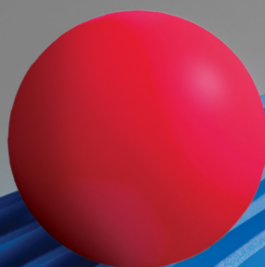


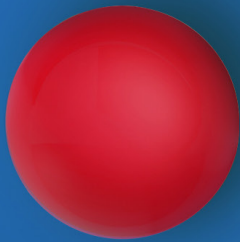
SHAPE SOLUTIONS  
BUILD PARTNERSHIPS  
FOSTER CAPABILITIES

FINANCIAL REPORT  
2025



SBF.

# Contents



- |          |   |           |   |
|----------|---|-----------|---|
| <b>3</b> | Statement by Council  | <b>9</b>  | Statements of Changes in Members' Funds |
| <b>4</b> | Independent Auditor's Report                                | <b>10</b> | Consolidated Statement of Cash Flows    |
| <b>7</b> | Statements of Financial Position                            | <b>11</b> | Notes to Financial Statements           |
| <b>8</b> | Statements of Profit or Loss and Other Comprehensive Income |           |   |

## Statement by Council

In the opinion of the Council, the consolidated financial statements of the Group and the statement of financial position, statement of profit or loss and other comprehensive income and statement of changes in members' funds of the Federation as set out on pages 7 to 51 are drawn up so as to give a true and fair view of the financial position of the Group and of the Federation as at December 31, 2025, and the financial performance, changes in members' funds and cash flows of the Group and the financial performance and changes in members' funds of the Federation for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Federation will be able to pay its debts when they fall due.

ON BEHALF OF THE COUNCIL

**Mark Lee Kean Phi**  
Acting Chairman

**Ong Pang Thye**  
Vice Chairman

June 5, 2026

# Independent Auditor's Report to the Members of Singapore Business Federation

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying financial statements of Singapore Business Federation (the "Federation") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Federation as at December 31, 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in members' funds and consolidated statement of cash flows of the Group and the statement of profit or loss and other comprehensive income and statement of changes in members' funds of the Federation for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 7 to 51.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, statement of profit or loss and other comprehensive income and the statement of changes in members' funds of the Federation are properly drawn up in accordance with the provisions of the Societies Act (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Federation as at December 31, 2025, and of the consolidated financial performance, consolidated changes in members' funds and consolidated cash flows of the Group and the financial performance and changes in members' funds of the Federation for the year ended on that date.

### Basis of 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 *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the other information. The other information comprises the Statement by Council, but does not include the financial statements and our auditor's report thereon.

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

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

# Independent Auditor's Report to the Members of Singapore Business Federation

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *(cont'd)*

### **Responsibilities of Management and the Council 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 FRSs, 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 Council's responsibilities include overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

# Independent Auditor's Report to the Members of Singapore Business Federation

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *(cont'd)*

### Auditor's Responsibilities for the Audit of the Financial Statements *(cont'd)*

- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- (e) 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.
- (f) Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as the basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the regulations enacted under the Societies Act, Chapter 311 to be kept by the Federation have been properly kept in accordance with those regulations.

The engagement partner on the audit resulting in this independent auditor's report is Patrick Tan Hak Pheng.

### DELOITTE & TOUCHE LLP

Public Accountants and  
Chartered Accountants  
Singapore

June 5, 2026

# Statements of Financial Position

December 31, 2025

	Note	The Federation		The Group	
		2025	2024	2025	2024
		\$	\$	\$	\$
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances	6	26,323,195	26,338,442	30,892,925	30,841,716
Trade receivables	7	750,839	739,151	750,839	739,151
Other receivables and deposits	8	11,977,079	9,669,196	11,993,987	9,699,795
Total current assets		39,051,113	36,746,789	43,637,751	41,280,662
<b>Non-current assets</b>					
Property, plant and equipment	9	27,459,417	25,458,649	27,459,417	25,458,649
Right-of-use assets	10	454,727	143,487	454,727	143,487
Investment property	11	14,856,286	15,223,464	14,856,286	15,223,464
Intangible assets	12	13,614	141,768	13,614	141,768
Investments in subsidiaries	13	1,980,000	1,980,000	-	-
Deferred tax assets	14	19,413	19,413	19,413	19,413
Total non-current assets		44,783,457	42,966,781	42,803,457	40,986,781
<b>Total assets</b>		<b>83,834,570</b>	<b>79,713,570</b>	<b>86,441,208</b>	<b>82,267,443</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Trade payables	15	4,183,652	2,733,435	4,183,652	2,733,435
Other payables	16	24,742,337	17,127,431	24,753,991	17,142,102
Bank loan	17	909,611	1,055,514	909,611	1,055,514
Lease liabilities	18	168,847	97,486	168,847	97,486
Income tax payable		662,654	131,904	665,289	138,962
Total current liabilities		30,667,101	21,145,770	30,681,390	21,167,499
<b>Non-current liabilities</b>					
Bank loan	17	15,499,156	22,285,384	15,499,156	22,285,384
Lease liabilities	18	289,854	48,334	289,854	48,334
Provision for reinstatement costs	19	205,760	205,760	205,760	205,760
Total non-current liabilities		15,994,770	22,539,478	15,994,770	22,539,478
<b>Reserves</b>					
Accumulated funds		37,172,699	36,028,322	39,765,048	38,560,466
<b>Total liabilities and equity</b>		<b>83,834,570</b>	<b>79,713,570</b>	<b>86,441,208</b>	<b>82,267,443</b>

See accompanying notes to financial statements.

# Statements of Profit or Loss and Other Comprehensive Income

December 31, 2025

	Note	The Federation		The Group	
		2025	2024	2025	2024
		\$	\$	\$	\$
<b>Income</b>	20	30,748,580	26,255,169	30,748,580	26,255,169
<b>Direct costs</b>	21	(6,784,747)	(5,205,257)	(6,784,747)	(5,205,257)
<b>Gross surplus</b>		23,963,833	21,049,912	23,963,833	21,049,912
Other income	23	1,292,164	1,440,531	1,372,741	1,552,068
Administrative expenses		(22,617,309)	(22,024,989)	(22,638,537)	(22,041,193)
Finance costs	24	(963,561)	(986,326)	(963,561)	(986,326)
<b>Surplus (Deficit) before tax</b>	25	1,675,127	(520,872)	1,734,476	(425,539)
Income tax expense	26	(530,750)	(53,292)	(529,894)	(57,051)
<b>Surplus (Deficit) for the year, representing total comprehensive income for the year</b>		<u>1,144,377</u>	<u>(574,164)</u>	<u>1,204,582</u>	<u>(482,590)</u>

See accompanying notes to financial statements.

# Statements of Changes in Members' Funds

December 31, 2025

	Accumulated funds
	\$
<b>The Group</b>	
Balance at January 1, 2024	39,043,056
Deficit for the year, representing total comprehensive income for the year	<u>(482,590)</u>
Balance at December 31, 2024	38,560,466
Surplus for the year, representing total comprehensive income for the year	<u>1,204,582</u>
Balance at December 31, 2025	<u>39,765,048</u>
<b>The Federation</b>	
Balance at January 1, 2024	36,602,486
Deficit for the year, representing total comprehensive income for the year	<u>(574,164)</u>
Balance at December 31, 2024	36,028,322
Surplus for the year, representing total comprehensive income for the year	<u>1,144,377</u>
Balance at December 31, 2025	<u>37,172,699</u>

See accompanying notes to financial statements.

# Consolidated Statement Of Cash Flows

December 31, 2025

	2025	2024
	\$	\$
<b>Operating activities</b>		
Surplus (Deficit) before tax	1,734,476	(425,539)
Adjustments for:		
Depreciation on property, plant and equipment	925,431	899,365
Depreciation on right-of-use assets	152,368	189,114
Depreciation on investment property	367,178	377,179
Loss allowance on doubtful debt of trade receivables	395,495	203,285
Amortisation of intangible assets	128,153	193,741
Property, plant and equipment written-off	1,222	-
Finance costs	963,561	986,326
Interest income	(423,461)	(640,488)
Operating cash flows before movements in working capital	4,244,423	1,782,983
Trade receivables	(407,183)	(259,562)
Other receivables and deposits	(2,294,192)	(3,337,247)
Trade payables	1,450,217	2,382,757
Other payables	7,611,889	(1,117,763)
Cash generated from (used in) operations	10,605,154	(548,832)
Income tax paid	(3,567)	(1,339,212)
Net cash from (used in) operating activities	10,601,587	(1,888,044)
<b>Investing activities</b>		
Interest received	423,461	640,488
Purchase of property, plant and equipment	(2,927,421)	(245,089)
Placement of fixed deposits	3,954,189	(387,353)
Net cash from investing activities	1,450,229	8,046
<b>Financing activities</b>		
Repayment of lease liabilities	(158,808)	(194,133)
Repayment of bank loan	(7,887,610)	(2,011,657)
Net cash used in financing activities	(8,046,418)	(2,205,790)
Net increase (decrease) in cash and cash equivalents	4,005,398	(4,085,788)
Cash and cash equivalents at beginning of the year	15,141,494	19,227,282
<b>Cash and cash equivalents at end of the year (Note 6)</b>	<b>19,146,892</b>	<b>15,141,494</b>

See accompanying notes to financial statements.

# Notes to Financial Statements

December 31, 2025

## 1 GENERAL

The Federation was registered in Singapore under the Societies Act on April 1, 2002 and is a not-for-profit organisation with its principal place of business and registered office at 160 Robinson Road, #06-01 SBF Center, Singapore 068914.

The objectives of the Federation are:

1. To enhance the organisation of the business community in Singapore; and
2. To represent, advance, promote and protect, in Singapore and abroad, the major business concerns (such as investment and trade opportunities and labour management issues) of business entities carrying on commerce and industry in Singapore and, in particular, of larger local and foreign companies.

The principal activities of the subsidiaries are as stated in Note 13 to the financial statements.

Under The Singapore Business Federation Act 2001 (the "Act"), every local company which has a paid-up share capital of \$500,000 and above and foreign company which has a share capital of \$500,000 and above and registered with the Accounting and Corporate Regulatory Authority, shall become by virtue of the Act and without election, admission or appointment, a member of the Federation.

The financial statements of the Federation and of the Group for the year ended December 31, 2025 were authorised for issue in accordance with a resolution of the Council on June 5, 2026.

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

### 2.1 BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis, except as disclosed in the material accounting policy information, and are drawn up in accordance with the provisions of the Companies Act 1967 and Financial Reporting Standards in Singapore ("FRSs"). The financial statements are expressed in Singapore dollars.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of FRS 116 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as value in use in FRS 36 *Impairment of Assets*.

# Notes to Financial Statements

December 31, 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

### 2.1 BASIS OF PREPARATION *(cont'd)*

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

### 2.2 ADOPTION OF NEW AND REVISED STANDARDS

In current year, the Federation has applied all the new and revised FRSs that are mandatorily effective for an accounting period that begins on or after January 1, 2025. The adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

#### ***New/Revised standards and improvements to the standards not yet adopted***

At the date of authorisation of these financial statements, the following new/revised FRSs, INT FRSs and amendments to FRS relevant to the Federation were issued but not effective:

#### Effective for annual periods beginning on or after January 1, 2026

- Amendments to FRS 9 and FRS 7: *Amendments to the Classification and Measurement of Financial Instruments*

#### Effective for annual periods beginning on or after January 1, 2027

- FRS 118: *Presentation and Disclosure in Financial Statements*

Management anticipates that the adoption of the above amendments to FRS and other new or revised FRSs in future periods will not have a material impact on the financial statements of the Federation in the period of their initial adoption, except for the following.

# Notes to Financial Statements

December 31, 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

### 2.2 ADOPTION OF NEW AND REVISED STANDARDS *(cont'd)*

#### **FRS 118 *Presentation and Disclosure in Financial Statements***

FRS 118 replaces FRS 1 *Presentation of Financial Statements*, carrying forward many of the requirements in FRS 1 unchanged and complementing them with new requirements. In addition, some FRS 1 paragraphs have been moved to FRS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and FRS 107 *Financial Instruments: Disclosures*. Furthermore, minor amendments to FRS 7 *Statement of Cash Flows* and FRS 33 *Earning per Share* have been made.

FRS 118 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss.
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements.
- improve aggregation and disaggregation.

An entity is required to apply FRS 118 for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The amendments to FRS 7 and FRS 33, as well as the revised FRS 8 and FRS 107, become effective when an entity applies FRS 118. FRS 118 requires retrospective application with specific transition provisions.

### 2.3 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Federation and entities (including structured entities) controlled by the Federation and its subsidiaries. Control is achieved when the Federation:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Federation reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

In the Federation's financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

# Notes to Financial Statements

December 31, 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

### 2.4 BUSINESS COMBINATIONS

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with change in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the FRS are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in FRS 102 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

# Notes to Financial Statements

December 31, 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

### 2.5 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### 2.5.1 Financial assets

##### Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

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

##### *Amortised cost and effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

# Notes to Financial Statements

December 31, 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

### 2.5 FINANCIAL INSTRUMENTS *(cont'd)*

#### 2.5.1 Financial assets *(cont'd)*

Interest is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

#### Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on trade and other receivables. The amount of expected credit losses is updated at the end of each reporting period to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the end of the reporting period, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

#### *Significant increase in credit risk*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the end of the reporting period with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. Forward looking information considered includes the future prospects of the industries or countries in which the Group's debtors operate in, as well as consideration of various external sources of actual and forecast economic information available that relate to the Group's operations, and the Group accordingly adjusts the historical loss rates based on expected changes in these factors.

The Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

# Notes to Financial Statements

December 31, 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

### 2.5 FINANCIAL INSTRUMENTS *(cont'd)*

#### 2.5.1 Financial assets *(cont'd)*

##### *Significant increase in credit risk (cont'd)*

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the end of the reporting period. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

##### *Definition of default*

The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

##### *Credit-impaired 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 that financial asset have occurred.

##### *Write-off policy*

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over six (2024 : three) years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

##### *Measurement and recognition of expected credit losses*

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

# Notes to Financial Statements

December 31, 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

### 2.5 FINANCIAL INSTRUMENTS *(cont'd)*

#### 2.5.1 Financial assets *(cont'd)*

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

#### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

#### 2.5.2 Financial liabilities and equity instruments

#### Classification as debt or equity

Debt instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

#### Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method, with interest expense recognised on an effective yield basis. Interest-bearing bank loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

# Notes to Financial Statements

December 31, 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

### 2.5 FINANCIAL INSTRUMENTS *(cont'd)*

#### 2.5.2 Financial liabilities and equity instruments *(cont'd)*

##### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired.

#### 2.5.3 Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when the Federation and the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

### 2.6 LEASES

#### *The Group as lessee*

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

The rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

# Notes to Financial Statements

December 31, 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

### 2.6 LEASES *(cont'd)*

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

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

# Notes to Financial Statements

December 31, 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

### 2.6 LEASES *(cont'd)*

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under FRS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statements of financial position.

The Group applies FRS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in 2.10.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Administrative expenses' in the statements of profit or loss and other comprehensive income.

#### *The Group as lessor*

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

# Notes to Financial Statements

December 31, 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

### 2.7 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged so as to write off the cost of the assets over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold properties	50 years
Furniture, fittings and equipment	5 years
Office equipment	5 years
Information technology assets	3 years
Renovation	2 to 5 years

No depreciation is provided on capital work-in-progress.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Fully depreciated property, plant and equipment still in use are retained in the financial statements.

### 2.8 INVESTMENT PROPERTY

Investment property, which is property held to earn rentals and/or for capital appreciation, including property under construction for such purposes, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful life of 50 years. The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at the end of each reporting period.

# Notes to Financial Statements

December 31, 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

### 2.9 INTANGIBLE ASSETS

Intangible assets acquired separately are reported at cost less accumulated amortisation (where they have finite useful lives) and accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives of 3 years. The estimated useful lives and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are not amortised. Each period, the useful lives of such assets are reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy below.

### 2.10 IMPAIRMENT OF TANGIBLES & INTANGIBLES ASSETS EXCLUDING GOODWILL

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

# Notes to Financial Statements

December 31, 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

### 2.11 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### Provision for reinstatement costs

The Group and the Federation recognise a liability and capitalise an expense in property, plant and equipment if the Group and the Federation has a present legal or constructive obligation to reinstate the leased premises to their original state upon expiry of the lease. The provision is made based on management's best estimate of the expected costs to be incurred to reinstate the leased premises to their original state. The capitalised provision for reinstatement costs in right-of-used assets is amortised over the period of the lease.

### 2.12 GOVERNMENT GRANTS

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss and set off against the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in the statements of profit or loss and comprehensive income in the period in which they become receivable.

# Notes to Financial Statements

December 31, 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

### 2.13 REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

#### Members' subscription

Established on April 1, 2002 by the Singapore Business Federation Act, all Singapore-registered companies with paid-up capital or authorised share capital of \$0.5 million and above are members of the Federation. Revenue from members' subscriptions is recognised at a point in time when annual subscription fee are billed to the existing members according to its type of membership and size of paid-up capital/authorised share capital. For a company that becomes a new member during any part of an official year, they shall pay pro-rated subscription fees.

#### Events and services

The Federation is committed to helping businesses grow by providing valuable opportunities for networking. Overseas trade missions are organised regularly and members can participate in these overseas trade exhibitions and fairs. The Federation members will also have the opportunity to attend meetings with visiting overseas trade representatives, delegates and diplomats to help them identify and seek business and investment opportunities. In addition, feedback sessions and networking events are held regularly as a platform for members to identify new business opportunities.

The Federation regularly organises a wide range of training events on international trade, labour relations and other business topics. A mentorship programme has also been established for members to seek advice on business practices such as business continuity management, branding and finance.

Revenue from events, services and business missions above is recognised over time over the period of the events, services and business missions.

#### Sale of publications

The Federation provides timely and relevant information to its members through various media platforms. All members receive the Federation's quarterly business magazine, BiZQ which features articles on business trends, global trade and manpower related issues. As a member of International Chamber of Commerce (ICC) National Committees in Singapore, members are able to purchase copies of the ICC Publication from the Federation. Revenue from sale of publications is recognised at the point of purchase of these publications.

# Notes to Financial Statements

December 31, 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

### 2.13 REVENUE RECOGNITION *(cont'd)*

#### Sponsorship income

Sponsorship income is recognised when there is reasonable assurance that The Federation will comply with the relevant conditions, if any, and the income will be received.

#### Interest income

Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable.

#### Rental income

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

### 2.14 RETIREMENT BENEFIT COSTS

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

### 2.15 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is reduced from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 2.16 EMPLOYEE LEAVE ENTITLEMENT

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

# Notes to Financial Statements

December 31, 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

### 2.17 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank, cash on hand and fixed deposits which are not subject to any significant risk of changes in value.

### 2.18 INCOME TAX

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from manner in which Group expects, at the end of the financial year, to recover or settle the carrying amount of its assets and liabilities.

# Notes to Financial Statements

December 31, 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

### 2.18 INCOME TAX *(cont'd)*

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

### 2.19 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in members' funds of the Federation are presented in Singapore dollars, which is the functional currency of the Federation and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of each financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

# Notes to Financial Statements

December 31, 2025

## 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's material accounting policies, which are described in Note 2 to the financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### ***Critical judgements in applying the Group's material accounting policies***

The critical judgements, apart from those involving estimates (see below), that management has made in the process of applying the Group's material accounting policies is not expected to have a significant effect on the amounts reported in the financial statements.

### ***Key sources of estimation uncertainty***

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

#### Calculation of loss allowance

When measuring ECL, the Group segregates its members into different categories by members' paid up share capital. The Group considers the historical credit loss rate for each category.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The carrying amount of the Group's trade and other receivables as at the end of the reporting period are disclosed in Notes 7 and 8 to the financial statements respectively.

# Notes to Financial Statements

December 31, 2025

## 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(cont'd)*

### Useful lives of investment property and leasehold properties

Depreciation is charged to write off the cost of investment property (Note 11) and leasehold properties (Note 9) over their estimated useful lives, using the straight-line method. Management exercises judgement in estimating the useful lives of the investment property and leasehold properties which take into consideration the physical condition of the assets, their lease term and the Group's intent for maintenance and upgrade when necessary to maintain the physical and economic viability of the properties. In particular, management has determined that the useful life of the Group's 99-year investment property and leasehold properties is 50 years.

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

### (a) *Categories of financial instruments*

The following table sets out the financial instruments as at the end of the reporting period:

	The Federation		The Group	
	2025	2024	2025	2024
	\$	\$	\$	\$
<b>Financial assets</b>				
Financial assets at amortised cost	38,543,317	36,278,846	43,129,955	40,812,719
<b>Financial liabilities</b>				
Financial liabilities at amortised cost	36,627,366	35,500,025	36,639,020	35,514,696
Lease liabilities	458,701	145,820	458,701	145,820
	37,086,067	35,645,845	37,097,721	35,660,516

### (b) *Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements*

The Federation and the Group do not have any financial assets, financial liabilities and financial instruments which are subject to enforceable master netting arrangements or similar netting agreements.

### (c) *Financial risk management policies and objectives*

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the costs of risks occurring and the cost of managing the risks. Management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. The Group does not hold or issue derivative financial instruments for speculative purposes.

# Notes to Financial Statements

December 31, 2025

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT *(cont'd)*

### **(c) Financial risk management policies and objectives** *(cont'd)*

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below:

#### (i) Foreign exchange risk management

The Federation and the Group's foreign currency exposures arise mainly from the exchange rate movements of United States dollar against the Singapore dollar.

No sensitivity analysis is prepared as the Group does not expect any material effect on the Federation and the Group's profit or loss and equity arising from the effects of possible changes to the foreign currency exchange rate.

#### (ii) Interest rate risk management

The Group is exposed to Singapore Interbank Offered Rate ("SIBOR"). The exposures arise on bank borrowings referenced to SIBOR.

The Group is closely monitoring the market and the updates from the various industry working groups managing the transition to new benchmark interest rates in Singapore. This includes announcements made by the Association of Banks in Singapore (ABS), the Singapore Foreign Exchange Market Committee (SFEMC), and the Steering Committee for SOR Transition to SORA (SC-STs) ("IBOR Committees"). Singapore Overnight Rate Average ("SORA") have replaced Singapore Swap Offer Rate ("SOR") which has been discontinued in June 2023 and SIBOR on a phased basis by December 2024.

The Group is not exposed to significant interest rate risk as there are no significant interest-bearing assets and liabilities which bear interest at floating rates except for the Group's bank loans. Further details are disclosed in Note 17 to the financial statements.

The sensitivity analyses below have been determined based on the exposure to interest rates on the Group's bank loans at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

# Notes to Financial Statements

December 31, 2025

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT *(cont'd)*

### (c) **Financial risk management policies and objectives** *(cont'd)*

#### (ii) Interest rate risk management *(cont'd)*

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's profit or loss for the year ended December 31, 2025 would decrease/increase by \$82,044 (2024 : decrease/increase by \$116,704). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

#### (iii) Credit risk management

The Group develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Group uses its own trading records to rate its major customers and other debtors.

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

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is > 90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

# Notes to Financial Statements

December 31, 2025

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT *(cont'd)*

### (c) *Financial risk management policies and objectives (cont'd)*

#### (iii) Credit risk management *(cont'd)*

The tables below detail the credit quality of the Federation's and Group's financial assets as well as maximum exposure to credit risk by credit risk rating grades:

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				\$	\$	\$
<b>The Federation</b>						
<b>2025</b>						
Trade receivables from third parties	7	(*)	Lifetime ECL (simplified approach)	1,738,489	(987,650)	750,839
Other receivables	8	Performing	12-month ECL	11,469,283	-	11,469,283
					<u>(987,650)</u>	
<b>2024</b>						
Trade receivables from third parties	7	(*)	Lifetime ECL (simplified approach)	1,591,749	(852,598)	739,151
Other receivables	8	Performing	12-month ECL	9,201,253	-	9,201,253
					<u>(852,598)</u>	
<b>The Group</b>						
<b>2025</b>						
Trade receivables from third parties	7	(*)	Lifetime ECL (simplified approach)	1,738,489	(987,650)	750,839
Other receivables	8	Performing	12-month ECL	11,486,191	-	11,486,191
					<u>(987,650)</u>	
<b>2024</b>						
Trade receivables from third parties	7	(*)	Lifetime ECL (simplified approach)	1,591,749	(852,598)	739,151
Other receivables	8	Performing	12-month ECL	9,231,852	-	9,231,852
					<u>(852,598)</u>	

(\*) The Group has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items based on historical credit loss experience and the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

# Notes to Financial Statements

December 31, 2025

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT *(cont'd)*

### **(c) Financial risk management policies and objectives** *(cont'd)*

#### (iii) Credit risk management *(cont'd)*

The Group has adopted procedures in extending credit terms to customers and in monitoring its credit risk. The Group only grants credit to creditworthy counterparties. Cash is held with creditworthy institutions and is subject to immaterial credit loss.

The Group has no significant concentration of credit risk with any single customer or group of customers.

#### (iv) Liquidity risk management

Liquidity risk refers to the risk that the Federation and the Group may not be able to meet their obligations.

The Federation and the Group maintain sufficient cash and bank balances and internally generated cash flows to finance their working capital requirements.

All financial assets are due within 1 year from the end of the reporting period and/or are non-interest bearing.

### **Liquidity and interest risk analyses**

#### Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Federation and the Group can be required to pay. The tables include both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liabilities on the statements of financial position.

# Notes to Financial Statements

December 31, 2025

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT *(cont'd)*

### (c) Financial risk management policies and objectives *(cont'd)*

#### (iv) Liquidity risk management *(cont'd)*

#### Liquidity and interest risk analyses *(cont'd)*

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	\$	\$	\$	\$	\$
<b>The Federation</b>						
<b>2025</b>						
Non-interest bearing	-	20,218,599	-	-	-	20,218,599
Lease liabilities	1.98 - 4.18	183,862	300,078	-	(25,239)	458,701
Bank borrowing	4.18	1,578,204	6,312,816	13,614,935	(5,097,188)	16,408,767
		<u>21,980,665</u>	<u>6,612,894</u>	<u>13,614,935</u>	<u>(5,122,427)</u>	<u>37,086,067</u>
<b>2024</b>						
Non-interest bearing	-	12,159,126	-	-	-	12,159,126
Lease liabilities	1.50 - 1.98	98,966	49,693	-	(2,839)	145,820
Bank borrowing	1.50 - 4.18	2,011,092	8,044,368	22,155,561	(8,870,123)	23,340,898
		<u>14,269,184</u>	<u>8,094,061</u>	<u>22,155,561</u>	<u>(8,872,962)</u>	<u>36,645,844</u>
<b>The Group</b>						
<b>2025</b>						
Non-interest bearing	-	20,230,253	-	-	-	20,230,253
Lease liabilities	1.98 - 4.18	183,862	300,078	-	(25,239)	458,701
Bank borrowing	4.18	1,578,204	6,312,816	13,614,935	(5,097,188)	16,408,767
		<u>21,992,319</u>	<u>6,612,894</u>	<u>13,614,935</u>	<u>(5,122,427)</u>	<u>37,097,721</u>
<b>2024</b>						
Non-interest bearing	-	12,173,797	-	-	-	12,173,797
Lease liabilities	1.50 - 1.98	98,966	49,693	-	(2,839)	145,820
Bank borrowing	1.50 - 4.18	2,011,092	8,044,368	22,155,561	(8,870,123)	23,340,898
		<u>14,283,855</u>	<u>8,094,061</u>	<u>22,155,561</u>	<u>(8,872,962)</u>	<u>36,660,515</u>

# Notes to Financial Statements

December 31, 2025

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT *(cont'd)*

### **(c) Financial risk management policies and objectives** *(cont'd)*

#### (v) Fair value of financial assets and financial liabilities

Other than the bank loans and lease liabilities, the carrying amounts of financial assets and financial liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The fair value of the bank loans and lease liabilities are disclosed in Notes 17 and 18 to the financial statements.

### **(d) Capital management policies and objectives**

The Group's objectives when managing its capital/funds are:

- (i) To safeguard the Group's ability to continue as a going concern;
- (ii) To support the Group's stability and growth; and
- (iii) To strengthen the Group's risk management capability.

The Group actively and regularly reviews and manages its capital and funds structure to ensure optimal structure taking into consideration the future requirements of the Group and capital/fund efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of accumulated funds and bank loans.

The Group has complied with bank covenants in 2025 and 2024.

## 5 SIGNIFICANT RELATED PARTY TRANSACTIONS

The Federation has transactions and arrangements with its subsidiaries and other related parties and the effect of these on the basis determined between parties are reflected in these financial statements. Related companies in these financial statements refer to the entities of the Group. The balances are unsecured, interest free, repayable on demand and expected to be settled in cash unless otherwise stated.

# Notes to Financial Statements

December 31, 2025

## 5 SIGNIFICANT RELATED PARTY TRANSACTIONS *(cont'd)*

During the year, the Group entered into the following transactions with its related party, Singapore Business Federation Foundation Limited:

	The Federation and the Group	
	2025	2024
	\$	\$
Rendering of services	421,895	34,642
Rental expense	619,403	638,474

### **Compensation of key management personnel**

The remuneration of key management personnel during the year is as follows:

	The Federation and the Group	
	2025	2024
	\$	\$
Salaries and other short-term employee benefits	5,074,908	4,026,769
Defined contribution plans	153,674	153,209
	5,228,582	4,179,978

## 6 CASH AND BANK BALANCES

	The Federation		The Group	
	2025	2024	2025	2024
	\$	\$	\$	\$
Cash at bank	14,506,832	14,743,865	16,091,608	15,141,494
Fixed deposits	11,816,363	11,594,577	14,801,317	15,700,222
	26,323,195	26,338,442	30,892,925	30,841,716
Less: Fixed deposits held for investment	(8,761,079)	(11,594,577)	(11,746,033)	(15,700,222)
Cash and cash equivalents	17,562,116	14,743,865	19,146,892	15,141,494

Fixed deposits have a maturity ranging from 1 to 12 months (2024 : 3 to 12 months) from the end of the reporting period and bears an effective interest rate ranging from 0.28% to 2.05% (2024 : 2.20% to 3.40%) per annum.

Out of the \$14,506,832 (2024 : \$14,743,865) the Federation holds in the bank, \$8,707,390 (2024 : \$7,701,740) pertains to cash received in advance for government funding programmes and is strictly ringfenced for their respective programmes' usage (Note 16).

# Notes to Financial Statements

December 31, 2025

## 7 TRADE RECEIVABLES

	The Federation and the Group	
	2025	2024
	\$	\$
Subscription fee due from members	1,268,838	1,202,012
Loss allowance	(987,650)	(852,598)
	281,188	349,414
Non-subscription fee due from members	469,651	389,737
	750,839	739,151

The amounts due from members which consist of both subscription fee and non-subscription fees, are due immediately upon billing.

Loss allowance for trade receivables has been measured at an amount equal to lifetime expected credit losses (ECL). The trade receivables are segregated into the respective category in accordance with the members' paid up/authorised share capital. The ECL is estimated by reference to past default experience of each member category, adjusted for factors that are specific to the member.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The following table details the risk profile of trade receivables from contracts with customers based on the Group's provision matrix.

	S\$0.5 mil to S\$1 mil	S\$1mil to S\$5mil	S\$5 mil to S\$10 mil	More than S\$10 mil	More than S\$50 mil	Total
	\$	\$	\$	\$	\$	\$
<b>2025</b>						
Expected credit loss rate	83%	80%	80%	77%	55%	
Estimated total gross carrying amount at default	318,519	457,999	158,154	219,192	114,974	
Lifetime ECL	263,963	364,273	126,405	169,271	63,738	987,650
<b>2024</b>						
Expected credit loss rate	75%	71%	71%	64%		
Estimated total gross carrying amount at default	330,808	525,488	109,307	236,409	–	
Lifetime ECL	248,359	374,574	78,122	151,543	–	852,598

# Notes to Financial Statements

December 31, 2025

## 7 TRADE RECEIVABLES *(cont'd)*

The movements in credit loss allowance are as follows:

	The Federation and the Group	
	2025	2024
	\$	\$
Balance at beginning of year	852,598	1,088,124
Change in loss allowance	395,495	172,745
Written off	(260,443)	(408,271)
Balance at end of year	987,650	852,598

## 8 OTHER RECEIVABLES AND DEPOSITS

	The Federation		The Group	
	2025	2024	2025	2024
	\$	\$	\$	\$
Prepayments	507,796	467,943	507,796	467,943
Sundry deposits	97,697	45,466	97,697	45,466
Outside parties	3,465,717	3,366,559	3,482,625	3,397,158
Monies receivable from government agencies	7,905,869	5,789,228	7,905,869	5,789,228
	11,977,079	9,669,196	11,993,987	9,699,795

For purpose of impairment assessment, other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for deferred consideration and other receivables.

# Notes to Financial Statements

December 31, 2025

## 9 PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties	Furniture, fittings and equipment	Office equipment	Information technology assets	Renovation	Capital work-in-progress	Total
	\$	\$	\$	\$	\$	\$	\$
<b>The Federation and the Group</b>							
<b>Cost</b>							
At January 1, 2024	26,855,041	584,425	566,189	514,117	1,358,473	-	29,878,245
Additions	-	-	28,600	216,489	-	-	245,089
Transfer from investment property (Note 11)	1,500,222	-	-	-	-	-	1,500,222
Written-off	-	-	-	(136,739)	-	-	(136,739)
At December 31, 2024	28,355,263	584,425	594,789	593,867	1,358,473	-	31,486,817
Additions	-	-	-	2,248	-	2,925,173	2,927,421
Written-off	-	-	-	(55,341)	-	-	(55,341)
At December 31, 2025	28,355,263	584,425	594,789	540,774	1,358,473	2,925,173	34,358,897
<b>Accumulated depreciation</b>							
At January 1, 2024	2,913,868	465,105	475,413	294,126	929,502	-	5,078,014
Depreciation for the year	557,104	39,478	34,046	125,535	143,202	-	899,365
Transfer from investment property (Note 11)	187,528	-	-	-	-	-	187,528
Written-off	-	-	-	(136,739)	-	-	(136,739)
At December 31, 2024	3,658,500	504,583	509,459	282,922	1,072,704	-	6,028,168
Depreciation for the year	567,105	39,478	33,624	151,313	133,911	-	925,431
Written-off	-	-	-	(54,119)	-	-	(54,119)
At December 31, 2025	4,225,605	544,061	543,083	380,116	1,206,615	-	6,899,480
<b>Carrying amount</b>							
At December 31, 2025	24,129,658	40,364	51,706	160,658	151,858	2,925,173	27,459,417
At December 31, 2024	24,696,763	79,842	85,330	310,944	285,769	-	25,458,649

The Group's leasehold properties was mortgaged as collateral for the bank loans (Note 17).

# Notes to Financial Statements

December 31, 2025

## 10 RIGHT-OF-USE ASSETS

The Federation and the Group leases several assets including office premises, office equipment and information technology assets. The average lease term ranges from 3 to 5 years (2024 : 3 to 5 years).

	Office Premises	Office equipment	Information technology assets	Total
	\$	\$	\$	\$
<b>The Federation and the Group</b>				
<b>Cost</b>				
At January 1, 2024 and December 31, 2024	959,943	175,886	360,524	1,496,353
Additions	385,082	-	78,526	463,608
At December 31, 2025	1,345,025	175,886	439,050	1,959,961
<b>Accumulated depreciation</b>				
At January 1, 2024	746,694	91,771	325,287	1,163,752
Depreciation	133,686	20,191	35,237	189,114
At December 31, 2024	880,380	111,962	360,524	1,352,866
Depreciation	110,074	18,300	23,994	152,368
At December 31, 2025	990,454	130,262	384,518	1,505,234
<b>Carrying amount</b>				
At December 31, 2025	354,571	45,624	54,532	454,727
At December 31, 2024	79,563	63,924	-	143,487

# Notes to Financial Statements

December 31, 2025

## 11 INVESTMENT PROPERTY

	Leasehold property
	\$
<b>The Federation and the Group</b>	
<b>Cost</b>	
At January 1, 2024	19,950,472
Transfer to Property, Plant and Equipment (Note 9)	(1,500,222)
At December 31, 2024 and December 31, 2025	<u>18,450,250</u>
<b>Accumulated depreciation</b>	
At January 1, 2024	3,037,135
Depreciation for the year	377,179
Transfer to Property, Plant and Equipment (Note 9)	(187,528)
At December 31, 2024	<u>3,226,786</u>
Depreciation for the year	367,178
At December 31, 2025	<u>3,593,964</u>
<b>Carrying amount</b>	
At December 31, 2025	<u>14,856,286</u>
At December 31, 2024	<u>15,223,464</u>

Investment property is recorded at cost less depreciation and any fair value increase/decrease is not recognised.

The fair value of the Group's investment property is \$24.1 million based on the cost of \$18,450,250 (2024 : \$21.5 million based on the cost of \$18,450,250) as at December 31, 2025. The fair value was determined under Level 3 within the fair value hierarchy.

The fair value of the Group's investment property as at December 31, 2025 has been determined on the basis of valuations carried out at the end of the reporting period by an independent valuer having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued, and not related to the Group. The fair value was determined based on direct comparison with recent transactions of comparable properties within the vicinity and elsewhere, and adjusted based on the valuer's knowledge of the factors specific to the respective property.

The property rental income from the Group and the Federation's investment properties amounted to \$725,599 (2024 : \$745,246). No direct operating expenses (including repairs and maintenance) were incurred during the year.

The Group's leasehold property was mortgaged as collateral for the bank loans (Note 17).

# Notes to Financial Statements

December 31, 2025

## 12 INTANGIBLE ASSETS

	Software licence
	\$
<b>The Federation and the Group</b>	
<b>Cost</b>	
At January 1, 2024 and December 31, 2024	763,588
Written-off	(338,267)
At December 31, 2025	425,321
<b>Accumulated amortisation</b>	
At January 1, 2024	428,079
Amortisation	193,741
At December 31, 2024	621,820
Amortisation	128,153
Written-off	(338,266)
At December 31, 2025	411,707
<b>Carrying amount</b>	
At December 31, 2025	13,614
At December 31, 2024	141,768

## 13 INVESTMENTS IN SUBSIDIARIES

	The Federation	
	2025	2024
	\$	\$
Unquoted equity shares, at cost	1,980,000	1,980,000

Details of the Group's subsidiaries as at December 31, 2025 are as follows:

Name of subsidiary	Country of incorporation and operation	Proportion of ownership interest and voting power held		Principal activity
		2025	2024	
		%	%	
<b>Held by the Federation</b> SBF Holdings Pte. Ltd. <sup>(1)</sup>	Singapore	100	100	Investment holding and events management
<b>Held by SBF Holdings Pte. Ltd.</b> SBF Connect Pte. Ltd.	Singapore	100	100	Events management

<sup>(1)</sup> The shares are held in trust by three directors of SBF Holdings Pte. Ltd.

# Notes to Financial Statements

December 31, 2025

## 14 DEFERRED TAX ASSETS (LIABILITIES)

	Accelerated tax depreciation	Provision for unutilised leave	Total
	\$	\$	\$
<b>The Federation and The Group</b>			
As at January 1, 2024, December 31, 2024 and December 31, 2025	(97,729)	117,142	19,413

## 15 TRADE PAYABLES

	The Federation and the Group	
	2025	2024
	\$	\$
Outside parties	4,183,652	2,733,435

The average credit period on purchases of goods and services is 30 days (2024 : 30 days).

## 16 OTHER PAYABLES

	The Federation		The Group	
	2025	2024	2025	2024
	\$	\$	\$	\$
Outside parties	2,861,940	1,934,055	2,873,594	1,948,726
Accruals	11,078,679	7,491,636	11,078,679	7,491,636
Grants received in advance	8,707,390	7,701,740	8,707,390	7,701,740
Funds received on behalf	2,094,328	-	2,094,328	-
	24,742,337	17,127,431	24,753,991	17,142,102

Funds are received on behalf of Workforce Singapore, to be disbursed to participating companies for various government funding programmes.

# Notes to Financial Statements

December 31, 2025

## 17 BANK LOANS

	The Federation and the Group	
	2025	2024
	\$	\$
Loan I	16,408,767	17,281,265
Loan II	-	6,059,633
	<u>16,408,767</u>	<u>23,340,898</u>
Current	909,611	1,055,514
Non-current	15,499,156	22,285,384
	<u>16,408,767</u>	<u>23,340,898</u>

The bank loan facility I (for Level 8 office) was revised on January 28, 2024 and bears interest at 4.18% fixed per annum for the first two years. From the third year onwards from date of revision, the loan bears interest at 2% plus SORA rate per annum. The bank loan facility I is repayable over monthly principal instalments ending on August 31, 2039. The Federation will review and negotiate for a revised mortgage loan rate before the expiry of the fixed rate.

The bank loan facility II (for Level 7 office) was revised on January 18, 2024 and bears interest at 4.18% fixed per annum for the first two years. From the third year onwards from date of revision, the loan bears interest at 2% plus SORA rate per annum. The bank loan facility II has been fully repaid as at December 31, 2025.

Management estimates the fair value of the above loans approximates its carrying amount.

The bank loans are secured by mortgages over the Federation and the Group's leasehold properties as disclosed in Notes 9 and 11.

### Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Federation and the Group's statement of cash flows as cash flows from financing activities.

	January 1, 2025	Financing cash flows	New lease liabilities	Interest expense	December 31, 2025
	\$	\$	\$	\$	\$
Bank loans	23,340,897	(7,887,609)	-	955,480	16,408,767
Lease liabilities	145,820	(158,808)	463,608	8,081	458,701
	<u>23,486,717</u>	<u>(8,046,417)</u>	<u>463,608</u>	<u>963,561</u>	<u>16,867,468</u>

# Notes to Financial Statements

December 31, 2025

## 17 BANK LOANS *(cont'd)*

	January 1, 2024	Financing cash flows	New lease liabilities	Interest expense	December 31, 2024
	\$	\$	\$	\$	\$
Bank loans	24,370,310	(2,011,657)	–	982,245	23,340,897
Lease liabilities	335,872	(194,133)	–	4,081	145,820
	<u>24,706,182</u>	<u>(2,205,790)</u>	<u>–</u>	<u>986,326</u>	<u>23,486,717</u>

## 18 LEASE LIABILITIES

	The Federation and the Group	
	2025	2024
	\$	\$
Maturity analysis:		
Year 1	183,862	98,966
Year 2	183,932	19,236
Year 3	116,146	19,236
Year 4	–	11,221
	483,940	148,659
Less: Unearned interest	(25,239)	(2,839)
	<u>458,701</u>	<u>145,820</u>
Analysed as:		
Current	168,847	97,486
Non-current	289,854	48,334
	<u>458,701</u>	<u>145,820</u>

## 19 PROVISION FOR REINSTATEMENT COSTS

A provision for reinstatement costs is recognised when the Federation and the Group have a legal and constructive obligation to rectify wear and tear to leased premises under property lease agreements with external parties. The provision is based on the supplier's quotation obtained. These amounts have not been discounted for the purpose of measuring the provision for reinstatement costs, because the effect is not material.

# Notes to Financial Statements

December 31, 2025

## 20 INCOME

	The Federation and the Group	
	2025	2024
	\$	\$
Members' subscription fees	21,016,679	16,701,055
Events and seminars	2,779,368	3,684,408
Business missions	1,722,778	1,138,164
Sponsorship	4,385,427	2,582,530
Service income	100,746	3,754
Publications and advertising	23,752	3,705
Other-trade income	719,830	2,141,553
	<u>30,748,580</u>	<u>26,255,169</u>

A disaggregation of the Group's revenue for the year is as follows:

	The Federation and the Group	
	2025	2024
	\$	\$
<b>Over time</b>		
Events and seminars	2,779,368	3,684,408
Business missions	1,722,778	1,138,164
	4,502,146	4,822,572
<b>At a point in time</b>		
Members' subscription fees	21,016,679	16,701,055
Sponsorship	4,385,427	2,582,530
Service income	100,745	3,754
Publications and advertising	23,752	3,705
Other- trade income	719,830	2,141,553
	<u>26,246,434</u>	<u>21,432,597</u>
	<u>30,748,580</u>	<u>26,255,169</u>

# Notes to Financial Statements

December 31, 2025

## 21 DIRECT COSTS

	The Federation and the Group	
	2025	2024
	\$	\$
Cost of fee collection	519,408	563,236
Events and seminars	2,789,767	2,919,817
Business missions	2,982,787	2,221,372
Other direct costs	9,653,905	6,421,868
	15,945,867	12,126,293
Less: Government grants received (Note 22)	(9,161,120)	(6,921,036)
	6,784,747	5,205,257

## 22 GOVERNMENT GRANTS

During the financial year, the total government grants received are as follows:

	The Federation and the Group	
	2025	2024
	\$	\$
Administrative grants and award funding (Note 20)	494,421	1,867,022
Grants received for direct costs (Note 21)	9,161,120	6,921,036
Grants received for manpower costs (Note 25)	9,938,354	7,745,410
	19,593,895	16,533,468

## 23 OTHER INCOME

	The Federation		The Group	
	2025	2024	2025	2024
	\$	\$	\$	\$
Rental income	725,599	745,246	725,599	745,246
Interest income	342,884	528,951	423,461	640,488
Sundry income	223,681	166,334	223,681	166,334
	1,292,164	1,440,531	1,372,741	1,552,068

# Notes to Financial Statements

December 31, 2025

## 24 FINANCE COSTS

	The Federation and the Group	
	2025	2024
	\$	\$
Interest expense on bank loans	955,480	982,245
Interest expense on lease liabilities	8,081	4,081
	<u>963,561</u>	<u>986,326</u>

## 25 SURPLUS (DEFICIT) BEFORE TAX

In addition to the charges and credits disclosed elsewhere in the Notes to the financial statements, surplus before tax has been arrived at after charging (crediting):

	The Federation and the Group	
	2025	2024
	\$	\$
Manpower costs:		
Salaries, bonuses and other costs	25,744,141	22,087,260
Defined contribution plans	1,859,238	1,685,098
	<u>27,603,379</u>	<u>23,772,358</u>
Less: Government grants received (Note 22)	(9,938,354)	(7,745,410)
	<u>17,665,025</u>	<u>16,026,948</u>

# Notes to Financial Statements

December 31, 2025

## 26 INCOME TAX EXPENSE

	The Federation		The Group	
	2025	2024	2025	2024
	\$	\$	\$	\$
Current tax:				
Current year	543,855	46,904	542,999	50,663
(Over) Under provision in prior years	(13,105)	6,388	(13,105)	6,388
	530,750	53,292	529,894	57,051

The income tax expense for the year can be reconciled to the accounting surplus as follows:

	The Federation		The Group	
	2025	2024	2025	2024
	\$	\$	\$	\$
Surplus (Deficit) before tax	1,675,127	(520,872)	1,734,476	(425,539)
Tax at statutory rate of 17% (2024 : 17%)	284,771	(88,548)	294,861	(72,342)
Tax effect on non-taxable income	(36,346)	(57,194)	(36,346)	(57,194)
Tax effect of non-deductible expenses	312,430	210,071	301,484	197,624
Singapore statutory stepped income exemption	(17,000)	(17,425)	(17,000)	(17,425)
(Over) Under provision of current tax in prior years	(13,105)	6,388	(13,105)	6,388
	530,750	53,292	529,894	57,051

The Group has tax loss carry forwards available for offsetting against future taxable income as follows:

	2025	2024
	\$	\$
At beginning of year	589,418	692,894
Utilised during the year	(6,063)	(103,476)
At end of year	583,355	589,418
Deferred tax benefit on above not recognised	99,170	100,201

No deferred tax benefit on the tax loss carry forwards was recognised in the financial statements due to the unpredictability of profit streams from the dormant subsidiary. The realisation of future income tax benefits from tax loss carry forwards is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

# Notes to Financial Statements

December 31, 2025

## 27 COMMITMENTS

### Where the Group is the lessor

Operating leases, in which the Federation and the Group is the lessor, relate to investment property owned by the Federation and the Group with lease terms of between 2 to 3 years, with two years extension option. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

Maturity analysis of operating lease payments:

	The Federation and the Group	
	2025	2024
	\$	\$
Year 1	695,967	799,146
Year 2	168,886	279,193
Year 3	-	229,425
Total	864,853	1,307,764



**Mobilising Business, Magnifying Opportunities**

