

NTUC Health Co-operative Limited
Registration Number: S92CS0208D

Annual Report
Year ended 31 December 2025

Directors' statement

The Directors present this annual report to the members together with the audited financial statements of the Co-operative for the financial year ended 31 December 2025.

In our opinion:

- (a) the financial statements set out on pages FS1 to FS49 are drawn up in accordance with the provisions of the Co-operative Societies Act 1979 (the "Act") and Financial Reporting Standards in Singapore, so as to give a true and fair view of the financial position of the Co-operative as at 31 December 2025, and of the financial performance, changes in equity and cash flows of the Co-operative for the year 31 December 2025;
- (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 receipt, expenditure and investment of monies and the acquisition and disposal of assets made by the Co-operative during the year ended 31 December 2025 have been made in accordance with the By-laws of the Co-operative and provisions of the Act and the Rules (made under section 95 of the Act).

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

(a) Directors

The Directors of the Co-operative in office at the date of this statement are as follows:

Chan Lai Fung (Chairman)
Yeo Yong Kiang Don (Deputy Chairman) (Appointed on 13 May 2025)
Andrew Chong Yang Hsueh
Lew Wing Kit
Lim Teck Chuan
Loh Aik Hong James
Ng Chee Yuen
Wong Sweet Fun

(b) Arrangements to enable Directors to acquire shares or debentures

Neither at the end of, nor at any time during the financial year, was the Co-operative a party to any arrangement whose object is to enable the Directors of the Co-operative to acquire benefits by means of the acquisition of shares in or debentures of the Co-operative or any other body corporate.

(c) Directors' interests in shares or debentures

The Directors of the Co-operative held office at the end of the financial year who had interests in the shares of the Co-operative and its related corporations as recorded in the register of Directors' shareholdings kept by the Co-operative are as follows:

Name of Directors and Co-operative in which interests are held	Shareholdings registered in the name of Directors at	
	the beginning of the financial year/ the date of appointment	the end of the financial year
<i>NTUC Fairprice Co-operative Limited</i>		
Yeo Yong Kiang Don	25	25
Lim Teck Chuan	20	20
Ng Chee Yuan	20	20
Wong Sweet Fun	49	49
<i>NTUC Income Insurance Limited</i>		
Lew Wing Kit	5,150	5,150

(d) Share options

There were no share options granted by the Co-operative during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Co-operative.

There were no unissued shares of the Co-operative under options as at the end of the financial year.

(e) Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors



Chan Lai Fung
Director



Loh Aik Hong James
Director

24 April 2026



KPMG LLP
12 Marina View #15-01
Asia Square Tower 2
Singapore 018961

Telephone+65 6213 3388
Fax +65 6225 0984
Internet www.kpmg.com.sg

Independent auditors' report

Members of the Co-operative
NTUC Health Co-operative Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of NTUC Health Co-operative Limited (the 'Co-operative'), which comprise the statement of financial position of the Co-operative as at 31 December 2025, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Co-operative for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages FS1 to FS49.

In our opinion, the accompanying financial statements of the Co-operative are properly drawn up in accordance with the provisions of the Co-operative Societies Act 1979 ('the Act') and Financial Reporting Standards in Singapore ('FRSs') so as to give a true and fair view of the state of affairs of the Co-operative as at 31 December 2025 and of the results, changes in equity and cash flows of the Co-operative for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Co-operative in accordance with the Accounting and Corporate Regulatory Authority *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 contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.



We have obtained all other information prior to the date of this auditors' report.

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, for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Co-operative's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Co-operative's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Co-operative to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

Opinion

In our opinion:

- (a) the receipt, expenditure and investment of moneys and the acquisition and disposal of assets by the Co-operative during the year are, in all material respects, in accordance with the By-laws of the Co-operative and the provisions of the Act and the Rules (made under section 95 of the Act); and
- (b) proper accounting and other records have been kept by the Co-operative.

Basis for opinion

We conducted our audit in accordance with SSAs. Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the compliance audit' section of our report. We are independent of the Co-operative in accordance with the 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 on management's compliance.

Management's responsibility for compliance with legal and regulatory requirements

Management is responsible for ensuring that the receipt, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the By-laws of the Co-operative and the provisions of the Act and the Rules (made under section 95 of the Act). This responsibility includes monitoring related compliance requirements relevant to the Co-operative, and implementing internal controls as management determines are necessary to enable compliance with the By-laws of the Co-operative and the provisions of the Act and the Rules (made under section 95 of the Act).

Auditors' responsibility for the compliance audit

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipt, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the By-laws of the Co-operative and the provisions of the Act and the Rules (made under section 95 of the Act).



Our compliance audit includes obtaining an understanding of the internal control relevant to the receipt, expenditure, investment of moneys and the acquisition and disposal of assets; and assessing the risks of material misstatement of the financial statements from non-compliance, if any, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Because of the inherent limitations in any internal control system, non-compliances may nevertheless occur and not be detected.


KPMG LLP
*Public Accountants and
Chartered Accountants*

Singapore
24 April 2026

**Statement of financial position
As at 31 December 2025**

	Note	2025 \$	2024 \$
Non-current assets			
Property, plant and equipment	4	17,047,272	21,012,952
Right-of-use assets	5	18,497,262	13,750,380
Investment properties	6	803,057	2,746,407
Investments	7	–	27,455,734
		36,347,591	64,965,473
Current assets			
Investments	7	25,000,000	–
Inventories	8	1,232,177	1,171,358
Trade and other receivables	9	56,785,915	48,709,825
Prepayments		240,770	88,779
Cash and cash equivalents	10	67,310,599	49,370,235
Total current assets excluding asset classified as held for sale		150,569,461	99,340,197
Asset classified as held for sale	11	6,458,718	–
		157,028,179	99,340,197
Total assets		193,375,770	164,305,670
Equity			
Share capital	12	35,373,061	35,566,361
Fair value reserve	13	–	1,664,491
Accumulated profits	14	70,608,122	64,198,469
Total equity		105,981,183	101,429,321
Non-current liabilities			
Community Silver Trust	15	4,271,519	1,299,208
Deferred income	16	7,005,343	8,627,367
Lease liabilities	17	9,932,661	6,964,521
Provisions	19	221,088	–
		21,430,611	16,891,096
Current liabilities			
Community Silver Trust	15	3,572,387	787,871
Deferred income	16	4,308,441	3,894,798
Lease liabilities	17	8,834,055	6,795,840
Trade and other payables	18	49,249,093	34,506,744
		65,963,976	45,985,253
Total liabilities		87,394,587	62,876,349
Total equity and liabilities		193,375,770	164,305,670

The accompanying notes form an integral part of these financial statements.

**Statement of comprehensive income
Year ended 31 December 2025**

	Note	2025 \$	2024 \$
Continuing operations			
Revenue	20	38,657,331	31,127,065
Other income	21	161,798,352	136,391,853
Consumables used		(12,516,498)	(12,146,207)
Staff costs	22	(114,275,922)	(101,631,361)
Depreciation expense		(14,783,035)	(11,994,478)
Rental expense	25	(363,768)	(534,709)
Other operating expenses		(52,427,597)	(38,649,015)
Profit from operations		<u>6,088,863</u>	<u>2,563,148</u>
Finance income	23	567,197	372,000
Finance costs	23	(833,338)	(644,984)
Profit before contributions	24	<u>5,822,722</u>	<u>2,290,164</u>
Profit before contributions from continuing operations		5,822,722	2,290,164
Discontinued operation			
Profit from discontinued operation	28	–	18,477,773
Profit before contributions		<u>5,822,722</u>	<u>20,767,937</u>
Contributions			
Central Co-operative Fund		(1,017)	(25,000)
Singapore Labour Foundation		(1,107,286)	(109,299)
Profit after contributions/Profit for the year		<u>4,714,419</u>	<u>20,633,638</u>
Other comprehensive income:			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Equity investments at FVOCI:			
- net change in fair value		30,743	1,004,859
Other comprehensive income for the year		<u>30,743</u>	<u>1,004,859</u>
Total comprehensive income for the year		<u>4,745,162</u>	<u>21,638,497</u>

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity
Year ended 31 December 2025

	Note	Share capital \$	Fair value reserve \$	Accumulated profits \$	Total equity \$
At 1 January 2024		36,755,984	659,632	43,564,831	80,980,447
Total comprehensive loss for the year					
Profit for the year		-	-	20,633,638	20,633,638
Other comprehensive loss for the year					
Equity investments at FVOCI - net change in fair value		-	1,004,859	-	1,004,859
Total other comprehensive income		-	1,004,859	-	1,004,859
Total comprehensive income for the year		-	1,004,859	20,633,638	21,638,497
Transactions with owners, recognised directly in equity					
Share capital withdrawn during the year	12	(1,189,623)	-	-	(1,189,623)
At 31 December 2024		<u>35,566,361</u>	<u>1,664,491</u>	<u>64,198,469</u>	<u>101,429,321</u>

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity (cont'd)
Year ended 31 December 2025

	Note	Share capital \$	Fair value reserve \$	Accumulated profits \$	Total equity \$
At 1 January 2025		35,566,361	1,664,491	64,198,469	101,429,321
Total comprehensive income for the year					
Profit for the year		-	-	4,714,419	4,714,419
Other comprehensive income for the year					
Equity investments at FVOCI - net change in fair value		-	30,743	-	30,743
Total other comprehensive income		-	30,743	-	30,743
Total comprehensive income for the year		-	30,743	4,714,419	4,745,162
Transfer upon disposal of investment		-	(1,695,234)	1,695,234	-
Transactions with owners, recognised directly in equity					
Share capital withdrawn during the year	12	(193,300)	-	-	(193,300)
At 31 December 2025		35,373,061	-	70,608,122	105,981,183

The accompanying notes form an integral part of these financial statements.

Statement of cash flows
Year ended 31 December 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Profit before contributions		5,822,722	20,767,937
Adjustments for:			
Amortisation of deferred income	16	(4,647,937)	(4,065,937)
Depreciation of property, plant and equipment	4	5,620,063	5,340,398
Depreciation of right-of-use assets	5	9,089,735	7,814,872
Depreciation of investment properties	6	73,238	109,856
Impairment loss on doubtful receivables	24	1,384,994	235,385
Interest income	23	(567,197)	(372,000)
Trade receivables written off	24	–	13,032
(Gain)/Loss on disposal of property, plant and equipment	24	(1,426,110)	613
Property, plant and equipment written off	24	67,485	1,086,971
Loss on lease termination		–	29,020
Gain on sale of discontinued operation	27	–	(19,484,286)
Interest expense	23	828,869	470,877
Accretion cost on provision	23	4,469	–
		16,250,331	11,946,738
Changes in:			
- Inventories		(60,819)	60,404
- Trade and other receivables		(9,460,807)	10,091,074
- Prepayments		(151,991)	196,208
- Trade and other payables		15,168,479	604,651
- Community Silver Trust		5,756,827	1,118,336
- Provisions		–	(259,855)
- Deferred income		3,439,556	3,905,671
Cash generated from operations		30,941,576	27,663,227
Interest received		566,920	374,316
Net cash generated from operating activities		31,508,496	28,037,543

The accompanying notes form an integral part of these financial statements.

Statement of cash flows (cont'd)
Year ended 31 December 2025

	Note	2025 \$	2024 \$
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(6,641,703)	(4,140,344)
Proceeds from sale of equity investments at FVOCI		2,486,477	1,714,717
Proceeds from sale of property, plant and equipment		1,757,339	24,771
Proceeds from disposal of discontinued operation	27	–	19,654,634
Net cash (used in)/from investing activities		(2,397,887)	17,253,778
Cash flows from financing activities			
Withdrawal of shares	12	(193,300)	(1,189,623)
Payment of lease liabilities	17	(8,613,643)	(8,082,605)
Interest paid	17	(828,869)	(470,877)
Net cash used in financing activities		(9,635,812)	(9,743,105)
Net increase in cash and cash equivalents		19,474,797	35,548,216
Cash and cash equivalents at beginning of the year		44,244,883	8,696,667
Cash and cash equivalents at end of the year	10	63,719,680	44,244,883

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 24 April 2026.

1 Domicile and activities

NTUC Health Co-operative Limited (the “Co-operative”) is registered in Singapore with its registered office at 53 Ang Mo Kio Ave 3 #04-04/05 AMK Hub Singapore 569933.

The Co-operative is a subsidiary of NTUC Enterprise Co-operative Limited, which is also the Co-operative’s ultimate holding entity.

The principal objectives of the Co-operative are those relating to provisions of health and community services to members and the public, and investment holding.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the provisions of the Co-operative Societies Act 1979 (“the Act”) and Financial Reporting Standards in Singapore. The changes to material accounting policies are described in note 2.5.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars (“SGD”), which is the Co-operative’s functional currency.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRS requires management to make judgements, estimates and assumptions about the future, including climate-related risks and opportunities, that affect the application of the Co-operative 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 and are consistent with the Co-operative's risk management and climate-related commitments where appropriate. Revisions to accounting estimates are recognised prospectively.

There are no significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

Note 7 – fair value and impairment of investments;
Note 25 – extension of lease term options; and
Note 27 – recoverability of doubtful receivables.

2.5 Changes in material accounting policies

New accounting standards and amendments

The Co-operative has applied the Amendments to FRS 21 *Lack of Exchangeability* for the first time for the annual period beginning on 1 January 2025. The application of these amendments to accounting standards does not have a material effect on the financial statements.

3 Material accounting policies

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

3.1 Property, plant and equipment

(i) Recognition and measurement

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

Cost includes expenditure that is directly attributable to the acquisition of the asset and includes the cost of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

(ii) Subsequent cost

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Co-operative, 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.

(iii) Disposals

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other income or other operating expenses in profit or loss on the date of disposal.

(iv) Provision for reinstatement costs

A provision is recognised for the estimated costs of dismantlement, removal or restoration of property, plant and equipment arising from the acquisition or use of assets. The estimated costs are capitalised and included in the cost of property, plant and equipment and are depreciated over the useful life of the asset.

(v) Depreciation

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

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

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use. Assets under construction are not depreciated.

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

Freehold property	50 years
Leasehold building	50 years
Leasehold properties	50 years
Dental, medical and fitness equipment	5 years
Furniture and fittings	5 years
Computer and office equipment	3 to 5 years
Computer software	3 to 5 years
Motor vehicles	10 years

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

3.2 Leases

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

(i) **As a lessee**

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

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

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

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for right-of-use assets that meet the definition of investment property are carried at fair value in accordance with note 3.3.

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

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

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

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

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

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

The Co-operative presents right-of-use assets that do not meet the definition of investment property separately as 'right-of-use assets' and 'lease liabilities' in the statement of financial position.

Short-term leases and leases of low-value assets

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

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Co-operative allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Co-operative acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Co-operative makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Co-operative considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Co-operative is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Co-operative applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Co-operative applies FRS 115 to allocate the consideration in the contract.

The Co-operative recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of 'revenue'. Rental income from sub-leased property is recognised as "other income".

Generally, the accounting policies applicable to the Co-operative as a lessor in the comparative period were not different from FRS 116 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

3.3 Investment properties

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

Cost includes expenditure that is directly attributable to the acquisition of the investment property.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives at each component of investment properties.

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

Freehold buildings	50 years
Leasehold buildings and premises	50 years

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

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

3.4 Financial instrument

(i) **Recognition and initial measurement**

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Co-operative becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. However, if the Co-operative has an unconditional right to an amount that differs from the transaction price (e.g. due to the Co-operative's refund policy), the trade receivable will be initially measured at the amount of that unconditional right.

(ii) **Classification and subsequent measurement**

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost or FVOCI – equity investment.

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

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt investments at FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Co-operative may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets: Business model assessment

The Co-operative makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Co-operative's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Co-operative's continuing recognition of the assets.

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

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Co-operative considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Co-operative considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Co-operative's claim to cash flows from specified assets (e.g. non recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

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

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(iii) *Derecognition*

Financial assets

The Co-operative derecognises a financial asset when:

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

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

Financial liabilities

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

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

(iv) *Offsetting*

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

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of one year or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Co-operative in the management of its short-term commitments.

(vi) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with FRS 12.

3.5 Impairment of financial assets

Non-derivative financial assets

The Co-operative recognises loss allowances for ECLs on financial assets measured at amortised cost.

Loss allowances of the Co-operative 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.

Simplified approach

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

General approach

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

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

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

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

The Co-operative considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Co-operative in full, without recourse by the Co-operative to actions such as realising security (if any is held); or
- the financial asset is more than 120 days past due.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Co-operative expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

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

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

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Co-operative on terms that the Co-operative would not consider otherwise;
- 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.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

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

3.6 Impairment of non-financial assets

The carrying amounts of the Co-operative's non-financial assets, other than investment properties and inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

Calculation of recoverable amount

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

Impairment losses are recognised in profit or loss.

Reversals of impairment

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

3.7 Employee benefits

(i) Defined contribution plans

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

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Co-operative has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.8 Provision

A provision is recognised if, as a result of a past event, the Co-operative has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

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

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

Provision for reinstatement cost

The Co-operative is required to estimate and recognise the cost to be incurred in returning the leased premises to their original condition upon vacating the premises on expiry of the leases. Management has provided for such cost based on the likely amount to be incurred and the period over which it should be amortised.

3.9 Revenue recognition

Goods and services sold

Revenue from the sale of goods and services in the ordinary course of business is recognised when all the Co-operative satisfies a performance obligation (PO) by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the POs if it relates specifically to those POs.

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

Revenue may not be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

3.10 Government grants

An unconditional grant is recognised in profit or loss when the grant becomes receivable.

Government grants related to assets are initially recognised as deferred income at fair value when there is reasonable assurance that they will be received and the Co-operative will comply with the conditions associated with the grant. Grants related to the acquisition of assets are then recognised in profit or loss as 'other income' on a systematic basis over the useful life of the asset. Grants that compensate the Co-operative for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the same periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

3.11 Finance income and finance costs

The Co-operative's finance income and finance costs include:

- interest income; and
- interest expense.

Interest income or expense is recognised using the effective interest method.

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

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

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

3.12 Other income and other operating expenses

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

Impairment losses recognised on financial assets (other than trade receivables) and reclassifications of net losses previously recognised in OCI are reported as other operating expenses.

3.13 Contribution to Singapore Labour Foundation and Central Co-operative Fund

In accordance with Section 71(2) of the Co-operative Societies Act 1979, the Co-operative shall contribute 5% of the first \$500,000 of the surplus to the Central Co-operative Fund and 20% of any surplus in excess of \$500,000 to the Central Co-operative Fund or Singapore Labour Foundation as the Co-operative may opt.

3.14 Tax

The Co-operative is registered under the Co-operative Societies Act 1979 which is exempted from income tax under Section 13 of the Income Tax Act 1947.

3.15 Discontinued operations

A discontinued operation is a component of the Co-operative business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical areas of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale. When an operation is classified as a discontinued operation, the comparative statement of profit or loss is re-presented as if the operation had been discontinued from the start of the comparative year.

3.16 Non-current assets held for sale

Non-current assets that are highly probable to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured in accordance with the Co-operative's accounting policies. Thereafter, the assets classified as held for sale are generally measured at the lower of their carrying amount and fair value less costs to sell.

3.17 New accounting standards and interpretations not adopted

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

(i) **FRS 118 Presentation and Disclosure in Financial Statements**

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

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

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

(ii) Other accounting standards

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

- *Classification and Measurement of Financial Instruments (Amendments to FRS 109 and FRS 107)*
- *Annual Improvements to FRSs—Volume 11*
- *FRS 119: Subsidiaries without Public Accountability: Disclosures*
- *Contracts Referencing Nature-dependent Electricity (Amendments to FRS 109 and FRS 107)*

4 Property, plant and equipment

	Freehold property	Leasehold building	Leasehold properties	Dental, medical and fitness equipment	Furniture and fittings	Computer and office equipment	Computer software	Motor vehicles	Asset under construction	Total
Cost	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
At 1 January 2024	1,712,781	7,778,521	1,174,048	9,580,916	21,966,795	1,759,848	6,512,123	4,063,891	2,156,134	56,705,057
Additions	-	-	-	1,202,298	1,672,324	47,634	641,972	-	576,116	4,140,344
Disposal/Written off	-	-	-	(3,944,480)	(2,685,478)	(27,585)	(618,286)	(632,423)	(634,279)	(8,542,531)
Transfers	-	-	-	491,095	788,472	-	228,200	-	(1,507,767)	-
At 31 December 2024	1,712,781	7,778,521	1,174,048	7,329,829	21,742,113	1,779,897	6,764,009	3,431,468	590,204	52,302,870
At 1 January 2025	1,712,781	7,778,521	1,174,048	7,329,829	21,742,113	1,779,897	6,764,009	3,431,468	590,204	52,302,870
Additions	-	-	-	451,409	3,867,512	117,076	642,650	-	1,563,056	6,641,703
Disposal/Written off	-	-	(810,000)	(3,064,608)	(10,066,389)	(1,772,820)	(4,567,624)	(128,991)	-	(20,410,432)
Transfers	-	-	-	257,693	313,228	5,000	-	-	(575,921)	-
Reclassification to assets held for sales (Note 11)	-	(7,778,521)	-	-	-	-	-	-	-	(7,778,521)
Reclassification to investment properties (Note 6)	(1,712,781)	-	-	-	-	-	-	-	-	(1,712,781)
At 31 December 2025	-	-	364,048	4,974,323	15,856,464	129,153	2,839,035	3,302,477	1,577,339	29,042,839
Accumulated depreciation										
At 1 January 2024	830,736	3,733,688	536,398	6,184,698	13,318,647	1,564,862	5,059,701	2,150,966	-	33,379,696
Depreciation	39,494	155,570	27,000	1,255,936	2,771,518	169,630	561,718	359,532	-	5,340,398
Disposal/Written off	-	-	-	(3,784,119)	(2,591,883)	(27,585)	(521,937)	(504,652)	-	(7,430,176)
At 31 December 2024	870,230	3,889,258	563,398	3,656,515	13,498,282	1,706,907	5,099,482	2,005,846	-	31,289,918
At 1 January 2025	870,230	3,889,258	563,398	3,656,515	13,498,282	1,706,907	5,099,482	2,005,846	-	31,289,918
Depreciation	39,494	103,714	21,600	1,405,706	3,016,296	65,913	637,582	329,758	-	5,620,063
Disposal/Written off	-	-	(487,350)	(3,058,636)	(10,065,661)	(1,772,820)	(4,506,839)	(120,412)	-	(20,011,718)
Reclassification to assets held for sales (Note 11)	-	(3,992,972)	-	-	-	-	-	-	-	(3,992,972)
Reclassification to investment properties (Note 6)	(909,724)	-	-	-	-	-	-	-	-	(909,724)
At 31 December 2025	-	-	97,648	2,003,585	6,448,917	-	1,230,225	2,215,192	-	11,995,567

NTUC Health Co-operative Limited
Financial statements
Year ended 31 December 2025

	Freehold property	Leasehold building	Leasehold properties	Dental, medical and fitness equipment	Furniture and fittings	Computer and office equipment	Computer software	Motor vehicles	Asset under construction	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Carrying amounts										
At 1 January 2024	882,045	4,044,833	637,650	3,396,218	8,648,148	194,986	1,452,422	1,912,925	2,156,134	23,325,361
At 31 December 2024	842,551	3,889,263	610,650	3,673,314	8,243,831	72,990	1,664,527	1,425,622	590,204	21,012,952
At 31 December 2025	—	—	266,400	2,970,738	9,407,547	129,153	1,608,810	1,087,285	1,577,339	17,047,272

5 Right-of-use assets

The Co-operative leases many assets including property and equipment.

	Leasehold properties	Equipment	Total
	\$	\$	\$
Cost			
At 1 January 2024	42,647,236	414,494	43,061,730
Additions	245,094	–	245,094
Reassessments/modifications to contracts	13,061,021	–	13,061,021
Lease termination/derecognition	(32,843,706)	(414,494)	(33,258,200)
At 31 December 2024	23,109,645	–	23,109,645
Additions	2,646,554	–	2,646,554
Reassessments/modifications to contracts	11,190,063	–	11,190,063
At 31 December 2025	36,946,262	–	36,946,262
Accumulated depreciation			
At 1 January 2024	31,290,539	284,203	31,574,742
Depreciation	7,768,647	46,225	7,814,872
Lease termination/derecognition	(29,699,921)	(330,428)	(30,030,349)
At 31 December 2024	9,359,265	–	9,359,265
Depreciation	9,089,735	–	9,089,735
At 31 December 2025	18,449,000	–	18,449,000
Carrying amounts			
At 1 January 2024	11,356,697	130,291	11,486,988
At 31 December 2024	13,750,380	–	13,750,380
At 31 December 2025	18,497,262	–	18,497,262

Information about leases for which the Co-operative is a lessee is discussed in note 25.

Included in the carrying amount of right-of-use assets (specifically under Leasehold Properties) is an initial estimate of reinstatement costs amounting to \$216,619 (2024: \$Nil). This represents the present value of the Co-operative's obligation to restore the leased premises to their original condition upon expiry of the lease terms.

6 Investment properties

	\$
Cost	
At 1 January 2024 and 31 December 2024	5,080,213
Reclassification from property, plant and equipment (Note 4)	1,712,781
Reclassification to assets held for sales (Note 11)	<u>(5,080,213)</u>
At 31 December 2025	<u>1,712,781</u>
Accumulated depreciation	
At 1 January 2024	2,223,950
Depreciation for the year	<u>109,856</u>
At 31 December 2024	2,333,806
Depreciation for the year	73,238
Reclassification from property, plant and equipment (Note 4)	909,724
Reclassification to assets held for sales (Note 11)	<u>(2,407,044)</u>
At 31 December 2025	<u>909,724</u>
Carrying amounts	
At 1 January 2024	<u>2,856,263</u>
At 31 December 2024	<u>2,746,407</u>
At 31 December 2025	<u>803,057</u>

During the year, an investment property representing the Co-operative's 25% (2024: 25%) interest in certain units jointly-owned with NTUC Income Insurance Co-operative Limited was reclassified to assets held for sale following the Co-operative's execution of a sale and purchase agreement. The carrying amount of the property at the date of reclassification was \$2,673,169 (31 December 2024: \$2,746,407).

In addition, property, plant and equipment with a carrying amount of \$803,057 was reclassified to investment properties following a change in use to third-party leasing.

Amounts recognised in profit or loss

The rental income was recognised by the Co-operative during 2025 was \$449,009 (2024: \$461,751) and was included in 'other income' (see note 21).

Maintenance expense, included in 'other operating expenses', was as follows:

	2025	2024
	\$	\$
Income-generating property	<u>206,701</u>	<u>131,737</u>

Determination of fair value for disclosure

The Co-operative adopts the cost model to measure the investment properties and discloses their fair values. The fair value of investment properties were determined by external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

Fair value of assets

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
31 December 2025	–	–	4,600,000	4,600,000
31 December 2024	–	–	6,784,943	6,784,943

There is no transfer between Level 1 and 2 fair values during the financial year.

Valuation technique and significant unobservable inputs

In 2025, following a change in valuer, the valuation technique was changed from the direct income capitalisation method to the market comparison method.

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

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<i>2025: Market comparison method</i>	2025:	The estimated fair value would increase/(decrease) if the rental rate was higher/(lower).
This method uses transacted prices of comparable strata retail units in the vicinity and elsewhere, with necessary adjustments made for differences in location, floor level, frontage and visibility, unit size, tenure and tenancy status.	<ul style="list-style-type: none"> • Rental rates: S\$10 to S\$15 per square foot per month. 	<ul style="list-style-type: none"> • the rental rate was higher/(lower).
<i>2024: Direct income capitalisation method</i>	2024:	The estimated fair value would increase/(decrease) if
The method capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates.	<ul style="list-style-type: none"> • Capitalisation rate: 5% • Rental rates: \$2.30 per square feet 	<ul style="list-style-type: none"> • the capitalisation rates are lower/(higher) • the rental rate was higher/(lower).

7 Investments

	2025	2024
	\$	\$
Current		
Debt investments at amortised cost	25,000,000	–
Non-current		
Equity investments at FVOCI	–	2,455,734
Debt investments at amortised cost	–	25,000,000
	25,000,000	27,455,734

The debt investments are at amortised cost. The first tranche of \$20,000,000 bears an interest rate of 1.24% whilst the second tranche of \$5,000,000 bears an interest rate of 1.42%. Both tranches will mature on 27 February 2026.

Equity investments designated as at FVOCI

The Co-operative designated the investments shown below as equity investments at FVOCI because these equity investments represent investments that the Co-operative intends to hold for the long-term for strategic purposes.

	Fair value	
	2025	2024
	\$	\$
Quoted equity investments	–	2,455,734

On 23 April 2025, the Co-operative disposed quoted equity investment at fair value of \$2,486,477. The cumulative net change in fair value of \$1,695,234 has been transferred to accumulated profits upon disposal.

The Co-operative's exposure to credit and market risks, and fair value measurement are disclosed in note 27.

8 Inventories

	2025	2024
	\$	\$
Finished goods	1,232,177	1,171,358

The Co-operative's inventories of \$3,860,711 (2024: \$4,258,145) were recognised as an expense during the year and included in 'Consumables used'.

9 Trade and other receivables

	2025 \$	2024 \$
Trade receivables	2,623,613	2,803,549
Allowance for doubtful receivables	(703,003)	(358,748)
	1,920,610	2,444,801
Amount due from ultimate holding entity (non-trade)	268,310	269,184
Amount due from related parties		
- Non-trade	1,241,182	1,205,660
- Allowance for doubtful receivables	(835,605)	-
	405,577	1,205,660
Other receivables	53,719,376	44,171,826
Deposits	472,042	618,354
	56,785,915	48,709,825

Non-trade amount due from ultimate holding entity included interest receivables of \$268,310 (2024: \$269,184).

Non-trade amount due from related parties are unsecured, non-interest bearing and repayable on demand.

Other receivables include grant and subsidy receivables of \$53,321,697 (2024: \$44,023,441).

The Co-operative's exposure to credit and currency risks, and impairment losses for trade and other receivables, are disclosed in note 27.

10 Cash and cash equivalents

	2025 \$	2024 \$
Cash at bank	27,310,299	49,369,935
Fixed deposits	40,000,000	-
Cash on hand	300	300
Cash and cash equivalents in statement of financial position	67,310,599	49,370,235
Less: Cash at bank in Medifund account	(3,590,919)	(5,125,352)
Cash and cash equivalents in the statement of cash flows	63,719,680	44,244,883

Included in cash at bank is \$3,590,919 (2024: \$5,125,352) held on behalf of the Medifund account. A specific bank account is established and maintained for the Medifund account.

The Medifund account is a grant from the Medical Endowment Fund (the "MEF") which is set up by the Government under the Medical and Elderly Care Endowment Schemes Act (Chapter 173A).

For the purpose of any written law in Singapore, all monies in the Medifund account are deemed not to form part of the property of the approved institution if it goes into voluntary or compulsory liquidation. In such event, the monies shall then be vested and paid into the MEF.

Fixed deposits placed with financial institutions have maturity periods ranging from 22 to 30 days from the reporting date and average interest rates ranging from 0.9% to 1.1% (2024: Nil%)

11 Asset classified as held for sale

	2025	2024
	\$	\$
Investment properties	2,673,169	–
Leasehold buildings	3,785,549	–
	<u>6,458,718</u>	<u>–</u>

In September 2025, the Co-operative entered into a sale and purchase agreement with a related corporation for the sale of certain investment properties and leasehold building.

Management assessed that the sale was highly probable and accordingly reclassified the investment properties and leasehold building to assets held for sale. Subsequent to the year end, the sale was completed (refer to Note 29).

12 Share capital

	Number of shares	
	2025	2024
Ordinary shares, fully paid with no par value:		
On issue at 1 January	35,566,361	36,755,984
Withdrawn during the year	(193,300)	(1,189,623)
At 31 December	<u>35,373,061</u>	<u>35,566,361</u>

Rights of member

- (a) The membership shares relates to shares held by members where redemption of share is subject to approval of the Board of Directors.
- (b) All members are entitled to redeem their shares at the par value or the net asset value of the Co-operative based on the latest audited financial position as at the date of redemption, whichever is lower.

- (c) The shares do not carry any rights to fixed income.
- (d) In accordance with Section 4.6 of the Co-operative's By-Laws, every member shall, unless otherwise disqualified under the Act or the By-laws, have the right to:
 - (i) avail himself of all services of the Society;
 - (ii) stand for election to office, subject to the provisions of the Act and the By-laws, where applicable;
 - (iii) be co-opted to hold office in the Society, where applicable;
 - (iv) participate and vote at general meetings; and
 - (v) enjoy all other rights, privileges or benefits provided under the By-laws.
- (e) Members are entitled to receive dividends as and when declared by the Co-operative.
- (f) In the event of the winding up of the Co-operative, the assets shall be applied first to the cost of liquidation, then to the discharge of the liabilities of the Co-operative, then to the payment of the share capital or subscription capital, and then, provided that the By-laws of the Co-operative permit, to the payment of a dividend or patronage refund at a rate not exceeding that laid down in the Rules or in the By-Laws.
- (g) Any moneys remaining after the application of the funds to the purposes specified in the above paragraph (section 88 of Co-operative Societies Act) and any sums unclaimed after two years under Section 89 (2) of the Act (which relates to claims of creditors), shall not be divided among the members but shall be carried to the Co-operative Societies Liquidation Account kept by the Registrar of the Co-operative Societies.
- (h) A sum carried to the Co-operative Societies Liquidation Account shall be kept in this Account for at least two years. Out of the Co-operative Societies Liquidation Account such sums may be transferred to the Central Co-operative Fund, or applied generally for the furtherance of co-operative principles in such manner, as the Minister may determine from time to time.

13 Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity investments designated at FVOCI until the assets are disposed of or impaired.

14 Accumulated profits

	2025 \$	2024 \$
Restricted funds	49,545,405	20,289,904
Unrestricted funds	21,062,717	43,908,565
Accumulated profits	<u>70,608,122</u>	<u>64,198,469</u>

Restricted funds are subject to restrictions on their utilisation of grants as well as expenses imposed by the grantors.

Unrestricted funds are available for use at the discretion of management in furtherance of the general objectives of the Co-operative.

Included in restricted funds is the co-funding from National Council of Social Service for 18 programmes amounting to \$13,645,730 (2024: \$21,386,357).

15 Community Silver Trust

The Community Silver Trust (“CST”) is a grant scheme, whereby the government will provide a matching grant of one dollar for every donation dollar raised by eligible organisations. The objectives are to encourage more donations and provide additional resources for the service providers in the Intermediate and Long Term Care (“ILTC”) sector and to enhance capabilities and provide value-added services to achieve affordable and higher quality care. Donations received from 1 April 2011 onwards from ILTC programs are eligible for this grant.

	2025 \$	2024 \$
At 1 January	2,087,079	968,743
Received/receivables during the year	10,000,000	6,500,767
Less: Transfer to profit or loss (note 21)	(3,923,112)	(5,382,431)
Less: Refunds made during the year	(320,061)	–
At 31 December	<u>7,843,906</u>	<u>2,087,079</u>
Analysed as follows:		
Current liabilities	3,572,387	787,871
Non-current liabilities	4,271,519	1,299,208
	<u>7,843,906</u>	<u>2,087,079</u>

The utilisation of Community Silver Trust of \$3,923,112 during the year (2024: \$5,382,431) has been included in ‘Government grants’ in note 21.

16 Deferred income

The deferred income relates to grants received in relation to purchase, or to subsidise the purchase of specific assets and/or capital expenditure. Grants received are initially deferred in the statement of financial position and recognised systematically over the life of the underlying assets purchased.

	2025	2024
	\$	\$
At 1 January	12,522,165	12,682,431
Increase during the year	3,439,556	3,905,671
Less: Transfer to profit or loss (note 21)	<u>(4,647,937)</u>	<u>(4,065,937)</u>
At 31 December	<u>11,313,784</u>	<u>12,522,165</u>
Analysed as follows:		
Current liabilities	4,308,441	3,894,798
Non-current liabilities	<u>7,005,343</u>	<u>8,627,367</u>
	<u>11,313,784</u>	<u>12,522,165</u>

17 Lease liabilities

	2025	2024
	\$	\$
Current	8,834,055	6,795,840
Non-current	<u>9,932,661</u>	<u>6,964,521</u>
	<u>18,766,716</u>	<u>13,760,361</u>

Terms and conditions of outstanding lease liabilities are as follows:

	Effective interest rate	Year of maturity	Face value \$	Carrying amount \$
31 December 2025	<u>2.9% - 5.2%</u>	<u>2026 - 2030</u>	<u>19,983,404</u>	<u>18,766,716</u>
31 December 2024	<u>1.4% - 5.2%</u>	<u>2025 - 2027</u>	<u>14,653,205</u>	<u>13,760,361</u>

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

	Lease liabilities \$
Balance at 1 January 2024	11,735,682
Changes from financing cash flows	
Payment of lease liabilities	(8,082,605)
Interest paid	(470,877)
Total changes from financing cash flows	(8,553,482)
Other changes	
New leases (note 5)	245,094
Reassessments/modifications to contracts (note 5)	13,061,021
Lease termination/derecognition	(3,198,831)
Interest expense ⁽¹⁾	470,877
Total other changes	10,578,161
Balance at 31 December 2024	13,760,361
Balance at 1 January 2025	13,760,361
Changes from financing cash flows	
Payment of lease liabilities	(8,613,643)
Interest paid	(828,869)
Total changes from financing cash flows	(9,442,512)
Other changes	
New leases (note 5)	2,429,935
Reassessments/modifications to contracts (note 5)	11,190,063
Interest expense	828,869
Total other changes	14,448,867
Balance at 31 December 2025	18,766,716

⁽¹⁾ The interest expense includes \$383,269 from continuing operations \$87,608 from discontinued operation.

18 Trade and other payables

	2025 \$	2024 \$
Trade payables	2,019,294	1,812,110
Other payables	6,126,178	2,552,505
Amount due to related parties		
- Trade	1,567,864	1,454,527
- Non-trade	316,121	1,109,968
Directors' allowance	191,941	155,278
Accrued operating expenses	32,178,800	21,202,453
Grants received in advance	6,848,895	6,219,903
	49,249,093	34,506,744

Non-trade amounts due to related parties are unsecured, non-interest bearing and repayable on demand.

Included in 'Grants received in advance' is an amount relating to Medifund account (see note 10).

The Co-operative's exposures to currency risk and liquidity risk related to trade and other payables are disclosed in note 27.

19 Provisions

	2025 \$	2024 \$
Provision for reinstatement costs	221,088	–

Movements in provision for reinstatement costs:

	2025 \$	2024 \$
At 1 January	–	259,855
Provision made	216,619	–
Accretion expense for the year	4,469	
Provision reversed	–	(259,855)
At 31 December	221,088	–

Provision for reinstatement costs

The provision for reinstatement costs are the estimated costs of dismantle, removal or restoration of right of use assets and plant and equipment arising from the acquisition or use of assets, which are recognised and included in the cost of right of use assets and property, plant and equipment.

20 Revenue

	2025 \$	2024 \$
Family Medicine Clinic services	2,021,070	1,834,685
Eldercare services	36,636,261	29,292,380
Total	38,657,331	31,127,065

Revenue is recognised at a point in time when services are rendered. Significant payment terms range from the credit period of 0 to 30 days from invoice date. There are no variable considerations, obligations for returns or warranties for all services provided.

21 Other income

	2025	2024
	\$	\$
Amortisation of deferred income	4,647,937	4,045,487
Gain/(Loss) on disposal of property, plant and equipment	1,426,110	(613)
Government grants	154,565,292	131,101,200
Rental income	868,825	760,648
Others	290,188	485,131
	<u>161,798,352</u>	<u>136,391,853</u>

Government grants includes funding from National Council of Social Service amounting to \$9,322 (2024: \$16,539).

22 Staff costs

	2025	2024
	\$	\$
Salaries, bonuses and other short-term benefits	105,798,607	93,923,964
Employer's contribution to defined contribution plans	8,477,315	7,707,397
	<u>114,275,922</u>	<u>101,631,361</u>

23 Finance income and finance costs

	2025	2024
	\$	\$
Finance income		
Interest income from fixed deposits and bank balances	248,197	52,126
Interest income from debt investment at amortised cost	319,000	319,874
	<u>567,197</u>	<u>372,000</u>
Finance costs		
Interest expense from related party loan	–	261,715
Interest expense from lease liabilities	828,869	383,269
Accretion cost on provision	4,469	–
	<u>833,338</u>	<u>644,984</u>

24 Profit before contributions

The following items have been charged in arriving at profit before contributions:

	2025	2024
	\$	\$
Advertisement and promotion expenses	1,140,950	532,998
Impairment loss on doubtful receivables	1,384,994	235,385
Property, plant and equipment written off	67,485	1,086,971
Loss on lease termination	–	29,020
Contracted services for provision of services	11,607,909	8,587,802
Trade receivables written off	–	13,032
(Gain)/ Loss on disposal of property, plant and equipment	(1,426,110)	613

25 Leases

Leases as lessee (FRS 116)

(i) *Right-of-use assets*

The Co-operative leases many assets including properties and equipment (see note 5 for right-of-use assets recognised on the statement of financial position as at reporting date).

Amounts recognised in profit or loss

	2025	2024
	\$	\$
Interest on lease liabilities	828,869	383,269
Rental expense	363,768	534,709

In 2025, the Co-operative has recognised \$363,768 (2024: \$534,709) of expenses relating to short-term leases for properties and equipment.

(ii) *Amounts recognised in statement of cash flows*

	2025	2024
	\$	\$
Total cash outflow for leases	9,442,512	8,553,482

Extension options

Some property leases contain extension options exercisable by the Co-operative up to 10 months before the end of contract period. The Co-operative assesses at lease commencement date whether it is reasonably certain to exercise the extension options.

The Co-operative has estimated that the potential lease payments, should it exercise the extension option, would result in an increase of lease liability of \$20,622,565 (2024: \$19,575,970).

Leases as lessor

The Co-operative leases out its investment properties consisting of its owned commercial properties (see note 6). All leases are classified as operating leases from a lessor perspective.

Operating leases

The Co-operative leases out its investment properties. The Co-operative has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 6 sets out information about the operating leases of investment properties.

Rental income from investment properties recognised by the Co-operative during 2025 was \$449,009 (2024: \$461,751).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2025	2024
	\$	\$
Less than one year	132,914	393,555
One to two years	265,827	420,260
More than two years	77,533	332,706
Total	476,274	1,146,521

26 Related parties

For the purpose of these financial statements, parties are considered to be related to the Co-operative if the Co-operative has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Co-operative and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

In addition to the transactions disclosed elsewhere in the financial statements, the following significant related party transactions based on terms as agreed between the parties during the financial year:

	2025	2024
	\$	\$
<i>With ultimate holding entity</i>		
Management fee expense	(1,272,000)	(542,600)
Interest income on debt investment at amortised cost	<u>319,000</u>	<u>319,874</u>
<i>With related parties</i>		
Management fee expense	(5,331,213)	(4,777,920)
Rental expenses	(168,269)	(370,791)
Rental income	844,550	725,622
Purchase of consumables	<u>(8,259,798)</u>	<u>(8,050,377)</u>

Compensation of key management personnel

The compensation of Directors and other members of the key management personnel of the Co-operative during the financial year were as follows:

	2025	2024
	\$	\$
Salaries and other benefits	3,524,041	2,693,878
Employer's contribution to defined contribution plan	159,656	159,050
Directors' allowance	<u>191,941</u>	<u>155,278</u>
	<u>3,875,638</u>	<u>3,008,206</u>

27 Financial risk management

Overview

The Co-operative has exposure to the following risks from its activities:

- credit risk;
- liquidity risk; and
- market risk

This note presents information about the Co-operative's exposure to each of the above risks, the Co-operative's objectives, policies and processes for measuring and managing those risks.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Co-operative’s risk management framework. The Co-operative’s risk management policies are established to identify and analyse the risks faced by the Co-operative, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Co-operative’s activities. The Co-operative, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(i) Credit risk

Credit risk is the risk of financial loss to the Co-operative if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Co-operative’s receivables from clients.

The carrying amounts of financial assets represent the Co-operative’s maximum exposure to credit risk, before taking into account any collateral held. The Co-operative does not require any collateral in respect of their financial needs.

The maximum exposure to credit risk at the reporting date is as follows:

	Carrying amount	
	2025	2024
	\$	\$
Debt investments at amortised cost	25,000,000	25,000,000
Cash and cash equivalents	67,310,599	49,370,235
Trade and other receivables	56,785,915	48,709,825
	<u>149,096,514</u>	<u>123,080,060</u>

Expected credit loss assessment for individual clients

The Co-operative uses an allowance matrix to measure the ECLs of trade receivables from individual clients, which comprise a very large number of small balances.

Loss rates are based on actual credit loss experience over the past three years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Co-operative’s view of economic conditions over the expected lives of the receivables. As of 2025, no scalar factor has been applied.

The following table provides information about the exposure to credit risk for trade receivables as at 31 December 2024 and 31 December 2025:

	Gross carrying amount \$	Impairment loss allowance \$	Credit impaired
2025			
Not past due	1,033,035	–	No
Past due 1 to 30 days	395,548	(23,702)	Yes
Past due 31 to 90 days	301,315	(52,487)	Yes
Past due 91 to 120 days	127,716	(20,985)	Yes
Past due more than 120 days	765,999	(605,829)	Yes
	<u>2,623,613</u>	<u>(703,003)</u>	
2024			
Not past due	1,869,626	–	No
Past due 1 to 30 days	182,561	–	No
Past due 31 to 90 days	21,372	–	No
Past due 91 to 120 days	12,577	–	No
Past due more than 120 days	717,413	(358,748)	Yes
	<u>2,803,549</u>	<u>(358,748)</u>	

Movement in the allowance for impairment in respect of trade receivables

The movement in allowance for impairment in respect of trade receivables during the year was as follows:

	2025 \$	2024 \$
Balance at 1 January	358,748	206,687
Allowance made during the year	549,389	235,385
Allowance written-off	(205,134)	(83,324)
At 31 December	<u>703,003</u>	<u>358,748</u>

Non-trade amounts due from related parties

The Co-operative held non-trade receivables from its related parties of \$405,577 (2024: \$1,205,660). The Co-operative uses an approach that is based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to audited financial statements, management accounts and cash flow projections, and available press information, if available, and applying experienced credit judgement).

During the year, an impairment loss of \$835,605 was recognised as certain balances were overdue for more than 120 days, in accordance with the Co-operative's internal credit risk management policy.

Except for the impaired balances, management has assessed that there has been no significant increase in credit risk for the remaining non trade receivables from related parties, and accordingly, no further impairment has been recognised.

Other receivables

The Co-operative held \$53,719,376 (2024: \$44,171,826) of other receivables, out of which \$53,321,697 (2024: \$44,023,441) are government grant and subsidy receivables. Impairment on other receivables has been measured on the 12-month expected loss basis. The Co-operative considers that its other receivables to have low credit risk based on the historical loss rates. The amount of allowance on other receivables was negligible.

Cash and cash equivalents

The Co-operative held cash and cash equivalents of \$67,310,599 at 31 December 2025 (2024: \$49,370,235). Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Co-operative considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

Debt investment and non-trade amount due from ultimate holding entity

The Co-operative invests in bonds issued by the ultimate holding entity, NTUC Enterprise Co-operative Limited, of \$25,000,000 (2024: \$25,000,000). Non-trade due from ultimate holding entity mainly relates to interest from this bond. Impairment on the bonds has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The amount of the impairment allowance on these bonds and interest receivables are insignificant.

(ii) Liquidity risk

Liquidity risk is the risk that the Co-operative will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Co-operative's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Co-operative's reputation.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount \$	Contractual cash flows \$	Within one year \$	Within one to five years \$
31 December 2025				
Non-derivative financial liabilities				
Trade and other payables (excluding grants received in advance)	42,400,198	(42,400,198)	(42,400,198)	-
Lease liabilities	18,766,716	(19,983,404)	(9,545,654)	(10,437,750)
	61,166,914	(62,383,602)	(51,945,852)	(10,437,750)

	Carrying amount \$	Contractual cash flows \$	Within one year \$	Within one to five years \$
31 December 2024				
Non-derivative financial liabilities				
Trade and other payables (excluding grants received in advance)	28,286,841	(28,286,841)	(28,286,841)	–
Lease liabilities	13,760,361	(14,653,205)	(6,959,905)	(7,693,300)
	42,047,202	(42,940,046)	(35,246,746)	(7,693,300)

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Co-operative's surplus or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return.

(i) Currency risk

As at reporting date, the Co-operative is not exposed to significant currency risk.

(ii) Interest rate risk

The Co-operative does not have significant exposure to interest-bearing financial instrument at the end of the reporting period except for its fixed deposits and its debt investments at amortised cost. Debt investments at amortised cost and fixed deposits are fixed rate instruments and a change in interest rate would not affect profit or loss. Cash at bank are short-term and with the current interest level, any future variations in interest rates are not expected to have a material impact on the Co-operative's results. Accordingly, no sensitivity analysis is presented.

(iii) Price risk

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

Sensitivity analysis

The sensitivity analysis assumes an instantaneous 5% (2024: 5%) change in the equity prices from the end of the reporting period, with all variables held constant.

	2025 \$	Increase 2024 \$
Equity investments at FVOCI	–	122,787

(vii) Determination of fair values

Investments in securities

The fair value of equity investment at FVOCI is based on quoted market prices at the reporting date without any deduction for transaction costs.

Investment properties

External and independent valuation companies, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, determines the fair values of the Co-operative's investment properties, for disclosure purposes.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents and trade and other payables (excluding grants received in advance)) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

For debt investments at amortised cost that are not actively traded in the market, the fair value is determined using valuation techniques where applicable. The Co-operative may use a variety of methods and make assumptions that are based on existing discounted cash flows, to determine the fair value for the remaining financial instruments. Where discounted cash flows are used, the management will estimate the future cash flows and use relevant market rate as the discount rate at the reporting date.

(viii) Fair value hierarchy

The tables below analyse fair value measurements for financial assets and financial liabilities, by the levels in the fair value hierarchy based on the inputs to valuation techniques. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Co-operative can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: unobservable inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(ix) **Accounting classifications and fair values**

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note	Carrying amount				Fair value			
		Equity investments at FVOCI	Debt investments at amortised cost	Financial assets at amortised cost	Other financial liabilities	Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$	\$	\$	\$	\$
31 December 2025									
Financial assets not measured at fair value									
Cash and cash equivalents	10	-	-	67,310,599	-	-	-	-	67,310,599
Trade and other receivables	9	-	-	56,785,915	-	-	-	-	56,785,915
Debt investments – at amortised cost	7	-	25,000,000	-	-	-	-	25,000,000	25,000,000
		-	25,000,000	124,096,514	-	-	-	149,096,514	
Financial liabilities not measured at fair value									
Trade and other payables*	18	-	-	-	(42,400,198)	-	-	-	(42,400,198)

* Exclude grants received in advance

NTUC Health Co-operative Limited
Financial statements
Year ended 31 December 2025

	Note	Carrying amount				Fair value			Total
		Equity investments at FVOCI \$	Debt investments at amortised cost \$	Financial assets at amortised cost \$	Other financial liabilities \$	Level 1 \$	Level 2 \$	Level 3 \$	
31 December 2024									
Financial assets measured at fair value									
Equity investments – at FVOCI	7	2,455,734	–	–	–	–	2,455,734	–	2,455,734
Financial assets not measured at fair value									
Cash and cash equivalents	10	–	–	49,370,235	–	–	–	–	49,370,235
Trade and other receivables	9	–	–	48,709,825	–	–	–	–	48,709,825
Debt investments – at amortised cost	7	–	25,000,000	–	–	–	–	25,000,000	25,000,000
		–	25,000,000	98,080,060	–	–	–	–	123,080,060
Financial liabilities not measured at fair value									
Trade and other payables*	18	–	–	–	(28,286,841)	–	–	–	(28,286,841)

* Exclude grants received in advance

Level 3 fair values

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

Type	Fair value \$	Valuation technique
2025		
Debt investments at amortised cost	25,000,000	Discounted cash flows
2024		
Debt investments at amortised cost	25,000,000	Discounted cash flows

There were no transfers of classification between levels during the current or prior financial year.

During the financial year, the Co-operative disposed of all its equity investments at FVOCI. Prior to disposal, the fair values of these instruments are based on broker quotes and are determined through the use of discounted net assets valuation techniques with observable market inputs such as estimated yield rates and market interest rates at the reporting date. These financial instruments have been classified as level 2 in 2024.

28 Discontinued operation

In July 2024, the Co-operative sold its entire Denticare business unit. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year. Accordingly, the comparative statement of comprehensive income of the Co-operative has been re-presented to show the discontinued operation separately from continuing operations.

	2024 \$
Results of discontinued operation	
Revenue and other income	11,077,647
Expenses	<u>(12,084,160)</u>
Results from operating activities, net of tax	<u>(1,006,513)</u>
Gain on sale of discontinued operation	<u>19,484,286</u>
Profit from discontinued operations, net of tax	<u>18,477,773</u>
Cash flows from discontinued operation	
Net cash from operating activities	2,212,362
Net cash from investing activities	19,654,634
Net cash from financing activities	<u>(1,329,653)</u>
Net cash flows for the year	<u>20,537,343</u>

Effect of disposal on the financial position of the Co-operative

	2024 \$
Property, plant and equipment	(400,889)
Right-of-use assets	(2,753,567)
Inventories	(91,069)
Trade and other receivables	(1,147,434)
Trade and other payables	<u>3,225,308</u>
Net assets and liabilities	<u>(1,167,651)</u>
Consideration received, satisfied in cash	19,654,634
Cash and cash equivalents disposed of	<u>—</u>
Net cash inflow	<u>19,654,634</u>

29 Subsequent event

Subsequent to the financial year end, on 15 January 2026, the Co-operative completed the sale of its investment properties and leasehold buildings, which had been classified as assets held for sale as at 31 December 2025. The gain on disposal will be recognised in the year ending 31 December 2026.

Corporate Information

BOARD OF DIRECTORS

Chan Lai Fung *Chairman*
Yeo Yong Kiang Don
Andrew Chong
Lew Wing Kit
Lim Teck Chuan
Loh Aik Hong James
Ng Chee Yuen
Wong Sweet Fun

REGISTERED ADDRESS

53 Ang Mo Kio Ave 3 #04-04/05
AMK Hub
Singapore 569933

AUDITOR

KPMG LLP

BOARD COMMITTEES

Human Resource Committee

Yeo Yong Kiang Don *Chairman*
Andrew Chong
Chan Lai Fung

DBS Bank Limited
Oversea-Chinese Banking Corporation Limited
The Hongkong and Shanghai Banking
Corporation Limited

Audit and Risk Committee

Loh Aik Hong James *Chairman*
Andrew Chong
Wong Sweet Fun
Lim Teck Chuan

UNION

Healthcare Services Employees' Union

K Thanalethimi *President*
Simon Ong *General Secretary*
Steven Goh Tiat Yang *Executive Secretary*
Dicky Loe Keng Hoong *General Treasurer*

Executive Committee

Chan Lai Fung *Chairman*
Ng Chee Yuen
Lew Wing Kit
Yeo Yong Kiang Don

NTUC Health - Union Branch Committee

Chan Kam Tai *Branch Chairperson*
Chang Lai Teang Tiffany *Branch Secretary*
Debbie Koh *Branch Treasurer*

**MEMBERSHIP LISTING AND SHAREHOLDINGS
As at 31 December 2025**

S/N	Name of Institutional Shareholder	Total Shares
1	NTUC Enterprise Co-operative Ltd	31,556,944
2	National Trades Union Congress	110,000
3	Singapore Mercantile Co-operative Society Ltd	10,000
4	The Singapore Government Staff Credit Co-operative Society Ltd	10,000
5	The Singapore Teachers' Co-operative Society Limited	50,000
	Institutional Share Capital as at 31 December 2025	31,736,944
	Ordinary Share Capital (9,621 members)	3,636,117
	Total Share Capital as at 31 December 2025	35,373,061