AUPE CREDIT CO-OPERATIVE LIMITED

Unique Entity No. S65CS0156H

AND ITS SUBSIDIARY

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

IDEAL ALLIANCE PAC
CHARTERED ACCOUNTANTS OF SINGAPORE

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AUPE CREDIT CO-OPERATIVE LIMITED
AND ITS SUBSIDIARY

DIRECTORS' STATEMENT

In the opinion of the directors,

(a) 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 equity of the Co-operative are drawn up so as to give a true and fair view of the financial position of the Group and of the Co-operative as at 31 March 2026 and the financial performance, changes in equity of the Group and of the Co-operative and cash flows of the Group for the year ended on that date; and

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

(c) the receipts, expenditure, investment of monies and the acquisitions and disposals of assets by the Group and the Co-operative during the financial year have been in accordance with the Co-operative Societies Act, Chapter 62 and the By-laws of the Co-operative.

On behalf of the Board of Directors,



Jefry Bin Mohamad
Chairman



Pek Teck Siong
Treasurer

Singapore
23 August 2026

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AUPE CREDIT CO-OPERATIVE LIMITED
AND ITS SUBSIDIARY**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of AUPE Credit Co-operative Limited (the "Co-operative") and its subsidiary (the "Group"), which comprise the statements of financial position of the Group and of the Co-operative as at 31 March 2026, the statements of profit or loss and other comprehensive income, the statements of changes in equity of the Group and of the Co-operative and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, statement of profit or loss and other comprehensive income and statement of changes in equity of the Co-operative are properly drawn up in accordance with the provisions of the Co-operative Societies Act, Chapter 62 (the "Act") and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Group and the Co-operative as at 31 March 2026 and of the financial performance, changes in equity and cash flows of the Group and of the financial performance and changes in equity of the Co-operative for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the directors' statement but does not include the financial statements and our auditor's report thereon.

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Other information (cont'd)

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

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

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and 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 directors' 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:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.

- 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated 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 directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion:

(a) the accounting and other records required by the Act to be kept by the Co-operative have been properly kept in accordance with the provisions of the Act; and

(b) the receipts, expenditure, investment of monies and the acquisition and disposals of assets by the Co-operative during the financial year have been in accordance with the By-laws of the Co-operative and provisions of the Act and the Rules.

The engagement partner on the audit resulting in this independent auditor's report is Lai Hai Leong.

Ideal Alliance PAC
Public Accountants and
Chartered Accountants

Singapore
23 August 2026

AUPE CREDIT CO-OPERATIVE LIMITED
AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2026

	Note	Group 2026 S$	Group 2025 S$	Co-operative 2026 S$	Co-operative 2025 S$
ASSETS					
Non-current assets					
Property, plant and equipment	3	13,706,591	13,777,058	146,484	142,490
Investment in a subsidiary	4	-	-	3,500,000	3,500,000
Investment properties	5	949,200	1,018,500	-	-
Investment securities	6	125,341,192	113,059,308	125,311,192	113,029,308
Non-performing loan to members	8	1,641,063	1,090,169	-	-
Loan to members	9	15,118,970	14,927,743	15,452,426	15,242,289
Loan to a subsidiary	10	-	-	7,726,632	8,087,900
		156,757,016	143,872,778	152,136,734	140,001,987
Current assets					
Other receivables	7	3,429,952	1,346,017	5,793,531	2,658,050
Non-performing loan to members	8	129,922	113,254	-	-
Loan to members	9	11,525,356	11,165,063	11,525,356	11,165,063
Loan to a subsidiary	10	-	-	361,269	350,605
Cash and bank balances	11	26,828,321	33,438,704	26,148,068	31,740,698
		41,913,551	46,063,038	43,828,224	45,914,416
TOTAL ASSETS		**198,670,567**	**189,935,816**	**195,964,958**	**185,916,403**
EQUITY AND LIABILITIES					
Equity					
Share capital	12	547,425	545,655	547,425	545,655
Fair value reserve	13	1,686,704	1,236,363	1,686,704	1,236,363
General reserve fund	14	19,858,539	19,758,539	17,829,073	17,729,073
Other funds	15	1,821,135	1,768,632	1,486,135	1,433,632
Retained earnings		7,545,867	6,657,610	7,733,518	6,132,084
		31,459,670	29,966,799	29,282,855	27,076,807
Non-controlling interest		17,187	19,594	-	-
		31,476,857	29,986,393	29,282,855	27,076,807
Current liabilities					
Other payables	16	2,713,260	3,404,879	2,001,653	2,295,052
Members' subscriptions and deposits	17	164,480,450	156,544,544	164,680,450	156,544,544
		167,193,710	159,949,423	166,682,103	158,839,596
TOTAL EQUITY AND LIABILITIES		**198,670,567**	**189,935,816**	**195,964,958**	**185,916,403**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

AUPE CREDIT CO-OPERATIVE LIMITED
AND ITS SUBSIDIARY

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

		Group		Co-operative	
		2026	2025	2026	2025
	Note	S$	S$	S$	S$
Revenue	18	8,499,714	7,316,715	7,321,090	6,103,085
Other income	19	508,485	198,507	155,696	54,058
Expenses					
- Direct costs		(218,420)	(243,871)	-	-
- Administrative and management fee		-	-	(612,000)	(612,000)
- Bad debts and allowance for impairment loss		(436,860)	(264,066)	-	-
- Depreciation of investment properties	5	(19,568)	(19,568)	-	-
- Depreciation of plant and equipment	3	(598,626)	(368,124)	(110,255)	(112,925)
- Impairment loss on investment properties	5	(49,732)	(312,232)	-	-
- Staff costs	20	(2,188,874)	(1,861,992)	(787,429)	(711,049)
- Finance costs	21	(2,350,919)	(1,796,009)	(2,353,366)	(1,796,009)
- Other operating expenses		(1,239,840)	(1,017,583)	(992,792)	(796,508)
		(7,102,839)	(5,883,445)	(4,855,842)	(4,028,491)
Surplus for the financial year		1,905,360	1,631,777	2,620,944	2,128,652
Appropriations contributions to:					
- Central Co-operative Fund		(25,000)	-	(25,000)	-
- Singapore Labour Foundation		(318,142)	(325,731)	(318,142)	(325,731)
- Directors' honorarium		(40,051)	(38,524)	(40,051)	(33,357)
		(383,193)	(364,255)	(383,193)	(359,088)
Surplus after appropriation		1,522,167	1,267,522	2,237,751	1,769,564
Surplus attributable to:					
The Co-operative		1,524,574	1,269,198	2,237,751	1,769,564
Non-controlling interest		(2,407)	(1,676)	-	-
		1,522,167	1,267,522	2,237,751	1,769,564

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

AUPE CREDIT CO-OPERATIVE LIMITED
AND ITS SUBSIDIARY

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	Note	Group 2026 S$	Group 2025 S$	Co-operative 2026 S$	Co-operative 2025 S$
Surplus after appropriation		1,522,167	1,267,522	2,237,751	1,769,564
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Funds disbursed					
- Common Good Fund	15(a)	(83,665)	(108,109)	(83,665)	(108,109)
- Community Service Fund	15(b)	(63,832)	-	(63,832)	-
		(147,497)	(108,109)	(147,497)	(108,109)
Debt instruments classified at fair value through other comprehensive income					
- Fair value gain	13	341,780	1,322,946	341,780	1,322,946
- Disposals	13	(435,858)	(81,389)	(435,858)	(81,389)
		(94,078)	1,241,557	(94,078)	1,241,557
Items that will not be reclassified subsequently to profit or loss					
Equity instruments classified at fair value through other comprehensive income					
- Fair value gain	13	1,570,097	3,244,513	1,570,097	3,244,513
Total other comprehensive income		1,328,522	4,377,961	1,328,522	4,377,961
Total comprehensive income		2,850,689	5,645,483	3,566,273	6,147,525
Total comprehensive income attributable to:					
The Co-operative		2,853,096	5,647,159	3,566,273	6,147,525
Non-controlling interest		(2,407)	(1,676)	-	-
		2,850,689	5,645,483	3,566,273	6,147,525

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

AUPE CREDIT CO-OPERATIVE LIMITED
AND ITS SUBSIDIARY

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

		← Attributable to members of the Co-operative →							
	Note	Share capital S$	Fair value reserve S$	General reserve fund S$	Other funds S$	Retained earnings S$	Total S$	Non-controlling interest S$	Total S$
Group									
At 1 April 2025		545,655	1,236,363	19,758,539	1,768,632	6,657,610	29,966,799	19,594	29,986,393
Shares issued	12	30,350	-	-	-	-	30,350	-	30,350
Shares redeemed	12	(28,580)	-	-	-	-	(28,580)	-	(28,580)
Fund appropriations	14 & 15	-	-	100,000	200,000	(300,000)	-	-	-
Dividends paid	22	-	-	-	-	(1,361,995)	(1,361,995)	-	(1,343,142)
Transfer upon disposal of equity investment at FVOCI		-	(1,025,678)	-	-	1,025,678	-	-	-
Total comprehensive income		-	1,476,019	-	(147,497)	1,524,574	2,853,096	(2,407)	2,850,689
At 31 March 2026		547,425	1,686,704	19,858,539	1,821,135	7,545,867	31,459,670	17,187	31,476,857

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

AUPE CREDIT CO-OPERATIVE LIMITED
AND ITS SUBSIDIARY

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

		← Attributable to members of the Co-operative →							
	Note	Share capital S$	Fair value reserve S$	General reserve fund S$	Other funds S$	Retained earnings S$	Total S$	Non-controlling interest S$	Total S$
Group									
At 1 April 2024		535,330	(5,623,259)	19,728,539	1,816,741	9,195,106	25,652,457	21,520	25,673,977
Shares issued	12	34,605	-	-	-	-	34,605	-	34,605
Shares redeemed	12	(24,280)	-	-	-	-	(24,280)	-	(24,280)
Fund appropriations	14 & 15	-	-	30,000	60,000	(90,000)	-	-	-
Dividends paid	22	-	-	-	-	(1,343,142)	(1,343,142)	-	(1,343,142)
Dividends paid to non-controlling interest		-	-	-	-	-	-	(250)	(250)
Transfer upon disposal of equity investment at FVOCI		-	2,373,552	-	-	(2,373,552)	-	-	-
Total comprehensive income		-	4,486,070	-	(108,109)	1,269,198	5,647,159	(1,676)	5,645,483
At 31 March 2025		545,655	1,236,363	19,758,539	1,768,632	6,657,610	29,966,799	19,594	29,986,393

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

AUPE CREDIT CO-OPERATIVE LIMITED
AND ITS SUBSIDIARY

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	Note	Share capital S$	Fair value reserve S$	General reserve fund S$	Other funds S$	Retained earnings S$	Total S$
Co-operative							
At 1 April 2025		545,655	1,236,363	17,729,073	1,433,632	6,132,084	27,076,807
Shares issued	12	30,350	-	-	-	-	30,350
Shares redeemed	12	(28,580)	-	-	-	-	(28,580)
Fund appropriations	14 & 15	-	-	100,000	200,000	(300,000)	-
Dividends paid	22	-	-	-	-	(1,361,995)	(1,361,995)
Transfer upon disposal of equity investment at FVOCI		-	(1,025,678)	-	-	1,025,678	-
Total comprehensive income		-	1,476,019	-	(147,497)	2,237,751	3,566,273
At 31 March 2026		547,425	1,686,704	17,829,073	1,486,135	7,733,518	29,282,855

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

AUPE CREDIT CO-OPERATIVE LIMITED
AND ITS SUBSIDIARY

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	Note	Share capital S$	Fair value reserve S$	General reserve fund S$	Other funds S$	Retained earnings S$	Total S$
Co-operative							
At 1 April 2024		535,330	(5,623,259)	17,699,073	1,481,741	8,169,214	22,262,099
Shares issued	12	34,605	-	-	-	-	34,605
Shares redeemed	12	(24,280)	-	-	-	-	(24,280)
Fund appropriations	14 & 15	-	-	30,000	60,000	(90,000)	-
Dividends paid	22	-	-	-	-	(1,343,142)	(1,343,142)
Transfer upon disposal of equity investment at FVOCI		-	2,373,552	-		(2,373,552)	-
Total comprehensive income		-	4,486,070	-	(108,109)	1,769,564	6,147,525
At 31 March 2025		545,655	1,236,363	17,729,073	1,433,632	6,132,084	27,076,807

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

AUPE CREDIT CO-OPERATIVE LIMITED
AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	Group	
	2026	2025
	S$	S$
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus after appropriations	1,522,167	1,267,522
Adjustments for:		
Allowance for doubtful debts written back	(120,313)	(64,090)
Bad debts and allowance for impairment loss	436,860	264,066
Bad debts recovery	(5,058)	(8,920)
Depreciation of investment properties	19,568	19,568
Depreciation of plant and equipment	598,626	368,124
Dividend and bonus share income	(887,072)	(1,421,293)
Impairment loss on investment properties	49,732	312,232
Interest income	(4,693,569)	(4,396,392)
Interest expense	2,350,919	1,796,009
Fair value gain on equity securities, at FVPL	(1,158,215)	-
Gain on disposal of debt securities, at FVOCI	(435,858)	(81,389)
Operating cash flows before working capital changes	(2,322,213)	(1,944,563)
Changes in working capital:		
Loan to members, non-performing loan to members and other receivables	(3,774,324)	(4,435,695)
Other payables	162,880	(571,954)
Net cash used in operation	(5,933,657)	(6,952,212)
Interest received	4,779,682	4,357,298
Net cash used in operating activities	(1,153,975)	(2,594,914)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(991,219)	(1,636,362)
Acquisition of financial assets, at FVOCI	(32,630,621)	(29,166,080)
Proceeds from disposal of financial assets, at FVOCI	52,351,595	14,395,345
Acquisition of financial assets, at FVPL	(258,767,843)	-
Proceeds from disposal of financial assets, at FVPL	229,835,077	-
Withdrawal of fixed deposits	7,633,516	4,297,060
Dividend received	877,365	1,421,293
Net cash used in investing activities	(1,692,130)	(10,688,744)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(1,361,995)	(1,343,142)
Dividends paid to non-controlling interest	-	(250)
Interest paid	(2,558,946)	(1,043,870)
Payments for shares redeemed	(28,580)	(24,280)
Proceeds from issue of shares	30,350	34,605
Receipt from members' subscription and deposits - net	7,935,906	16,191,430
Utilisation of other funds - net	(147,497)	(108,109)
Net cash generated from financing activities	3,869,238	13,706,384
Net increase in cash and cash equivalents	1,023,133	422,726
Cash and cash equivalents at beginning of financial year	22,677,192	22,254,466
Cash and cash equivalents at end of financial year (Note 11)	23,700,325	22,677,192

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Notes to the Financial Statements
For the financial year ended 31 March 2026

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

1. General information

The Co-operative was registered and domiciled in the Republic of Singapore with the registered office and principal place of business at Wisma AUPE, 295 Upper Paya Lebar Road, Singapore 534929.

The principal activities of the Co-operative are to promote, in accordance with the Co-operative principles, the economic interest of and to encourage co-operation, self-help, to encourage thrift and mutual assistance among its members. There have been no significant changes in the nature of these activities during the financial year. The principal activities of the subsidiary are set out in Note 4.

The audited financial statements for the financial year ended 31 March 2026 are authorised to be issued on 23 August 2026.

2. Material accounting policy information

a) Basis of preparation

The financial statements of the Group have been drawn up in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

b) Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 April 2025.

c) Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Descriptions	Effective for annual periods beginning on or after
FRS 118 *Presentation and Disclosure in Financial Statements*	1 January 2027
FRS 119 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027

2. Material accounting policy information (cont'd)

c) Standards issued but not yet effective (cont'd)

Descriptions	Effective for annual periods beginning on or after
Amendments to FRS 110 *Consolidated Financial Statements* and FRS 28 *Investments in Associates and Joint Ventures*: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

d) Functional currency

Items included in the financial statements are measured using the currency best reflects the economic substance of the underlying events and circumstances relevant to the Group (the "functional currency"). The financial statements are presented in Singapore dollar, which is the functional currency of the Group.

e) Property, plant and equipment

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

Cost includes expenditure that is directly attributable to the acquisition of the asset and costs of bringing the asset to working condition for its intended use. Dismantlement, removal or restoration costs are included as part of the cost of asset if the obligation for dismantlement, removal or restoration costs is incurred as a consequence of acquiring or using the asset. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to profit or loss. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation of property, plant and equipment is calculated on the straight-line basis to write off the cost less residual value of the assets over their estimated useful lives as follows:

	Useful lives
Office equipment and furniture & fittings	3 to 10 years
Motor vehicles	10 years
Renovation	5 years
Freehold building	50 years

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

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each financial year-end.

2. Material accounting policy information (cont'd)

e) Property, plant and equipment (cont'd)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

f) Basis of consolidation

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The consolidated financial statements comprise the financial statements of the Co-operative and its subsidiary as at the end of the reporting period. The financial statements of the subsidiary used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Co-operative. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

A subsidiary is consolidated from the date of acquisition, being the date on which the Group obtains control, and continues to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it :

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

g) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

2. Material accounting policy information (cont'd)

g) Business combinations and goodwill (cont'd)

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

h) Investment in subsidiary

Investment in subsidiary is carried at cost less accumulated impairment losses in the statement of financial position of the Co-operative.

On disposal of investment in subsidiary, the difference between the net disposal proceeds and the carrying amount of the investment is recognised in the profit or loss.

i) Investment properties

Investment properties include those portions of office and commercial buildings that are held for long-term rental yields and/or for capital appreciation and land under operating leases that is held for long-term capital appreciation or for a currently indeterminate use. Investment properties include properties that are being constructed or developed for future use as investment properties.

2. Material accounting policy information (cont'd)

i) Investment properties (cont'd)

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation. Depreciation is calculated using the straight line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives for investment properties are 50 to 94 years.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as addition and the carrying amounts of the replaced components are written off to profit or loss. The costs of maintenance, repairs and minor improvement are charged to profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

j) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

k) Financial instruments

(i) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

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

2. Material accounting policy information (cont'd)

k) Financial instruments (cont'd)

(i) Financial assets (cont'd)

Subsequent measurement

Investments in debt instruments

Debt instruments mainly comprise of other receivables, non-performing loan to members, loan to members, cash and bank balances and quoted debt securities. Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive Income (FVOCI) and FVPL. The Group only has debt instruments at amortised cost and FVOCI.

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

FVOCI
Financial assets that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income ("OCI") and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "revenue". Interest income from these financial assets is recognised using the effective interest rate method and presented in "revenue".

Investments in equity instruments

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

2. Material accounting policy information (cont'd)

k) Financial instruments (cont'd)

(i) Financial assets (cont'd)

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset measured at amortised cost, the difference between the net sale proceeds and its carrying amount is recognised in profit or loss. On disposal of an equity investment, the difference between the carrying amount and sales proceeds is recognised in the profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceeds amount would be recognised in other comprehensive income and transferred to retained earnings along with the amount previously recognised in profit or loss income relating to that asset.

(ii) Financial liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

Subsequent measurement

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

Derecognition

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

2. Material accounting policy information (cont'd)

l) Impairment of financial assets

Financial assets carried at amortised cost

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

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

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

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

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

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

The Group considers loans, advances and receivables to be in default if they are classified as non-performing loans.

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

- the borrower is unlikely to pay its credit obligations to the Group in full; or
- the financial asset is more than 540 days past due.

<u>Measurement of ECLs</u>
The 3 main components used to measure ECLs are:

- Probability of default ("PD");
- Loss given default ("LGD"); and
- Exposure at default ("EAD").

The components are generally derived from internally developed statistical models using historical data, adjusted for forward-looking information.

2. Material accounting policy information (cont'd)

l) Impairment of financial assets (cont'd)

Probability of default

The 12-month and lifetime PD represent the expected point-in-time probability of a default over the next 12 months and remaining lifetime of the financial instruments, respectively, based on conditions existing at the reporting date and future economic conditions that affect credit risk.

The PD is derived using historical default rates adjusted for forward-looking information and reflecting current portfolio composition and market data.

Loss given default

LGD is the percentage of exposure the Group might lose in the event the borrower defaults. The Group adopts historical write-off approaches for LGD.

Exposure at default

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation. For lending commitments, the EADs are potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts.

To compute the final ECLs, the Group applies forward-looking adjustments and management overlay, taking into account past events, current conditions and future macroeconomic conditions. Forward-looking scenario that takes into account stressed economic condition is incorporated.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost is credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulty of the borrower;
- a breach of contract, such as a default or past due event
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

2. Material accounting policy information (cont'd)

m) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank deposits and highly liquid investments which are readily convertible to cash and which are subject to an insignificant risk of changes in value. Restricted deposits are excluded from cash and cash equivalents.

n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) where, as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of time value of money is material, the amount of the provision is the present value of the expenditure expected to be required to settle the obligation.

o) Share capital

Ordinary shares issued by the Co-operative are classified as equity and recorded at the proceeds received, net of direct issuance costs.

p) Dividends

Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved.

q) Revenue recognition

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

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

- Revenue from rendering of services is recognised over time following the timing of satisfaction of the performance obligation.
- Entrance fee is recognised at a point in time when member subscribes to the membership.
- Commission income is recognised at a point in time when services are rendered.
- Interest income is recognised using the effective interest method.
- Dividend and bonus share income is recognised in profit or loss when the Group's right to receive payments is established.

2. Material accounting policy information (cont'd)

r) Government grant

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

s) Borrowing costs

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

t) Employee benefits

Defined contribution plans
As required by law, the Group makes contributions to the state pension scheme, the Central Provident Fund (CPF) Scheme which is a defined contribution pension scheme. Contributions to CPF are recognised as expense in the period in which the related service is performed.

Employee leave entitlement
Employee entitlements to annual leave are recognised when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the reporting date.

u) Income tax

The Group is exempt from income tax under section 13(1)(f)(ii) of the Income Tax Act. Accordingly, no provision for income taxes is included in the Group's financial statements.

v) Leases

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

(i) As lessee

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

2. Material accounting policy information (cont'd)

v) Leases (cont'd)

(i) As lessee (cont'd)

Right-of-use assets

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

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2(l).

Lease liabilities

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

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

Short-term leases and leases of low value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office premises (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

2. Material accounting policy information (cont'd)

v) Leases (cont'd)

(ii) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases on the Group's investment properties is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

w) Related parties

A related party is defined as follows:

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

(i) has control or joint control over the Group;
(ii) has significant influence over the Group; or
(iii) is a member of the key management personnel of the Group or of a parent of the Group.

(b) An entity is related to the Group if any of the following conditions apply:

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

2. Material accounting policy information (cont'd)

x) Significant accounting estimates and judgements

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

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

Key sources of estimation uncertainty

(i) Provision for expected credit losses ("ECLs") of non-performing loan to members and loan to members

The Group has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Group determines the ECL by using a loss rate approach, estimated based on historical credit loss experience based on the past due status of the loans, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of members' actual default in the future.

The information about the ECL on the Group's non-performing loan to members and loan to members and the carrying amount of non-performing loan to members and loan to members is disclosed in Notes 26, 8 and 9.

(ii) Fair value of unquoted equity security

With the adoption of FRS 109, the Group carries its equity security not quoted in an active market at fair value, with changes in fair values being recognised in other comprehensive income. The fair value of unquoted equity security held by the Group is assessed using an adjusted net asset value methodology. The valuation requires management to make significant judgements in determining the appropriate adjustments to the investee's underlying net assets and liabilities, where applicable. The estimated fair value is sensitive to these judgements and assumptions, and changes in the assumptions may result in material changes to the carrying amount of the investment. Those estimated values do not necessarily represent the amounts that may be ultimately realised due to the occurrence of future events which could not be reasonably determined as at the balance sheet date.

Further information on the valuation technique and significant unobservable inputs is disclosed in Note 25.

3. **Property, plant and equipment**

Group	Office equipment, furniture & fittings S$	Motor vehicles S$	Renovation S$	Freehold building S$	Construction in progress S$	Total S$
Cost						
As at 1 April 2024	942,693	222,000	2,465,248	11,735,932	-	15,365,873
Additions	62,040	-	-	-	2,326,854	2,388,894
Disposals	(49,690)	-	-	-	-	(49,690)
As at 31 March 2025	955,043	222,000	2,465,248	11,735,932	2,326,854	17,705,077
Additions	19,101	114,249	-	-	394,809	528,159
Reclassification	-	-	2,721,663	-	(2,721,663)	-
Disposals	(78,249)	-	-	-	-	(78,249)
As at 31 March 2026	895,895	336,249	5,186,911	11,735,932	-	18,154,987
Accumulated depreciation						
As at 1 April 2024	742,418	167,200	2,465,248	234,719	-	3,609,585
Charges for the year	111,205	22,200	-	234,719	-	368,124
Disposals	(49,690)	-	-	-	-	(49,690)
As at 31 March 2025	803,933	189,400	2,465,248	469,438	-	3,928,019
Charges for the year	117,527	19,575	226,805	234,719	-	598,626
Disposals	(78,249)	-	-	-	-	(78,249)
As at 31 March 2026	843,211	208,975	2,692,053	704,157	-	4,448,396
Net book value						
As at 31 March 2025	151,110	32,600	-	11,266,494	2,326,854	13,777,058
As at 31 March 2026	52,684	127,274	2,494,858	11,031,775	-	13,706,591

3. Property, plant and equipment (cont'd)

Co-operative	Office equipment, furniture & fittings S$	Motor vehicles S$	Renovation S$	Total S$
Cost				
As at 1 April 2024	662,949	222,000	2,470,128	3,355,077
Additions	29,040	-	-	29,040
Disposals	(49,690)	-	-	(49,690)
As at 31 March 2025	642,299	222,000	2,470,128	3,334,427
Additions	-	114,249	-	114,249
As at 31 March 2026	642,299	336,249	2,470,128	3,448,676
Accumulated depreciation				
As at 1 April 2024	491,374	167,200	2,470,128	3,128,702
Charges for the year	90,725	22,200	-	112,925
Disposals	(49,690)	-	-	(49,690)
As at 31 March 2025	532,409	189,400	-	3,191,937
Charges for the year	90,680	19,575		110,255
As at 31 March 2026	623,089	208,975	2,470,128	3,302,192
Net book value				
As at 31 March 2025	109,890	32,600	-	142,490
As at 31 March 2026	19,210	127,274	-	146,484

The cash outflow on acquisition of property, plant and equipment amounted to S$991,219 (2025: S$1,636,362).

	Group	
	2026 S$	2025 S$
Acquisition of property, plant and equipment	528,159	2,388,894
Less:		
Advance to supplier	-	(183,412)
Retention payable	(60,295)	(229,177)
Sundry payable	523,355	(339,943)
Cash outflow on acquisition of property, plant and equipment	991,219	1,636,362

The freehold building located at 750 Upper Serangoon Road, Singapore 534622 with carrying amount of S$11,031,775 (2025: S$11,266,494) is mortgaged to secure loan to a subsidiary (Note 10).

4. Investment in a subsidiary

	Co-operative	
	2026 S$	2025 S$
Unquoted equity shares, at cost	3,500,000	3,500,000

4. Investment in a subsidiary (cont'd)

Details of the subsidiary are as follows:

Name of Subsidiary	Principal Activities	Country of Incorporation/ Operation	Equity Holding 2026 %	Equity Holding 2025 %
AUPE General Services Co-operative Ltd	To promote and popularise the practice of co-operative ventures such as house renovation, food and beverage services, printing, property and machinery leases, and such other services, in accordance with the co-operative principles, the economic interest of and to encourage thrift, co-operation, self-help and mutual assistance among its members	Singapore	99.7	99.7

5. Investment properties

Group	Leasehold property 2026 S$	Leasehold property 2025 S$
Cost		
As at 1 April and 31 March	1,839,401	1,839,401
Accumulated depreciation		
As at 1 April	136,976	117,408
Charges for the year	19,568	19,568
As at 31 March	156,544	136,976
Accumulated impairment loss		
As at 1 April	683,925	371,693
Impairment loss for the year	49,732	312,232
As at 31 March	733,657	683,925
Net book value		
As at 31 March	949,200	1,018,500

The investment property of the Group located at 371 Beach Road, #01-48 City Gate, Singapore 199597.

During the current financial year, the Group recognised an impairment loss of S$49,732 (2025: S$312,232) on the commercial property as the fair value less cost to sell to be lower than its carrying amount. The fair value is classified as level 3 under the fair value hierarchy (Note 25).

The Group applies the cost model for its investment properties. In the opinion of the management, the fair value of the investment properties approximates its carrying amount as at year end.

5. Investment properties (cont'd)

The following amounts are recognised in profit or loss:

	Group	
	2026 S$	2025 S$
Rental income	54,000	39,000
Direct operating expenses		
- Property expenses	(8,399)	(14,906)
- Property tax	(4,980)	(28,825)

6. Investment securities

	Group		Co-operative	
	2026 S$	2025 S$	2026 S$	2025 S$
Financial assets, at FVOCI				
Quoted equity securities	30,561,087	58,222,095	30,561,087	58,222,095
Quoted debts securities	60,143,716	50,387,201	60,143,716	50,387,201
Unquoted equity security	4,515,408	4,420,012	4,515,408	4,420,012
Unquoted co-operatives shares	30,000	30,000	-	-
	95,250,211	113,059,308	95,220,211	113,029,308
Financial assets, at FVPL				
Quoted equity securities	30,090,981	-	30,090,981	-
	125,341,192	113,059,308	125,311,192	113,029,308

Movements of financial assets, at fair value through other comprehensive income:

	Group		Co-operative	
	2026 S$	2025 S$	2026 S$	2025 S$
As at beginning of year	113,059,308	93,721,114	113,029,308	93,691,114
Additions	32,630,621	29,166,080	32,630,621	29,166,080
Disposals	(52,351,595)	(14,395,345)	(52,351,595)	(14,395,345)
Fair value gain	1,911,877	4,567,459	1,911,877	4,567,459
As at end of year	95,250,211	113,059,308	95,220,211	113,029,308

6. Investment securities (cont'd)

Movements of financial assets, at fair value through profit or loss:

	Group		Co-operative	
	2026 S$	2025 S$	2026 S$	2025 S$
As at beginning of year	-	-	-	-
Additions	258,767,843	-	258,767,843	-
Disposals	(229,835,077)	-	(229,835,077)	-
Fair value gain	1,158,215	-	1,158,215	-
As at end of year	30,090,981	-	30,090,981	-

The Group classifies its investments based on the business model for managing the financial assets and the contractual cash flow characteristics in accordance with FRS 109 *Financial Instruments*.

Investments that are held for long-term strategic purposes and meet the relevant criteria are designated at fair value through other comprehensive income ("FVOCI"). Investments that are managed and evaluated on a fair value basis by professional investment managers with the objective of generating total investment returns are classified as financial assets at fair value through profit or loss ("FVPL").

Information relating to the fair value measurement is disclosed in Note 25.

The fair value measurement of the unquoted equity security is categorised as Level 3 of the fair value hierarchy based on the inputs in the valuation techniques used as disclosed in Note 25.

The carrying amount of investments in co-operatives is taken to be its fair value as they do not have a quoted market price in an active market and the redemption value of unquoted equity shares in a co-operative is at par value.

The fair value of the quoted securities at the reporting date is based on the latest transacted price on the last market day of the financial year.

The total market value of the quoted securities registered in the name of the Co-operative at the reporting date is as follows:

	Group and Co-operative	
	2026 S$	2025 S$
Securities registered in name of the Co-operative	129,491,239	110,137,421
Held in trust for subsidiary/ related parties/ staff	(8,695,455)	(1,528,125)
	120,795,784	108,609,296

7. Other receivables

	Group		Co-operative	
	2026 S$	2025 S$	2026 S$	2025 S$
Amount due from a subsidiary:				
As at beginning of year	-	-	1,510,264	1,212,411
Transferred from loan to members (Note 9)	-	-	1,200,674	590,624
Payment received	-	-	(164,222)	(292,771)
As at end of year	-	-	2,546,716	1,510,264
Deposits	11,028	6,628	49,500	1,500
Other receivables				
- Third parties	976	8,789	476	8,789
- Related parties (a)	182,332	-	(55,704)	-
- A subsidiary	-	-	95	-
Dividend receivables	9,707	-	9,707	-
Interest receivables	420,256	506,369	420,256	500,005
Margin deposit	2,766,837	608,936	2,766,837	608,936
Prepayments	38,816	28,556	30,588	28,556
GST receivables	-	3,327	-	-
Advance to supplier (b)	-	183,412	-	-
Advance from a subsidiary	-	-	25,060	-
	3,429,952	1,346,017	5,793,531	2,658,050

(a) Other receivable due from related parties are non-trade in nature, unsecured, interest-free, repayment on demand.

(b) Advance to supplier relates to the downpayment made to supplier for the construction in progress as disclosed in Note 3.

8. Non-performing loan to members

	Group	
	2026 S$	2025 S$
Non-performing loan to members	3,423,453	2,620,167
Less: Allowance for impairment	(1,652,468)	(1,416,744)
	1,770,985	1,203,423

8. Non-performing loan to members (cont'd)

Expected credit losses ("ECL")

The movement in allowance for ECL of non-performing loan to members computed based on lifetime ECL was as follows:

	Group		
	Lifetime ECL		
	Not credit impaired S$	Credit impaired S$	Total S$
Movement in allowance accounts:			
At 1 April 2025	-	1,416,744	1,416,744
Allowance made:			
Current allowance	181,389	236,561	417,950
Allowance written back	-	(120,313)	(120,313)
Bad debts written off against allowance	-	(61,913)	(61,913)
	181,389	54,335	235,724
At 31 March 2026	181,389	1,471,079	1,652,468
At 1 April 2024	348,284	1,189,491	1,537,775
Allowance made:			
Current allowance	(348,284)	297,804	(50,480)
Allowance written back	-	(64,090)	(64,090)
Bad debts written off against allowance	-	(6,461)	(6,461)
	-	227,253	(121,031)
At 31 March 2025	-	1,416,744	1,416,744

There has been no change in the estimation techniques or significant assumptions made during the current financial year in assessing the loss allowance for non-performing loan to members.

	Group	
	2026 S$	2025 S$
Interest bearing portion of receivable due:		
Less than 1 year	129,922	113,254
More than 1 year	1,641,063	1,090,169
	1,770,985	1,203,423

Non-performing loan to members are unsecured. The effective interest rate of the loans ranged from 6% to 8% (2025: 6% to 8%) per annum.

9. Loan to members

	Group		Co-operative	
	2026 S$	2025 S$	2026 S$	2025 S$
As at beginning of year	26,445,591	22,343,654	26,445,591	22,343,654
Add/(less):				
Loans granted	15,374,827	17,799,827	15,374,827	17,799,827
Repayments during the financial year				
- Repayments received	(13,603,723)	(13,107,266)	(13,603,723)	(13,107,266)
- Defaulted loans transferred to guarantor (Notes 8 and 7)	(1,200,674)	(590,624)	(1,200,674)	(590,624)
	(14,804,397)	(13,697,890)	(14,804,397)	(13,697,890)
	27,016,021	26,445,591	27,016,021	26,445,591
Allowance for impairment loss	(371,695)	(352,785)	(38,239)	(38,239)
	26,644,326	26,092,806	26,977,782	26,407,352

Expected credit losses ("ECL")

The movement in allowance for ECL of non-performing loan to members computed based on lifetime ECL was as follows:

	Group	
	Lifetime ECL - Not credit impaired	
	2026 S$	2025 S$
Movement in allowance accounts:		
At 1 April 2025	352,785	38,239
Allowance made:		
Current allowance	18,910	314,546
At 31 March 2026	371,695	352,785

	Group		Co-operative	
	2026 S$	2025 S$	2026 S$	2025 S$
Receivable:				
Less than 1 year	11,525,356	11,165,063	11,525,356	11,165,063
More than 1 year	15,118,970	14,927,743	15,452,426	15,242,289
	26,644,326	26,092,806	26,977,782	26,407,352

Loan to members are unsecured. The effective interest rate of the loan to members ranged from 3% to 8% (2025: 3% to 8%) per annum and are recoverable within periods of up to 60 months.

10. Loan to a subsidiary

	Co-operative	
	2026	2025
	S$	S$
Non-current	7,726,632	8,087,900
Current	361,269	350,605
	8,087,901	8,438,505

The loan to a subsidiary is secured by mortgage over the property located at 750 Upper Serangoon Road, Singapore 534622 (Note 5). The effective interest rate is 3% (2026: 3%) per annum. The loan to a subsidiary is recoverable by 240 monthly instalments.

Management estimates that the fair values of the loan to a subsidiary approximate its carrying amount as the Co-operative's borrowing rates approximate the market rates available at reporting date.

11. Cash and bank balances

	Group		Co-operative	
	2026	2025	2026	2025
	S$	S$	S$	S$
Cash at bank and on hand	19,900,011	20,674,293	19,219,758	20,137,920
Fixed deposits	6,928,310	12,764,411	6,928,310	11,602,778
	26,828,321	33,438,704	26,148,068	31,740,698

The effective interest rate of the fixed deposits ranged from 1.05% to 1.30% (2025: 3.57% to 4.079%) per annum. The maturity periods of the fixed deposits are 1 to 6 (2025: 1 to 12) months since the date of deposit.

	Group		Co-operative	
	2026	2025	2026	2025
	S$	S$	S$	S$
Cash and bank balances as above	26,828,321	33,438,704	26,148,068	31,740,698
Less : Fixed deposits with a maturity of more than 3 months	(3,127,996)	(10,761,512)	(3,127,996)	(10,553,490)
Cash and cash equivalents per statement of cash flows	23,700,325	22,677,192	23,020,072	21,187,208

12. Share capital

	Group and Co-operative	
	2026	2025
	S$	S$
Authorised capital		
2,000,000 shares of S$1 each	2,000,000	2,000,000
Issued and fully paid shares of S$1 each		
As at beginning of year	545,655	535,330
Additions	30,350	34,605
Redeemed	(28,580)	(24,280)
	1,770	10,325
As at end of year	547,425	545,655
Made up of:		
Founder members	50,000	50,000
Institutional members	37,500	37,500
Ordinary members	459,925	458,155
	547,425	545,655

The holders of ordinary shares are entitled to receive dividends as and when declared by the Co-operative. All participating and ordinary members carry one vote per member. All institutional members carry one vote per ordinary share.

13. Fair value reserve

	Group and Co-operative	
	2026	2025
	S$	S$
Balance at beginning of the year	1,236,363	(5,623,259)
Current year fair value gain		
- Debt securities	341,780	1,322,946
- Equity securities	1,570,097	3,244,513
	1,911,877	4,567,459
Transfer to retained earnings upon disposal of equity securities at FVOCI	(1,025,678)	2,373,552
Reclassification to profit or loss on disposal of debt securities	(435,858)	(81,389)
Balance at end of the year	1,686,704	1,236,363

14. General reserve fund

	Group		Co-operative	
	2026 S$	2025 S$	2026 S$	2025 S$
Balance at beginning of the year	19,758,539	19,728,539	17,729,073	17,699,073
Appropriation from accumulated surplus	100,000	30,000	100,000	30,000
Balance at end of the year	19,858,539	19,758,539	17,829,073	17,729,073

The General Reserve Fund of the Group shall be kept in the form of liquid assets. The Group shall pay into the Fund such percentage of its net surplus as the Board may decide from time to time.

15. Other funds

	Group		Co-operative	
	2026 S$	2025 S$	2026 S$	2025 S$
Common Good Fund	898,540	882,205	898,540	882,205
Community Service Fund	922,595	886,427	587,595	551,427
	1,821,135	1,768,632	1,486,135	1,433,632

(a) Common good fund

	Group and Co-operative	
	2026 S$	2025 S$
Balance at beginning of the year	882,205	960,314
Add/(less):		
Appropriation from accumulated surplus	100,000	30,000
Amount disbursed during the financial year:		
Hospitalisations	(43,210)	(57,390)
Members' welfare	(36,705)	(42,919)
Study awards	(3,750)	(7,800)
	(83,665)	(108,109)
Balance at end of the year	898,540	882,205

The Common Good Fund shall be used only for the benefits of the members of the Group, and may be devoted to any educational, medical, social or charitable purposes.

The Fund shall be derived from an annual contribution, not exceeding 25% of the net surplus of the Group, subject to the approval at the general meeting.

15. Other funds (cont'd)

(b) Community service fund

	Group		Co-operative	
	2026 S$	2025 S$	2026 S$	2025 S$
Balance at beginning of the year	886,427	856,427	551,427	521,427
Add/(less):				
Appropriation from accumulated surplus	100,000	30,000	100,000	30,000
Amount disbursed	(63,832)	-	(63,832)	-
Balance at end of the year	922,595	886,427	587,595	551,427

The Community Service Fund shall be used for the benefit of community service such as:

1. Making donations and providing food aid and relief to senior citizens' homes and homes for the aged and disabled and other approved institutions;
2. Making donations and sponsorships to various approved community bodies for charitable purposes; and

The Fund shall be derived from an annual contribution, not exceeding 10% of the net surplus of the Group, subject to the approval at the general meeting.

16. Other payables

	Group		Co-operative	
	2026 S$	2025 S$	2026 S$	2025 S$
Contributions to:				
- Central Co-operative Fund	25,668	669	25,000	-
- Singapore Labour Foundation	318,142	325,731	318,142	325,731
Accruals	116,889	65,327	-	-
Interest payables	922,483	1,130,510	924,930	1,130,510
Amount due to a subsidiary	-	-	44,455	106,340
Advance received from hospitalisation scheme	201,716	194,983	-	-
Directors' honorarium	40,413	38,524	40,413	33,357
GST payable	61,266	3,163	1,917	3,163
Rental deposit	94,500	13,500	-	-
Sundry payable	57,161	796,390	61,246	89,046
Retention payable	289,472	229,177	-	-
Unclaimed balances	585,550	606,905	585,550	606,905
	2,713,260	3,404,879	2,001,653	2,295,052

The amount due to a subsidiary is trade related, unsecured, interest-free and is repayable on demand.

17. Members' subscriptions and deposits

	Group		Co-operative	
	2026 S$	2025 S$	2026 S$	2025 S$
Members' subscriptions	46,769,491	47,024,757	46,769,491	47,024,757
Members' saving deposits	66,540,682	63,024,973	66,540,682	63,024,973
Members' special deposits	959,674	1,174,547	959,674	1,174,547
Members' special saving deposits	2,728,171	2,881,963	2,728,171	2,881,963
Members' term deposits	47,482,432	42,438,304	47,682,432	42,438,304
	164,480,450	156,544,544	164,680,450	156,544,544

(a) Members' subscriptions

	Group and Co-operative	
	2026 S$	2025 S$
Balance at beginning of the year	47,024,757	48,305,608
Add/(less):		
Subscriptions received	4,081,602	4,212,001
Subscriptions withdrawn	(4,336,868)	(5,492,852)
Balance at end of the year	46,769,491	47,024,757

Under the By-law 7.7, every ordinary and associate member shall subscribe a minimum monthly sum to his Subscription Account in accordance with the Administrative Rules on Subscriptions adopted from time to time by the Board.

The purpose of the subscription capital is to serve as guarantee capital for loans taken or guarantee by the member, and withdrawal is allowed upon cessation of membership.

(b) Members' saving deposits

	Group and Co-operative	
	2026 S$	2025 S$
Balance at beginning of the year	63,024,973	66,501,071
Add/(less):		
Deposits received	80,096,478	31,140,871
Interest credited	652,606	640,350
Deposits withdrawn	(77,233,375)	(35,257,319)
Balance at end of the year	66,540,682	63,024,973

The effective interest rate of the saving deposits is 1% (2025: 1%) per annum.

17. Members' subscriptions and deposits (cont'd)

(c) Members' special deposits

	Group and Co-operative	
	2026	2025
	S$	S$
Balance at beginning of the year	1,174,547	1,447,810
Add/(less):		
Deposits received	5,927	60
Interest credited	116	6,581
Deposits withdrawn	(220,916)	(279,904)
Balance at end of the year	959,674	1,174,547

The effective interest rate of the special deposits is 0.25% (2025: 0.25%) per annum.

(d) Members' special saving deposits

	Group and Co-operative	
	2026	2025
	S$	S$
Balance at beginning of the year	2,881,963	1,090,273
Add/(less):		
Deposits received	1,983,800	1,803,232
Interest credited	25,015	25,138
Deposits withdrawn	(2,162,607)	(36,680)
Balance at end of the year	2,728,171	2,881,963

Members' special saving deposits only available for the member of Singapore Port Workers' Union ("SPWU") to participate in SPWU Saving Scheme. The effective interest rate of the special deposits is 1% (2025: 1%) per annum.

(e) Members' term deposits

	Group		Co-operative	
	2026	2025	2026	2025
	S$	S$	S$	S$
Balance at beginning of the year	42,438,304	23,008,352	42,438,304	23,008,352
Add/(less):				
Deposits received	68,938,605	29,574,864	69,138,605	29,574,864
Interest credited	1,881,210	1,123,940	1,881,210	1,123,940
Deposits withdrawn	(65,775,687)	(11,268,852)	(65,775,687)	(11,268,852)
Balance at end of the year	47,482,432	42,438,304	47,682,432	42,438,304

The effective interest rate of the term deposits ranged from 0.20% to 5% (2025: 0.20% to 5%) per annum.

18. Revenue

	Group		Co-operative	
	2026 S$	2025 S$	2026 S$	2025 S$
Entrance fees	4,356	6,206	4,356	6,206
Income from services rendered	1,320,644	1,411,435	-	-
Interest income	4,693,569	4,396,392	4,836,489	4,506,697
Gain on sale of debt securities, at FVOCI	435,858	81,389	435,858	81,389
Dividend and bonus share income	887,072	1,421,293	886,172	1,508,793
Fair value gain on equity securities, at FVPL	1,158,215	-	1,158,215	-
	8,499,714	7,316,715	7,321,090	6,103,085
Timing of transfer of service				
At a point in time	2,485,501	1,508,888	2,484,601	1,596,388
Over time	6,014,213	5,807,827	4,836,489	4,506,697
	8,499,714	7,316,715	7,321,090	6,103,085

19. Other income

	Group		Co-operative	
	2026 S$	2025 S$	2026 S$	2025 S$
Allowance for doubtful debts written back	120,313	64,090	-	-
Bad debts recovery	5,058	8,920	-	-
Recovery of utilities	6,000	-	-	-
Government grant	105,083	42,061	100,415	39,760
Miscellaneous income	66,405	36,821	36,405	6,683
Rental income	186,750	39,000	-	-
Unclaimed balance written back	18,876	7,615	18,876	7,615
	508,485	198,507	155,696	54,058

20. Staff costs

	Group		Co-operative	
	2026 S$	2025 S$	2026 S$	2025 S$
Salaries and variable payments	1,863,374	1,617,065	650,822	599,532
CPF contributions	251,738	212,583	101,723	92,942
Other	73,762	32,344	34,884	18,575
	2,188,874	1,861,992	787,429	711,049

Included in the above staff costs are remuneration to key management personnel totaling S$1,179,013 (2025: S$1,202,402) and S$380,704 (2025: S$362,121) for the Group and the Co-operative respectively.

21. Finance costs

	Group		Co-operative	
	2026 S$	2025 S$	2026 S$	2025 S$
Interest on saving deposits	652,606	640,350	652,606	640,350
Interest on special deposits	25,015	6,581	25,015	6,581
Interest on special saving deposits	116	25,138	116	25,138
Interest on term deposits	1,673,182	1,123,940	1,675,629	1,123,940
	2,350,919	1,796,009	2,353,366	1,796,009

22. Dividends paid

	Group and Co-operative	
	2026 S$	2025 S$
Dividends paid in respect of the previous financial year:		
Dividend of 3.10% (2025: 2.75%) on subscription capital	1,345,080	1,328,420
Dividend of S$0.031 (2025: S$0.025) per ordinary share	16,915	14,722
	1,361,995	1,343,142

At the forthcoming Annual General Meeting, a final dividend of 2.50% on subscription capital and 2.50 cents per ordinary share amounting to S$1,156,708 and S$13,394 respectively will be recommended. One time special dividend of 0.25% on subscription capital and 0.25 cents per ordinary share amounting to S$115,671 and S$1,339 respectively will also be recommended. These financial statements do not reflect these dividends, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 March 2027.

23. Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Co-operative and related parties took place at terms agreed between the parties during the financial year:

	Group and Co-operative	
	2026 S$	2025 S$
Transactions with subsidiary:		
Management fees	612,000	612,000
Utilities	686	-
Rental expense	27,431	-
Interest expense	2,447	-
Interest income on loan to subsidiary	(248,360)	(258,710)
Dividend income	-	(87,500)
Rental expense recovery	(43,714)	(51,000)
Electricity expense recovery	(7,374)	(8,957)

23. Related party transactions (cont'd)

	Group		Co-operative	
	2026 S$	2025 S$	2026 S$	2025 S$
Transactions with related parties:				
Administrative fee	42,000	42,000		-
Rental expenses	173,429	204,000	173,429	204,000
Electricity expenses	29,495	35,826	29,495	46,405
Other expenses	204,000	156,000	84,000	84,000
Sponsorship to AUPE	100,000	100,000	100,000	100,000
Dividend paid	1,550	1,250	1,550	1,250
Administrative income	(414,000)	(414,000)	-	-
Recovery of utilities	(6,000)	-	-	-
Rental income	(135,000)	-	-	-

24. Lease commitments

Where the Group as a lessor:
At the end of the financial year, the total future minimum lease receivables committed under operating lease is as follows:

	Group	
	2026 S$	2025 S$
Within one year	369,000	54,000
Between one to five years	513,000	45,000
	882,000	99,000

Operating lease income represents rental receivable by the Group in respect of the operating lease of its investment property with a fixed term of 2 to 3 years.

Where the Group as a lessee:
The Group has leases of office premises with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

Expenses relating to short-term leases amounted to S$212,257 (2025: S$207,981). The Group has total cash outflows for leases of S$212,257 (2025: S$207,981).

25. Financial risk management

The Group's activities expose it to credit risk, liquidity risk and market risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

25. Financial risk management (cont'd)

The management has certain practices for the management of financial risks. The following guidelines are followed:

(i) Minimise interest rate, currency, credit and market risks for all kinds of transactions.
(ii) All financial risk management activities are carried out and monitored by senior management staff.
(iii) All financial risk management activities are carried out following the good market practices.

Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group's exposure to credit risk arises primarily from non-performing loan to members, loan to members, amount due from a related party and other receivables. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

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

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

The Group has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 540 days.

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

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

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 60 days past due in making contractual payment.

25. Financial risk management (cont'd)

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

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

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

Category	Definition of Category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is > 60 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit impaired
III	Amount is > 540 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

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

	Note	Category	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				S$	S$	S$
Group						
31 March 2026						
Non-performing loan to members	8	Note 1	Lifetime ECL (simplified)	1,352,374	(181,389)	1,770,985
Non-performing loan to members	8	III	Lifetime ECL - credit impaired	1,471,079	(1,471,079)	-
Loan to members	9	Note 1	Lifetime ECL (simplified)	27,016,021	(371,695)	26,644,326
Other receivables	7	I	12-month ECL	3,391,136	-	3,391,136
					(2,024,163)	

25. Financial risk management (cont'd)

Credit Risk (cont'd)

	Note	Category	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				S$	S$	S$
Group						
31 March 2025						
Non-performing loan to members	8	Note 1	Lifetime ECL (simplified)	1,203,423	-	1,203,423
Non-performing loan to members	8	III	Lifetime ECL - credit impaired	1,416,744	(1,416,744)	-
Loan to members	9	Note 1	Lifetime ECL (simplified)	26,445,591	(352,785)	26,092,806
Other receivables	7	I	12-month ECL	1,159,278	-	1,159,278
					(1,769,529)	
Co-operative						
31 March 2026						
Loan to members	9	Note 1	Lifetime ECL (simplified)	27,016,021	(38,239)	26,977,782
Other receivables	7	I	12-month ECL	5,737,883	-	5,737,883
Loan to a subsidiary	10	I	12-month ECL	8,087,901	-	8,087,901
					(38,239)	
31 March 2025						
Loan to members	9	Note 1	Lifetime ECL (simplified)	26,445,591	(38,239)	26,407,352
Other receivables	7	I	12-month ECL	2,629,494	-	2,629,494
Loan to a subsidiary	10	I	12-month ECL	8,438,505	-	8,438,505
					(38,239)	

Non-performing loan to members and loan to members (Note 1)

For non-performing loan to members and loan to members, the Group has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Group determines the ECL by using a loss rate approach, estimated based on historical credit loss experience based on the past due status of the loans, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

Information regarding loss allowance movement of non-performing loan to members and loan to members are disclosed in Notes 8 and 9.

Exposure to credit risk

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

Other receivables and loan to a subsidiary

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

25. Financial risk management (cont'd)

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds.

Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Group adopts prudent liquidity risk management by maintaining sufficient cash deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Maturity analysis for financial liabilities

The table below summarises the maturity profile of the Group's financial liabilities at the end of the reporting date based on contractual undiscounted payments.

	Less than 1 year S$	Between 1 and 5 years S$	Total S$
Group			
31 March 2026			
Other payables	2,651,994	-	2,651,994
Members' subscriptions and deposits	164,480,450	-	164,480,450
	167,132,444	-	167,132,444
31 March 2025			
Other payables	3,401,716	-	3,401,716
Members' subscriptions and deposits	156,544,544	-	156,544,544
	159,946,260	-	159,946,260
Co-operative			
31 March 2026			
Other payables	1,999,736	-	1,999,736
Members' subscriptions and deposits	164,680,450	-	164,680,450
	166,680,186	-	166,680,186
31 March 2025			
Other payables	2,291,889	-	2,291,889
Members' subscriptions and deposits	156,544,544	-	156,544,544
	158,836,433	-	158,836,433

Market risk

Market risk is the risk that the value of a financial instrument will fluctuate in terms of fair value or future cash flows as a result of a fluctuation in market prices. Basically the Group is exposed to the following market risk:

(i) Interest rate

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from bank deposits, loan to members, non-performing loan to members, members' deposits and bank borrowings. The Group does not use derivative financial instruments to hedge its interest rate risk.

25. Financial risk management (cont'd)

Market risk (cont'd)

(i) Interest rate (cont'd)

At the reporting date, the interest rate profile of the Group's and Co-operative's interest-bearing financial instruments was as follows:

	Group		Co-operative	
	2026 S$	2025 S$	2026 S$	2025 S$
Fixed rate instruments				
Loan to members	26,644,326	26,092,806	26,977,782	26,407,352
Non-performing loan to members	1,770,985	1,203,423	-	-
Loan to a subsidiary	-	-	8,087,901	8,438,505
Cash and bank balances	6,928,310	12,764,411	6,928,310	11,602,778
Members' saving deposits	(66,540,682)	(63,024,973)	(66,540,682)	(63,024,973)
Members' special deposits	(959,674)	(1,174,547)	(959,674)	(1,174,547)
Members' special saving deposits	(2,728,171)	(2,881,963)	(2,728,171)	(2,881,963)
Members' term deposits	(47,482,432)	(42,438,304)	(47,682,432)	(42,438,304)
	(82,367,338)	(69,459,147)	(75,916,966)	(63,071,152)

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has no significant exposure to foreign currency risk for the financial year ended 31 March 2026 as most of its transactions, financial assets and liabilities are denominated in Singapore dollar, which is the Group's functional currency.

(iii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices.

The Group has investment securities (except for unquoted co-operative shares) which are subject to price risk as the market values of these investments are affected by changes in market price. The Group manages its exposure to price risk by maintaining a portfolio of investment with difference risk policies.

A 10% increase or decrease in the market prices of the quoted investment securities at the reporting date, with all other variables held constant, would increase or decrease:

- the fair value adjustment reserve of the Group and of the Co-operative by S$9,070,480 and S$9,070,480 (2025: S$11,302,931 and S$11,302,931) respectively, in respect of financial assets classified at FVOCI; and
- profit or loss of the Group and the Co-operative by S$3,009,098 and S$3,009,098 (2025: Nil and Nil) respectively, in respect of financial assets classified at FVPL.

25. Financial risk management (cont'd)

Fair value measurements

The following methods and assumptions are used to estimate the fair value of each class of assets and liabilities for which it is practicable to estimate that value:

Financial assets and liabilities whose carrying amounts approximate fair value
The notional amounts of the financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values because of the short period to maturity. The fair values of non-current financial assets approximates their carrying amounts as the effective interest rates used approximate market interest rates.

Fair value hierarchy
The Group classified fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The following table represents the assets and liabilities measured at fair value by level of fair value hierarchy:

	Level 1 S$	Level 2 S$	Level 3 S$
Group			
2026			
Financial assets, at FVOCI	90,704,803	-	4,545,408
Financial assets, at FVPL	30,090,981	-	-
2025			
Financial assets, at FVOCI	108,609,296	-	4,450,012
Co-operative			
2026			
Financial assets, at FVOCI	90,704,803	-	4,515,408
Financial assets, at FVPL	30,090,981	-	-
2025			
Financial assets, at FVOCI	108,609,296	-	4,420,012

25. Financial risk management (cont'd)

Fair value measurements (cont'd)

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

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

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Unquoted equity security at FVOCI	The fair value is calculated using the adjusted net asset value (NAV) of the investee entity for the fair value of the underlying assets and liabilities of the Group and Co-operative where applicable.	Adjusted NAV	The estimated fair value would increase/(decrease) if the adjusted NAV was higher/(lower).

Categories of financial assets and financial liabilities

	Group		Co-operative	
	2026 S$	2025 S$	2026 S$	2025 S$
Financial assets measured at amortised cost :				
Other receivables	3,391,136	1,130,719	5,737,883	2,629,494
Non-performing loan to members	1,770,985	1,203,423	-	-
Loan to members	26,644,326	26,092,806	26,977,782	26,407,352
Loan to a subsidiary	-	-	8,087,901	8,438,505
Cash and bank balances	26,828,321	33,438,704	26,148,068	31,740,698
	58,634,768	61,865,652	66,951,634	69,216,049
Financial assets, at fair value through other comprehensive income :				
Investment securities	95,250,211	113,059,308	95,250,211	113,029,308
Financial assets, at fair value through profit or loss :				
Investment securities	30,090,981	-	30,090,981	-
Financial liabilities measured at amortised cost :				
Other payables	2,651,994	3,401,716	1,999,736	2,291,889
Members' subscriptions and deposits	164,480,450	156,544,544	164,680,450	156,544,544
	167,132,444	159,946,260	166,680,186	158,836,433

26. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may issue new shares, obtain new borrowings or sell assets to reduce borrowings. No changes were made in the objectives, policies or processes during the year ended 31 March 2026 and 31 March 2025.

The Group is not subject to any externally imposed capital requirements.

AUPE CREDIT CO-OPERATIVE LIMITED

DETAILED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	2026 S$	2025 S$
Revenue		
Interest income	4,836,489	4,506,697
Gain on sale of debt instruments classified at fair value through other comprehensive income	435,858	81,389
Dividend and bonus share income	886,172	1,508,793
Entrance fees	4,356	6,206
Fair value gain on financial assets, at FVPL	1,158,215	-
	7,321,090	6,103,085
Add: Other income		
Government grant	100,415	39,760
Miscellaneous income	36,405	6,683
Unclaimed balance written back	18,876	7,615
	155,696	54,058
Less: Operating expenses	2,502,476	2,232,482
Less: Finance costs		
Interest on saving deposits	652,606	640,350
Interest on special deposits	25,015	6,581
Interest on special saving deposits	116	25,138
Interest on term deposits	1,675,629	1,123,940
	2,353,366	1,796,009
Surplus before appropriation	2,620,944	2,128,652

The schedule does not form part of the audited financial statements.

AUPE CREDIT CO-OPERATIVE LIMITED

SCHEDULE OF OPERATING EXPENSES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	2026 S$	2025 S$
Advertising	4,500	2,200
Affiliation fee	10,490	15,115
AGM expenses	1,238	950
Allowances	7,002	8,626
Audit fee	32,000	28,850
Bank charges	39,984	27,599
Brokerage fee	159,869	-
Check off commission	31,713	32,143
Committee meeting expenses	750	3,254
CPF contribution	101,723	92,942
Depreciation of plant and equipment	110,255	112,925
Donation	1,290	500
Electricity	22,121	26,870
Function expenses	13,180	44,700
Goods & services tax	105,501	101,893
Insurance	11,483	10,482
Maintenance and contract	120,742	110,022
Management fees	612,000	612,000
Medical expense	-	33
Membership recruitment	1,652	6,090
Miscellaneous expenses	63,938	31,818
Postage	339	587
Printing and stationery	1,263	340
Relief driver/casual labour	-	10,080
Rental of office	161,227	155,654
Rental of equipment	2,300	-
Repair and maintenance	112	-
Skill development fund	1,005	972
Sponsorship to AUPE	100,000	100,000
Staff annual leave	7,999	(1,888)
Staff training	17,222	5,135
Staff salaries	643,820	589,452
Staff welfare	8,658	5,730
Telephone	5,019	4,160
Transport	598	2,972
Upkeep of premises	86,294	84,497
Upkeep of motor vehicle	15,189	5,779
Total operating expenses	2,502,476	2,232,482

The schedule does not form part of the audited financial statements.