENTS (CONTINUED)

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 \$414,000 (2024: \$1,599,000) 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.

### *Interest rates and repricing analysis:*

	Floating rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>Group</b>				
<b>31 December 2025</b>				
Cash at banks and in hand	24,447	132	24,303	48,882
Fixed deposits	-	1,375	-	1,375
Money market fund	190	-	-	190
Deposit held on behalf of policyholder in respect of insurance business	-	93	321	414
	<u>24,637</u>	<u>1,600</u>	<u>24,624</u>	<u>50,861</u>
<b>31 December 2024</b>				
Cash at banks and in hand	17,832	553	10,522	28,907
Fixed deposits	-	1,876	-	1,876
Money market fund	8,600	-	-	8,600
Deposit held on behalf of policyholder in respect of insurance business	-	1,599	-	1,599
	<u>26,432</u>	<u>4,028</u>	<u>10,522</u>	<u>40,982</u>
<b>Company</b>				
<b>31 December 2025</b>				
Cash at banks and in hand	<u>5,101</u>	<u>-</u>	<u>1,903</u>	<u>7,004</u>
<b>31 December 2024</b>				
Cash at banks and in hand	1,835	-	1,708	3,543
Fixed deposits	-	813	-	813
	<u>1,835</u>	<u>813</u>	<u>1,708</u>	<u>4,356</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 23. OTHER INVESTMENTS

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<b>Non-current</b>					
Amortised cost					
- Quoted debt securities	(a)	17,880	7,971	-	-
Allowance for impairment loss		(12)	(26)	-	-
		<u>17,868</u>	<u>7,945</u>	<u>-</u>	<u>-</u>
Mandatorily at FVTPL					
- Unquoted equity securities		1,037	1,253	-	-
- Unquoted private credit fund	(b)	-	-	11,397	19,000
		<u>18,905</u>	<u>9,198</u>	<u>11,397</u>	<u>19,000</u>
<b>Current</b>					
Amortised cost					
- Quoted debt securities	(a)	7,524	6,582	-	-
Allowance for impairment loss		(2,000)	(2,000)	-	-
		<u>5,524</u>	<u>4,582</u>	<u>-</u>	<u>-</u>
Mandatorily at FVTPL					
- Quoted equity securities		-	4,656	-	-
- Quoted perpetual securities	(c)	481	4,457	-	-
- Unquoted convertible loans	(d)	-	1	-	-
		<u>6,005</u>	<u>13,696</u>	<u>-</u>	<u>-</u>
Total		<u>24,910</u>	<u>22,894</u>	<u>11,397</u>	<u>19,000</u>

(a) Debt securities classified as at amortised cost (2024: at amortised cost) of the Group have stated interest rates at zero coupon to 4.74% (2024: zero coupon to 5.46%) and mature in years from 2025 to 2040.

(b) Unquoted private credit fund is a sub-fund of IFSAM Credit Opportunities VCC ("IFSAM COVCC") (2024: 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 COVCC 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 COVCC 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 COVCC that are on a non-contractual basis.

(c) Perpetual securities at FVTPL have stated interest rates of 4.35% (2024: 2.55% to 5.65%).

(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 2025

## 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:

	Fixed interest rate maturing		
	within 1 year \$'000	more than 1 year \$'000	Total \$'000
<b>Group</b>			
<b>31 December 2025</b>			
Debt securities at amortised cost	5,524	17,868	22,392
Perpetual securities at FVTPL	481	-	481
	<u>6,005</u>	<u>17,868</u>	<u>23,873</u>
<b>31 December 2024</b>			
Debt securities at amortised cost	4,582	7,945	12,527
Perpetual securities at FVTPL	4,457	-	4,457
	<u>9,039</u>	<u>7,945</u>	<u>16,984</u>

## 24. LOANS AND ADVANCES

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Loans and advances		277,723	284,556	154,508	181,576
Allowances for expected credit loss		(1,127)	(1,493)	(300)	(422)
	36	<u>276,596</u>	<u>283,063</u>	<u>154,208</u>	<u>181,154</u>
Due within 12 months		135,426	167,048	58,285	77,113
Due after 12 months		141,170	116,015	95,923	104,041
		<u>276,596</u>	<u>283,063</u>	<u>154,208</u>	<u>181,154</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 24. LOANS AND ADVANCES (CONTINUED)

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

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
At 1 January		1,493	3,766	422	424
Translation adjustment		20	82	-	-
Allowance (reversed)/made during the year	10	(248)	23	(122)	16
Allowance utilised during the year		(138)	(2,378)	-	(18)
At 31 December		1,127	1,493	300	422

### Interest rates and repricing analysis:

	Fixed interest rate maturing			
	Floating rate \$'000	within 1 year \$'000	in 1 to 5 years \$'000	Total \$'000
<b>Group</b>				
<b>31 December 2025</b>				
Fixed rate	-	18,484	11,427	29,911
Variable rate	246,685	-	-	246,685
	246,685	18,484	11,427	276,596
<b>31 December 2024</b>				
Fixed rate	-	40,896	11,649	52,545
Variable rate	230,518	-	-	230,518
	230,518	40,896	11,649	283,063
<b>Company</b>				
<b>31 December 2025</b>				
Fixed rate	-	9,708	2,910	12,618
Variable rate	141,590	-	-	141,590
	141,590	9,708	2,910	154,208
<b>31 December 2024</b>				
Fixed rate	-	4,710	10,812	15,522
Variable rate	165,632	-	-	165,632
	165,632	4,710	10,812	181,154

Variable rate loans and advances are repriced at intervals of three or six months (2024: 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 2025

## 25. HIRE PURCHASE AND LEASING RECEIVABLES

	Note	Group	
		2025 \$'000	2024 \$'000
Gross receivables	36	29,674	22,212
Less: Unearned income		(2,875)	(1,925)
Less: Deposits on leasing receivables		(2,638)	(2,974)
		<b>24,161</b>	17,313
Allowances for expected credit loss		(786)	(387)
		<b>23,375</b>	16,926
Due within 12 months		11,825	8,925
Due after 12 months		11,550	8,001
		<b>23,375</b>	16,926

The movements in allowances for expected credit loss on hire purchase and leasing receivables during the year are as follows:

	Note	Group	
		2025 \$'000	2024 \$'000
At 1 January		387	2,502
Translation adjustment		10	(17)
Allowance made/(reversed) during the year	10	398	(138)
Allowance utilised during the year		(9)	(1,960)
At 31 December		<b>786</b>	387

The Company does not have any hire purchase or leasing receivables as it does not engage in hire purchase and leasing activities.

### **Interest rates and repricing analysis:**

	Floating rate \$'000	Fixed interest rate maturing		Total \$'000
		within 1 year \$'000	in 1 to 5 years \$'000	
<b>Group</b>				
<b>31 December 2025</b>				
Hire purchase and leasing receivables				
- fixed rate	-	10,082	9,745	19,827
- variable rate	3,548	-	-	3,548
	<b>3,548</b>	<b>10,082</b>	<b>9,745</b>	<b>23,375</b>
<b>31 December 2024</b>				
Hire purchase and leasing receivables				
- fixed rate	-	6,318	5,661	11,979
- variable rate	4,947	-	-	4,947
	<b>4,947</b>	<b>6,318</b>	<b>5,661</b>	<b>16,926</b>

The above hire purchase and leasing receivables are reflected net of expected credit loss allowance for doubtful receivables.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 26. ACCOUNTS RECEIVABLE PURCHASE

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Accounts receivable purchase	36	<b>208,108</b>	189,443	<b>22,180</b>	20,368
Less:					
Accounts receivable purchase owing to clients		<b>(41,607)</b>	(41,395)	<b>(5,826)</b>	(6,190)
		<b>166,501</b>	148,048	<b>16,354</b>	14,178
Allowance for expected credit loss		<b>(9,113)</b>	(5,084)	<b>(144)</b>	(106)
		<b>157,388</b>	142,964	<b>16,210</b>	14,072
Due within 12 months		<b>157,388</b>	142,964	<b>16,210</b>	14,072

The movements in allowances for expected credit loss on accounts receivable purchase during the year are as follows:

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
At 1 January		<b>5,084</b>	9,717	<b>106</b>	2
Allowance made during the year	10	<b>3,844</b>	742	<b>38</b>	104
Allowance utilised during the year		-	(5,626)	-	-
Translation adjustment		<b>185</b>	251	-	-
At 31 December		<b>9,113</b>	5,084	<b>144</b>	106

The weighted average interest rates of accounts receivable purchase, net of accounts receivable purchase owing to clients included in trade and other payables of \$2,080,000 for the Group and Company (2024: Group and Company: \$721,000) (refer to Note 17), and allowance for doubtful receivables at the reporting date, and the periods in which they reprice are as follows:

	Total 2025 \$'000	Total 2024 \$'000
<b>Group</b>		
Accounts receivable purchase, net - variable rate	<b>155,308</b>	142,243
<b>Company</b>		
Accounts receivable purchase, net - variable rate	<b>14,129</b>	13,351

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 27. OTHER RECEIVABLES

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Amount owing by non-controlling shareholders		122	122	3,708	3,708
Loans to subsidiaries	28	–	–	72,561	56,169
Deposits		64	54	3	3
Tax recoverable		160	10	–	–
Accrued interest receivable		69	139	–	–
Others:					
– Gross receivables		833	951	54	12
– Allowances for expected credit loss		(428)	(458)	(6)	(6)
Others, net		405	493	48	6
		820	818	76,320	59,886
Prepayment		3,985	833	411	262
		4,805	1,651	76,731	60,148
Due within 12 months		4,805	1,651	76,731	60,148

The amount owing by non-controlling shareholders is unsecured and interest-free.

The loans to/(from) subsidiaries are unsecured, interest-bearing 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:

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
At 1 January		458	508	6	25
Allowance made during the year	10	2	105	–	–
Allowance utilised during the year		(3)	(155)	–	(19)
Translation adjustments		(29)	–	–	–
At 31 December		428	458	6	6

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 28. LOANS TO SUBSIDIARIES (NET)

	Company	
	2025 \$'000	2024 \$'000
Trade	60,200	60,715
Non-trade	18,133	926
	<b>78,333</b>	61,641
Loan from subsidiaries (trade)	(3,765)	(3,625)
Loan from subsidiaries (non-trade)	(187)	(27)
Allowance for impairment	(1,820)	(1,820)
	<b>72,561</b>	56,169
Due within 12 months (Note 27)	<b>72,561</b>	56,169

There is no movement in allowance for impairment loss on loan to a subsidiary (trade) during the year.

The loans to/(from) subsidiaries are unsecured, interest-bearing and non-interest bearing.

### *Interest rates and repricing analysis:*

	Total 2025 \$'000	Total 2024 \$'000
<b>Company</b>		
Loans to subsidiaries		
- variable rate	74,586	57,759
- non-interest bearing	3,747	3,882
	<b>78,333</b>	61,641

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 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
<b>Group</b>							
<b>Cost</b>							
<b>At 1 January 2025</b>	183	3,056	405	986	854	325	5,809
Additions	-	-	-	64	71	63	198
Disposals	-	-	-	-	-	-	-
Write-offs	-	-	-	(24)	-	-	(24)
Reclassification	-	-	-	-	54	-	54
Effect of movements in exchange rates	-	46	5	12	12	(1)	74
<b>At 31 December 2025</b>	<b>183</b>	<b>3,102</b>	<b>410</b>	<b>1,038</b>	<b>991</b>	<b>387</b>	<b>6,111</b>
<b>Accumulated depreciation and impairment</b>							
<b>At 1 January 2025</b>	143	2,494	385	881	737	292	4,932
Depreciation for the year	4	171	5	32	60	16	288
Disposals	-	-	-	-	-	-	-
Write-offs	-	-	-	(24)	-	-	(24)
Effect of movements in exchange rates	-	41	8	15	7	-	71
<b>At 31 December 2025</b>	<b>147</b>	<b>2,706</b>	<b>398</b>	<b>904</b>	<b>804</b>	<b>308</b>	<b>5,267</b>
<b>Carrying amounts</b>							
<b>At 31 December 2025</b>	<b>36</b>	<b>396</b>	<b>12</b>	<b>134</b>	<b>187</b>	<b>79</b>	<b>844</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 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
<b>Group</b>							
<b>Cost</b>							
<b>At 1 January 2024</b>	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
<b>At 31 December 2024</b>	<u>183</u>	<u>3,056</u>	<u>405</u>	<u>986</u>	<u>854</u>	<u>325</u>	<u>5,809</u>
<b>Accumulated depreciation and impairment</b>							
<b>At 1 January 2024</b>	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
<b>At 31 December 2024</b>	<u>143</u>	<u>2,494</u>	<u>385</u>	<u>881</u>	<u>737</u>	<u>292</u>	<u>4,932</u>
<b>Carrying amounts</b>							
<b>At 31 December 2024</b>	<u>40</u>	<u>562</u>	<u>20</u>	<u>105</u>	<u>117</u>	<u>33</u>	<u>877</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 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
<b>Company</b>						
<b>Cost</b>						
At 1 January 2025	183	91	120	215	16	625
Additions	-	-	-	40	-	40
Disposal	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-
<b>At 31 December 2025</b>	<b>183</b>	<b>91</b>	<b>120</b>	<b>255</b>	<b>16</b>	<b>665</b>
<b>Accumulated depreciation</b>						
At 1 January 2025	144	91	74	156	10	475
Depreciation for the year	4	-	11	24	3	42
Disposal	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-
<b>At 31 December 2025</b>	<b>148</b>	<b>91</b>	<b>85</b>	<b>180</b>	<b>13</b>	<b>517</b>
<b>Net carrying amounts</b>						
<b>At 31 December 2025</b>	<b>35</b>	<b>-</b>	<b>35</b>	<b>75</b>	<b>3</b>	<b>148</b>

	Freehold residential properties \$'000	Renovations \$'000	Office equipment, furniture and fittings \$'000	Computer equipment \$'000	Motor vehicles \$'000	Total \$'000
<b>Company</b>						
<b>Cost</b>						
At 1 January 2024	183	152	158	414	16	923
Additions	-	-	33	20	-	53
Disposal	-	-	(1)	-	-	(1)
Write-offs	-	(61)	(70)	(219)	-	(350)
<b>At 31 December 2024</b>	<b>183</b>	<b>91</b>	<b>120</b>	<b>215</b>	<b>16</b>	<b>625</b>
<b>Accumulated depreciation</b>						
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)
<b>At 31 December 2024</b>	<b>144</b>	<b>91</b>	<b>74</b>	<b>156</b>	<b>10</b>	<b>475</b>
<b>Net carrying amounts</b>						
<b>At 31 December 2024</b>	<b>39</b>	<b>-</b>	<b>46</b>	<b>59</b>	<b>6</b>	<b>150</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 29. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

As at 31 December 2025 and 2024, the Group's properties held as property, plant and equipment consist of the following:

<u>Location</u>	<u>Title</u>	<u>Description of properties</u>
#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

## 30. INTANGIBLE ASSETS

	<u>Computer software \$'000</u>	<u>Customer lists \$'000</u>	<u>Membership rights \$'000</u>	<u>Total \$'000</u>
<b>Group</b>				
<b>Cost</b>				
<b>At 1 January 2025</b>	<b>3,853</b>	<b>1,131</b>	<b>22</b>	<b>5,006</b>
Additions	414	-	-	414
Write-off	-	(1,131)	-	(1,131)
Reclassification	(54)	-	-	(54)
Effect of movements in exchange rates	17	-	-	17
<b>At 31 December 2025</b>	<b>4,230</b>	<b>-</b>	<b>22</b>	<b>4,252</b>
<b>Accumulated amortisation and impairment loss</b>				
<b>At 1 January 2025</b>	<b>3,711</b>	<b>1,131</b>	<b>17</b>	<b>4,859</b>
Amortisation charge for the year	85	-	-	85
Write-off	-	(1,131)	-	(1,131)
Effect of movements in exchange rates	16	-	-	16
<b>At 31 December 2025</b>	<b>3,812</b>	<b>-</b>	<b>17</b>	<b>3,829</b>
<b>Net carrying amounts</b>				
<b>At 31 December 2025</b>	<b>418</b>	<b>-</b>	<b>5</b>	<b>423</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 30. INTANGIBLE ASSETS (CONTINUED)

	Computer software \$'000	Customer lists \$'000	Membership rights \$'000	Total \$'000
<b>Group</b>				
<b>Cost</b>				
<b>At 1 January 2024</b>	4,816	1,131	22	5,969
Additions	117	–	–	117
Write-off	(1,106)	–	–	(1,106)
Effect of movements in exchange rates	26	–	–	26
<b>At 31 December 2024</b>	3,853	1,131	22	5,006
<b>Accumulated amortisation and impairment loss</b>				
<b>At 1 January 2024</b>	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
<b>At 31 December 2024</b>	3,711	1,131	17	4,859
<b>Net carrying amounts</b>				
<b>At 31 December 2024</b>	142	–	5	147

	Computer software	
	2025 \$'000	2024 \$'000
<b>Company</b>		
<b>Cost</b>		
<b>At 1 January</b>	1,075	1,790
Additions	289	50
Write-off	–	(765)
<b>At 31 December</b>	1,364	1,075
<b>Accumulated amortisation</b>		
<b>At 1 January</b>	1,009	1,680
Amortisation charge for the year	40	94
Write-off	–	(765)
<b>At 31 December</b>	1,049	1,009
<b>Carrying amounts</b>		
<b>At 31 December</b>	315	66

The amortisation charge for the year is included in "General and administrative expenses" in the consolidated statement of profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 31. INVESTMENT PROPERTIES

	Group	
	2025 \$'000	2024 \$'000
<b>Cost</b>		
<b>At 1 January</b>	3,489	3,366
Effects of movements in exchange rates	69	123
<b>At 31 December</b>	<b>3,558</b>	3,489
<b>Accumulated depreciation</b>		
<b>At 1 January</b>	1,749	1,510
Depreciation for the year	183	175
Effects of movements in exchange rates	39	64
<b>At 31 December</b>	<b>1,971</b>	1,749
<b>Net carrying amounts</b>		
<b>At 31 December</b>	<b>1,587</b>	1,740
<b>Fair value</b>		
<b>At 31 December</b>	<b>5,099</b>	5,000

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 2025 and 2024, 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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 32. INVESTMENT IN SUBSIDIARIES

	Company	
	2025 \$'000	2024 \$'000
Quoted ordinary shares, at cost	9,048	9,048
Unquoted ordinary shares, at cost	94,207	87,207
Quasi-equity loan	10,970	10,970
	114,225	107,225
Allowance for impairment	(27,792)	(27,792)
	<u>86,433</u>	<u>79,433</u>

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 2025, there is no allowance for impairment loss on subsidiaries \$NIL (2024: \$17,200,000).

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 (2024: investee and insurance industry in Singapore).

	2025	2024
Forecast years	5	5
Discount rate	8% to 11%	9% to 15%
Terminal value growth rate	<u>2.5% to 5.0%</u>	<u>2.5% to 5.1%</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 32. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:

Company name	Principal place of business/country of incorporation	Group's effective interest %	Proportion of ownership interest				
			2025		2024		
			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	100	-	100	71.4	67.8	3.6
IFSAM Credit Opportunities VCC	Singapore	51.47 <sup>#</sup>	38.82	12.65	-	-	-
IFSAM Credit Investments Aurum Pte. Ltd.	Singapore	51.47 <sup>#</sup>	-	100	-	-	-
IFSAM Credit Investments Beacon Pte. Ltd.	Singapore	51.47 <sup>#</sup>	-	100	-	-	-
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 <sup>+</sup>	70 <sup>+</sup>	-	70 <sup>+</sup>	70 <sup>+</sup>	-
IFS Factors (Malaysia) Sdn. Bhd.	Malaysia	30 <sup>+</sup>	-	30 <sup>**</sup>	30 <sup>+</sup>	-	30 <sup>**</sup>
Lendingpot Sdn. Bhd.	Malaysia	100	-	100	100	-	100
PT. IFS Capital Indonesia	Indonesia	85 <sup>+</sup>	85 <sup>+</sup>	-	85 <sup>+</sup>	85 <sup>+</sup>	-
PT. Lendingpot Technology Indonesia	Indonesia	99.9	-	99.9	99.9	-	99.9
Lendingpot Hong Kong Limited	Hong Kong	100	-	100	-	-	-
IFS Capital Holdings (Thailand) Limited	Thailand	100	99.98	0.02	100	99.98	0.02
IFS Capital (Thailand) Public Company Limited	Thailand	73.13	36.49	36.64	73.13	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.

# On August 2025, IFS Capital incorporated a 51.47% owned subsidiary, IFSAM Credit Opportunities VCC.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 32. INVESTMENT IN SUBSIDIARIES (CONTINUED)

The principal activities of the subsidiaries are as follows:

	<u>Name of subsidiaries</u>	<u>Principal activities</u>
1	ECICS Limited	Direct general insurer under the Insurance Act 1966
1	IFS Asset Management Private Limited	Asset 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
	IFSAM Credit Opportunities VCC	Invest in private credit fund
	IFSAM Credit Investments Aurum Pte.Ltd.	Provides financing and manages lending transactions
	IFSAM Credit Investments Beacon Pte.Ltd.	Provides financing and manages lending transactions
	Lendingpot Hong Kong Limited	Web portal and online loan marketplace

<sup>1</sup> Audited by Ernst & Young LLP Singapore

<sup>2</sup> Audited by other member firms of Ernst & Young LLP

<sup>3</sup> Audited by Deloitte Touche Tohmatsu Jaiyos Co., Ltd., Thailand

<sup>4</sup> Audited by KAP Mirawati Sensi Idris (a member of Moore Global Network Limited)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 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	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Balance at 1 January	2,314	2,975	2,040	2,597
Additions during the year	494	92	-	-
Depreciation charge for the year	(756)	(764)	(556)	(557)
Translation adjustment	15	11	-	-
Balance at 31 December	<b>2,067</b>	2,314	<b>1,484</b>	2,040
Lease liabilities				
Balance at 1 January	2,480	3,076	2,187	2,700
Additions during the year	494	92	-	-
Interest expense on lease liabilities	107	140	91	119
Repayments	(860)	(840)	(636)	(632)
Translation adjustments	14	12	-	-
<b>Balance at 31 December</b>	<b>2,235</b>	2,480	<b>1,642</b>	2,187
Payable within 12 months	744	635	584	545
Payable after 12 months	1,491	1,845	1,058	1,642
	<b>2,235</b>	2,480	<b>1,642</b>	2,187



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 33. LEASES (CONTINUED)

### Leases as lessee (SFRS(I) 16) (Continued)

#### Amounts recognised in profit or loss

	Group	
	2025 \$'000	2024 \$'000
<b>Leases under SFRS(I) 16</b>		
Interest on lease liabilities	107	140
Depreciation of right-of-use assets	756	764

#### Amounts recognised in statement of cash flows

	Group	
	2025 \$'000	2024 \$'000
<b>Total cash outflow for leases</b>	<b>860</b>	<b>840</b>

### 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.

	2025 \$'000	2024 \$'000
<b>Operating leases under SFRS(I) 16</b>		
Less than one year	177	106
One to two years	106	106
More than two years	70	36
<b>Total</b>	<b>353</b>	<b>248</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 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	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Bankers guarantees	2,566	3,195	-	-
Intra-group financial guarantees	-	-	29,559	28,932
	<u>2,566</u>	<u>3,195</u>	<u>29,559</u>	<u>28,932</u>

## 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	
	2025 \$'000	2024 \$'000
Short-term benefits	2,705	2,514
Post-employment benefits	110	103
	<u>2,815</u>	<u>2,617</u>

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 2025

## 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:

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Related parties</b>		
Brokerage fees	54	42
Professional fees	556	159
Custodian fee	24	23
Asset management fees incurred	75	72
Rental expense	3	-
Rental income	(22)	(26)
Service income	(10)	-

## 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 2025

## 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% (2024: 50% to 70%) of the funds disbursed.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 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
<b>Group</b>				
<b>31 December 2025</b>				
<b>Loans advances, hire purchase, and leasing receivables at amortised cost</b>				
Grade 1-10	271,481	387	-	271,868
Grade 11: Special mention	-	7,168	-	7,168
Grade 12: Substandard	-	-	9,130	9,130
Grade 13: Doubtful	-	-	2,668	2,668
Grade 14: Loss	-	-	11,050	11,050
	<u>271,481</u>	<u>7,555</u>	<u>22,848</u>	<u>301,884</u>
Loss allowance	(326)	(124)	(1,463)	(1,913)
Carrying amount	<u>271,155</u>	<u>7,431</u>	<u>21,385</u>	<u>299,971</u>
<b>Accounts receivable purchase at amortised cost</b>				
Grade 1-10	195,210	794	-	196,004
Grade 11: Special mention	-	1,067	92	1,159
Grade 12: Substandard	-	-	7,939	7,939
Grade 13: Doubtful	-	-	22	22
Grade 14: Loss	-	-	2,984	2,984
	<u>195,210</u>	<u>1,861</u>	<u>11,037</u>	<u>208,108</u>
Loss allowance	(85)	(62)	(8,966)	(9,113)
Carrying amount*	<u>195,125</u>	<u>1,799</u>	<u>2,071</u>	<u>198,995</u>

\* 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 2025

## 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
<b>Group</b>				
<b>31 December 2024</b>				
<b>Loans advances, hire purchase, and leasing receivables at amortised cost</b>				
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
<b>Accounts receivable purchase at amortised cost</b>				
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 2025

## 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
<b>Company</b>				
<b>31 December 2025</b>				
<b>Loans advances, hire purchase, and leasing receivables at amortised cost</b>				
Grade 1-10	138,792	163	-	138,955
Grade 11: Special mention	-	6,960	-	6,960
Grade 12: Substandard	-	-	8,593	8,593
Grade 13: Doubtful	-	-	-	-
Grade 14: Loss	-	-	-	-
	<u>138,792</u>	<u>7,123</u>	<u>8,593</u>	<u>154,508</u>
Loss allowance	(151)	(65)	(84)	(300)
Carrying amount	<u>138,641</u>	<u>7,058</u>	<u>8,509</u>	<u>154,208</u>
<b>Accounts receivable purchase at amortised cost</b>				
Grade 1-10	20,829	411	-	21,240
Grade 11: Special mention	-	216	92	308
Grade 12: Substandard	-	-	670	670
Grade 13: Doubtful	-	-	-	-
Grade 14: Loss	-	-	(38)	(38)
	<u>20,829</u>	<u>627</u>	<u>724</u>	<u>22,180</u>
Loss allowance	(27)	(46)	(71)	(144)
Carrying amount*	<u>20,802</u>	<u>581</u>	<u>653</u>	<u>22,036</u>

\* 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 2025

## 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
<b>Company</b>				
<b>31 December 2024</b>				
<b>Loans advances, hire purchase, and leasing receivables at amortised cost</b>				
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
<b>Accounts receivable purchase at amortised cost</b>				
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 2025

## 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:

Note	Accounts receivable purchase			
	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Recourse	<b>205,960</b>	185,941	<b>20,032</b>	16,865
Non-recourse	<b>2,148</b>	3,502	<b>2,148</b>	3,503
26	<b>208,108</b>	189,443	<b>22,180</b>	20,368

##### (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 2025 and 2024, 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 2025

## 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							
	←----- 2025 ----->				←----- 2024 ----->			
	At amortised cost				At amortised cost			
	FVTPL	12-month ECL	Lifetime ECL - not credit - impaired	Lifetime ECL - credit impaired	FVTPL	12-month ECL	Lifetime ECL - not credit - impaired	Lifetime ECL - credit impaired
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
BBB- to AAA	481	23,351	-	-	3,153	12,540	-	-
BB- to BB+	-	-	-	-	-	-	-	-
B- to B+	-	-	-	-	-	-	-	-
C to CCC+	-	-	-	-	-	-	-	-
D	-	-	-	-	-	-	-	-
Not rated	-	-	-	2,000	1,304	-	-	2,000
Gross carrying amounts	481	23,351	-	2,000	4,457	12,540	-	2,000
Loss allowance	-	(11)	-	(2,000)	-	(26)	-	(2,000)
Amortisation of debt securities	-	52	-	-	-	13	-	-
Carrying amount	<u>481</u>	<u>23,392</u>	<u>-</u>	<u>-</u>	<u>4,457</u>	<u>12,527</u>	<u>-</u>	<u>-</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 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 \$50,861,000 and \$7,004,000 respectively at 31 December 2025 (2024: \$40,982,000 and \$4,356,000 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 \$72,561,000 (2024: \$56,169,000). 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 38.

##### **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 2025

## 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 based on: (1) discriminatory power, to ensure effective differentiation of borrower risk levels; and (2) the application of a conservative approach to higher-quality ratings (e.g. Grade 1 to Grade 5).

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 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.

### Small and medium enterprises

<b>Grading</b>	<b>Range of implied PD</b>
Grades 1-10	0.00% to 43.46%
Grade 11: Special mention	5.41% to 100% (exclusive)
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

<b>Grading</b>	<b>Range of implied PD</b>
Grades 1-10	0.00% to 16.60%
Grade 11: Special mention	16.13% to 100% (exclusive)
Grades 12-14: Substandard, doubtful, loss	100%

### **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 2025

## 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 an 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).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

**Credit risk** (Continued)

(iii) **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 drivers for credit risk identified and used in the Group's ECL model for the Group's loans and accounts receivable purchase inclusive of GDP growth, credit cycle index, inflation and risk free interest rate.

Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysis of historical default and loss data over an appropriate observation period.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

**Credit risk** (Continued)

**(II) Amount arising from ECL** (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 is 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 2025

## 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
<b>Group</b>				
<b>31 December 2025</b>				
<b>Loans advances, hire purchase, and leasing receivables at amortised cost</b>				
Balance at 1 January	799	134	947	1,880
Net remeasurement of loss allowance	(191)	(48)	654	415
New financial assets originated or purchased	53	60	-	113
Financial assets that have been derecognised	(334)	(20)	(32)	(386)
Write-off	-	-	(138)	(138)
Foreign exchange and other movements	(1)	(2)	32	29
Balance at 31 December	<u>326</u>	<u>124</u>	<u>1,463</u>	<u>1,913</u>
<b>Accounts receivable purchase at amortised cost</b>				
Balance at 1 January	11	75	4,998	5,084
Net remeasurement of loss allowance	66	(10)	3,856	3,912
New financial assets originated or purchased	6	-	-	6
Financial assets that have been derecognised	-	-	-	-
Write-off	-	(3)	(71)	(74)
Foreign exchange and other movements	2	-	183	185
Balance at 31 December	<u>85</u>	<u>62</u>	<u>8,966</u>	<u>9,113</u>
<b>Debt investments</b>				
Balance at 1 January	26	-	2,000	2,026
Net remeasurement of loss allowance	(15)	-	-	(15)
Balance at 31 December	<u>11</u>	<u>-</u>	<u>2,000</u>	<u>2,011</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

*Credit risk* (Continued)

(II) *Amount arising from ECL* (Continued)

*Loss allowance* (Continued)

	<b>Stage 1</b> <b>\$'000</b>	<b>Stage 2</b> <b>\$'000</b>	<b>Stage 3</b> <b>\$'000</b>	<b>Total</b> <b>\$'000</b>
<b>Group</b>				
<b>31 December 2024</b>				
<b>Loans advances, hire purchase, and leasing receivables at amortised cost</b>				
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	<u>799</u>	<u>134</u>	<u>947</u>	<u>1,880</u>
<b>Accounts receivable purchase at amortised cost</b>				
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	<u>11</u>	<u>75</u>	<u>4,998</u>	<u>5,084</u>
<b>Debt investments</b>				
Balance at 1 January	41	–	2,000	2,041
Net remeasurement of loss allowance	(15)	–	–	(15)
Balance at 31 December	<u>26</u>	<u>–</u>	<u>2,000</u>	<u>2,026</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

*Credit risk* (Continued)

(iii) *Amount arising from ECL* (Continued)

*Loss allowance* (Continued)

	Stage 1 \$'000	Stage 2 \$'000	Stage 3 \$'000	Total \$'000
<b>Company</b>				
<b>31 December 2025</b>				
<b>Loans advances</b>				
Balance at 1 January	315	107	-	422
Net remeasurement of loss allowance	(164)	(42)	84	122
Write-off				
Balance at 31 December	<u>151</u>	<u>65</u>	<u>84</u>	<u>300</u>
<b>Accounts receivable purchase at amortised cost</b>				
Balance at 1 January	2	4	100	106
Net remeasurement of loss allowance	25	42	(29)	38
Financial assets that have been derecognised	-	-	-	-
Write-off	-	-	-	-
Balance at 31 December	<u>27</u>	<u>46</u>	<u>71</u>	<u>144</u>
<b>31 December 2024</b>				
<b>Loans advances</b>				
Balance at 1 January	383	21	20	424
Net remeasurement of loss allowance	(68)	86	-	18
Write-off	-	-	(20)	(20)
Balance at 31 December	<u>315</u>	<u>107</u>	<u>-</u>	<u>422</u>
<b>Accounts receivable purchase at amortised cost</b>				
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	<u>2</u>	<u>4</u>	<u>100</u>	<u>106</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 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 advances, hire purchase and leasing receivables – net (Notes 24 and 25)		Investments – debt securities (Note 23)	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<b>Group</b>				
<b>Concentration by sector</b>				
Manufacturing	5,851	13,225	-	-
Services	19,650	18,622	248	248
Property	207,587	206,828	5,911	5,911
Financial services	863	-	12,165	5,276
Transport	8,049	196	-	-
Private individuals	57,109	60,730		
Others	862	388	5,549	5,549
	<b>299,971</b>	<b>299,989</b>	<b>23,873</b>	<b>16,984</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

*Credit risk* (Continued)

(III) *Concentration of credit risk* (Continued)

	Loans advances, hire purchase and leasing receivables – net (Notes 24 and 25)		Investments – debt securities (Note 23)	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
<b>Company</b>				
<b>Concentration by sector</b>				
Manufacturing	1,511	6,940	-	-
Services	3,079	3,558	-	-
Property	147,545	170,656	-	-
Others	2,073	-	-	-
	<b>154,208</b>	<b>181,154</b>	<b>-</b>	<b>-</b>

	Accounts receivable purchase – gross (Note 26)			
	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
<b>Concentration by sector</b>				
Manufacturing	69,849	71,961	5,995	4,142
Services	109,991	97,194	13,501	10,725
Transport	26,649	15,149	1,700	592
Property	1,096	4,910	984	4,909
Others	523	229	-	-
	<b>208,108</b>	<b>189,443</b>	<b>22,180</b>	<b>20,368</b>

The maximum exposure to credit risk for loans, accounts receivable purchase and investments at the reporting date by geographical region is shown below:

	Loans advances, hire purchase and leasing receivables – net (Notes 24 and 25)			
	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Singapore	255,783	275,382	154,208	181,154
Southeast Asia	44,188	24,607	-	-
	<b>299,971</b>	<b>299,989</b>	<b>154,208</b>	<b>181,154</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 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	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Singapore	14,130	13,351	14,130	13,351
Southeast Asia	141,178	128,892	-	-
	<b>155,308</b>	<b>142,243</b>	<b>14,130</b>	<b>13,351</b>

	Investments – debt securities (Note 23)			
	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Singapore	22,750	15,861	-	-
Southeast Asia	-	-	-	-
Rest of Asia	870	870	-	-
Others	253	253	-	-
	<b>23,873</b>	<b>16,984</b>	<b>-</b>	<b>-</b>

	Investments – unquoted private credit fund (Note 23)			
	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Singapore	-	-	11,397	19,000
	<b>-</b>	<b>-</b>	<b>11,397</b>	<b>19,000</b>

#### (IV) *Collateral*

The Group holds collateral against loans and advances and hire purchase and leasing receivables 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 2025 and 31 December 2024.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 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 advances, hire purchase and leasing receivables			
	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
<b>Against individually impaired</b>				
Stage 3				
Properties	23,353	420	14,350	-
Equipment	46	6	-	-
Motor vehicles	-	63	-	-
Subtotal	23,399	489	14,350	-
<b>Against past due but not impaired</b>				
Stage 2				
Properties	16,300	56,640	16,300	48,890
Equipment	63	373	-	-
Motor vehicles	306	-	-	-
Subtotal	16,669	57,013	16,300	48,890
<b>Against neither past due nor impaired</b>				
Stage 1				
Fixed/cash deposits	533	365	-	-
Properties	468,079	522,047	254,438	319,906
Equipment	7,790	10,636	-	-
Motor vehicles	25,656	10,323	-	-
Others	1,156	-	-	-
Subtotal	503,214	543,371	254,438	319,906
Total	543,282	600,873	285,088	368,796

### *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 2025

## 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 2025, 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 \$1,608,000 (2024: \$81,000) and increase (2024: decrease) the Company's profit/(loss) before tax (2024: loss before tax) by approximately \$675,000 (2024: \$714,000). 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		Company	
	Nominal amount		Nominal amount	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
<b>Fixed rate instruments</b>				
Financial assets	51,338	210,795	12,618	16,335
Financial liabilities	(14,330)	(24,032)	(14,330)	(24,032)
	<b>37,008</b>	186,763	<b>(1,712)</b>	7,697
<b>Variable rate instruments</b>				
Financial assets	430,178	261,897	235,406	238,577
Financial liabilities	(269,417)	(253,767)	(167,938)	(167,215)
	<b>160,761</b>	8,130	<b>67,468</b>	71,362

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 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
<b>Group</b>						
<b>As at 31 December 2025</b>						
<b>Non-derivative financial liabilities</b>						
Trade and other payables	17,838	17,838	17,836	-	2	-
Insurance contract liabilities	33,364	33,364	33,364	-	-	-
Interest-bearing borrowings	283,747	284,970	274,779	5,315	3,478	1,398
Lease liabilities	2,235	2,396	483	702	705	506
	<u>337,184</u>	<u>338,568</u>	<u>326,462</u>	<u>6,017</u>	<u>4,185</u>	<u>1,904</u>
<b>As at 31 December 2024</b>						
<b>Non-derivative financial liabilities</b>						
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
	<u>316,868</u>	<u>317,202</u>	<u>290,421</u>	<u>6,172</u>	<u>14,349</u>	<u>6,260</u>

As at the reporting date, the total amount of banker guarantees amounted to \$2,566,000 (2024: \$3,195,000) which will be repayable within 6 months.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 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
<b>Company</b>						
<b>As at 31 December 2025</b>						
<b>Non-derivative financial liabilities</b>						
Trade and other payables	5,413	5,413	5,413	-	-	-
Interest-bearing borrowings	182,268	182,558	176,374	3,964	822	1,398
Lease liabilities	1,642	1,746	321	325	657	443
	<u>189,323</u>	<u>189,717</u>	<u>182,108</u>	<u>4,289</u>	<u>1,479</u>	<u>1,841</u>
<b>As at 31 December 2024</b>						
<b>Non-derivative financial liabilities</b>						
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
	<u>197,753</u>	<u>199,828</u>	<u>179,889</u>	<u>4,493</u>	<u>11,757</u>	<u>3,689</u>

As at the reporting date, the total amount of Intra-group financial guarantees issued by the Company amounted to \$29,559,000 (2024: \$28,932,000) which will be repayable within 12 months.

### *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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

### *Currency risk* (Continued)

Certain interest-bearing borrowings are denominated in foreign currencies that match cashflows generated by the underlying operations of the Group, primarily in USD. 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
<b>Group</b>					
<b>As at 31 December 2025</b>					
Trade and other receivables*	3,772	-	-	-	-
Other investments	2,052	-	-	175	-
Cash and cash equivalents	1,094	12	16	38	8
Trade and other payables	(1,993)	-	-	-	-
Interest-bearing borrowings	(2,132)	-	-	-	-
<b>Net currency exposure</b>	<b>2,793</b>	<b>12</b>	<b>16</b>	<b>213</b>	<b>8</b>
<b>As at 31 December 2024</b>					
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)	-	-	-	-
<b>Net currency exposure</b>	<b>2,508</b>	<b>12</b>	<b>15</b>	<b>375</b>	<b>8</b>

\* Trade and other receivables consist of loans and advances, hire purchase and leasing receivables, accounts receivable purchase and other receivables.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

### Currency risk (Continued)

	USD \$'000	THB \$'000	MYR \$'000	GBP \$'000	AUD \$'000	JPY \$'000
<b>Company</b>						
<b>As at 31 December 2025</b>						
Trade and other receivables*	3,772	-	-	-	-	-
Cash and cash equivalents	1,060	12	-	16	38	8
Trade and other payables	(1,993)	-	-	-	-	-
Interest-bearing borrowings	(2,132)	-	-	-	-	-
<b>Net currency exposure</b>	<b>707</b>	<b>12</b>	<b>-</b>	<b>16</b>	<b>38</b>	<b>8</b>
<b>As at 31 December 2024</b>						
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)	-	-	-	-	-
<b>Net currency exposure</b>	<b>(281)</b>	<b>28</b>	<b>24</b>	<b>15</b>	<b>37</b>	<b>8</b>

\* 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
<b>2025</b>		
USD	(279)	(7)
THB	(1)	(1)
MYR	-	-
GBP	(2)	(2)
AUD	(21)	(4)
JPY	(1)	(1)
<b>2024</b>		
USD	(251)	28
THB	(1)	(3)
MYR	-	(2)
GBP	(2)	(2)
AUD	(37)	(4)
JPY	(1)	(1)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 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 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 quoted equity securities 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:

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Profit or loss	-	193	-	-

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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 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 issued motor insurance being the Group's main insurance portfolio. The motor segment accounted for 96% (2024: 92%) 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 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:

	2025			2024		
	Insurance contract \$'000	Reinsurance contract held \$'000	Net \$'000	Insurance contract \$'000	Reinsurance contract held \$'000	Net \$'000
Motor	<b>28,657</b>	<b>(7,232)</b>	<b>21,425</b>	19,693	(5,785)	13,908
Non-motor	<b>4,707</b>	<b>(1,124)</b>	<b>3,583</b>	4,543	(1,103)	3,440

### *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 2025

## 36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

### *Insurance risks* (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:

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
2025	-	12 months ended 31 December 2025

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 2025

## 36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

### *Insurance risks* (Continued)

#### *Claims development table* (Continued)

*Analysis of claims development – net of reinsurance contract held as at 31 December 2025 (motor and non-motor)  
– Unit: \$'000s*

#### **Estimate of cumulative claims**

<b>Accident year</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
At end of accident year	6,032	9,034	3,437	4,034	3,653	7,506	10,696	
One year later	5,347	8,781	3,048	4,119	3,768	7,238		
Two years later	4,879	7,735	2,861	4,114	3,571			
Three years later	4,598	7,463	2,828	4,100				
Four years later	4,629	7,482	2,694					
Five years later	4,653	7,473						
Six years later	4,452							
Current estimate of ultimate claims	4,452	7,473	2,694	4,100	3,571	7,238	10,696	40,224
Cumulative payments	<u>(4,383)</u>	<u>(7,341)</u>	<u>(2,575)</u>	<u>(3,751)</u>	<u>(3,020)</u>	<u>(5,529)</u>	<u>(2,869)</u>	<u>(29,468)</u>
Gross estimate of outstanding claim liability	69	132	119	349	551	1,709	7,827	10,756
Unallocated loss adjustment expenses								<u>553</u>
Best estimate of gross outstanding claim liability								11,289
Estimated claims for prior accident years								174
Provision for adverse deviation								<u>1,234</u>
Net provision for insurance claims								12,697
Other net liabilities for incurred claims								<u>1,086</u>
Liability for incurred claims net of reinsurance contract held								<u><u>13,783</u></u>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

*Insurance risks* (Continued)

*Claims development table* (Continued)

*Summary of composition of liability for incurred claims – gross and reinsurance contract held basis*

		<b>Estimated present value of future cash flows \$'000</b>	<b>Risk adjustment \$'000</b>	<b>Total \$'000</b>
<b>2025</b>				
Motor	Note 19.1.1	<b>17,224</b>	<b>1,508</b>	<b>18,732</b>
	Note 19.2.1	<b>(5,693)</b>	<b>(440)</b>	<b>(6,133)</b>
Non-Motor	Note 19.1.2	<b>1,782</b>	<b>269</b>	<b>2,051</b>
	Note 19.2.2	<b>(749)</b>	<b>(118)</b>	<b>(867)</b>
Total, net		<b>12,564</b>	<b>1,219</b>	<b>13,783</b>
<b>2024</b>				
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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 36. FINANCIAL AND INSURANCE RISK MANAGEMENT (CONTINUED)

*Insurance risks* (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
<b>2025</b>					
Ultimate Loss Ratio	+2%	-506	-336	-506	-336
URR loss ratio	+2%	-	-250	-	-250
Claim handling expense	+2%	-352	-352	-352	-352
Risk adjustments	+2%	-448	-338	-448	-338
<b>2025</b>					
Ultimate Loss Ratio	-2%	506	336	506	336
URR loss ratio	-2%	-	250	-	250
Claim handling expense	-2%	352	352	352	352
Risk adjustments	-2%	448	338	448	338
<b>2024</b>					
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
<b>2024</b>					
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 2025

## 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 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 repriced 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 2025

## 37. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

*Other financial assets and liabilities* (Continued)

	Carrying amount \$'000	Fair value			Total \$'000
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
<b>Group</b>					
<b>As at 31 December 2025</b>					
<b>Financial assets measured at fair value</b>					
FVTPL financial assets					
- Equity securities	1,037	-	-	1,037	1,037
- Debt securities	481	481	-	-	481
- Convertible loans	-	-	-	-	-
	<u>1,518</u>	<u>481</u>	<u>-</u>	<u>1,037</u>	<u>1,518</u>
<b>Financial assets not measured at fair value</b>					
Debt securities at amortised cost	<u>23,392</u>	<u>23,467</u>	<u>-</u>	<u>-</u>	<u>23,467</u>
<b>As at 31 December 2024</b>					
<b>Financial assets measured at fair value</b>					
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
	<u>10,367</u>	<u>7,809</u>	<u>1,304</u>	<u>1,254</u>	<u>10,367</u>
<b>Financial assets not measured at fair value</b>					
Debt securities at amortised cost	<u>12,527</u>	<u>12,345</u>	<u>201</u>	<u>-</u>	<u>12,546</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 37. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

*Other financial assets and liabilities (Continued)*

	Carrying amount \$'000	Fair value			Total \$'000
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
<b>Company</b>					
<b>As at 31 December 2025</b>					
<b>Financial assets measured at fair value</b>					
FVTPL financial assets					
– Private credit fund	<u>11,397</u>	<u>-</u>	<u>-</u>	<u>11,397</u>	<u>11,397</u>
<b>As at 31 December 2024</b>					
<b>Financial assets measured at fair value</b>					
FVTPL financial assets					
– Private credit fund	<u>19,000</u>	<u>-</u>	<u>-</u>	<u>19,000</u>	<u>19,000</u>

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
<b>As at 1 January 2024</b>	1,141	19,000
Addition	67	-
Fair value change recognised in profit or loss	15	-
Translation adjustment	<u>30</u>	<u>-</u>
<b>As at 31 December 2024</b>	1,253	19,000
Addition	-	11,300
Disposal	-	(19,000)
Fair value change recognised in profit or loss	(157)	97
Translation adjustment	<u>(59)</u>	<u>-</u>
<b>As at 31 December 2025</b>	<u>1,037</u>	<u>11,397</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 37. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

*Other financial assets and liabilities (Continued)*

The following table shows the valuation technique used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

<u>Type</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between key unobservable inputs and fair value measurement</u>
Equity securities	<i>Net asset value</i> 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).
	<i>Price of recent investment</i> 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	<i>Net asset value</i> 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
<b>2025</b>				
Unquoted equity securities	103	(103)	-	-
<b>2024</b>				
Unquoted equity securities	109	(109)	-	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 37. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

*Sensitivity analysis – Level 3 valuation (Continued)*

For the fair values of funds, reasonable possible changes at the reporting date to net asset value by 10%, holding other inputs constant, would have the following effects.

Net asset value (10% movement)	Statement of profit or loss Company	
	Increase \$'000	Decrease \$'000
<b>2025</b>		
Funds	<u>1,140</u>	<u>(1,140)</u>
<b>2024</b>		
Funds	<u>1,900</u>	<u>(1,900)</u>

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:

	2025		2024	
	Carrying value \$'000	Fair value \$'000	Carrying value \$'000	Fair value \$'000
<b>Group</b>				
<b>Financial assets</b>				
Debt securities at amortised cost	<u>23,392</u>	<u>23,467</u>	12,527	12,546
Unrecognised gain in profit or loss		<u>75</u>		<u>19</u>

## 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 38. ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

### Measurement of fair values (Continued)

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).

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 measured cash flows of the loan portfolio. The evidence may include observable data indicating adverse decrease in the estimated future 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.

During the year, the Group refined the methodologies and assumptions applied in measuring expected credit losses ("ECL") in order to better reflect the risk profile of its financial assets and evolving market conditions. The refinements include recalibration of past historical data and review of the existing risk parameters used in estimating PD, LGD and EAD. During the financial year, new PD model was incorporated with recalibrated risk variables from both obligor specific and forward-looking macroeconomic data. LGD methodology was refreshed with a modelled LGD introduced for secured facilities. EAD of various financial assets was further classified and defined based on the respective features and characteristics. These methodological refinements were applied consistently across the Group's key portfolio, including, corporate and individual borrowers, to better capture the distinct credit risk characteristics of each segment. The Group has assessed the impact and concluded the change did not result in any material impact on the Group's financial position, financial performance or cash flows for the financial year.

For more information on the methodologies and assumptions used by the Group, refer to Note 36 (II).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 38. ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

### 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.

### 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 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. Inter-segment pricing where appropriate, is determined on an arm's length basis. The Group CEO and Group CFO review the internal management reports every month. The following summary describes the operations in each of the Group's reportable segments.

**Private credit:** Private credit 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. Private credit 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.

**Asset management:** The provision of asset 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 39. OPERATING SEGMENTS (CONTINUED)

### *Information about reportable segments*

	Private credit \$'000	Insurance \$'000	Private equity and other investments \$'000	Asset management \$'000	Total \$'000
<b>As at 31 December 2025</b>					
<b><i>Operating results</i></b>					
Total operating income	39,135	(2,345)	939	10	37,739
Reportable segment profit/(loss) before tax	10,537	(1,790)	789	(797)	8,739
Net interest income	30,239	-	-	-	30,239
Insurance service results	-	(3,653)	-	-	(3,653)
Non-interest income	9,347	1,761	939	14	12,061
Other material non-cash items:					
- Recognition of allowances for loan losses and impairment of other assets	(4,207)	15	-	-	(4,192)
- Depreciation and amortisation	(1,245)	(31)	(32)	-	(1,308)
<b><i>Assets and liabilities</i></b>					
Reportable segment assets	504,032	47,012	2,013	703	553,760
Capital expenditure	581	31	-	-	612
Reportable segment liabilities	304,207	34,716	44	127	339,094

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 39. OPERATING SEGMENTS (CONTINUED)

### *Information about reportable segments* (Continued)

	<b>Private credit \$'000</b>	<b>Insurance \$'000</b>	<b>Private equity and other investments \$'000</b>	<b>Asset management \$'000</b>	<b>Total \$'000</b>
<b>As at 31 December 2024</b>					
<b>Operating results</b>					
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)
<b>Assets and liabilities</b>					
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 2025

## 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*

	<b>2025</b> <b>\$'000</b>	<b>2024</b> <b>\$'000</b>
<b>Operating income</b>		
Net interest income	<b>30,239</b>	25,229
Insurance service results	<b>(3,653)</b>	(6,143)
Fee and commission income	<b>9,484</b>	7,412
Investment income	<b>1,393</b>	1,719
Others*	<b>276</b>	33
<b>Total operating income for reportable segments</b>	<b>37,739</b>	28,250
<b>Profit</b>		
Total profit before tax for reportable segments	<b>8,739</b>	5,307
<b>Consolidated profit before tax</b>	<b>8,739</b>	5,307
<b>Non-interest income</b>		
Fee and commission income	<b>9,484</b>	7,412
Net investment income	<b>1,393</b>	1,719
Others#	<b>1,100</b>	776
<b>Total non-interest income for reportable segments</b>	<b>11,977</b>	9,907

\* 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.

	<b>2025</b> <b>\$'000</b>	<b>2024</b> <b>\$'000</b>
<b>Assets</b>		
Total assets for reportable segments	<b>553,760</b>	522,899
Other unallocated amounts	<b>2,939</b>	2,944
<b>Consolidated assets</b>	<b>556,699</b>	525,843
<b>Liabilities</b>		
Total liabilities for reportable segments	<b>339,094</b>	318,594
Other unallocated amounts	<b>1,452</b>	978
<b>Consolidated liabilities</b>	<b>340,546</b>	319,572

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 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 five (2024: four) principal geographical areas. *Singapore, Thailand, Malaysia, Indonesia and Hong Kong* are the major markets for private credit, insurance, private equity and other investments and asset management 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.

	<b>Operating income \$'000</b>	<b>Total assets \$'000</b>
<b>Geographical information</b>		
<b>2025</b>		
Singapore	<b>16,545</b>	<b>343,136</b>
Thailand	<b>16,708</b>	<b>169,254</b>
Malaysia	<b>3,123</b>	<b>22,868</b>
Indonesia	<b>1,357</b>	<b>21,423</b>
Hong Kong	<b>6</b>	<b>18</b>
	<b>37,739</b>	<b>556,699</b>
<b>2024</b>		
Singapore	12,230	335,313
Thailand	14,202	161,824
Malaysia	1,209	15,872
Indonesia	609	12,834
	28,250	525,843

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 40. EVENT AFTER REPORTING DATE

On 10th February 2026, IFS Capital (Hong Kong) Limited was incorporated. The Company subscribed for 6,000,000 ordinary shares at par value of HKD1 each, for a total consideration of HKD6,000,000.

## 41. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

<u>Description</u>	<u>Effective for annual year beginning on or after</u>
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
SFRS(I) 1-21: Translation to Hyperinflationary Presentation Currency	1 January 2027

The Group has not early adopted any standard, interpretation or amendment that has been issued but not yet effective. The new standards effective for future periods are not expected to have a significant impact on the Group's financial statements, except for SFRS(I) 18, which introduces newly defined subtotals to be presented in the consolidated statement of profit or loss and comprehensive income, disclosure of management-defined performance measures and requirements for grouping of information. The impact of adoption is still being assessed by management.

## 42. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 December 2025 were authorised for issue in accordance with a resolution of the directors on 27 March 2026.

# STATISTICS OF SHAREHOLDINGS

AS AT 13 MARCH 2026

## 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 <sup>1</sup>	:	nil

## ANALYSIS OF SHAREHOLDINGS

Range of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	237	7.34	8,544	0.00
100 – 1,000	142	4.40	60,461	0.02
1,001 – 10,000	2,014	62.39	7,802,149	2.07
10,001 – 1,000,000	820	25.40	45,512,090	12.11
1,000,001 and above	15	0.47	322,586,421	85.80
<b>Total</b>	<b>3,228</b>	<b>100.00</b>	<b>375,969,665</b>	<b>100.00</b>

## TOP TWENTY SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	PHILLIP SECURITIES PTE LTD	271,282,800	72.16
2	DBS NOMINEES PTE LTD	26,630,886	7.08
3	UNITED OVERSEAS BANK NOMINEES PTE LTD	5,009,567	1.33
4	RAFFLES NOMINEES (PTE) LIMITED	3,842,400	1.02
5	OCBC NOMINEES SINGAPORE PTE LTD	2,633,086	0.70
6	LIM HOW TECK	2,170,000	0.58
7	OCBC SECURITIES PRIVATE LTD	1,501,682	0.40
8	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	1,401,080	0.37
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	ABN AMRO CLEARING BANK N.V.	1,153,000	0.31
13	CHAN YIM SUM	1,149,800	0.31
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	IFAST FINANCIAL PTE LTD	777,465	0.21
19	NG POH CHENG	770,450	0.20
20	HO JUAT KENG	704,200	0.19
<b>Total</b>		<b>326,663,836</b>	<b>86.90</b>

### 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 13 MARCH 2026

## SHAREHOLDING HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 13 March 2026, approximately 28.78% 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 13 March 2026.

Substantial Shareholder	No. of Shares			%
	Direct Interest	Deemed Interest	Total Interest	
Phillip Assets Pte. Ltd.	252,359,309 <sup>1</sup>	–	252,359,309	67.12
Lim Hua Min	–	252,722,309 <sup>2</sup>	252,722,309	67.22

### Notes:

- 1 Deposited with the Depository Agent, Phillip Securities Pte. Ltd.
- 2 Lim Hua Min is deemed to have an interest in the 252,359,309 shares held by Phillip Assets Pte. Ltd. and 363,000 shares held by Phillip Thematic Fund Pte. Ltd. (total deemed interest of 252,722,309 shares).

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Thirty-Ninth (39<sup>th</sup>) Annual General Meeting of IFS Capital Limited (the “**Company**”) will be held at 11 Eunos Road 8, Lifelong Learning Institute, Event Hall 2-2 Level 2, Singapore 408601 on Wednesday, 29 April 2026 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 2025 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 0.80 cents per share for the financial year ended 31 December 2025. **(Resolution 2)**
3. To approve the Directors’ fees of S\$208,050 (2024: S\$208,050) for the financial year ended 31 December 2025. **(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 Lim Hua Min **(Resolution 4(a))**
  - (b) Ms Chen Xialing **(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 2026

# NOTICE OF ANNUAL GENERAL MEETING

## Explanatory Notes:

### 1. Notes to Resolutions 4(a) and 4(b):

In relation to Resolution 4(a), Mr Lim Hua Min will, upon re-election as a Director of the Company, continue to serve as a Member of the Executive Resource and Compensation Committee.

In relation to Resolution 4(b), Ms Chen Xialing will, upon re-election as a Director of the Company, continue to serve as a Member of the Executive Resource and Compensation Committee and a Member of the Audit and Risk Committee. Ms Chen 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 2025 for further information on Mr Lim Hua Min and Ms Chen Xialing.

### 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 13 March 2026, the Company had no treasury shares and no subsidiary holdings.

## Notes:

- The Company's Annual General Meeting (the "AGM") will be held physically, at 11 Eunos Road 8, Lifelong Learning Institute, Event Hall 2-2 Level 2, Singapore 408601. 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>.
- 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.
  - 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.

- The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

- 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
- if submitted electronically, be submitted via email to [sg.is.proxy@vistra.com](mailto:sg.is.proxy@vistra.com),

in either case, by 2.30 p.m. on 26 April 2026, being 72 hours before the time appointed for holding the AGM.

- CPF and SRS investors:

- 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
- 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 2026.

- 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 2026:

- by email to [ir@ifscapital.com.sg](mailto:ir@ifscapital.com.sg) or
- 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 2026 after trading hours.

- The Company's Annual Report 2025 ["2025 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 SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Members may request for printed copy of the 2025 Annual Report by completing and submitting the Request Form sent to them, by post by 5.00 p.m. on 17 April 2026.



# 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, takeover 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 39<sup>th</sup> Annual General Meeting

[Pursuant to SGX-ST Listing Manual - Rule 720(6) and Appendix 7.4.1]

Name of Director	LIM HUA MIN
Date of Appointment	20 May 2003
Date of last re-appointment	29 April 2024
Age	80
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 Lim'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	Non-Executive
Job Title [e.g. Lead ID, AC Chairman, AC Member etc.]	<ul style="list-style-type: none"> <li>- Chairman, Non-Executive Director</li> <li>- Member of the Executive Resource and Compensation Committee</li> </ul>
Professional qualifications	<ul style="list-style-type: none"> <li>- Bachelor of Science (Honours), University of Surrey, England</li> <li>- Master of Science (Operational Research and Management Studies), Imperial College, London University</li> </ul>
Working experience and occupation(s) during the past 10 years	Executive Chairman of Phillip Group of Companies
Shareholding interest in the listed issuer and its subsidiaries	IFS Capital Limited - 252,722,309 shares (Deemed interest)
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	Mr Lim is the substantial shareholder of Phillip Assets Pte Ltd which is the substantial shareholder of the listed issuer.
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
Other Principal Commitments (Including Directorships)	
Past (for the last 5 years)	Nil
Present	<ul style="list-style-type: none"> <li>- Executive Chairman, Phillip Group of Companies</li> <li>- Chairman, ECICS Limited</li> <li>- Non-Executive Director, Phillip Bank Plc</li> </ul>

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

At the 39<sup>th</sup> Annual General Meeting  
[Pursuant to SGX-ST Listing Manual - Rule 720(6) and Appendix 7.4.1]

Name of Director	CHEN XIALING
Date of Appointment	26 September 2023
Date of last re-appointment	29 April 2024
Age	55
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 Ms Chen's background, experience, independence and commitment in the discharge of her duties as a Director of IFS Capital Limited and is satisfied that she 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.)	<ul style="list-style-type: none"> <li>- Non-Executive and Independent Director</li> <li>- Executive Resource and Compensation Committee Member</li> <li>- Audit and Risk Committee Member</li> </ul>
Professional qualifications	<ul style="list-style-type: none"> <li>- Bachelor in Finance, Xiamen University, China</li> <li>- Master in Business Administration (MBA), De La Salle University, Philippines</li> <li>- Fellow, The Association of Chartered Certified Accountants (ACCA), UK</li> <li>- Completed CFA Program, CFA Institute, USA</li> <li>- Executive Diploma in Directorship, SMU-SID Directorship Programme</li> <li>- Accredited Board Director, Singapore Institute of Director (SID)</li> </ul>
Working experience and occupation(s) during the past 10 years	<p>Aug 2020 – Aug 2023: Chief Financial Officer, finexis Advisory Pte Ltd</p> <p>Oct 2018 – Nov 2019: Head of Finance &amp; Investment, China Taiping Insurance Singapore</p> <p>May 2017 – July 2018: Regional Head of Operational Efficiency, Allianz Asia Regional Office</p> <p>Jan 2016 – May 2017: Regional Head of Operational Finance, Allianz Asia Regional Office</p> <p>April 2011 – May 2015: Chief Financial Officer, AXA Life Insurance Singapore</p>

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

At the 39<sup>th</sup> Annual General Meeting

[Pursuant to SGX-ST Listing Manual - Rule 720(6) and Appendix 7.4.1]

Name of Director	CHEN XIALING
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
Other Principal Commitments (Including Directorships)	
Past (for the last 5 years)	Director, G2G Pte. Ltd.
Present	<ul style="list-style-type: none"> <li>- Director, Aviva-COFCO Life Insurance Company Ltd, China</li> <li>- Principal and Portfolio CFO, CFO Centre Pte Ltd</li> </ul>

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

At the 39<sup>th</sup> Annual General Meeting

[Pursuant to SGX-ST Listing Manual - Rule 720(6) and Appendix 7.4.1]

	LIM HUA MIN	CHEN XIALING
<b>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.</b>		
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/her or against a partnership of which he/she was a partner at the time when he/she was a partner or at any time within 2 years from the date he/she 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/she was a director or an equivalent person or a key executive, at the time when he/she 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/she 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/her?	No	No
d) Whether he/she 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/she is aware) for such purpose?	No	No
e) Whether he/she 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/she is aware) for such breach?	No	No

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

At the 39<sup>th</sup> Annual General Meeting

[Pursuant to SGX-ST Listing Manual - Rule 720(6) and Appendix 7.4.1]

	LIM HUA MIN	CHEN XIALING
f) Whether at any time during the last 10 years, judgment has been entered against him/her 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/her part, or he/she has been the subject of any civil proceedings (including any pending civil proceedings of which he/she is aware) involving an allegation of fraud, misrepresentation or dishonesty on his/her part?	No	No
g) Whether he/she 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/she 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/she has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him/her from engaging in any type of business practice or activity?	No	No
j) Whether he/she has ever, to his/her 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	No	No

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

At the 39<sup>th</sup> Annual General Meeting

[Pursuant to SGX-ST Listing Manual - Rule 720(6) and Appendix 7.4.1]

	LIM HUA MIN	CHEN XIALING
<p>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</p> <p>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</p> <p>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/she was so concerned with the entity or business trust?</p>		
<p>k) Whether he/she 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?</p>	No	No

# IFS CAPITAL LIMITED

(Incorporated in the Republic of Singapore)  
Company Registration No. 198700827C

## PROXY FORM

### Thirty-Ninth (39<sup>th</sup>) Annual General Meeting

#### IMPORTANT

- The AGM [as defined below] is being convened, and will be held physically at 11 Eunos Road 8, Lifelong Learning Institute, Event Hall 2-2 Level 2, Singapore 408601 on Wednesday, 29 April 2026 at 2.30 p.m. **There will be no option for shareholders to participate virtually.**
- Please read the notes overleaf which contain instructions on, inter alia, the appointment of a proxy(ies).
- 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.
- CPF and SRS investors:
  - 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
  - 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 2026.
- 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 2026.

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-Ninth (39<sup>th</sup>) Annual General Meeting ("AGM") of the Company to be convened and held at 11 Eunos Road 8, Lifelong Learning Institute, Event Hall 2-2 Level 2, Singapore 408601 on Wednesday, 29 April 2026 at 2.30 p.m. and at any adjournment thereof in the following manner:

Resolutions Relating To:		For	Against	Abstain
<b>Routine Business</b>				
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 0.80 cents per share			
3	Approval of Directors' fees amounting to S\$208,050			
4(a)	Re-election of Director: Mr Lim Hua Min			
4(b)	Re-election of Director: Ms Chen Xialing			
5	Re-appointment of Ernst & Young LLP as the auditors of the Company and to authorise the Directors to fix their remuneration			
<b>Special Business</b>				
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 \_\_\_\_\_ 2026

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](mailto:sg.is.proxy@vistra.com), in either case, by 2.30 p.m. on 26 April 2026, 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

### Lead Independent Director

Barney Lau Tai Chiau

### Members

Chen Xialing

Loo Hock Leong

### Group Chief Executive Officer

Randy Sim Cheng 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

Chan Yee Sun

Chionh Yi Chian

Choi Kin Seng

Kelvin Tan Kok Wai

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

Yeo Jia Yun, Vanessa

(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](http://www.ifscapital.com.sg)

## SHARE REGISTRAR

### Tricor Barbinder Share Registration Services

9 Raffles Place #26-01

Republic Plaza Tower 1

Singapore 048619

Website: [www.vistra.com](http://www.vistra.com)

## PLACE OF INCORPORATION

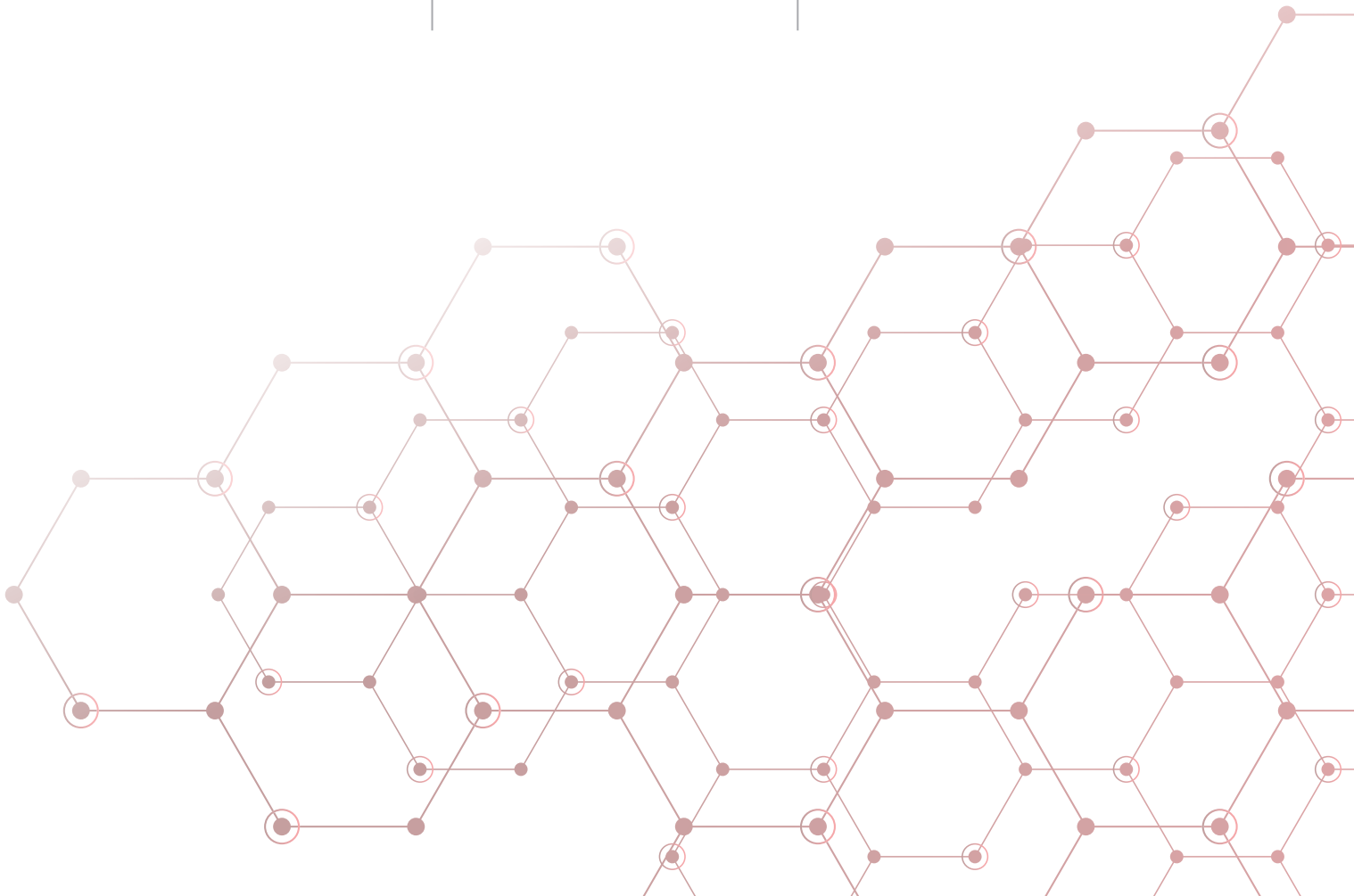
Singapore

## 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

Fax: (65) 6339 9527

## **SUBSIDIARIES**

### **ECICS LIMITED**

10 Eunos Road 8

#09-04A Singapore Post Centre

Singapore 408600

Tel: (65) 6206 5588

Fax: (65) 6338 9267

### **IFS CAPITAL ASSETS PRIVATE LIMITED**

### **IFS VENTURES PRIVATE LIMITED**

### **MULTIPLY CAPITAL LIMITED**

10 Eunos Road 8

#09-04 Singapore Post Centre

Singapore 408600

Tel: (65) 6270 7711

Fax: (65) 6339 1076

### **IFS CONSUMER SERVICES PRIVATE LIMITED**

10 Eunos Road 8

#09-04 Singapore Post Centre

Singapore 408600

Tel: (65) 6513 0326

Fax: (65) 6339 1076

### **IFS ASSET MANAGEMENT PRIVATE LIMITED**

### **IFSAM VCC**

### **IFSAM CREDIT OPPORTUNITIES VCC**

10 Eunos Road 8

#09-04A Singapore Post Centre

Singapore 408600

Tel: (65) 6653 3351/(65) 6653 3353

### **LENDINGPOT PRIVATE LIMITED**

10 Eunos Road 8

#09-04A Singapore Post Centre

Singapore 408600

Tel: (65) 6950 3831/ 8388 2403

### **IFS CAPITAL (HONG KONG) LIMITED**

### **LENDINGPOT HK LIMITED**

借到寶香港有限公司

Address: 11/F United Centre 95

Queensway, Admiralty

Hong Kong

Tel: (852) 3987 6691

### **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

Fax: (603) 2161 9090

### **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) 2856326-32

Fax: (662) 285 6335

