

# Resilient growth: building strength and fostering transformation

Inspiring confidence and empowering change  
Illustrative Annual Report 2024



# About PwC

At PwC, our purpose is to build trust in society and solve important problems. We are a network of firms in 149 countries with more than 370,000 people who are committed to delivering quality in assurance, advisory and tax services. PwC Singapore is a member firm of this network and is responsible for its own risk and quality performance.

PwC firms are members of PricewaterhouseCoopers International Limited and have the right to use the PwC name. Each firm member is a separate legal entity operating locally in countries around the world. As members of the PwC network, PwC firms share knowledge, skills and resources. This membership facilitates member firms to work together to provide quality services on a global scale to international and local clients, while retaining the advantages of being local businesses – including being knowledgeable about local laws, regulations, standards and practices.

PwC Singapore works together on a collaborative basis with PwC China, Hong Kong, Macau and Taiwan, subject to local applicable laws. Collectively, we have around 1,335 partners and a strength of more than 31,000 people.

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# Publication guide

## Scope

This publication illustrates the consolidated financial statements of a fictitious Singapore-incorporated company listed on the Mainboard of the Singapore Exchange Limited (“SGX”), PwC Holdings Ltd (the “Company”) and its subsidiaries (the “Group”) for the year ended 31 December 2024. The consolidated financial statements comply with Singapore Financial Reporting Standards (International) (“SFRS(I)s”).

The names of people and entities included in this publication are fictitious. Any resemblance to a person or entity is purely coincidental.

## Disclosures not illustrated

The disclosures in the illustration below do not cover every potential transaction that entities may have to disclose, but rather, those which are relevant to the circumstances of PwC Holdings Ltd.

Depending on individual facts and circumstances, other disclosures may be relevant that are not applicable to PwC Holdings Ltd. Certain disclosures are included in these financial statements merely for illustrative purposes only, even though they may be regarded as items or transactions that are not material for the Group.

The sample disclosures in this illustrative annual report should not be considered to be the only acceptable form of presentation. The form and content of each reporting entity’s annual report are the responsibility of the entity’s directors/management and other forms of presentation which are equally acceptable may be preferred and adopted, provided they include the specific disclosures prescribed in the Singapore Companies Act, SGX Securities Trading Listing Manual and SFRS(I)s.

The illustrative financial statements contained in this annual report are not substitutes for reading the legislation or standards themselves, or for professional judgement as to fairness of presentation. They do not cover all possible disclosures required by the Companies Act 1967, SGX Securities Trading Listing Manual and SFRS(I)s. Depending on the circumstances, further specific information may be required in order to ensure fair presentation and compliance with laws, accounting standards and stock exchange regulations in Singapore.

At the time of writing, there are still significant uncertainties over the global economy with geopolitical tensions, rising inflation and interest rates continue to present challenges for businesses. In addition, there are increased expectations for entities to enhance their sustainability reporting and factor climate-related considerations into their financial reporting disclosures. The *Impact of climate change on financial statements* sections in this publication serve as a guide to entities in these areas.

## Effective date

The standards applied in these illustrative financial statements are based on the SFRS(I) version in issue as at 31 October 2024 and effective for annual periods beginning on 1 January 2024. SFRS(I)s issued as at 31 October 2024 but not yet effective for annual periods beginning after 1 January 2024 have not been early adopted in these illustrative financial statements.

We remind users to check for any changes in the standards that are mandatory for application or can be early applied which are updated between 31 October 2024 and the end of the entity’s reporting period, and ensure that these are appropriately reflected in the financial statements.

## Guidance notes

Direct references to the source of disclosure requirements are included in the reference column on each page of the illustrative financial statements. Guidance notes are provided where additional matters may need to be considered in relation to a particular disclosure. These notes are inserted within the relevant section or note.

Similarly, the corporate governance disclosures illustrated in this annual report are not meant to be templates for all reporting entities. The board of directors/management for each reporting entity should formulate the corporate strategies and control measures tailored to the entity's particular circumstances and corporate governance processes. It therefore follows that corporate governance disclosures in annual reports will necessarily differ from one reporting entity to the other.

## Navigation

To help readers navigate through the comprehensive publication, references to the various notes to the financial statements are supported with hyperlinks to bring users to the relevant page. We have also provided hyperlinks on the bottom-left corner of each page to bring readers back to the first page of the financial statements.



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## Seek professional advice

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## Summary of resources

This publication includes links to relevant websites or accounting guidance published by PwC. These resources provide additional information and are supplementary to the illustrative disclosures presented in this Illustrative Annual Report and are summarised in this page.

### PwC Singapore Websites

1. [Asia Pacific Centre for Sustainability Excellence](#)
2. [IFRS updates workshop](#)
3. [Understanding Base Erosion and Profit Shifting - a two-pillar solution](#)

### PwC Guidance

1. [PwC's Viewpoint](#)
2. [Impact of ESG matters on IFRS financial statements](#)
3. [SEC adopts climate-related disclosure rules](#)
4. [Navigating the SEC climate-related disclosure requirements](#)
5. [IFRS Sustainability Disclosure Standards – guidance, insights and where to begin](#)
6. [Worldwide impact of CSRD – are you ready?](#)
7. [Publication of four major documents to support the implementation of ERSR](#)
8. [EFRAG and ISSB jointly publish interoperability guidance](#)
9. [Navigating the ESG landscape](#)
10. [Accounting for green/renewable power purchase agreements](#)
11. [Emissions trading systems: The opportunities ahead](#)
12. [IFRS Financial reporting considerations for entities participating in the voluntary carbon market](#)
13. [Navigating IFRS Accounting Standards in periods of rising inflation and interest rates](#)
14. [Bringing transparency on supplier finance](#)
15. [Pillar Two Country tracker](#)
16. [Global implementation of Pillar Two: Impact on deferred taxes and financial statement disclosures](#)
17. [Practical guide to Phase 1 amendments IFRS 9, IAS 39 and IFRS 7 for IBOR reform](#)
18. [Practical guide to Phase 2 amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 for interest rate benchmark \(IBOR\) reform](#)
19. [IFRS 17 for non insurers key reminders](#)



# Foreword

## **Resilient growth: building strength and fostering transformation**

In 2024, the importance of resilience and transformation continues to grow. In an environment defined by evolving economic, environmental, and social challenges, businesses are being called upon to build strength and drive change through sustainable practices. We remain committed to empowering organisations to not only withstand these pressures but also to foster meaningful transformation in their operations and reporting.

This year's theme captures the dual focus on resilience in the face of challenges and the proactive transformation needed to succeed in a rapidly changing landscape. In our recent PwC Global Investor Survey, sustainability remains a top priority for investors, who are increasingly prioritising sustainability factors in their decision-making processes, expecting companies to disclose how sustainability aligns with their business models, provide clarity on the costs of meeting their commitments, and offer a roadmap toward achieving these goals.

At the same time, Generative AI (GenAI) is poised to revolutionise financial reporting by automating data analysis, improving accuracy, and reducing manual effort. With its ability to process complex data and streamline regulatory compliance, GenAI empowers businesses to enhance reporting quality and make faster, more informed decisions. As AI-driven transformation accelerates across finance and other functions, embracing this technology will be crucial to staying competitive and fostering sustainable growth.

In 2024, businesses also face significant changes in the global tax landscape as governments address Base Erosion and Profit Shifting (BEPS). Singapore's forthcoming tax measures aim to ensure fair taxation and greater transparency, requiring companies to rethink their tax strategies and strengthen compliance. These developments have broad operational, financial, and reputational implications.

Our 2024 Illustrative Annual Report offers practical guidance to help organisations navigate this evolving landscape while maintaining resilience and adaptability.



# Three key highlights

## i. Sustainability reporting

Sustainability reporting has become essential for communicating long-term value creation and managing environmental, social, and governance (ESG) risks. This evolution reaches a significant milestone with the introduction of the International Sustainability Standards Board (ISSB) standards. In Singapore, listed companies will be required to adopt ISSB-aligned climate-related disclosures from 2025, with large non-listed companies following in 2027. This is part of a broader initiative to ensure that businesses are managing both the physical and transition risks associated with climate change, while aligning with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

With global standards and investor expectations on the rise, sustainability reporting must not only comply with new guidelines but also effectively communicate a company's resilience and ability to transform in response to environmental challenges. In 2024, companies must engage deeply with their stakeholders to identify what information is most relevant and to ensure that sustainability risks and opportunities are fully integrated into financial reporting.

As these changes unfold, the sustainability section of this publication provides insights into the new sustainability disclosure standards and guides companies through this complex, yet critical, area of reporting. By preparing for these developments, businesses can ensure their reporting is aligned with global best practices, while also demonstrating their commitment to sustainability.







## ii. Base Erosion and Profit Shifting (BEPS) developments

As the global tax environment evolves, 2024 is a crucial year for companies preparing for the implementation of the Global Anti-Base Erosion (GloBE) rules under the OECD's BEPS 2.0 Pillar Two framework.

In Singapore, the government has announced its commitment to implement the GloBE rules, including a domestic top-up tax (DTT), for in-scope MNEs starting from the financial year beginning on or after 1 January 2025. With these upcoming changes on the horizon, companies should not delay their preparations.

With complex data gathering, impact forecasting, and compliance tasks ahead, this transformation requires significant investment of time and resources. MNEs need to accelerate their readiness for the Pillar Two regime by focusing on key building blocks, including enhancing data management, reassessing tax strategies, and ensuring compliance with new disclosure requirements.

The Pillar Two framework introduces significant complexities, particularly around the calculation and reporting of top-up taxes. As outlined in the SFRS(I) 1-12 Income Taxes amendments, companies are required to make additional disclosures on BEPS-related taxes for financial years beginning on or after 1 January 2023. These disclosures are crucial for transparency, providing stakeholders with insights into how tax strategies align with global standards.

As you prepare for the implementation of the GloBE rules in Singapore, this publication highlights the consideration and related disclosures in Note 10: Income Taxes. We encourage you to reach out to your regular PwC Contact or our Tax Contact should you have any questions or comments.

## iii. Generative AI – Revolutionising financial reporting

Generative AI (GenAI) is poised to transform financial reporting by driving efficiency, accuracy, and strategic insights. The integration of GenAI into financial reporting processes will significantly reduce manual efforts and streamline regulatory compliance.

AI-powered solutions offer automated data quality checks, variance analysis, and validation processes that improve the consistency and reliability of submitted reports. GenAI enables deeper analysis and comparability of results for investors and regulators alike. For financial services, the potential is transformative: a scalable AI-driven reporting solution could codify the entire process—from report interpretation to generation—resulting in time savings and reduced resources needed for compliance.

To fully harness the power of GenAI, businesses must embrace it as a driver of transformation, exploring how GenAI can enhance efficiency, reduce outsourcing, and improve in-house capabilities. As the financial landscape becomes more AI-driven, organisations will need to rethink their approach to measuring value, ensuring that AI investments align with sustainability goals, industry regulations, and competitive pressures.





# Our commitment



As regulatory requirements and stakeholder expectations continue to evolve, particularly around sustainability and tax transparency, we believe that resilient growth encompasses more than just financial performance; it requires an ongoing commitment to transparency, sustainable practices, and credible reporting. Our 2024 Illustrative Annual Report reflects these priorities, helping companies navigate the complexities of sustainability reporting, mitigate risks, and communicate their value creation effectively to stakeholders.

We believe that growth is not just about numbers—it's about creating value that is sustainable, equitable, and aligned with the needs of a changing world. As you prepare your annual report for 2024, we hope this resource will serve as a valuable guide in showcasing your organisation's resilience and transformative progress.

We encourage you to consult with your regular PwC contact, should you have any questions or comments regarding this publication.

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**Abbreviation used**

References are made in this publication to the legislation, guideline or listing rule that requires a particular disclosure. The abbreviation used to identify the source of authority are as follows:

|             |   |
|-------------|---|
| ACGC        | Audit Committee Guidance Committee – Guidebook for Audit Committee in Singapore |
| CA          | Singapore Companies Act 1967  |
| CCG         | Code of Corporate Governance Guidance Notes                                     |
| SFRS(I)     | Singapore Financial Reporting Standard (International)                          |
| SFRS(I) INT | Singapore Financial Reporting Standard (International) Interpretations          |
| SGX         | Singapore Exchange Securities Trading Listing Manual Requirements               |
| SSA         | Singapore Standards on Auditing   |
| ISSB        | International Sustainability Standards Board                                    |

Where the illustrated disclosure is not specifically required by any of the sources listed above, the following abbreviation is used to indicate such disclosure is made on a voluntary basis.

|    |                         |
|----|-------------------------|
| DV | Disclosure in voluntary |
|----|-------------------------|

# Corporate Governance

Board of Directors  
Corporate Governance Report

PwC Holdings Ltd and its Subsidiaries

Reference

**Board of Directors**

As at 24 April 2025

**Mr Tan Cheng Eng**  
Non-Independent, Non-executive Director

Years on Board: 11<sup>1</sup>  
Aged 62, Singaporean

SGX  
1207(4)(b)  
(iii)

- Chairman of Board of Directors
- Member of Remuneration Committee
- Member of Audit Committee

Mr Tan Cheng Eng was appointed to the Board on 1 February 2014 and appointed as the Chairman of the Board and of the Remuneration Committee on 13 September 2016. He is also a non-executive Chairman of Data Bank Holding Ltd and an executive director of Homegrown Securities Ltd, both of which are listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). Mr Tan was last re-elected as a director of the Company on 24 January 2020.

Mr Tan holds a Master's degree in Financial Engineering from Harvard University, USA and a Bachelor of Arts (Mathematics) degree from University College London. He has more than 30 years of experience in the finance industry, of which 17 years were in the securities industry. He also serves on the council of the Society of Financial Advisory Consultants and on the boards of the National Symposium Council and the Singapore Music Conservatory.

**Mr Chandra Subramaniam**  
Lead Independent, Non-executive Director

Years on Board: 1  
Aged 55, Singaporean

CG  
Provision  
4.2

- Member of Board of Directors
- Chairman of Audit Committee
- Member of Nominating Committee
- Member of Remuneration Committee

Mr Chandra Subramaniam joined the Board on 31 May 2024. He was appointed as the Chairman of Audit Committee on 3 July 2024.

Mr Nair graduated with a Bachelor of Accountancy degree from Nanyang Technological University. He is a Fellow of the Institute of Chartered Accountants in England and Wales and a fellow of the Institute of Singapore Chartered Accountants ("ISCA").

<sup>1</sup> Mr Tan has been a member of the board for an aggregate period of ten years. Pursuant to Section 210(5)(d)(iv) of the SGX Listing Rules, as he has been a director of the issuer for an aggregate period of more than nine years, he ceased to be the independent director of the issuer from the date of AGM in 2024. The retention of the Board Chairman in a non-independent director capacity ensures continuity and stability within the organization's leadership. This strategic decision allows the company to benefit from the Chairman's extensive experience, insights, and established relationships, which are crucial for maintaining operational consistency and achieving strategic goals. However, recognising the importance of governance best practices and the need for independent oversight, the organization has initiated a search for a new, independent Chairman. This planned transition demonstrates the company's commitment to enhancing board independence and strengthening corporate governance, ultimately aimed at fostering long-term shareholder value and organizational integrity.



## PwC Holdings Ltd and its Subsidiaries

Reference

**Board of Directors**

As at 24 April 2025

He has more than 30 years of experience in audit and assurance and was seconded to the United Kingdom for 5 years where he completed his ICAEW certification. Prior to joining the Board, he served as the Head of Assurance practice at a global accounting firm between 2013 and 2023. He is also the Chairman of the Mental Health Wellness Society, a registered charity and Institution of Public Character (IPC), since 2018.

**Madam Elise Chua**  
Independent, Non-executive Director

Years on Board: 2  
Aged 49, Singaporean

- Member of Board of Directors
- Member of Audit Committee
- Member of Nominating Committee
- Chairman of Risk Committee

Madam Elise Chua was appointed to the Board on 31 May 2023. She was appointed as the Chairman of Risk Committee on 3 July 2023.

Madam Chua holds a Bachelor of Science (Building Control) degree from the University of London and a Master of Business Administration from Harvard Business School, USA. She is currently a member of the Royal Institution of Chartered Surveyors, United Kingdom and a Council Member of the Singapore Institute of Surveyors and Valuers.

She has more than 20 years of experience in the real estate industry. Beginning her career at Singapore Land Authority, she joined Leading Real Estate Marketing Pte Ltd as a Chief Operating Officer in 2001. She has been the managing director of Leading Real Estate Marketing Pte Ltd since 2010.

**Mr John Benjamin Brown**  
Independent, Non-executive Director

Years on Board: 2  
Aged 55, Norwegian

SGX  
210(5)(d)

- Member of Board of Directors
- Member of Audit Committee
- Chairman of Nominating Committee

Mr John Benjamin Brown joined the Board on 31 May 2023. He was appointed as the Chairman to the Nominating Committee on 3 July 2023.

Mr Brown graduated from Stavanger University College, Norway with a Master of Technology and Commerce degree. He subsequently obtained a Master in Business Administration (Human Resource) from Newcastle University, United Kingdom. He started his career with a multinational group of telecommunication companies.

**Board of Directors**

As at 24 April 2025

In 2008, he became the managing director of Moonstar Ltd, a telecommunication company listed on the Singapore Stock Exchange.

|  |   |
|--|---|
| Mr Lee Chee Wai<br>Independent, Non-executive Director | Years on Board: 7<br>Aged 48, Singaporean |
|--|---|

- Member of Board of Directors
- Chairman of Remuneration Committee
- Member of Risk Committee

Mr Lee Chee Wai joined the Board on 3 May 2018. He was appointed as the Chairman to the Remuneration Committee on 3 July 2023 upon Mr Tan Cheng Eng's stepping down from the role due to his redesignation to a non-independent director.

Mr Lee graduated with a Bachelor of Law (Hons) degree from National University of Singapore.

He began his career with an international law firm in 2003, and was subsequently employed as the Company Secretary and Legal Advisor of a multinational group of companies in Singapore in 2006. He commenced his professional practice in 2013 and is currently an Advocate & Solicitor of Lee, Lim & Tan, a legal firm.

|  |  |
|--|--|
| Mr David Grey<br>Non-independent, Non-executive Director | Years on Board: 12<br>Aged 65, English |
|--|--|

- Member of Board of Directors
- Member of Audit Committee

Mr David Grey joined the Board on 17 May 2013 and was last re-elected on 18 May 2019. He is also an executive director of PwC Global Ltd, the ultimate holding corporation of PwC Holdings Ltd.

Mr Grey holds a Master of Science from London School of Business, United Kingdom and PhD in Bioinformatics from Imperial College London. He has more than 30 years of experience in the pharmaceutical industry. He has served as the Chairman of the European Union Biotechnology Board, a company listed on the London Stock Exchange since 2005 and was a Council Member of the Institute of Biomedical Practitioners, United Kingdom between 2010 and 2014.

**Board of Directors**

As at 24 April 2025

|  |   |
|--|---|
| Mr Ang Boon Chew<br>Chief Executive Officer and Executive Director | Years on Board: 8<br>Aged 51, Singaporean |
|--|---|

- Member of Board of Directors

Mr Ang Boon Chew was appointed to the Board on 17 February 2017 and was last re-elected on 18 May 2020. He joined PwC Components (Singapore) Pte Ltd, a subsidiary of PwC Holdings Ltd, in 1999 and became its Chief Executive Officer on 1 October 2014. He was subsequently appointed as the General Manager of PwC Holdings Ltd on 2 November 2017 and became its Chief Executive Officer on 17 February 2020.

Mr Ang graduated from the National University of Singapore with a Bachelor of Engineering (Electrical and Electronics) degree. He is a Fellow of the Institute of Engineers, Singapore and a Board member of the National Fire Prevention Council. He has more than 20 years of experience in the telecommunication industry.

|  |  |
|--|--|
| Dr Ran Jedwin Gervasio<br>Executive Director | Years on Board: 4<br>Aged 45, American |
|--|--|

- Member of Board of Directors
- Member of Risk Committee

Dr Ran Jedwin Gervasio joined the Board on 27 February 2021. He is the founding member of Visionary Component Inc. (now known as PwC Components (Philippines) Pte Ltd), a subsidiary of PwC Holdings Ltd.

Dr Ran holds a PhD in Data Science from University of North Carolina, USA. He has 15 years of experience in the digital industry, including four years as an associate professor in University of Michigan, USA. He has served as an honorary professor of the University of Philippines since 2013, and a non-executive director of Routers Electronics Inc., a corporation listed on the New York Stock Exchange since 2011.

PwC Holdings Ltd and its Subsidiaries

## Corporate Governance Report

For the financial year ended 31 December 2024

Reference

The corporate governance report is prepared for illustrative purposes and describes the Group's corporate governance practices and structures, with specific reference to the principles and provisions of the Code. Listed companies must comply with the principles of the Code and where practices vary from any provisions of the Code, it must explicitly state, in its annual report, the provision from which it has varied, explain the reason for variation, and explain how the practices it had adopted are consistent with the intent of the relevant principle.

SGX  
Mainboard  
Listing Rule  
710/ SGX  
Catalist  
Listing Rule  
710

The Board of Directors (the "Board") is committed in ensuring that the highest standards of corporate governance are practised throughout PwC Holdings Ltd (the "Company") and its subsidiaries (the "Group"), as a fundamental part of its responsibilities to protect and enhance shareholder value and the financial performance of the Group.

SGX  
Mainboard  
Listing Rule  
710/ SGX  
Catalist  
Listing Rule  
710

Listed Companies are required under the Singapore Exchange Listing Rules to describe in its annual report its corporate governance practices with specific reference to the principles and the provisions of the Code. The Company must comply with the principles of the Code. Where the Company's practices vary from any provisions of the Code, it must explicitly state, in its annual report, the provision from which it has varied, explain the reason for variation, and explain how the practices it had adopted are consistent with the intent of the relevant principle.

This report describes the Group's corporate governance practices and structures that were in place during the financial year ended 31 December 2024, with specific reference to the principles and provisions of the Code, and as applicable, the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Singapore Companies Act.

The Board confirms the Group has adhered to all principles and provisions set out in the Code as set out below.

This Corporate Governance Report is divided into five main sections, namely:

- (A) Board Matters
- (B) Remuneration Matters
- (C) Accountability and Audit
- (D) Shareholder Rights and Engagement
- (E) Managing Stakeholder Relationships

## Corporate Governance Report

For the financial year ended 31 December 2024

### (A) Board matters

The Board of Directors as at 24 April 2025 comprises:

Mr Tan Cheng Eng (Chairman and Non-Independent Director)  
 Mr Chandra Subramaniam (Independent Director)  
 Madam Elise Chua (Independent Director)  
 Mr John Benjamin Brown (Independent Director)  
 Mr Lee Chee Wai (Independent Director)  
 Mr David Grey (Non-independent Non-executive Director)  
 Mr Ang Boon Chew (CEO and Executive Director)  
 Dr Ran Jedwin Gervasio (Executive Director)

SGX  
 Mainboard  
 Listing Rule  
 1207(10B)/  
 SGX  
 Catalyst  
 Listing Rule  
 1204(10B)

A description of the background of each director is presented in the “Board of Directors” section of this annual report.

#### Principle 1: The Board's Conduct of Affairs

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

#### CG Provision 1.1

Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

#### CG Provision 1.3

The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the company's annual report.

#### CG Provision 1.4

Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the company's annual report.

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Reference

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The Board objectively makes decisions in the best interests of the Group. The Board has clear policies and procedures for dealing with conflicts of interest. Where the director faces a conflict of interest, he or she discloses and recuses himself or herself from meetings and decisions involving the issue. Directors are subjected to an annual declaration of conflict of interests.

CG  
Provisions  
1.1, 1.3 and  
1.4

Matters requiring board approval has been clearly communicated to Management in writing and is set out further in this report.

The Board has delegated specific responsibilities four Board Committees, namely the Audit, Nominating, Remuneration and Risk Committees. Information on each of the four Committees is set out further in this report. The Board accepts that while these Committees have the authority to examine issues covered in their terms of reference and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

### CG Provision 1.2

Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense<sup>1</sup>. The induction, training and development provided to new and existing directors are disclosed in the company's annual report.

<sup>1</sup>Rule 210(5)(a) of the SGX Listing Rules (Mainboard) / Rule 406(3)(a) of the SGX Listing Rules (Catalist) requires any director who has had no prior experience as a director of a listed company to undergo training in the roles and responsibilities of a listed company director.

## Corporate Governance Report

For the financial year ended 31 December 2024

The Company conducts an orientation programme for new directors to familiarise them with the business activities of the Group, its strategic direction and corporate governance practices. The Company also ensures that for any director who has had no prior experience as a director of a listed company to undergo training in the roles and responsibilities of a listed company director.

CG  
Provision  
1.2,

SGX  
Mainboard  
Listing Rule  
210(5)(a) /  
SGX  
Catalist  
Listing Rule  
406(3)(a)

Orientation programme and training for new directors are conducted through a mix of video conferences, e-learning modules and physical sessions. A manual containing the Group's policies and procedures relating to its business, corporate governance, risk management, interests in securities, and price-sensitive information, is updated yearly and provided to each director.

During the year, the directors took up the following training opportunities to develop and maintain knowledge in specific areas:

- Singapore Institute of Directors (SID) Directors Conference [Physical conference]
- Financial Reporting Standards Updates [Physical Conference]
- Training on Revised Risk Management Standards COSO ERM 2017 and ISO 31000: 2018 [Video Conference and e-learning modules]
- IT Governance and Cybersecurity Training [e-learning modules]
- Environmental, Social and Governance Training [e-learning modules]

The Company Secretary periodically recommends training opportunities to the NC. The Directors were provided with regular updates and were encouraged to keep up to date with changes in the regulatory and business environment. Directors however may themselves search for and pursue opportunities which help them to keep pace with their area of professional expertise.

### CG Provision 1.5

The number of meetings of the Board and Board Committees held in the year, as well as the attendance of every board member at these meetings, should be disclosed in the company's Annual Report.



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**Corporate Governance Report**  
 For the financial year ended 31 December 2024

Reference

The Board and Board Committee meetings this year were conducted through a mixture of physical sessions and video-conferences. The number of Board and Board Committee meetings held in the current financial year and the attendance of directors during these meetings are as follows:

CG Provision  
1.5

|                               | Board of Directors                |          | Audit Committee                   |          | Nominating Committee              |          | Remuneration Committee            |          | Risk Committee                    |          |
|-------------------------------|-----------------------------------|----------|-----------------------------------|----------|-----------------------------------|----------|-----------------------------------|----------|-----------------------------------|----------|
|                               | Number of meetings <sup>(1)</sup> |          | Number of meetings <sup>(1)</sup> |          | Number of meetings <sup>(1)</sup> |          | Number of meetings <sup>(1)</sup> |          | Number of meetings <sup>(1)</sup> |          |
|                               | Position                          |          | Position                          |          | Position                          |          | Position                          |          | Position                          |          |
|                               | Held                              | Attended | Held                              | Attended | Held                              | Attended | Held                              | Attended | Held                              | Attended |
| <b>Executive Director</b>     |                                   |          |                                   |          |                                   |          |                                   |          |                                   |          |
| Ang Boon Chew                 | M 8                               | 8        | -                                 | -        | -                                 | -        | -                                 | -        | -                                 | -        |
| Ran Jedwin Gervasio           | M 8                               | 8        | -                                 | -        | -                                 | -        | -                                 | -        | M 3                               | 3        |
| <b>Non-executive Director</b> |                                   |          |                                   |          |                                   |          |                                   |          |                                   |          |
| Tan Cheng Eng                 | C 8                               | 8        | M 4                               | 4        | -                                 | -        | -                                 | M 2      | 2                                 | -        |
| David Grey                    | M 8                               | 7        | M 4                               | 3        | -                                 | -        | -                                 | -        | -                                 | -        |
| Balachandran Nair             | R 4                               | 4        | R 2                               | 2        | R 2                               | 2        | R 1                               | 1        | -                                 | -        |
| Chandra Subramaniam           | M 4                               | 4        | C 2                               | 2        | M 2                               | 2        | M 1                               | 1        | -                                 | -        |
| Lee Chee Wai                  | M 8                               | 8        | -                                 | -        | -                                 | -        | -                                 | C 2      | 2                                 | M 3      |
| Elise Chua                    | M 8                               | 8        | M 4                               | 4        | M 4                               | 4        | -                                 | -        | C 3                               | 3        |
| John Benjamin Brown           | M 8                               | 8        | M 4                               | 4        | C 4                               | 4        | -                                 | -        | -                                 | -        |

Denotes:

C – Chairman as at 24 April 2025

M – Member as at 24 April 2025

R – Retired as at 24 April 2025

<sup>(1)</sup> Number of meetings held/attended during the financial year/period from 1 January 2024 (or from date of appointment of Director, where applicable) to 31 December 2024

**CG Provision 1.6**

Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.

All directors receive a set of Board papers prior to the Board meetings. The Board papers are uploaded to the Board portal at least five working days prior to the meeting to ensure that directors have sufficient time to obtain further explanations,

CG  
Provision  
1.6, CG  
Practice  
Guidance 1

## Corporate Governance Report

For the financial year ended 31 December 2024

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where necessary, in order to be briefed properly and prepare for the meeting. The Board papers include, among others, the following documents and details:

- Minutes of the previous Board meeting;
- Minutes of meetings of all Committees of the Board held since the previous Board meeting;
- Background or explanations on matters brought before the Board for decision or information, including issues being dealt with by management, and relevant budgets, forecasts and projections. In respect of budgets and monthly financial statements, any material variance between the budgets and projections and actual results is disclosed and explained to the Board;
- Major operational and financial issues;
- Statistics on key performance indicators; and
- Statistics on customer satisfaction

### **CG Provision 1.7**

Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.

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### Access to Management

CG  
Provision  
1.7, CG  
Practice  
Guidance 1

The directors have separate and independent access to the Group's senior management, including the CEO, the CFO and other key management, as well as the Group's internal and external auditors. Queries by individual directors on circulated papers are directed to management who will respond accordingly. Where relevant, directors' queries and management's responses are circulated to all Board members for their information.

### Access to external advisors

The Board has also approved a procedure for directors, whether as a full Board or in their individual capacities, to take independent professional advice, where necessary in the furtherance of their duties, at the Group's expense. The details of this procedure are articulated in the Director Manual.

### Access to the Company Secretary

Companies  
Act sections  
171 (1) and  
(3)

All directors have separate and independent access to the advice and services of the Company Secretary. The Board has approved the terms of reference defining the role and responsibilities of the Company Secretary. The Company Secretary attends all meetings of the Board and ensures that Board procedures are followed and that applicable rules and regulations are complied with.

Under the Companies Act every company must have one or more secretaries each of whom must be a natural person who has his or her principal or only place of residence in Singapore and who is not debarred under section 155B from acting as secretary of the company. It is the duty of the directors of a company to take all reasonable steps to secure that each secretary of the company is a person who appears to them to have the requisite knowledge and experience to discharge the functions of secretary of the company. The secretary need not be physically present at the registered office during the times specified in that subsection if a secretary or his or her agent or clerk of the private company is readily contactable by a person at the registered office by telephone or other means of instantaneous communication during those times.

Under the Articles of Association of the Company, the decision to appoint or remove the Company Secretary can only be taken by the Board as a whole.

## Corporate Governance Report

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### Principle 2: Board Composition and Guidance

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company. In line with Section 710A of the SGX Listing Rules, a board diversity policy has been drafted and formalised to ensure that the Board is of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate.

#### CG Provision 2.1

An "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporation<sup>2</sup>, its substantial shareholders<sup>3</sup> or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company<sup>4</sup>.

#### CG Provision 2.2

Independent directors make up a majority of the Board where the Chairman is not independent<sup>5</sup>.

#### CG Provision 2.3

Non-executive directors make up a majority of the Board.

<sup>2</sup>The term "related corporation", in relation to the company, has the same meaning as currently defined in the Companies Act (Chapter 50) of Singapore, i.e. a corporation that is the company's holding company, subsidiary or fellow subsidiary.

<sup>3</sup>A "substantial shareholder" is a shareholder who has an interest or interests in one or more voting shares (excluding treasury shares) in the company and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all voting shares (excluding treasury shares) in the company, in line with the definition set out in section 2 of the Securities and Futures Act (Chapter 289) of Singapore.

<sup>4</sup>A director who falls under the circumstances described in Rule 210(5)(d) of the SGX Listing Rules (Mainboard) / Rule 406(3)(d) of the SGX Listing Rules (Catalist) is not independent.

<sup>5</sup>The Chairman is not independent when (i) he or she is not an independent director, (ii) he or she is also the CEO, (iii) he or she and the CEO are immediate family members as defined in the Listing Manual of the Singapore Exchange (i.e. the person's spouse, child, adopted child, step-child, brother,

## Corporate Governance Report

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sister and parent), (iv) he or she and the CEO have close family ties with each other (i.e. a familial relationship between two parties which extends beyond immediate family members and could influence the impartiality of the Chairman) as determined by the Nominating Committee, or (v) he or she is part of the Management team.

### Board Composition and Independent Directors

The Board comprises eight members, six of whom are non-executive directors (including the Chairman). There are four independent directors — Mr Chandra Subramaniam, Madam Elise Chua, Mr John Benjamin Brown and Mr Lee Chee Wai.

CG  
Provisions  
2.1, 2.2 and  
2.3,

In consideration of the independence of each independent director, the NC and the Board have considered the circumstances under SGX Listing Rules and the Code's Practice Guidance 2 in which a director should be deemed to be non-independent as well as any other circumstance or relationship which might impact a director's independence, or the perception of his or her independence.

SGX  
Mainboard  
Listing Rule  
210(5)(c) /  
SGX  
Catalist  
Listing Rule  
406(3)(c),

The four independent directors have no relationship with the Company, its related companies, its substantial shareholders, or their officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interests of the Group, and they are able to exercise objective judgement on corporate affairs independently from management and its substantial shareholders.

CG Practice  
Guidance 2

Specifically, the neither the independent directors nor their immediate family members have been employed by the company or its related corporations in the current or past three financial years. In addition, none of the independent directors and their immediate family members in the current or immediate past financial year provided to or received from the Company or any of its subsidiaries any significant payments or material services in excess of S\$50,000 other than compensation for board service. None of the independent directors and their immediate family members in the current or immediate past financial year was a substantial shareholder (with 5% or more stake), executive officer, director of any organisation which provided to or received from the Company significant payments or material services in excess of S\$200,000.

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### CG Provision 2.4

The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report.

The Board reviews the size and composition of the Board on an annual basis, and considers the present size of the Board adequate for the current scope and nature of the Group's operations.

CG  
Principle 2,  
CG  
Provision  
2.4

To ensure our Board of Directors have an adequate mix of diversity aspects to comprehensively manage the impacts, risks and opportunities, we have implemented a Board Diversity Policy recognising the benefits that diversity brings to decision-making. A diverse board fosters robust discussions, guarding against groupthink and ensures various perspectives are taken into consideration when planning and strategising for long-term success and value creation.

SGX  
Mainboard  
Listing Rule  
710A / SGX  
Catalist  
Listing Rule  
710A

Our Board Diversity Policy ensures that gender, skills and experience and other aspects of diversity not limited to age and geographical experience have been considered. Core competencies and experience that we look out for include business strategy, manufacturing, supply chain management, finance, accounting, sustainability and legal. PwC Holdings also looks out for directors with experience in the key markets (People's Republic of China, The Philippines, Vietnam and Malaysia) that we are active in.

We have therefore committed to the following targets under our Board Diversity Policy:

| Diversity Targets  | Progress and Plans   |
|--|--|
| <b>Gender:</b> To have at least 25% women on board by 2030.                                    | We are currently working towards our goal of having at least 25% women on the Board. Our Nominating Committee will continue to be in consultation with management to source for suitable candidates with relevant knowledge and experience while also being mindful of gender diversity. |
| <b>Age:</b> To have at least one younger independent director (50 years old or below) by 2025. | With the appointment of Mr Balachandran Nair, Madam Elise Chua and Mr Lee Chee Wai, who are in their 40s, we have reached our target of having at least one independent director aged 50 years old or below.   |
| <b>Skills and experience:</b> To have at least one director with oversight and operational     | As a group, the directors bring with them a broad range of industry knowledge, expertise and experience in areas such as accounting, finance, business and management, strategic planning and customer   |

PwC Holdings Ltd and its Subsidiaries  
**Corporate Governance Report**  
 For the financial year ended 31 December 2024

Reference

|  |  |
|--|--|
| <p>experience in areas that are relevant to the group.</p>   | <p>service relevant to the direction of a large, expanding group. Mr Tan Cheng Eng and Mr Chandra Subramaniam are trained in finance and management. Mr Ang Boon Chew has experience specifically in the electrical component parts industry, the core business of the Group. Madam Elise Chua, Dr Ran Jedwin Gervasio and Mr Lee Chee Wai have experience in risk governance and enterprise risk management.</p> <p>Madam Elise Chua, who was appointed as an independent director to the Board with effect from 31 May 2023, has in-depth experience and expertise in sustainability that could help drive the PwC Holdings' sustainability journey.</p> <p>A brief description of the background of each director is presented in the "Board of Directors" section of this annual report.</p> |
| <p><b>Geographical experience:</b> To have at least one director with experience in our key markets by 2025.</p> | <p>Our current board has the range of geographical experience in the key markets PwC Holdings is active in. We aim to maintain this diversity of experience.</p>   |

**CG Guideline 2.5**

Non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

CG  
 Provision  
 2.5

The non-executive directors and/or Independent Directors, led by the Lead Independent Director, Mr Chandra Subramaniam, meet regularly without the presence of the other directors to discuss matters of significance, such as constructively challenge and help develop proposals on strategy, review the performance of management in meeting agreed goals and objectives, and monitor the reporting of performance, which are subsequently reported to the Board.

The meetings were conducted through a mixture of physical sessions and video-conferences.



## Corporate Governance Report

For the financial year ended 31 December 2024

### Principle 3: Chairman and Chief Executive Officer

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

#### CG Provision 3.1

The Chairman and the Chief Executive Officer (“CEO”) are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making<sup>7</sup>.

#### CG Provision 3.2

The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.

<sup>7</sup>Rule 1207(10A) of the SGX Listing Rules (Mainboard) / Rule 1204(10A) of the SGX Listing Rules (Catalist) requires the Board to disclose the relationship between the Chairman and the CEO if they are immediate family members.

### Chairman

The roles of the Chairman and CEO are separate to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. The Board Chairman, Mr Tan Cheng Eng is responsible for leading the Board and facilitating its effectiveness. He stimulates a robust yet collegiate setting, sets the right ethical and behavioural tone, promotes a culture of openness and debate and provides leadership to the Board. The CEO, Mr Ang Boon Chew, is an executive director responsible for the business direction and operational decisions of the Group. The Chairman and CEO are not related. The division of responsibilities between the Chairman and the CEO has been set out in a set of guidelines reviewed and approved by the Board.

CG  
Principle 3,  
CG  
Provisions  
3.1 and 3.2

SGX  
Mainboard  
Listing Rule  
1207(10A) /  
SGX  
Catalist  
Listing  
Rule1204(1  
0A)

The retention of the Board Chairman in a non-independent director capacity ensures continuity and stability within the organization's leadership. This strategic decision allows the company to benefit from the Chairman's extensive experience, insights, and established relationships, which are crucial for maintaining operational consistency and achieving strategic goals. However, recognising the importance of governance best practices and the need for independent oversight, the organization has initiated a search for a new, independent Chairman. This planned transition demonstrates the company's commitment to enhancing board independence and strengthening corporate governance, ultimately aimed at fostering long-term shareholder value and organizational integrity.

## Corporate Governance Report

For the financial year ended 31 December 2024

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### CG Provision 3.3

The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

### Lead Independent Director

Mr Chandra Subramaniam has been appointed lead independent director subsequent to Mr Balachandran Nair departure from the Board after being designated as a non-independent director pursuant to the 9-year rule. The Board has in place a process for appointment of a lead independent director should there be an onboarding of a new lead independent director. Shareholders with concerns may contact the lead independent director directly through channels as described on the company website, when contact through the normal channels via the Chairman, CEO or CFO has failed to provide satisfactory resolution, or when such contact is inappropriate.

CG  
Provision  
3.3

## Corporate Governance Report

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### Principle 4

The Board has a formal and transparent process for the appointment and reappointment of directors, taking into account the need for progressive renewal of the Board.

### CG Provision 4.1

The Board establishes a Nominating Committee ("NC") to make recommendations to the Board on relevant matters relating to:

- (a) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel<sup>8</sup>;
- (b) the process and criteria for evaluation of the performance of the Board, its board committees and directors;
- (c) the review of training and professional development programmes for the Board and its directors; and
- (d) the appointment and re-appointment of directors<sup>9</sup> (including alternate directors, if any)

### CG Provision 4.2

The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director is a member of the NC.

<sup>8</sup>The term "key management personnel" shall mean the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

<sup>9</sup>Rule 720(5) of the SGX Listing Rules (Mainboard) / Rule 720(4) of the SGX Listing Rules (Catalist) requires all directors to submit themselves for re-nomination and re-election at least once every three years.

SGX  
Mainboard  
Listing Rule  
210(5)(e) /  
SGX  
Catalist  
Listing Rule  
406(3)(e)

## Nominating Committee

The Nominating Committee comprises the following independent and non-executive directors:

Mr John Benjamin Brown (Committee Chairman)  
Madam Elise Chua  
Mr Chandra Subramaniam

CG  
Principle 4,  
CG  
Provisions  
1.4 and 4.2

## Corporate Governance Report

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The Nominating Committee was set up on 1 April 2008. The Committee held four meetings during the financial year through video-conferences. All members of this Committee are independent and non-executive directors.

### Roles and Responsibilities of the Nominating Committee

The Nominating Committee has a written Charter endorsed by the Board that sets out its duties and responsibilities. Amongst them, the Nominating Committee is responsible for:

CG  
Principle 4,  
CG  
Provisions  
1.4 and 4.1

- making recommendations to the Board on all board appointments;
- evaluation of performance of the Board, its committees, members and directors;
- reviewing the adequacy of the Board's training and professional development programmes; and
- reviewing the Board's succession plans for directors, in particular for the Chairman and the CEO.

#### CG Provision 4.3

The company discloses the process for the selection, appointment and reappointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.

### Selection, Appointment and Re-appointment of Directors

In the search, nomination and selection process for new directors, the Nominating Committee identifies the key attributes that an incoming director should have, based on a matrix of the attributes of the existing Board and the requirements of the Group. The matrix of attributes includes relevant experience, skillsets, technological expertise as well as diversity in competencies, age, gender and geography. After endorsement by the Board of the key attributes, the Nominating Committee taps on the resources of directors' personal contacts and recommendations of potential candidates, and goes through a shortlisting process. If candidates identified from this process are not suitable, recommendations from the Singapore Institute of Directors are considered and executive recruitment agencies are appointed to assist in the search process.

CG  
Principle 4,  
CG  
Provision  
4.3,  
CG Practice  
Guidance 4

## Corporate Governance Report

For the financial year ended 31 December 2024

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Interviews are set up with potential candidates for Nominating Committee to assess them, before a decision is reached. The Nominating Committee also oversees the re-appointment of directors as and when their tenure of appointment is due. In assessing the directors for re-appointment, the Nominating Committee evaluates several criteria including qualifications, contributions and independence of the directors.

### CG Provision 4.4

The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.

### Independence of Directors

The Nominating Committee is also responsible for determining annually, the independence of directors. In doing so, the Nominating Committee takes into account the circumstances set forth in the Code and any other salient factors. Following its annual review, the Nominating Committee has endorsed the following independence status of the directors:

CG  
Provision  
4.4

#### Independent

Mr Chandra Subramaniam  
Mr John Benjamin Brown  
Madam Elise Chua  
Mr Lee Chee Wai

#### Non-independent

Mr Tan Cheng Eng  
Mr Ang Boon Chew  
Mr David Grey  
Dr Ran Jedwin Gervasio

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### CG Provision 4.5

The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitments<sup>10</sup> of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.

<sup>10</sup>The term "principal commitments" shall include all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.

### Multiple directorships

The information on each director's listed company directorships and other principal commitments is presented in the "Board of Directors" and "Directors' Statement" section of this annual report.

CG  
Provision  
4.5

### Sufficient Time and Attention by Directors

The Nominating Committee is satisfied that sufficient time and attention was given by the directors to the affairs of the Group, taking into consideration the director's number of board representations (including non-listed board representations) and other principal commitments.

CG  
Principle 4,  
CG  
Provision  
4.5

The Group has guidelines in place to address the competing time commitments faced by directors serving on multiple boards and/or having multiple principal commitments. The Board has determined that the maximum number of listed company board representations which any director may hold is three. All directors of the Company currently do not hold more than three listed company board representations.

CG Practice  
Guidance 4

### Principle 5: Board Performance

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

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### Guideline 5.1

Every Board should implement a process to be carried out by the NC for assessing the effectiveness of the Board as a whole and its Board Committees and for assessing the contribution by the Chairman and each individual director to the effectiveness of the Board.

### Guideline 5.2

The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.

## Assessing Board Performance

The Board has implemented a process for assessing its effectiveness as a whole and for assessing the contribution by the Chairman and each director to the effectiveness of the Board.

CG  
Provision  
5.1 and 5.2,  
CG Practice  
Guidance 5

A consulting firm specialising in board evaluation and human resources was appointed by the Nominating Committee to help to design and implement the process. The Board believes that the use of an external independent consultant greatly enhances the quality and objectivity of the evaluation. The Board last engaged an external independent consultant to conduct its Board evaluation in 2022. The consulting firm is not related to the Group or any of its directors. This is the eighth year in which this board evaluation process has been performed. Questionnaires were developed through incorporating the best practices in the market on Board evaluation. The questionnaires were then further revised based on key issues and areas that the Board wanted to focus on.

The Board assessment as a whole considered the following key performance criteria (which have not changed from prior years):

- Board size and composition;
- Effectiveness of Board processes;
- Board information and accountability;
- Board performance in discharging principle functions;
- Board committee performance;
- Board's strategy in driving performance

The assessment of individual directors considered the following key performance criteria (which have not changed from prior years):

- Directors duties (including role in Board Committees);

## Corporate Governance Report

For the financial year ended 31 December 2024

- Level of commitment (including availability at and preparation for meetings);
- Knowledge
- Effectiveness of contribution;
- Inter-personnel relationships with other directors and senior management

### (B) Remuneration matters

#### Principle 6: Procedures for Developing Remuneration Policies

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

#### CG Provision 6.1

The Board establishes a Remuneration Committee ("RC") to review and make recommendations to the Board on:

- a framework of remuneration for the Board and key management personnel; and
- the specific remuneration packages for each director as well as for the key management personnel.

#### CG Provision 6.2

The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.

#### CG Provision 6.3

The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.

SGX  
Mainboard  
Listing Rule  
210(5)(e) /  
SGX  
Catalist  
Listing Rule  
406(3)(e)



## Corporate Governance Report

For the financial year ended 31 December 2024

### Remuneration Committee

The Remuneration Committee comprises the following directors, two of whom are non-executive and independent directors, while the remaining being non-executive and non-independent:

Mr Lee Chee Wai (Committee Chairman)  
Mr Chandra Subramaniam  
Mr Tan Cheng Eng

CG  
Principle 6,  
CG  
Provision  
1.4

### Roles and Responsibilities of the Remuneration Committee

The principal responsibilities of the Remuneration Committee are:

- (a) Recommending to the Board for endorsement, a framework for computation of directors' fees of the Board (both executive and non-executive directors) and senior management of Senior Vice President grade or its equivalent and above. For executive directors and other senior management, the framework covers all aspects of executive remuneration (including but not limited to directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits in kind) and termination terms;
- (b) Recommending the specific remuneration packages and termination terms, for each director and other senior management of Senior Vice President grade or its equivalent and above; and
- (c) Administering the PwC Employee Share Option Scheme.

CG  
Principle 6,  
CG  
Provisions  
1.4, 6.1 and  
6.3,  
CG Practice  
Guidance 6

#### CG Provision 6.4

The company discloses the engagement of any remuneration consultants and their independence in the company's annual report.

PwC Holdings Ltd and its Subsidiaries

Reference

## Corporate Governance Report

For the financial year ended 31 December 2024

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The Remuneration Committee from time to time seeks advice from external remuneration consultants, who are unrelated to the directors or any organisation they are associated with, as well as confidentially from selected senior management, including the Director (Human Resource), at its discretion.

CG  
Provision  
6.4

### **Principle 7: Level and Mix of Remuneration**

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

#### **CG Provision 7.1**

A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.

#### **CG Provision 7.3**

Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.

## Corporate Governance Report

For the financial year ended 31 December 2024

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### Remuneration of Executive Directors and Key Management Personnel

The remuneration package of executive directors and other senior management of senior vice president grade or its equivalent and above (“Senior Management”) consists of the following components:

#### (A) Fixed and Variable

The fixed component comprises of basic salary, Central Provident Fund (“CPF”) contribution and annual wage supplement. To ensure that key executives’ remuneration is consistent and comparable with market practice, the Remuneration Committee regularly benchmarks remuneration components against those of comparable companies, while continuing to be mindful that there is a general correlation between increased remuneration and performance improvements.

CG  
Principle  
7 and 8,  
CG  
Provisions  
7.1 and 7.3,  
CG Practice  
Guidance 7  
and 8

The variable component comprises variable bonus based on the Group’s and the individual’s performance, as well as the monthly variable component of the basic salary. To link rewards to sustained performance and value creation, the more senior the executive is in the Group, the higher is the percentage of the variable component against total compensation. A comprehensive and structured assessment of the performance of Senior Management, which includes 360-degree assessments and measuring their performance against selected key performance indicators, is undertaken each year. Bonuses payable to Senior Management are reviewed by the Remuneration Committee and approved by the Board to ensure alignment of their interests with those of shareholders and promote the long-term success of the Group.

PwC Holdings Ltd and its Subsidiaries  
**Corporate Governance Report**  
For the financial year ended 31 December 2024

Reference

The selected key performance metrics and breakdown of variable component are as follows:

CG  
Principle 7,  
CG  
Provision  
7.1 and 7.3

**Financial Performance Measures**

- i. Earnings Per Share
- ii. Return on Equity
- iii. Total Shareholder Return

**Non-Financial Performance Measures**

- i. Customer retention and growth
- ii. Employee Productivity

Targets are set for performance indicators and the pay-outs can be achieved for hitting or exceeding performance targets.

**(B) Benefits**

Benefits provided are consistent with market practice and include medical benefits, flexible benefits, car allowance, club benefits and housing subsidy. Eligibility for these benefits will depend on individual salary grade and length of service.

**CG Provision 8.3**

The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.

## Corporate Governance Report

For the financial year ended 31 December 2024

### (C) Share Options

Management staff with more than three years of service are eligible for the grant of options under the PwC Employee Share Option Scheme. The options granted will vest only on completion of another two years of service with the Group, commencing from the grant date. The directors and other management are encouraged to hold their shares beyond the vesting period, subject to the need to finance any costs of acquisition and associated tax liability. More information on the PwC Employee Share Option Scheme is set out in the Directors' Statement and the Annual Remuneration Report.

CG  
Provisions  
7.3 and 8.3

#### CG Provision 7.2

The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.

### Remuneration of Non-Executive Directors

The Remuneration Committee reviews the scheme put in place by the Company for rewarding the non-executive directors to ensure the compensation is commensurate with effort, time and role of the non-executive directors. Contracts with Directors and Senior Management contain "claw back" termination clauses to safeguard the Group's interests in the event of exceptional circumstances of misstatement of financial statements, misconduct resulting in financial loss or fraud by executive directors and key management personnel.

CG  
Provision  
7.2,  
CG Practice  
guidance 7

The fees and allowances proposed to be paid to directors for the current financial year are determined based on the same formula applied in the previous year as follows:

| TYPE OF APPOINTMENT        | PROPOSED FEE |
|----------------------------|--------------|
|                            | \$           |
| <b>Board of Directors</b>  |              |
| Basic Fee                  | 50,000       |
| Board Chairman's Allowance | 32,000       |

PwC Holdings Ltd and its Subsidiaries

Reference

**Corporate Governance Report**

For the financial year ended 31 December 2024

**Audit Committee**

|                                |        |
|--------------------------------|--------|
| Committee Chairman's Allowance | 27,000 |
| Member's Allowance             | 13,500 |

**Risk Committees**

|                                |        |
|--------------------------------|--------|
| Committee Chairman's Allowance | 20,000 |
| Member's Allowance             | 11,000 |

**Other Board Committees**

|                                |        |
|--------------------------------|--------|
| Committee Chairman's Allowance | 13,500 |
| Member's Allowance             | 9,000  |

**Attendance fee**

|  |       |
|--|-------|
| Per Board meeting in Singapore                 | 1,000 |
| Per Audit Committee meeting in Singapore       | 800   |
| Per Other Board Committee meeting in Singapore | 600   |
| Per Board meeting overseas                     | 3,000 |
| Per Audit Committee meeting overseas           | 2,000 |
| Per Other Board Committee meeting overseas     | 1,500 |

Besides the basic fee, every director will receive:

- The Chairman's allowance if he is Chairman of the Board;
- The relevant allowance (depending on whether he is Chairman or a member of the relevant Board Committee) for each position he holds in the Board Committee during the financial year; and
- The relevant attendance fee for each Board and Board Committee meeting he attends during the financial year.

If he occupies a position for part of the financial year, the fee or allowance payable will be prorated accordingly.

## Corporate Governance Report

For the financial year ended 31 December 2024

### Disclosure on Remuneration of individual Director

#### Principle 8: Disclosure on Remuneration

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

#### CG Provision 8.1

The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:

- (a) each individual director and the CEO; and
- (b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel.

### The Annual Remuneration Report

|                                | Basic salary <sup>(1)</sup> | Fees <sup>(1)</sup> | Benefits-in-kind | Bonus  | Termination benefit | Fair value of share options granted <sup>(2)</sup> | 2024 Total | 2023 Total | Total Fair Value of Options granted in <sup>(4)</sup> | CG Principle 8, CG Provision 8.1, CG Practice Guidance 8 |
|--------------------------------|-----------------------------|---------------------|------------------|--------|---------------------|--|------------|------------|---|--|
|                                | \$'000                      | \$'000              | \$'000           | \$'000 | \$'000              | \$'000   | \$'000     | \$'000     | 2024 2023   | \$'000\$'000   |
| <b>Executive Directors</b>     |                             |                     |                  |        |                     |  |            |            |   |  |
| Ang Boon Chew                  | 320                         | 32 <sup>(3)</sup>   | 420              | 55     | -                   | 65   |            | 852        | 65  | 65   |
| Ran Jedwin Gervasio            | 750                         | 20 <sup>(3)</sup>   | -                | 48     | -                   | -  |            | 301        | -   | -  |
| <b>Non-executive Directors</b> |                             |                     |                  |        |                     |  |            |            |   |  |
| Tan Cheng Eng                  | -                           | 117                 | -                | -      | -                   | -  | 117        | 117        | -   | -  |
| David Grey                     | -                           | 73                  | -                | -      | -                   | -  | 73         | 73         | -   | -  |
| Balachandran Nair              | -                           | 55                  | -                | -      | -                   | -  | 55         | 109        | -   | -  |
| Michael Philip White           | -                           | 55                  | -                | -      | -                   | -  | 55         | 45         | -   | -  |
| Wan Oon Kee                    | -                           | 86                  | -                | -      | -                   | -  | 86         | 53         | -   | -  |
| Lee Chee Wai                   | -                           | 108                 | -                | -      | -                   | -  | 108        | 86         | -   | -  |
| Elise Chua                     | -                           | 91                  | -                | -      | -                   | -  | 91         | 54         | -   | -  |
| John Benjamin Brown            | -                           | 117                 | -                | -      | -                   | -  | 117        | 45         | -   | -  |
|                                | 1,070                       | 636                 | 420              | 103    | -                   | 65   | 2,412      | 1,735      | 65  | 88   |

PwC Holdings Ltd and its Subsidiaries

Reference

**Corporate Governance Report**

For the financial year ended 31 December 2024

Key Management Personnel

|             | 2024                                | Basic salary <sup>(1)</sup> | Benefits-in-kind | Bonus | Fair value of share options granted <sup>(4)</sup> | Total |
|-------------|-------------------------------------|-----------------------------|------------------|-------|--|-------|
| \$1,250,000 | Tracy Phung                         | 45%                         | 43%              | 3%    | 9%   | 100%  |
| \$750,000   | Ran Jedwin Gervasio                 | 41%                         | 44%              | 3%    | 11%  | 100%  |
| \$500,000   | Abdul Rahmat, Raju Samy, Henry Heng | 43%                         | 45%              | 2%    | 9%   | 100%  |

The total remuneration paid to the top five key management personnel for the financial year was \$4.80 million (2023: \$3.50 million). All key management personnel have achieved the target performance indicators. There was no payment of any termination, retirement and post-employment benefits for the financial year.

Denotes:

- (1) Includes allowances and contributions to Central Provident Fund (where applicable).
- (2) Refers to the expense on share options granted to the executive directors/senior management recognised in the financial statements.
- (3) Includes fees paid/payable for directorship in subsidiary/subsidiaries.
- (4) Refers to the total fair value of share options granted to the executive directors/senior management during the financial year. The fair value of the options was estimated using the Binomial Option Pricing model.

**CG Provision 8.2**

The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.



## Corporate Governance Report

For the financial year ended 31 December 2024

### Disclosure on Remuneration of employees who are substantial shareholder of the company, or immediate family members of a director, the CEO or substantial shareholder of the company

CG  
Provision  
8.2

Ms Ang Sue-Anne, the daughter of Mr Ang Boon Chew, the CEO and an Executive Director of PwC Holdings Ltd, was employed by PwC Property (Singapore) Pte Ltd, a subsidiary of the Group, as a Financial Controller and has received remuneration comprising salary and annual bonus amounting to \$174,000 in that capacity during this financial year.

### (C) Accountability and audit

#### Risk Management and Internal Controls

##### Principle 9

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

##### CG Provision 9.1

The Board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.

The Board is responsible for the governance of risk and sets the tone and direction for the Group in the way risks are managed in the Group's businesses. The Board has ultimate responsibility for approving the strategy of the Group in a manner which addresses stakeholders' expectations and does not expose the Group to an unacceptable level of risk. The Board (through the Audit Committee and the Risk Committee) approves the key risk management policies and ensures a sound system of risk management and internal controls and monitors performance against them. In addition to determining the approach to risk governance, the Board sets and instils the right risk focused culture throughout the Group for effective risk governance.

CG  
Principle 9

## Corporate Governance Report

For the financial year ended 31 December 2024

### Risk Committee

The Risk Committee consists of the following three Directors:

CG  
Provision  
1.4 and 9.1

- Madam Elise Chua (Committee Chairman)
- Mr Lee Chee Wai
- Dr Ran Jedwin Gervasio

The Risk Committee assists the Board in its oversight of risk management. The Risk Committee is independent from management.

The Group Risk Management Framework, approved by the Board, is aligned with the ISO 31000:2018 Risk Management framework and the Committee of Sponsoring Organisations of the Treadway Commission (COSO) 2017 Enterprise Risk Management – Integrated Framework.

### Roles and Responsibilities of the Risk Committee

The Risk Committee has written Terms of Reference which is endorsed by the Board and sets out the Committee's duties and responsibilities. During the meetings of the Risk Committee held through video-conferences during the financial year, the Committee performed its functions and responsibilities as set out in its terms of reference, which include the following:

CG  
Principle 9,  
CG  
Provision  
1.4 and 9.1,  
CG Practice  
Guidance 9

- reviews and recommends updates to the Group's risk governance approach, Risk Management Framework and core risk management process;
- reviews the significant strategic, financial, operational, regulatory/ compliance, and information technology risks of the Group, and conducts horizon scanning to further identify emerging risks in these categories;
- reviews Management's assessment of risks and Management's action plans to mitigate such risks;
- supports the Board in the setting of risk appetite for top risks;
- reviews reports of any material breaches of risk tolerances;
- reports to the Board and the Audit Committee on matters, findings and recommendations relating to risk management;
- reviews the adequacy and effectiveness of the Group's risk management systems; and
- reviews, together with the Audit Committee, the adequacy and effectiveness of the Group's internal controls addressing financial, operational, regulatory/ compliance and information technology risks.

## Corporate Governance Report

For the financial year ended 31 December 2024

### Management's Responsibility in Risk Management

Management is responsible for adequately designing, implementing and monitoring the risk management and internal control systems in accordance with the policies on risks management and internal controls. The Group has a Risk Manager who co-ordinates the Group's risk management efforts.

SID BRC  
Guide  
Appendix  
1C

The strategic planning cycle is conducted at the beginning of each financial year to identify risk relevant to the business of the company. Having identified the risks arising from strategic business objectives, mitigating actions are designed to manage each significant risk. Management will also promptly bring to the attention of the Board if any changes to risk or emerging risks are identified. Information such as the types of risks, the controls and processes for managing risks is subsequently summarised in a Group Risk Register, which is reviewed by Management, the Risk Committee and the Audit Committee.

Management also conducted an annual training on risk management and a risk discussion forum to heighten risk awareness for staff at middle management level. Management is responsible for day-to-day monitoring of these risks and highlighting significant events arising thereon to the Risk Committee and the Board.

### Risk Appetite

At the start of every financial year, the Senior Management team led by the CEO presents the risk appetite of the Group for endorsement by the Board, having considered the extent of risk which needs to be taken to achieve its strategic objectives. Risk appetite are established by Management under the Risk Committee's guidance for the different classes of risk. Subsequently, Management monitors the extent of risk the Group is exposed to through a set of Key Risk Indicators agreed with the Risk Committee. Breaches of risk appetite are escalated to the Risk Committee, and where relevant the Audit Committee, for their direction on how the risk management strategy should be adjusted.

CG  
Principle 9,  
Provision  
9.1

SID BRC  
Guide 4.4

### Risk Identification, Assessment Management and Monitoring process

The Risk Committee conducted four online dialogue sessions with management to understand the process to identify, assess, manage and monitor risks within the Group. At Risk Committee meetings held through video conferences during the year, the Risk Committee provided feedback to Management on its proposed top risks, risk treatment plans and actual performance against agreed Key Risk Indicators (KRIs). The top risks identified for the Group for the financial year are as follows:

CG  
Provision  
9.1 and  
10.1(b),

SGX  
Mainboard /  
Catalist  
Listing Rule  
719(1)

- Financial – Capital, liquidity and credit risks;

## Corporate Governance Report

For the financial year ended 31 December 2024

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- Operational – Remote working measures and their impact on internal controls in general,
- Supply chain risk;
- Information Technology – Cyber Security and Data Protection;
- Financial Crime – Internal/External Fraud and Conduct; and
- Compliance – Workplace Safety and Health Act and Personal Data Protection Act.

In assessing emerging risks for the Group over a horizon of five years, the Risk Committee has identified the following key risks:

- Environmental, Social and Governance risks and Climate Change impact on business;
- Financial recovery and value creation due to Covid-19 impact on business;
- Cyber resilience due to cyber-attacks and phishing attempts;
- Data and security due to access management and remote working;
- Supply chain and market risks amidst on-going trade wars; and
- Regulatory risks as the Group ventures into emerging economies.

In addition, the Risk Committee also engaged an external risk management consultant, ABC LLP, during the year to conduct an independent review on the effectiveness, adequacy and robustness of the Group's risk management policies and processes and to make recommendations to enhance the internal controls over the risk management processes, as remote working became a new norm. Adequacy and effectiveness of the Group's risk management framework and systems, identify gaps with leading practices, and recommend how such gaps may be remediated.

Management presented quarterly reports to the Risk Committee and the Board on the Group's evolving risk profile, the status of risk mitigation action plans and updates on the following areas:

- assessment of the Group's key risks by major business units and risk categories;
- identification of specific risk owners who are responsible for the risks identified;
- description of the processes and systems in place to identify and assess risks to the business

In order to obtain assurance that the Group's risks are managed adequately and effectively, the Board had reviewed an overview of the risks which the Group is exposed to, as well as an understanding of what countermeasures and internal controls are in place to manage them.

- and how risk information is collected on an ongoing basis;

## Corporate Governance Report

For the financial year ended 31 December 2024

- ongoing gaps in the risk management process such as system limitations in capturing and measuring risks, as well as action plans to address the gaps;
- status and changes in plans undertaken by management to manage key risks; and
- description of the risk monitoring and escalation processes and also systems in place.

### Risk Response

The Board has reviewed and approved the business continuity plan to deal with matters such as operational disruptions, workplace and employee health and safety, employee availability, IT systems functionality, cyber security, access management, communication protocols and contractual and regulatory compliance, so as to mitigate and minimise the negative impact on the Group's operations.

SID BRC  
Guide 4.11

The approved plan was endorsed by the Risk Committee which addressed the following:

- identification of critical business functions and their operational arrangement (e.g. split team working arrangements and etc.);
- impact on the closure of business operation sites and availability of alternate working arrangements (e.g. remote/work from home arrangements and etc.);
- communication with business partners on revised operational protocols;
- measures to reduce spread of Covid-19 and other pandemic outbreaks (e.g. safe distancing measures, employee health and safety measures and etc.); and
- crisis management procedures (e.g. crisis management team and communication and etc.).

Management has implemented the business continuity plan and reported relevant updates and emerging risks to the Board and the Audit Committee in a timely manner.

### Commentary on Adequacy of the Group's Internal Controls

The Board with the assistance of the Risk Committee and the Audit Committee, has undertaken an annual assessment on the adequacy and effectiveness of the Group's risk management and internal control systems (addressing financial, operational, regulatory/ compliance and information technology risks). The assessment considered issues dealt with in reports reviewed by the Risk Committee, the Audit Committee and the Board during the year together with any additional information necessary to ensure that the Board has taken into account all

SGX  
Mainboard  
Listing Rule  
610(5) and  
719(1) /  
SGX  
Catalist  
Listing Rule  
407(4)(b)  
and 719(1)

## Corporate Governance Report

For the financial year ended 31 December 2024

significant aspects of risks and internal controls for the Group for the financial year ended 31 December 2024.

The Board's annual assessment in particular considered:

- the changes since the last annual assessment in the nature and extent of significant risks (including risks associated with Climate Change), and the Company's ability to respond to changes in its business and the external environment;
- the scope and quality of management's ongoing monitoring of risks, changes in risk profile and of the system of internal controls and the work of its internal audit function and other providers of assurance;
- the extent and frequency of the communication of the results of the monitoring to the Risk Committee and the Audit committee; and
- any incidence of significant internal controls weaknesses that were identified during the financial year.

SGX  
Mainboard  
Listing Rule  
610(5) and  
719(1) /  
SGX  
Catalist  
Listing Rule  
407(4)(b)  
and 719(1)

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors and reviews performed by management, various Board Committees and the Board, the Audit Committee and the Board are of the view that the Group's internal controls including financial, operational, compliance and information technology controls, were adequate and no material weaknesses were identified as at 31 December 2024.

### CG Provision 9.2

The Board requires and discloses in the company's annual report that it has received assurance from:

- (a) the CEO and the Chief Financial Officer ("CFO") that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and
- (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.

The Board has set up a dedicated Board Risk Committee to determine the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation.

CG  
Provision  
9.1

The Board has obtained written assurance from the CEO and CFO:

- a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

CG  
Provision  
9.2

## Corporate Governance Report

For the financial year ended 31 December 2024

- b) regarding the effectiveness of the Group's risk management and internal control systems.

### Audit Committee

#### Principle 10: Audit Committee

The Board has an Audit Committee ("AC") which discharges its duties objectively.

#### CG Provision 10.1

The duties of the AC include:

- (a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;
- (b) reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;
- (c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;
- (d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;
- (e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and
- (f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.

SGX  
Mainboard  
Listing Rule  
210(5)(e) /  
SGX  
Catalist  
Listing Rule  
406(3)(e)

### Roles and Responsibilities of the Audit Committee

The Audit Committee has written Terms of Reference, approved by the Board, which sets out its composition, authority and duties. The Audit Committee is authorised by the Board to investigate any matter within its Terms of Reference and has full access to, and cooperation of management, with full discretion to invite any director or executive officer to attend its meetings.

CG  
Principle 10,  
CG  
Provisions  
1.4 and  
10.1

During the meetings of the Audit Committee held through a mix of physical  
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## Corporate Governance Report

For the financial year ended 31 December 2024

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sessions and video conferences during the financial year, the Committee performed its functions and responsibilities as set out in its Terms of Reference, which include the following:

- reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance;
- reviewing the adequacy and effectiveness of the Group's internal controls apart from the usual financial, operational, compliance and information technology controls semi-annually;
- reviewing the adequacy, effectiveness and independence of the Group's internal audit function in the current remote working environment semi-annually, including the adequacy of internal audit resources and its appropriate standing within the Group, as well as changes in the scope and results of the internal audit plan and procedures;
- reviewing the scope, approach and results of the audit and its cost effectiveness, and the independence and objectivity of the external auditor;
- ensuring the external auditor's audit plan is agile, reviewing audit report and the external auditor's evaluation of the system of internal accounting controls with the external auditor;
- ensuring adequate assistance is given by management to the external auditor such as access to relevant documentation and personnel during remote working arrangements;
- reviewing the nature and extent of the external auditor's non-audit services to the Group as well as the extent of reliance placed by the external auditor on the internal auditor's work, seeking to balance the maintenance of objectivity and value for money;
- making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor;
- reviewing the quarterly, half-yearly and full-year financial reports of the Group, prior to their submission to the Board;
- coordinate with the Risk Committee on its oversight on risk management matters, including integrating relevant scenarios (e.g. pandemic) as part of Business Continuity scenario planning;
- coordinate with the Risk Committee on assurance obtained over top risks identified as part of the enterprise risk management process; and
- reviewing the assurance from the CEO and the CFO on the financial records and financial statements.



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For the financial year ended 31 December 2024

**Guidance notes****Financial Matters - AC commentary**

- Accounting and Corporate Regulatory Authority (“ACRA”), the Monetary Authority of Singapore (“MAS”) and the Singapore Exchange (“SGX”) have jointly issued a letter to Audit Committees (“ACs”) of all Singapore listed companies, in relation to the inclusion of commentary from ACs on key financial reporting matters. ACs are encouraged to make such disclosure in the annual report.

Provision  
10.1(a)**Financial Matters**

In its review of the financial statements, the Audit Committee has discussed with management the accounting principles that were applied and its judgement of items that might affect the integrity of the financial statements. The following significant matters impacting the financial statements were reviewed by the Audit Committee and discussed with the management and the external auditor:

| Significant Matter | How the Audit Committee reviewed these matter |
|--------------------|---|
| [Not illustrated]  | [Not illustrated]                             |

PwC Holdings Ltd and its Subsidiaries

Reference

**Corporate Governance Report**

For the financial year ended 31 December 2024

**Independence of external auditors**

The AC assesses the independence of the external auditors annually. The aggregate amount of fees paid for the external auditors of the Group for the financial year ended 31 December 2024 was:

CG  
Provision  
10.1(d) and  
10.1(e),  
CG Practice  
Guidance  
10

|                |        |
|----------------|--------|
|                | \$'000 |
| Audit fees     | 800    |
| Non-audit fees | 300    |
| Total fees     | 1,100  |

The Audit Committee has reviewed the non-audit services rendered by the external auditors for the financial year ended 31 December 2024 as well as the fees paid, and is satisfied that the independence of the external auditors have not been impaired.

**Whistle Blowing**

The Group has a zero-tolerance approach for unethical practices, as set out in its Code of Ethics. The Group has a whistle-blowing policy in place which encourages the reporting of matters of fraud, corruption or dishonest and unethical practices. The whistle blowing policy is communicated to all staff and covered during staff training. The whistle-blowing policy also extends to the public who wish to report similar matters to a hotline and the Group's website that is independently managed by an external service provider.

CG  
Provision  
10.1(f)

The Group undertakes to investigate complaints of suspected fraud and unethical behaviour in an objective manner and has put in place, with the Audit Committee's endorsement, arrangements by which staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. Post covid-19 pandemic, the Group's hybrid working model for employees to work remotely for two days each week continues. Monitoring on the effectiveness and practicality of the hybrid working model is being assessed on a continuous basis. The objective for such arrangements is to ensure independent investigation of matters raised and to allow appropriate actions to be taken. All such investigations are undertaken by a Compliance Manager who reports his findings directly to the Chairman of the Audit Committee.

## Corporate Governance Report

For the financial year ended 31 December 2024

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### Interested Person Transactions

The Audit Committee reviewed the Group's Interested Person Transactions ("IPT") to ensure that the transactions were executed at normal commercial terms and did not prejudice the interests of the Group and its minority shareholders. The Audit Committee is satisfied that there were no material contracts involving the interests of the CEO, Directors or the controlling shareholders and their subsidiaries. Management reported that the internal control procedures for determining the transaction prices of IPT had not changed since the date of the last Annual General Meeting, at which time the shareholders' mandate for IPT was last renewed. The Audit Committee is satisfied that the internal controls over the identification, evaluation, review, approval and reporting of IPT was effective. Management accordingly recommended that the Company not appoint an independent financial advisor to review the IPT methods and procedures in the current financial year. Pursuant to the provisions under SGX-ST Listing Rule 920(1), the Audit Committee concurred with management's recommendations.

#### CG Provision 10.2

The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.

The Audit Committee comprises the following Directors:

Mr Chandra Subramaniam (Committee Chairman)  
Mr Tan Cheng Eng  
Mr David Grey  
Mr John Benjamin Brown  
Madam Elise Chua

CG  
Principle 10,  
CG  
Provision  
10.2

All the members of the Audit Committee including the Chairman are non-executive directors. Except for Mr David Grey who was an Executive Director of PwC Global Limited, the ultimate holding corporation of the Group, and Mr Tan Cheng Eng, all members are independent. As a sub-committee of the Board, the Audit Committee is responsible for assisting the Board in discharging its statutory and other responsibilities relating to internal controls, financial and other accounting matters as well as matters pertaining to regulatory compliance.

PwC Holdings Ltd and its Subsidiaries

Reference

## Corporate Governance Report

For the financial year ended 31 December 2024

The Board is of the view that all the members of the Audit Committee are appropriately qualified to discharge their responsibilities. Two members of the Audit Committee, namely Mr John Benjamin Brown and Mr Tan Cheng Eng, as well as the Audit Committee Chairman Mr Chandra Subramaniam, have recent and relevant financial management expertise and experience. One of the Audit Committee members, Mr John Benjamin Brown is knowledgeable about Information Technology ("IT") systems and controls.

CG  
Provision  
1.4

During the year, the Audit Committee attended at least eight hours of virtual trainings organised by management and also participated in online external seminars on financial, corporate governance, regulatory and other business-related topics.

### CG Provision 10.3

The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

None of the members nor the Chairman of the Audit Committee are former partners or directors of the Group's auditing firm.

CG  
Provision  
10.3

### CG Provision 10.4

The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.

## Corporate Governance Report

For the financial year ended 31 December 2024

### Internal Audit Department (“IAD”)

The IAD provides assurance to the Board and Audit Committee, based on internal audit activities it undertakes, over the adequacy and effectiveness of the Group’s internal controls. The Head of IAD has a direct and primary reporting line to the Chairman of the Audit Committee. The appointment, assessment and compensation of the Head of IAD are approved by the Audit Committee. Overall, the Audit Committee is satisfied that IAD as a function continues to be effective, adequately resourced, and independent of all activities which it audits.

CG  
Principle 10,  
CG  
Provision  
10.1 (e) and  
10.4

SGX  
Mainboard  
Listing Rule  
719(3) and  
1207(10C) /  
SGX  
Catalist  
Listing Rule  
719(3) and  
1204(10C)

The Group recruits and employs qualified professional staff in the IAD. The IAD staff are provided regular training and development opportunities to ensure that technical knowledge and internal audit skills are maintained.

The Head of IAD reports to the Audit Committee on the nature and frequency of training and seminars attended and participated in by the IAD staff to enhance their skill sets in specialised areas and professional Internal Auditing standards.

Where outsourced internal audit services are required to supplement the internal audit work for the financial year, the appointment of the service provider to perform such services is approved by the Audit Committee. The internal audit charter ensures IAD has full access to all documents, records, properties and personnel of the Group.

The IAD is a corporate member of the Singapore Chapter of the Institute of Internal Auditors (“IIA”) and adopts the International Standards for the Professional Practice of Internal Auditing laid down by the IIA. The Global Internal Audit Standards newly released in January 2024 are currently being implemented by the IA Department, and are likely to come into effect from January 2025. The 2013 COSO Internal Control Framework was used to assess the effectiveness of internal controls as set out below:

1. Control Environment: The nature of the Group’s control environment has a pervasive effect on IAD’s assessment of risks. IAD assessed the design of the various elements in the control environment to determine the strength of the foundation for all other components of internal control and made appropriate recommendations for improving the control environment. The assessments were conducted remotely, by reviewing electronic and scanned documentation and by requesting evidence, as required. IAD has considered the following elements (which have a pervasive effect) and how they have been incorporated into the Group’s processes:
  - Communication and enforcement of integrity and ethical values
  - Commitment to competence
  - Participation by those charged with governance
  - Management’s philosophy and operating style
  - Organisational structure
  - Assignment of authority and responsibility

## Corporate Governance Report

For the financial year ended 31 December 2024

- Human resource policies and practices
2. Risk Assessment: IAD performed a risk assessment process of Group's various operations and identified the relevant risks and their significance and assessed their likelihood (including consideration of the results from the risk management process).
  3. Control Activities & Information and Communication: IAD assisted the Group in maintaining effective controls by evaluating the effectiveness and efficiency of processes. In particular, controls over initiation, processing, recording, authorisation of transactions, physical security controls, user access controls, segregation of duties and performance reviews. IAD also obtained an understanding of how the Group has responded to risks arising from remote working conditions, amidst current hybrid working model. In addition, IAD works closely with the rest of the Group to secure the safety of workforce and stakeholders as the Group embarks on post-pandemic business reopening as part of the 'new normal'.

CG  
Provision  
10.1(e)

In line with new SGX requirement, IAD performed review and provided assurance on Sustainability Report. The scope included review of the accuracy and completeness of the data used for disclosures made in the Sustainability Report.

4. Monitoring of controls: IAD observed that Management adequately monitored internal controls as part of the control activities noted above, especially in processes, people and systems.

The Audit Committee approves the internal audit plan and budget and ensures the adequacy of internal audit resources during the first Audit Committee meeting each year. The scope of IAD covers all business and support functions within the Group. Associates and joint ventures are also subject to internal audit on a regular basis, either by IAD or by their own internal audit departments (the adequacy of which is reviewed regularly by IAD).

During the financial year, IAD conducted its audit reviews based on the internal audit plan approved by the Audit Committee. An agile audit planning approach was adopted to adjust to the rapidly changing environment amidst the pandemic. Audits were conducted remotely leveraging technology. Upon completion of each audit assignment, IAD reported its findings and recommendations to management who would respond on the actions to be taken. IAD submitted quarterly internal audit summary reports to the Audit Committee on the status of the audit plan and on audit findings and actions taken by management on the findings.

## Corporate Governance Report

For the financial year ended 31 December 2024

### CG Provision 10.5

The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.

The Audit Committee held four hybrid meetings during the financial year. The CEO, CFO, Head of Internal Audit Department (“IAD”) and the Risk Manager participated in these meetings at the invitation of the Audit Committee. The Group’s external auditor was also present at the relevant junctures during these meetings. The Audit Committee has also held virtual meetings with the external and internal auditors, without any executive of the Group being present, twice during the financial year to:

CA201B(6)

CG  
Provision  
10.5

- obtain feedback on the competency and adequacy of the finance function;
- enquire into the root causes for major audit adjustments and issues; and
- inquire if there are any material weaknesses or control deficiencies over the Group’s financial reporting process and the corresponding effect on the financial statements as well as over other operational, compliance and information technology areas.

## (D) Shareholder rights and engagement

### Principle 11

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

### CG Provision 11.1

The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.

PwC Holdings Ltd and its Subsidiaries  
**Corporate Governance Report**  
 For the financial year ended 31 December 2024

Reference

### Shareholder Rights

The Group is committed to providing shareholders with adequate, timely and sufficient information pertaining to changes in the Group's business which could have a material impact on the share price or value.

CG  
 Principle 11,  
 SGX  
 Mainboard /  
 Catalyst  
 Listing rule  
 703(1)(b)

The Group strongly encourages shareholder participation during the Annual General Meeting ("AGM") which was conducted through a hybrid model of physical session and video conference this year. Shareholders were able to proactively engage the Board and management on the Group's business activities, financial performance, changes in capital investment and strategies and other business-related matters. Resolutions are passed through a process of voting by electronic polling and shareholders are entitled to vote in accordance with established voting rules and procedures. The poll results in favour and against for each resolution put forth are presented during the AGM.

CG  
 Provision  
 11.1, SGX  
 Mainboard /  
 Catalyst  
 Listing Rule  
 730A

Registered shareholders including corporations, who are unable to attend the AGM are provided the option to appoint a nominee or custodial services to appoint more than two proxies. This allows shareholders who hold shares through corporations to attend and participate in the AGM as proxies.

#### CG Provision 11.2

The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the company explains the reasons and material implications in the notice of meeting.

Each item of special business included in the notice of the meeting will be accompanied by a full explanation of the effects of a proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting.

CG  
 Provision  
 11.2

#### CG Provision 11.3

All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the company's annual report.



PwC Holdings Ltd and its Subsidiaries

Reference

## Corporate Governance Report

For the financial year ended 31 December 2024

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At each Annual General Meeting, the Chairman of the Board presents the progress and performance of the Group and encourages shareholders to participate in the Question and Answer session. The external auditor is present to address shareholders' queries on the conduct of the audit and the preparation and content of the auditor's report.

CG  
Provision  
11.3

All directors are present at Annual General Meetings, and other general meetings held by the Company if any, to address shareholders' queries. Appropriate members of Management are also present at general meetings to address operational questions from shareholders which may arise.

CG  
Provision  
11.3

### CG Provision 11.4

The company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.

The Group believes in encouraging shareholder participation at general meetings. A shareholder who is entitled to attend and vote may either vote in person or appoint a nominee or custodial services to appoint more than two proxies. This year the voting was held electronically during the virtual meetings.

CG  
Principle 11,  
CG  
Provision  
11.4

### CG Provision 11.5

The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.

Minutes of the discussion at the AGM are available on the Company website at [[www.pwcholdings.com.sg/investorrelations/minutes](http://www.pwcholdings.com.sg/investorrelations/minutes)]

### CG Provision 11.6

The company has a dividend policy and communicates it to shareholders.

PwC Holdings Ltd and its Subsidiaries

Reference

**Corporate Governance Report**

For the financial year ended 31 December 2024

**Dividend Policy**

The Group has a policy which governs how much to pay out to shareholders in dividends. The Group declares annual dividends at the rate of approximately 30-60% of the net profit after tax in accordance with the consolidated financial statements. This is provided that the amount of dividend declared does not exceed the Group's retained earnings. In the event that the financial statements show a retained loss, a dividend will not be declared.

CG  
Provision  
11.6

SGX  
Mainboard  
Listing Rule  
704(24)/  
SGX  
Catalist  
Listing Rule  
704(23)

**Principle 12: Engagement with Shareholders**

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

**CG Provision 12.1**

The company provides avenues for communication between the Board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders.

**CG Provision 12.2**

The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

**CG Provision 12.3:**

The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.

PwC Holdings Ltd and its Subsidiaries

**Corporate Governance Report**

For the financial year ended 31 December 2024

Reference

The directors and Management regularly engage shareholders to hear their views on matters affecting the company.

CG  
Principles  
11 and 12

The Group monitors the dissemination of material information to ensure that it is made publicly available on a timely and non-selective basis. Results and annual reports are announced or issued within the mandatory period. Briefings for the quarterly and full year results are conducted for analysts and the media following the release of the results via SGXNET. Presentations are made, as appropriate, to explain the Group's strategy, performance and major developments. All analysts' and media briefing materials are made available on SGXNET and on the Company's website [www.pwcholdings.com.sg](http://www.pwcholdings.com.sg) for the information of shareholders.

CG  
Provision  
11.1 and  
12.2

The Group has a dedicated investor relations team which communicates with its shareholders and analysts on a regular basis and attends to their queries or concerns. The team also manages the dissemination of corporate information to the media, public, institutional investors and public shareholders, and acts as a liaison point for such entities and parties. Shareholders can avail themselves of a telephone or email feedback line that goes directly to the Group's investor relations team. Material information is published on SGXNET and on the Company's website [www.pwcholdings.com.sg](http://www.pwcholdings.com.sg), and where appropriate, through media releases on a timely basis.

CG  
Provisions  
12.1, 12.2  
and 12.3

In addition, the Group proactively engages shareholders through one-on-one meetings, conference calls, investor conferences and road shows. Over the past financial year, the engagement process was closely monitored to provide reassurance and more regular updates to shareholders in a light of the continuously changing external environment. The frequency of the updates was increased and the Group held multiple virtual meetings with the investors. In these meetings, matters pertaining to changes in business strategy, prospects, operational and financial performance were shared by Management without contravening SGX's policy on selective disclosure.

CG  
Provision  
12.3

## Corporate Governance Report

For the financial year ended 31 December 2024

### Principle 13: Engagement with Stakeholders

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

#### CG Provision 13.1

The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.

#### CG Provision 13.2

The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.

#### CG Provision 13.3

The company maintains a current corporate website to communicate and engage with stakeholders.

The Board recognises the interests of other parties such as customers, employees, suppliers and the larger community are essential as part of value creation for the Group. The Group has in place a process to identify the major stakeholders, their needs and effective communication channels to engage these stakeholders.

CG  
Provisions  
13.1 and  
13.2

The Group key focus areas during the reporting period are ensuring customer satisfaction, enhancing employees' well-being, engaging in responsible and ethical business practices, managing supply chain sustainability and contributing to community development.

The Group engages with the key stakeholders through various means. Full details of the Group's strategy, areas of focus, methods of engagement and stakeholders' response can be found in our annual Sustainability Report 2024.

For engaging in responsible and ethical business practices, the Group's code of ethics is extended to the suppliers to ensure suppliers understand the Group's principles and comply with the standards the Group operate by.

CG  
Provision  
13.3

Feedback is gathered from the suppliers through dialogues and surveys. The Group also actively work with the suppliers to reduce its environment footprint. Lastly, the Group contributes to the larger community through programmes such as staff volunteering and donation drives, hosting of industry symposiums and having dialogue sessions with trade unions.

Stakeholders can also reach out to the Company through telephone or email feedback line found on our corporate website [www.pwcholdings.com.sg/contactus](http://www.pwcholdings.com.sg/contactus) that goes directly to the Group's public relations team.

## Corporate Governance Report

For the financial year ended 31 December 2024

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### Board Matters

- One-third Independent Directors now mandatory under the SGX Listing Rules
- The Code further provides that the Board should comprise a majority of Non-Executive Directors, or where the Chairman is not independent, a majority of Independent Directors
- Directors seeking appointment/ re-appointment as Independent Directors beyond nine years will be subject to two-tier voting
- Of the seven tests of director independence in the 2012 Code, four have been moved to the SGX Listing Rules, and two to Practice Guidance
- Shareholding threshold reduced from 10% to “substantial shareholder” (currently 5%) in the context of director independence
- The Code now provides that Boards should have and disclose a Board diversity policy
- Age added as an aspect of diversity
- The requirement for first-time directors of listed entities to undergo training as well confirming that the prescribed training has been undertaken is now mandatory under the SGX Listing Rules

### Remuneration and Other Matters

- The Code now provides that companies should disclose the relationship between remuneration, performance and value creation
- Beyond employees who are immediate family members of directors and the CEO, the Code now provides that the remuneration of substantial shareholders and their immediate family members who are employees should be disclosed, although the monetary threshold has been raised from \$50,000 to \$100,000
- The requirement that companies need to maintain an internal audit function that is adequately resourced, effective and independent of the activities it audits is now mandatory under SGX Listing Rules
- The Board is now required to comment on the adequacy and effectiveness of both internal control and risk management systems, and in reviewing such, should obtain assurance from the CEO and other key management personnel responsible. A statement on whether the AC concurs with the Board’s comments must also be provided.
- Disclosure of reasons for not paying dividends has been made mandatory under the SGX Listing Rules
- New Principle 13 ‘Engagement with Stakeholders’ included in the code

# **Impact of climate change on financial statements**

# Impact of climate change on financial statements

## Background

The impact of climate change on the financial statements is a high-profile issue. Investors and regulators are increasingly looking for evidence of how the entity has incorporated environmental, social and governance (ESG) matters and in particular climate-related risk factors when making estimates and judgements in the preparation of the financial statements. Climate-related risk could include both transition impacts, for example additional costs incurred by the entity as a result of transitioning to a low-carbon economy, or physical impacts, such as damage to assets as a result of fires and flooding.

The accounting standards have an overarching requirement to disclose information that users need for them to understand the impact of particular transactions, events and conditions on the entity's financial position and financial performance. Therefore, in light of the current focus on, and impact of, climate change, entities should ensure that they have assessed the impact of climate change on measurement of assets and liabilities, and what disclosures are necessary in this context for the financial statements to comply with SFRS(I)s.

SFRS(I) 1-1  
(112)(c)

This appendix discusses how climate change could affect certain measurements and therefore the related disclosures in the financial statements. It also outlines some of the relevant considerations when making estimates and judgements and drafting the relevant disclosures to satisfy the current SFRS(I) requirements. We have provided signposts throughout the main publication as reminders for readers to refer to this guidance where necessary.



For further guidance and illustrations, entities may refer to PwC's guidance:

[Impact of ESG matters on IFRS financial statements](#)

Entities may also refer to ISCA's technical bulletin:

[Addressing Climate-Related Risks in Financial Statements and Audits of such Financial Statements](#)

# Impact of climate change on financial statements

## IASB guidance and possible future developments

In 2020, IFRS Foundation issued [educational material](#) which contains a non-exhaustive list of examples regarding how climate risk might affect the measurement and disclosure requirements of various standards and the various paragraphs of those standards that might be referenced in determining how to incorporate such risks. In light of the new International Sustainability Standards Board (ISSB)'s standards, this educational material was republished in July 2023, to remind stakeholders of the long-standing requirement in IFRS accounting standards to report on the effects of climate-related matters in the financial statements when those effects are material. While the material does not add or change the requirements in the standards, it is useful guidance that users and preparers might benefit from when preparing and assessing IFRS financial statements.

In March 2023, the IASB added to its work plan a project to explore targeted actions to improve the reporting of the effects of climate-related risks in the financial statements. This was done following the IASB's Third Agenda Consultation where stakeholders raised concerns about deficiencies in the reporting of climate-related risks relating to:

IASB Update  
March 2023

- (a) the inconsistent application of requirements in accounting standards, and
- (b) insufficient information disclosed about climate-related risks.

As part of the project, IASB published an Exposure Draft in July 2024 that proposes eight illustrative examples on how an entity applies the requirements in IFRS Accounting Standards to report the effects of climate-related and other uncertainties in its financial statements. The Exposure Draft includes examples for materiality judgements, disclosure of assumptions, disclosures about credit risk, disaggregated information and decommissioning and restoration provisions. While the examples mostly focus on climate-related uncertainties, the principles and requirements illustrated apply equally to other types of uncertainties.

The IASB expects that these illustrative examples will help to improve the reporting of the effects of climate-related and other uncertainties in the financial statements, which includes strengthening the connections between an entity's general purpose financial reports.

While materials accompanying IFRS Accounting Standards such as this illustrative example has no effective date or transition requirements, the IASB expects entities to be entitled to sufficient time to implement any changes to the information disclosed in their financial statements. Determining how much time is sufficient is a matter of judgment that depends on entity's particular facts and circumstances.

The Exposure Draft is open for comments until 28 November 2024.



For details of the Exposure Draft, please refer to the following link:

[Exposure Draft: Climate-related and Other Uncertainties in the Financial Statements](#)



# Impact of climate change on financial statements

## United States SEC developments

On 6 March 2024, the Securities and Exchange Commission (SEC) adopted final rules designed to enhance public company disclosures related to the risks and impacts of climate-related matters. The rules will require disclosures about climate-related risks that are reasonably likely to have a material impact on a company's business strategy, results of operations, or financial condition. This includes disclosures relating to climate-related risks and risk management as well as the board and management's governance of such risks. In addition, the rules include requirements to disclose the financial effects of severe weather events and other natural conditions in the audited financial statements. Larger registrants will also be required to disclose information about greenhouse gas emissions, which will be subject to a phased-in assurance requirement. This differs in several aspects from the initial proposal in March 2022, most significantly in changes to the financial statement footnote disclosures as well as reductions to the scope of and number of registrants subject to the greenhouse gas emission disclosures.

The rules will require disclosures in registration statements and periodic reports, such as Form 10-K for domestic issuers and Form 20-F for foreign private issuers. Disclosures will be required prospectively, with information for prior periods required only to the extent it was previously disclosed in an SEC filing, which may help ease the transition. The final rules leverage some concepts from the disclosure framework developed by the Task Force on Climate-related Financial Disclosures (TCFD), which is also the basis of other new mandatory reporting requirements in the US and globally. However, the rules differ in many ways from other new regulations and standards, such as the European Union's Corporate Sustainability Reporting Directive, the IFRS Sustainability Disclosure Standards, and the California climate disclosure laws. In addition, there are no equivalency provisions in the rules to allow disclosures prepared under another framework to satisfy SEC's reporting requirements. While the earliest effective dates of these new rules start in 2025, with additional delays for smaller companies and greenhouse gas emission disclosures, it is strongly recommended that registrants start preparations for adoption given the volume of information required.

On 4 April 2024, the SEC stayed its climate disclosure rules to "facilitate the orderly judicial resolution" of pending legal challenges. Given ongoing interest from investors, and the overlapping nature of many of the sustainability reporting requirements worldwide, companies are encouraged to think holistically about the range of their sustainability reporting obligations. Systems, processes, and controls should be developed that position a company to produce high-quality data in support of any current or emerging sustainability reporting responsibilities. Doing so will also position registrants for compliance with the SEC rules should the stay be lifted and the rules become effective.

The Enhancement and Standardisation of Climate-Related Disclosures for Investors



For further guidance and illustrations, entities may refer to PwC's guidance:

[\*\*SEC adopts climate-related disclosure rules\*\*](#)

[\*\*Navigating the SEC climate-related disclosure requirements\*\*](#)

# Impact of climate change on financial statements

## IFRS Sustainability Disclosure Standards

In June 2023, the International Sustainability Standards Board (ISSB) released its first two sustainability disclosure standards:

- |   |         |
|---|---------|
| (a) IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information ( <b>General Requirements</b> standards), and | IFRS S1 |
| (b) IFRS S2 Climate-related Disclosures ( <b>Climate</b> standard).   | IFRS S2 |

IFRS S1 and IFRS S2 are effective for annual reporting periods beginning on or after 1 January 2024, with early adoption permitted. This is subject to the adoption of the standards by local jurisdictions.

The disclosure standards require that:

- (a) the disclosures are prepared:
  - (i) at the same time as annual financial statements (subject to transition relief)
  - (ii) for the same reporting entity as financial statements, and
- (b) to the extent possible, assumptions used to prepare the reporting are on the same basis as the financial statements.

The IFRS Sustainability Disclosure Standards are structured using the Task Force on Climate-related Financial Disclosures (TCFD framework) four-pillar approach, which covers governance, strategy, risk management, and metrics and targets.



For further details on the requirements of IFRS S1 and IFRS S2, entities may refer to PwC's guidance:

[In depth IFRS Sustainability Disclosure Standards – guidance, insights and where to begin](#)

# Impact of climate change on financial statements

## European Sustainability Reporting Standards (ESRS)

On 31 July 2023, the European Commission (EC) adopted the final delegated act of the European Sustainability Reporting Standards (ESRS). The delegated act includes the 12 finalised ESRS, made up of two cross-cutting standards, which apply to all sustainability matters, and ten topical standards covering a wide range of environmental, social and governance matters.

The sustainability statements will be in a dedicated section of the management report. The assurance requirement is initially for limited assurance, with a planned transition to reasonable assurance over the coming years.

The Corporate Sustainability Reporting Directive (CSRD) was driven, in part, by the European Green Deal, a December 2019 European Commission package of policy initiatives designed to achieve climate neutrality by 2050 and protect Europe's natural habitat. It was adopted by the European Parliament and the Council of the European Union in November 2022 and came into effect on 5 January 2023. EU Member States have until early July 2024 (18 months from the effective date) to incorporate its provisions into national law.

The CSRD requires comprehensive and granular disclosures covering the entire spectrum of sustainability topics (e.g. climate change, biodiversity and ecosystems, working conditions, human rights, business ethics). The CSRD applies to many companies operating in the EU, estimated to be nearly 50,000 companies in total. Companies without direct reporting obligations under the CSRD may also be asked for information by customers, suppliers, investors, or lenders because of the requirements for entities within its scope to disclose information about their value chain, or because they are subsidiaries of EU companies with reporting obligations.

The CSRD applies to financial years starting on or after 1 January 2024 for entities that are already subject to reporting under the Non-Financial Reporting Directive (NFRD) plus issuers that meet the definition of a large undertaking and have more than 500 employees. Other entities such as listed small and medium-sized enterprises (SMEs) will have a later first-time application date.

On 2 May 2024, the IFRS Foundation and European Financial Reporting Advisory Group (EFRAG) jointly published interoperability guidance on climate-related disclosures for sustainability reporting. It illustrates where there is a high level of alignment of climate-related disclosures between IFRS Sustainability Disclosure Standards and ESRS. It also notes areas with incremental disclosures and choices preparers need to make to enable interoperability.



For more details on ESRS and CSRD, refer to our PwC publication:

[Worldwide impact of CSRD – are you ready?](#)

[Publication of four major documents to support the implementation of ESRS](#)

[EFRAG and ISSB jointly publish interoperability guidance](#)

# Impact of climate change on financial statements

## Comparison of the “big three” sustainability disclosure frameworks

With a global network of reporting requirements that encompass a broad spectrum of value chain contributors, it is likely that most entities will find themselves impacted by one or more of the disclosure regimes. An SEC registrant that has a subsidiary listed in the EU and a subsidiary in a jurisdiction that requires ISSB reporting, for example, may be subject to the requirements in all three sustainability framework. Understanding the similarities and differences will help entities develop the requisite reporting strategy, data gathering processes, and related controls, providing for a streamlined process and effective deployment of resources.

By understanding the requirements of the different proposals, preparers can develop the appropriate reporting strategy, one designed to capture the right data the first time. The following pages present a comparison of some of the key features of the “big three” sustainability disclosure framework.



For the comparison of the key provisions among the three sustainability framework, refer to PwC's publication in the link:

[Navigating the ESG landscape](#)

## Impact of climate change on financial statements

| Theme                   | EC   | ISSB   | SEC   |
|-------------------------|--|--|---|
| Topics in scope         | Standards span a broad list of environmental, social, and governance topics, including one dedicated to climate disclosures.   | Standards address climate and other sustainability risks.<br><br>Additional thematic standards are expected in the future.   | Final rules address climate-related risks and the financial effects of severe weather events and other natural conditions.  |
| Industry standards      | Ten sector-specific standards have been announced and are in development.  | A company is required to “refer to and consider” the applicability of the disclosure topics in the SASB standards.   | Industry-specific disclosures are not required.   |
| Location of disclosures | Disclosure would be included within a dedicated section of the management report.<br><br>No financial statement footnote disclosure would be required.                               | Disclosure would be included as part of general purpose financial reporting — such as in management commentary.<br><br>No financial statement footnote disclosure would currently be required. | Disclosure would be included in a separate section of the annual report or registration statement, or other relevant sections.<br><br>Financial statement footnote disclosure includes the impact of severe weather events and other natural conditions.  |
| Materiality             | Materiality would be assessed based on “double materiality,” consisting of “financial materiality” (an outside in perspective) and “impact materiality” (an inside out perspective). | Materiality would be assessed based on factors that could reasonably be expected to influence decisions that the primary users make based on that information.                                 | Materiality would be assessed based on the definition of materiality in existing Securities Laws / Supreme Court precedent.<br><br>A 1% bright-line and de minimis thresholds would be applied for financial statement footnote quantitative disclosures. |

## Impact of climate change on financial statements

| Theme                                  | EC  | ISSB  | SEC  |
|--|---|---|--|
| Time horizons for specific disclosures | Time horizons of short, medium, and long term are prescribed, although the entity may adapt the periods; the definition of long term in the climate standard may be applied differently.  | Time horizons for disclosure of risks and opportunities over the short, medium, and long term are not defined.  | Time horizons for disclosure of risks and opportunities over the short term (i.e., 12 months) and long term (i.e., more than 12 months).   |
| Targets and transition plans           | <p>Disclosure of material Greenhouse Gas (GHG) emissions reduction targets would be required in five-year rolling periods, including target values for at least 2030 and, if available, 2050.</p> <p>Disclosure about the transition plan's compatibility with the Paris Agreement (or updated international agreement on climate change) would also be required.</p> | <p>Disclosure of material climate-related targets set by the company, including how such targets were informed by the "latest international agreement on climate change" (currently the Paris Agreement).</p> <p>Such targets or goals would include those set in response to regulatory requirements or climate-related treaty or law.</p> | <p>Disclosure of climate-related targets or goals reasonably likely to materially affect the company's business, results of operations, or financial condition.</p> <p>Disclosure of a transition plan would be required if the company adopted a plan to manage a material transition risk.</p> |
| Use of scenario analysis               | <p>The use of scenario analysis would be required to assess resilience.</p> <p>Explanation is required of whether and how scenario analysis is consistent with the Paris Agreement and limiting climate change to 1.5°C.</p>  | <p>The use of scenario analysis would be required to assess resilience.</p> <p>Disclosure of whether a scenario aligns with the "latest international agreement on climate change" would be required.</p>   | <p>Disclosure would be required if scenario analysis is used and it identifies a climate risk that is, or is reasonably likely to be, material on its business, results of operations, or financial condition.</p> <p>Does not require consideration of specific scenarios.</p>                  |

## Impact of climate change on financial statements

| Theme                                   | EC   | ISSB  | SEC  |
|---|--|---|--|
| GHG Protocol                            | <p>Consideration of the GHG Protocol is required.</p> <p>The environmental footprint methods proposed by the EC or the framework for GHG accounting stipulated in International Organisation for Standardisation (ISO) 14064 may also be considered.</p>                                 | <p>Use of the GHG Protocol would be required, unless a different method is required by a jurisdictional authority or exchange.</p>              | <p>Use of the GHG Protocol is not required.</p> <p>Disclosure of the protocol or standard used for measurement and references the GHG Protocol, the U.S. Environmental Protection Agency, ISO 14064-1, or other standards is required.</p>   |
| GHG emissions organisational boundaries | <p>Emissions of the parent and consolidated subsidiaries would follow the organisational boundaries of the consolidated financial statements.</p> <p>Emissions of associates, joint ventures, and other unconsolidated arrangements would be presented based on operational control.</p> | <p>Emissions would be reported using either a control or equity share approach (consistent with optionality described in the GHG Protocol).</p> | <p>Disclosure of the organizational boundaries, the method used to determine them, and a brief explanation if they are materially different than the scope of entities and operations included in the consolidated financial statements.</p> |

## Impact of climate change on financial statements


| Theme                                    | EC   | ISSB  | SEC   |
|--|--|---|---|
| <p>Scope 1 and scope 2 GHG emissions</p> | <p>Disclosure of gross scope 1 and scope 2 emissions for the parent and consolidated subsidiaries as well as entities over which it has operational control.</p> <p>The percentage of scope 1 emissions under regulated emission trading schemes would be separately disclosed.</p> <p>Scope 2 emissions would be separately disclosed using both the location-based and market-based methods.</p> <p>No requirement to disaggregate emissions by type of GHG.</p> | <p>Disclosure of gross scope 1 and scope 2 GHG emissions for the consolidated group and separately for the investees excluded from consolidation, such as its associates and joint ventures.</p> <p>Scope 2 emissions would be disclosed using the location-based method.</p> <p>No requirement to disaggregate emissions by type of GHG.</p> | <p>Disclosure of gross scope 1 and scope 2 GHG emissions for large accelerated and accelerated filers.</p> <p>Scope 2 emissions would be disclosed using either the location-based or market-based method (or a combination).</p> <p>Disclosures of emissions related to an individual constituent gas, if material, is required.</p> |
| <p>Scope 3 GHG emissions</p>             | <p>Scope 3 emissions would be disclosed in total for the parent and consolidated subsidiaries as well as entities over which it has operational control, including significant scope 3 categories</p> <p>Scope 3 emissions would include scope 1, scope 2, and scope 3 emissions of associates, joint ventures, and unconsolidated subsidiaries in its value chain over which it does not have operational control</p>   | <p>Scope 3 emissions would be disclosed in total, including component categories</p>  | <p>No requirements to disclose scope 3 emissions.</p> <p>Even though the SEC does not require the disclosure of scope 3 emissions, material targets based on GHG emissions, including scope 3, would still require disclosure.</p>  |



## Impact of climate change on financial statements

| Theme                              | EC  | ISSB   | SEC  |
|------------------------------------|---|--|--|
| GHG emissions intensity            | Disclosure of total GHG emissions per net revenue would be required.  | No requirement to disclose GHG emissions intensity.  | No requirement to disclose GHG emissions intensity.  |
| Assurance, excluding GHG emissions | Sustainability information would initially be subject to limited assurance, transitioning to reasonable assurance at an unspecified date. | Sustainability information would be subject to assurance based on the rules of the jurisdictions adopting the standards. | Footnote disclosure would be subject to assurance through the financial statement audit and internal control over financial reporting attestation requirements.<br><br>Outside of the footnotes, only the disclosure of material scope 1 and scope 2 GHG emissions would be subject to required assurance. |
| Assurance on GHG emissions         | GHG emissions would be subject to the same assurance as other sustainability information.   | GHG emissions would be subject to assurance based on the rules of the jurisdictions adopting the standards.              | GHG emissions would be subject to limited assurance for fiscal years beginning in 2029 for large accelerated filers and 2031 for certain accelerated filers; large accelerated filers will transition to reasonable assurance for fiscal years beginning in 2033.  |

## Impact of climate change on financial statements

| Theme   | EC   | ISSB   | SEC  |
|---|--|--|--|
| Timing of application   | <p>Timing is established by the CSRD and would be phased by type of entity.</p> <p>Disclosure requirements would be applicable in 2024 (filing in 2025) for a "large undertaking," as defined, that has securities listed on an EU-regulated market and more than 500 employees.</p> | <p>Timing will depend on how standards are implemented in each jurisdiction.</p> <p>Disclosure requirements of IFRS S2 are effective for annual reporting periods beginning on or after 1 January 2024, with early adoption permitted.</p> <p>In the first year of reporting, entities are permitted to apply IFRS S1 only to the extent it relates to the disclosure of climate-related information</p> | <p>Timing is phased by type of filer, with disclosure requirements applicable for fiscal years beginning in 2025 for large accelerated filers.</p> |
| Comparative information   | <p>Comparative information would not be required in the first year of adoption, but required thereafter.</p>   | <p>Comparative information would not be required in the first year of adoption, but required thereafter.</p>   | <p>Comparative information is only required for information previously included in an SEC filing.</p>  |
| <div style="display: flex; align-items: flex-start;">  <div> <p>PwC is pleased to present the inaugural edition of our Sustainability reporting guide (SRG). This guide serves as a compendium of the reporting requirements under the sustainability frameworks expected to have the broadest impact globally, including:</p> <ul style="list-style-type: none"> <li>(a) European Sustainability Reporting Standards (ESRS) adopted by the European Commission (EC) for purposes of compliance with the Corporate Sustainability Reporting Directive (CSRD) in the European Union (EU)</li> <li>(b) IFRS® Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB)</li> <li>(c) Climate disclosure rules issued by the United States (US) Securities and Exchange Commission (SEC).</li> </ul> <p>To access the publication, please refer to:<br/> <a href="#"><u>PwC's Sustainability reporting guide</u></a></p> </div> </div> |  |  |  |

## Impact of climate change on financial statements

### Developments in Singapore

In 2021, the Singapore Government released the Singapore Green Plan 2030, a whole-of-nation movement to advance Singapore's national agenda on sustainable development and tackling climate change. The Green Plan charts ambitious and concrete targets, strengthening Singapore's commitments under the United Nation's 2030 Sustainable Development Agenda and Paris Agreement, and positions Singapore to achieve its long-term net zero emissions aspiration as soon as viable.

In December 2021, Singapore Exchange Regulation (SGX RegCo) introduced a new enhanced reporting regime for a phased approach to mandatory climate reporting based on the TCFD recommendations for SGX-listed entities as follows:

| For Financial Year Commencing      | Baseline Reporting Practice   | Year Report is Published |
|------------------------------------|---|--------------------------|
| Between 1 Jan 2022 and 31 Dec 2022 | Climate reporting is mandatory for all issuers on a 'comply or explain basis'.  | 2023                     |
| Between 1 Jan 2023 and 31 Dec 2023 | Climate reporting is mandatory for issuers in (a) financial industry; (b) agriculture, food and forest products industry; and (c) energy industry.<br><br>For other issuers, climate reporting on a 'comply or explain' basis.  | 2024                     |
| Between 1 Jan 2024 and 31 Dec 2024 | Climate reporting is mandatory for issuers in (a) financial industry; (b) agriculture, food and forest products industry; (c) energy industry; (d) materials and buildings industry; and (e) transportation industry.<br><br>For other issuers, climate reporting on a 'comply or explain' basis. | 2025                     |

In June 2022, the Accounting and Corporate Regulatory Authority (ACRA) and SGX RegCo set up a Sustainability Reporting Advisory Committee (SRAC) to develop a roadmap for wider implementation of sustainability reporting for Singapore-incorporated companies, beyond SGX-listed companies in response to a call to provide greater transparency and assurance on ESG-related information. SRAC will also provide inputs on the suitability of international sustainability reporting standards for implementation in Singapore.

As part of the enhanced SGX rules, all board directors of equity issuers listed on SGX are required to attend an accredited sustainability training course.

## Impact of climate change on financial statements

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In July 2022, SGX RegCo announced its intention to prepare to incorporate ISSB standards into the listing rules as mandatory disclosure requirements for listed entities when they are issued. These are part of efforts to ensure that climate-related information is available, comparable and trusted to tackle the issue of greenwashing.

In September 2022, MAS and SGX launched a digital disclosure portal, [ESGenome](#), to support companies in ESG disclosure process. ESGenome helps to streamline sustainability reporting and enhance investor access to ESG data. ESGenome is one of the initiatives under Project Greenprint which is a collection of initiatives that aims to harness technology and data to enable a more transparent, trusted and efficient ESG ecosystem to enable green and sustainable finance.

On 25 October 2022, Deputy Prime Minister and Minister for Finance Lawrence Wong outlined Singapore's national strategy to develop hydrogen as a major decarbonisation pathway, to support Singapore's international climate commitment to achieve net zero emissions by 2050.

Singapore is on a transformative journey to become a City in Nature. This journey includes steadfast commitment to achieving climate goals through the Singapore Green Plan 2030. Additionally, Singapore works with a vibrant network of climate actors to develop innovative solutions in decarbonisation and climate adaptation. Singapore will continue to foster regional and global collaboration to realise its shared climate vision together.

The 29th Conference of the Parties (COP29) is held in November 2024 in Baku, Azerbaijan. The COP29 Presidency's aim is to enhance ambition and enable action in solidarity for a green world. For more information, visit Singapore's COP29 pavillion here. [Singapore's virtual COP29 pavillion](#).

## Impact of climate change on financial statements

Impact of climate change

On 28 February 2024, ACRA and SGX Regco provided details of mandatory climate reporting and assurance requirements for listed issuers and large non-listed companies (NLCos) based on the recommendations by the SRAC. From the financial year commencing on or after 1 January 2025, listed issuers will be required to report and file annual climate-related disclosures (CRD), using requirements aligned with the International Sustainability Standards Board (ISSB) standards. Following which from the financial year commencing on or after 1 January 2027, large NLCos (defined as those with annual revenue of at least \$1 billion and total assets of at least \$500 million for 2 financial years immediately preceding the current financial year) will be required to do the same. ACRA will review the experience of listed issuers and large NLCos before introducing reporting requirements for other companies. The implementation timeline for mandatory CRD is summarised in the table below:

| Timeline for requirements                                 | Listed Issuers                                       | Large NLCos  |
|---|--|--|
| CRD including Scope 1 and 2 GHG emissions                 | Financial year commencing on or after 1 January 2025 | Financial year commencing on or after 1 January 2027 |
| CRD for Scope 3 GHG emissions                             | Financial year commencing on or after 1 January 2026 | No earlier than 2029                                 |
| External limited assurance on Scope 1 and 2 GHG emissions | Financial year commencing on or after 1 January 2027 | Financial year commencing on or after 1 January 2029 |

Large NLCos with parent companies that are reporting CRD are exempted from the requirements under the following circumstances:

- The parent company reports CRD using ISSB-aligned local reporting standards or equivalent standards (e.g. European Sustainability Reporting Standards) and the Large NLCo’s activities are included within the parent company’s report, which is available for public use; or
- A large NLCo whose parent company reports CRD using other international standards and frameworks (e.g. Global Reporting Initiative Standards, Task Force on Climate-related Financial Disclosures Recommendations), will be exempted from reporting and filing CRD with ACRA for a transitional period of 3 years. ACRA will review whether to extend the transitional period, depending on global developments relating to the sustainability reporting space.

## Impact of climate change on financial statements

Following that on 23 September 2024, SGX RegCo announced the enhancement of the climate reporting rules by incorporating the IFRS Sustainability Disclosure Standards (IFRS SDS) issued by ISSB into the sustainability reporting regime.

Beginning from the financial year commencing on or after 1 January 2025, SGX RegCo will require issuers to start reporting Scope 1 and Scope 2 GHG emissions. Climate-related disclosures must also start incorporating the requirements in the IFRS Sustainability Disclosure Standards issued by the ISSB. SGX RegCo will review the issuers' experience and readiness before establishing the implementation roadmap for reporting Scope 3 GHG emissions. The current plan is to prioritise larger issuers by market capitalisation with the intention that they report Scope 3 GHG emissions from the financial year commencing on or after 1 January 2026.

To provide time for issuers to focus on these climate-related disclosures in FY 2025, the other primary components of a sustainability report (other than climate-related disclosures) will be mandated from the financial year commencing on or after 1 January 2026.

Issuers that do not conduct external assurance on their sustainability reports must issue their sustainability reports together with their annual reports from the financial year commencing on or after 1 January 2026. Issuers that do conduct external assurance on their sustainability reports will continue to have up to five months after the end of their financial year to issue their sustainability reports. The extra month is aimed as a transitional measure to encourage issuers to conduct external assurance.



For further information on SGX sustainability reporting requirements, Singapore Green Plan 2030 and communications by ACRA and SGX RegCo, please refer to:

[Singapore Green Plan 2030](#)

[Climate reporting to help companies ride the green transition](#)

[SGX RegCo to start incorporating IFRS Sustainability Disclosure](#)

[Standards into climate reporting rules](#)

# Impact of climate change on financial statements

## Impact of climate-related risk on the financial statements

### Consistency is important

The ISSB standards specifically require consistency of the disclosures and assumptions used in preparing the financial statements and sustainability disclosures. However, even before these standards become mandatory, entities should ensure their disclosures of critical estimates and other relevant information in the financial statements are consistent with the non-financial information disclosed elsewhere (for example, in the company's sustainability report) in relation to:

SFRS(I) 1-1  
(112)

- (a) climate-related matters
- (b) the impact and consideration of climate-related risk, and
- (c) any material disclosure in relation to significant judgements and estimates of uncertainty arising as a result of climate-related risk.

Questions often arise about whether an entity's financial statements are 'Paris aligned'. This refers to whether they comply with the legally binding instrument that many nations have signed relating to limiting carbon emissions to a level designed to cap global temperature rises. Whether financial statements are 'Paris aligned' is not easy to determine because of the variety of measurement techniques required by IFRS depending on the item being considered in the statement of financial position. Therefore, it might be easier for the recognition and measurement of some items to be more closely aligned to Paris assumptions than others.

In addition to ensuring consistency of the disclosures about climate-related matters and their impact in both financial and non-financial information, entities also need to ensure consistency of the assumptions used in developing estimates for the financial statements, where possible.

For example, where an entity publicly discusses a best estimate about the impact of the Paris Agreement on the entity in a sustainability report and an SFRS(I) standard requires a best estimate approach to be used in measurement (for example, for the purpose of impairment calculations), the entity would need to consider consistency between the estimates used for financial reporting and those disclosed in the sustainability reporting.

Where there are comments in the sustainability report about estimates that haven't been reflected in financial reporting (for example, because the entity is relying on a market participant's assumptions which differ), the entity should consider explaining why such items have been reflected on a different basis in financial reporting.

## Impact of climate change on financial statements

### Material accounting policy information

In an effort to lower emissions and achieve carbon neutrality, many entities are entering into more complex transactions and arrangements for which the accounting continues to evolve. Examples of these include emissions trading schemes and virtual power purchase arrangements. In some cases, these transactions and arrangements are clearly within the scope of an SFRS(I) and in other cases it is less clear.

SFRS(I) 1-8  
(8)  
SFRS(I) 1-1  
(117) - (121)

In the absence of an SFRS(I) that specifically applies to a transaction, other event or condition, management shall use its judgement in developing and applying an accounting policy that results in relevant and reliable information.

SFRS(I) 1-8  
(10)

Entities shall disclose accounting policy information if it is material. Information is material if, when considered together with other information included in the financial statements, it can reasonably be expected to influence user's decisions made on the basis of the financial statements. SFRS(I) 1-1 also notes that an accounting policy may be material because of the nature of the entity's operations even if amounts for current and prior periods are not material. Accounting policies developed in accordance with SFRS(I) 1-8 are an example of policies that are expected to be material.

SFRS(I) 1-1  
(117), (117B)

Entities should therefore not underestimate the importance of disclosing climate-related accounting policies in the notes to the financial statements.

### Going concern

SFRS(I) 1-1 requires management to assess an entity's ability to continue as a going concern when preparing financial statements. In assessing whether the going concern basis of preparation is appropriate, management considers all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. If climate-related matters create material uncertainties related to events or conditions that may cast significant doubt on a company's ability to continue as a going concern, an entity should disclose these uncertainties even if the financial statements continue to be prepared on a going concern basis.

SFRS(I) 1-1  
(25)

Where management has concluded that there are no material uncertainties related to the going concern assumption that require disclosure, but reaching that conclusion involved significant judgement (for example, about the feasibility and effectiveness of any planned mitigation), SFRS(I) 1-1 requires disclosure of that judgement. Entities should also consider the interrelationship with the liquidity risk disclosures discussed in Note 42(c).

SFRS(I) 1-1  
(122)

SFRS(I) 7 (39)



# Impact of climate change on financial statements

## Critical accounting estimates, assumptions and judgements

There is an overarching requirement to disclose sources of estimation uncertainty in SFRS(I) 1-1. If assumptions that an entity makes about the future have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year, the entity is required to disclose information about those assumptions and the nature and carrying amount of those assets and liabilities. The information should help users of the financial statements to understand the judgement applied by management and what might be disclosed will depend on the specific facts and circumstances. If the accounting estimate is highly sensitive to one estimated input, it might be useful to disclose the estimated input and the sensitivity of the accounting estimate to changes of this input.

SFRS(I) 1-1  
(125)(a) - (b)

The entity may further need to explain the impact of various potential climate scenarios on significant estimates made in preparing the financial report. In addition, entities would typically explain changes made to past assumptions.

SFRS(I) 1-1 also has an overarching disclosure requirement to ensure that the financial statements capture all information that would be considered material and relevant to an understanding of them but is not presented elsewhere in the financial statements. This might be especially relevant for entities whose financial position or performance is particularly affected by climate-related matters.

## Trade and other receivables

SFRS(I) 7 Financial Instruments: Disclosures requires information which enables the users to understand the effect of credit risk on the amount, timing and uncertainty of future cash flows.

SFRS(I) 7  
(35B)

Climate change might affect a lender's exposure to credit losses for its financial assets. The expected credit loss (ECL) model in SFRS(I) 9 Financial Instruments requires the use of reasonable and supportable information that is available without undue cost or effort. Climate change might affect the assumptions that are made by lenders to estimate ECL. It could also affect the risk ratings for individual borrowers or groups of borrowers or their probability of default. In some cases, it could result in moving loans between stages.

SFRS(I) 9  
(5.5.17)(c)

SFRS(I) 7 requires that entities provide qualitative and quantitative information about the changes in the amount of expected credit losses and the reason for those changes. To the extent that any changes in ECL are the result of changes made to the assumptions about the impact of climate change or other climate-related risks, that fact should be disclosed.

SFRS(I) 7 (35I)

# Impact of climate change on financial statements

## Property, plant and equipment and intangible asset useful lives

In addition to impairment, entities may also need to reassess the useful lives and residual values of property, plant and equipment and intangible assets as a result of climate change. For example, climate impacts could result in earlier obsolescence of assets, or legal restrictions might be placed on the use of the assets or lead to inaccessibility of the assets. In the most extreme cases, if assets become inaccessible either as a result of natural climate events or government action, an entity could even lose control of assets permanently.

Entities must consider many factors in determining the useful life of assets, including obsolescence from changes in market demand and other economic factors. This estimation of the useful life of assets is a matter of judgement. Entities should consider disclosing if there are any estimation uncertainties related to the impacts of climate-related risk on the useful lives of assets. An example might be where there are multiple potential outcomes and some of them could significantly shorten the asset's life compared to the scenario with the highest probability used in determining useful life.

SFRS(I) 1-16  
(56)  
SFRS(I) 1-38  
(90)  
SFRS(I) 1-1  
(125)

Entities may also have new forms of intangibles such as carbon emissions rights and should consider the appropriate disclosure of policies for such schemes (see discussion in 'Material accounting policy information' above).

## Property, plant and equipment and intangible asset impairment

Climate-related risk can have a significant impact on impairment of non-financial assets. Climate change could be an indicator of impairment and trigger the need for an impairment test. For example, a decline in demand for products that emit greenhouse gases could indicate that a manufacturing plant might be impaired.

Further, the inputs and assumptions used in both a value in use or fair value less costs of disposal model could be significantly impacted by climate-related risks.

For these reasons, impairment disclosures might need to explain climate-related impacts. Where climate-related risks could have a significant impact on an entity's operations, information about how this has been factored into the recoverable amount calculations would be relevant for the users of the financial statements. In some cases, the conclusion not to adjust an impairment model for climate-related risk might be based on significant judgements or assumptions that entities should also explain in their disclosures.

SFRS(I) 1-36  
(130)(f), (132),  
(134)  
SFRS(I) 1-1  
(125)

Many companies discuss climate scenarios as part of their narrative reporting. These scenarios might stem from the Paris Agreement, from net zero targets or from the ISSB standards requirements. Such scenario analyses are likely to interact with the disclosures required by SFRS(I) 1-1 or SFRS(I) 1-36 Impairment of Assets. However, the premise of the narrative disclosures is not identical to what SFRS(I) 1-36 requires.

## Impact of climate change on financial statements

### Property, plant and equipment and intangible asset impairment (continued)

For example, SFRS(I) 1-36 requires a sensitivity analysis if a reasonably possible change in assumptions would lead to an impairment. This might include a reasonably possible unfavourable change in an assumption relating to climate change. The ISSB Standards, on the other hand, might require a scenario disclosure that is based on a 1.5 or 2.0° limitation on temperature rise, even though these might not be assumptions that are aligned with a company's best estimate or with market participant assumptions. Entities might consider explaining how the assumptions used for the impairment test under SFRS(I) 1-36 correspond to assumptions used in the narrative reporting on climate change scenarios to help financial statement users understand the linkage.

SFRS(I) 1-36  
(134)(f)

Management should consider whether other information, such as climate reporting included in the entity's annual report, is consistent with the audited financial statements. In addition to this, regulators in a number of territories have been clear that they expect entities to explain and reconcile any discrepancies in assumptions used.

### Deferred income taxes

Entities should assess the impact of climate-related matters on the estimation of future taxable profits and whether they are sufficient to recover the deferred tax assets. The assumptions used in these estimations should be consistent with those used elsewhere in the financial statements. To the extent that these assumptions are material in understanding the estimates and judgements which have been made in the recognition of the deferred tax assets, these assumptions should be disclosed.

SFRS(I) 1-12  
(24), (34)

SFRS(I) 1-1  
(122), (125)

### Inventories

Inventories could become impaired if their cost is not recoverable and entities must write down such inventories to their net realisable value. Some sectors might experience increased volatility in the market prices of assets as a result of changes in demand patterns for certain commodities, which could expose those inventories to greater risk of impairment.

SFRS(I) 1-2  
(28)

In other cases, certain assets might be discontinued from use or production, which could result in an impairment of the parts for those assets. For example, a certain model of combustion engine might be discontinued because it no longer meets emission standards, making the parts used to produce or service that engine obsolete. If the entity has made any significant estimates or judgements in this context, it should disclose them.

SFRS(I) 1-1  
(122), (125)

Entities may also have new forms of inventory such as carbon emissions rights and should consider the appropriate disclosure of policies for such schemes (see discussion in 'Material accounting policy information').

# Impact of climate change on financial statements

## Provisions and contingencies

Climate-related risks can have an impact on the disclosure of provisions and contingent liabilities. Actions taken or statements made by the entity could give rise to constructive obligations for which provisions must be recognised, even in the absence of legislation requiring the entity to act.

SFRS(I) 1-37  
(14)

For example, an entity operates a plant that is heavily dependent on fossil fuels and for which it has recognised a decommissioning provision. The entity's sustainability strategy promises carbon neutrality by 2030. This can realistically only be achieved by substituting the plant with a newer hybrid model plant in the medium term – sooner than originally anticipated. As a result of this plan, the entity must bring forward the timing of the expected cash flows for decommissioning the plant.

In April 2024, the IFRS Interpretations Committee finalised an [agenda decision](#) on whether statements announcing committed transition plans would give rise to constructive obligation that requires a provision, and should this corresponding amount on the provision be recognised as an asset or expense. The committee has clarified that while it is not necessary to know the identity of the party the obligation is owed (i.e. may be to the public at large), whether a statement to reduce emissions creates a valid expectation that an entity will fulfill the commitment and thus result in a constructive obligation, depends on the facts and circumstances surrounding it, including any actions the entity has taken that publicly affirm its intention to fulfil the commitment. Management would have to apply judgment to reach a conclusion at each reporting date.

SFRS(I) 1-37  
(10), (20)

An entity will recognise a provision on a constructive obligation that arose from the commitment only at the target date stated in the committed plan, if there are any unsettled obligations in which a reliable estimate can be made. The corresponding amount to the provision is an expense and not an asset unless it gives rise to, or forms part of the cost of an item that qualifies for recognition as an asset.

SFRS(I) 1-37  
(14)

Entities must disclose an indication of the uncertainties relating to the amount or timing of any outflow as well as major assumptions made concerning future events. To the extent that climate-related risk impacts the assumptions or uncertainties, entities should explain this in their notes.

SFRS(I) 1-37  
(85)(b)

In addition, climate-related risks may also affect the aggregation of provisions or contingent liabilities for disclosure purposes. In determining which provisions or contingent liabilities may be aggregated to form a class, it is necessary to consider the similarities and differences of these items. Climate-related risk may be incorporated differently into provisions which were previously aggregated. Entities should therefore consider whether further disaggregation of the classes is required as the impacts of climate-related risk evolve and become better understood.

SFRS(I) 1-37  
(87)

## Impact of climate change on financial statements

### Renewable power purchase agreements

As entities plan to reduce their carbon footprint, they are often seeking sources of renewable energy. An entity can demonstrate its support for renewable energy sources in several ways, for example:

- Purchase of renewable energy certificates (RECs) on a stand-alone basis in the market. RECs are created for each megawatt hour of electricity that is generated from a renewable energy resource, and they can be purchased by an entity in the market and then retired by the entity to offset energy usage from non-renewable sources.
- Physical power purchase agreements (physical PPAs) for renewable electricity. The entity takes physical delivery of renewable electricity from a particular generation facility at some point after the generation process.
- Financial settlement of renewable electricity through a virtual power purchase agreement (VPPA), where an entity obtains RECs and financially settles electricity. VPPA is sometimes called a 'financial power purchase agreement' or 'contract for differences' (CFD).

Accounting for PPAs can be complex and involve multiple accounting standards. For example, due consideration is needed on whether the arrangement gives rise to consolidation or equity accounting, contains a lease, or is in-scope as a financial instrument. This is further complicated by the fact that renewable electricity is a unique product; the timing and volume of renewable electricity production is unpredictable due to its nature-dependency and is not economically storable at scale. It is therefore important for entities to thoroughly evaluate the contractual terms of PPAs to determine the applicability of various standards.

Purchased RECs are typically accounted for as intangible assets, although they may be classified as inventory if the definition is met. Where the RECs are held for resale or consumed in the process of production of inventories (e.g., as an input cost in the manufacturing of a product), they are more likely to meet the definition of inventory. RECs are accounted for at cost on initial recognition. When retired, RECs are derecognised and the relevant costs are expensed in profit or loss as electricity costs or another appropriate line item depending on the accounting policy adopted for income statement presentation.

SFRS(I) 1-2 (6)

SFRS(I) 1-2 (9),  
SFRS(I) 1-38  
(24)

SFRS(I) 1-1  
(85)

Management should consider whether their recognition of such agreements in the financial statements are in line with other information, such as climate reporting.



For a detailed discussion on accounting for power purchase agreements, refer to our publication:

[Accounting for green/renewable power purchase agreements](#)

# Impact of climate change on financial statements

## Emissions trading schemes

There is no specific accounting standard that deals with accounting for emissions trading schemes. IFRIC 3 Emission Rights was intended to address the accounting in this area, but it was withdrawn in 2005.

The withdrawal of IFRIC 3 means that there are a number of accounting models that entities can use under SFRS(I) 1-8 in accounting for the participation in these schemes. Entities should disclose the accounting policies adopted for:

SFRS(I) 1-1  
(117), (117B)

- (a) recognition
- (b) initial measurement
- (c) subsequent measurement, and
- (d) presentation of the balances.

See the discussion about disclosure of accounting policies in 'Material accounting policy information' above.

Emissions credits granted by a government entity are generally accounted for under SFRS(I) 1-20 as the receipt of a non-monetary asset. However, SFRS(I) 1-20 allows for different accounting policy choices with respect to measurement on initial recognition and the presentation in both the balance sheet and the income statement. Disclosure of the accounting policy for these programs is key to understanding the impact of these programs on the financial statements.

To the extent that entities determine that aspects of their emissions trading schemes meet the definition of financial assets and qualify for derivative or hedge accounting, they should further consider the disclosure requirements of SFRS(I) 7 and SFRS(I) 13.

Management should consider whether their recognition of such arrangement in the financial statements are in line with other information, such as climate reporting.



For a detailed discussion on accounting for emissions trading schemes refer to our publication:

**[Emissions trading schemes: The opportunities ahead](#)**

## Impact of climate change on financial statements

### Carbon offsets in the voluntary carbon market

With the increasing focus on climate change and carbon emissions, the voluntary carbon market (VCM) is growing. Consistent accounting practices for carbon offsets are relevant for entities participating in the VCM; be it corporates using carbon offsets to achieve emission reduction targets, project developers, or carbon offset traders. However, there are no accounting standards or interpretations that directly address the accounting for carbon offsets and related projects. In the absence of a clear framework, entities participating in the VCM would need to deliberate and disclose appropriate accounting policies for the generation, sale and purchase, and retirement of carbon offsets as applicable.



For a detailed discussion on accounting for carbon offsets refer to our publication:

[IFRS Financial reporting considerations for entities participating in the voluntary carbon market](#)

### Financial risk management – Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by:

SFRS(I) 7  
Appendix A

- (a) factors specific to the individual financial statement or its issuer, or
- (b) factors affecting all similar financial instruments traded in a market.

Entities must disclose a sensitivity analysis which shows how profit or loss and equity would have been affected by changes in risk variables.

SFRS(I) 7  
(40)

Climate risk could have a significant impact on market risk, for example, for investments in industries impacted both positively and negatively by climate-related risk. In some cases, it may be necessary to provide additional explanations and disclose a sensitivity analysis that reflects interdependencies between risk variables. For example, if an entity has an interest rate that is floating based on both meeting its climate initiatives and a market benchmark, the entity should consider disclosing how the impact of meeting the climate initiative was incorporated into the sensitivity analysis.

SFRS(I) 7  
(40), (41)

# Impact of climate change on financial statements

## Financial risk management – Credit risk

SFRS(I) 7 requires that entities disclose concentrations of risk including:

SFRS(I) 7  
(34)(c), (B8)

- (a) how management determines such concentrations
- (b) a description of the shared characteristic that identifies each concentration, and
- (c) the amount of the risk exposure associated with all financial instruments sharing that characteristic.

Entities might have to change the way in which they are approaching their risk concentration disclosures to take into account climate-related risk. For example, more precision in determining geographic concentration might be necessary to reflect heightened risk in particular areas (such as city versus provincial/state disclosures where a particular city is particularly impacted) or more precision in the industry sector (such as a more precise disaggregation of exposure to different industrial products sectors based on carbon intensity).

## Financial risk management – Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

SFRS(I) 7  
Appendix A

Entities are required to disclose a maturity analysis for their financial instruments as well as a description of how they manage the liquidity risk inherent in the maturities.

SFRS(I) 7  
(39)

Where the impacts of climate change could accelerate the timing or alter the amount of contractual maturities of financial liabilities, for example as a result of clauses in a sustainability linked loan, entities should disclose that information.

SFRS(I) 7  
(B11D)

When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the end of the reporting period. For example, when the amount payable varies with changes in an index, the amount disclosed will be based on the index's level at the end of the period. In this case, entities should disclose the risk that the amount payable will increase depending on the index.

As an entity's climate-related risk exposures become more significant, there could also be growing pressure on an entity's debt covenants. In this context, disclosures about key covenants and facts and circumstances, if any, that indicate that the entity might have difficulty complying with the covenants and that non-current liabilities could become repayable within the next 12 months might become increasingly material. Reduced access to funding from investors in carbon-intensive industries could also be a risk that entities need to address and disclose.

SFRS(I) 1-1  
(135)(a)(ii)



# Impact of climate change on financial statements

## Fair value measurements

SFRS(I) 13 Fair Value Measurement requires disclosure of the inputs used in fair value measurements and, for recurring fair value measurements with significant unobservable inputs, a description of the sensitivity of those measurements to changes in unobservable inputs.

SFRS(I) 13  
(93)(d),  
(93)(h)(i)-(ii)

Fair value is a market-based measurement which maximises the use of observable inputs and uses assumptions that market participants would use when pricing the asset or liability. These might include assumptions about climate-related risks.

Fair value measurements using observable (that is, level 1) inputs will already reflect market participant views of climate change impacts. For example, the quoted equity price of an entity in the extractives or agriculture industries will reflect market participant expectations about potential climate risk scenarios.

However, valuation models for items that are not traded in an active market should be reviewed to ensure that they adequately represent market participant assumptions for the particular item being valued.

Inputs and assumptions which might be impacted by climate-related risk include, but are not limited to:

- (a) discount rates
- (b) the timing and amount of forecasted cash flows (For example, the fair value measurement for an investment property might need to be adjusted to reflect climate impacts on rental income, occupancy rates as well as insurance cost assumptions.)
- (c) the highest and best use for certain assets measured at fair value
- (d) inflation rates, and

other assumptions that a market participant would consider in the circumstances.

# Statutory Report

Directors' Statement

## Directors' Statement

For the financial year ended 31 December 2024

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The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2024 and the balance sheet of the Company as at 31 December 2024.

CA 201(16)

In the opinion of the directors,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 137 to 427 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2024 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements<sup>1</sup>; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Section 1,  
Twelfth  
Schedule

### Directors

The directors of the Company in office at the date of this statement are as follows<sup>2</sup>:

Section 7,  
Twelfth  
Schedule

Mr Tan Cheng Eng  
Mr David Grey  
Mr Ang Boon Chew  
Mr John Benjamin Brown  
Mr Balachandran Nair  
Madam Elise Chua  
Mr Lee Chee Wai  
Dr Ran Jedwin Gervasio

### Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share options" in this statement.

Section 8,  
Twelfth  
Schedule  
CA 164(1)(d)

**Directors' Statement**

For the financial year ended 31 December 2024

**Directors' interests in shares or debentures<sup>3</sup>**

- (a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations<sup>4</sup>, except as follows:

Section 9,  
Twelfth  
Schedule  
CA 164(1)(a,b)

|   | Holdings registered in<br><u>name of director</u> |   | Holdings in which a<br>director is deemed<br>to have an interest |   |
|---|---|---|--|---|
|   | At<br><u>31.12.2024</u>                           | At 1.1.2024<br>or date of<br>appointment,<br>if later | At<br><u>31.12.2024</u>  | At 1.1.2024 or<br>date of<br>appointment,<br>if later |
|   |   |   |  |   |
| <b>Ultimate holding<br/>corporation<br/>– PwC Global<br/>Limited</b><br><u>(No. of ordinary<br/>shares)</u> |   |   |  |   |
| Mr David Grey   | <b>1,270,000</b>                                  | 500,000   | <b>1,500,000</b>   | 1,000,000   |
| Mr Ang Boon Chew  | <b>97,000</b>                                     | 65,000  | -  | -   |
| Mr Lee Chee Wai   | <b>2,000</b>                                      | 1,000   | -  | -   |
| Mr Andrew Llyod<br>(resigned on 5 January<br>2025) <sup>5</sup>   | <b>200,000</b>                                    | 200,000   | -  | -   |

- (b) According to the register of directors' shareholdings, certain directors holding office at the end of the financial year had interests in options to subscribe for ordinary shares of the Company granted pursuant to the PwC Employee Share Option Scheme as set out below and under "Share Options" below

CA 164(1)(c)

|                         | <u>No. of unissued ordinary shares under option</u> |  |
|-------------------------|---|--|
|                         | <u>At<br/>31.12.2024</u>                            | At 1.1.2024 or date of<br><u>appointment, if later</u> |
| <u>Mr Ang Boon Chew</u> |   |  |
| 2020 Options            | <b>50,000</b>                                       | 50,000   |
| 2021 Options            | <b>50,000</b>                                       | 50,000   |
| 2023 Options            | <b>50,000</b>                                       | -  |

**Directors' Statement**

For the financial year ended 31 December 2024

**Directors' interests in shares or debentures<sup>3</sup> (continued)**

- (c) Mr David Grey, who by virtue of his interest of not less than 20% of the issued capital of the Company, is deemed to have an interest in the whole of the share capital of the Company's wholly owned subsidiaries and in the shares held by the Company in the following subsidiaries that are not wholly owned by the Group: CA 7(4A)

|   | <b>At<br/>31.12.2024</b> | At 1.1.2024 or date of<br><u>appointment, if later</u> |
|---|--------------------------|--|
| <b>PwC Components (China) Pte Ltd</b>       |                          |  |
| – No. of ordinary shares                    | <b>2,000,000</b>         | -  |
| <b>PwC Components (Singapore) Pte Ltd</b>   |                          |  |
| – No. of ordinary shares                    | <b>1,300,000</b>         | 1,300,000  |
| <b>PwC Components (Philippines) Pte Ltd</b> |                          |  |
| – No. of ordinary shares                    | <b>700,000</b>           | 700,000  |
| <b>PwC Furniture (PRC) Pte Ltd</b>          |                          |  |
| – Registered and issued share capital       | <b>RMB 8,500,000</b>     | RMB 8,500,000  |

- (d) The directors' interests in the ordinary shares and convertible securities of the Company as at 21 January 2025 were the same as those as at 31 December 2024. SGX 1207(7)

**Share options**

- (a) PwC Employee Share Option Scheme<sup>5</sup> Section 2, Twelfth Schedule

The PwC Employee Share Option Scheme (the "Scheme") for key management personnel and employees of the Group was approved by members of the Company at an Extraordinary General Meeting on 6 December 2017. The Scheme provides a means to recruit, retain and give recognition to employees who have contributed to the success and development of the Group.

Under the Scheme, options to subscribe for the ordinary shares of the Company are granted to key management personnel and employees with more than three years of service with the Group. The exercise price of the options is determined at the average of the closing prices of the Company's ordinary shares as quoted on the Singapore Exchange for five market days immediately preceding the date of the grant. No options are granted at a discount to the prevailing market price of the shares. The vesting of the options is conditional on the key management personnel or employees completing another two years of service to the Group and the Group achieving its targets of profitability and sales growth. Once the options are vested, they are exercisable for a period of four years. The options may be exercised in full or in part in respect of 1,000 shares or a multiple thereof, on the payment of the exercise price. Section 2, Twelfth Schedule Sections 2(d) & 6, Twelfth Schedule

**Directors' Statement**

For the financial year ended 31 December 2024

**Share options (continued)****(a) PwC Employee Share Option Scheme<sup>5</sup> (continued)**

The persons to whom the options have been issued have no right to participate by virtue of the options in any share issue of any other company. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Section 3,  
Twelfth  
Schedule

The aggregate number of shares over which options may be granted on any date, when added to the number of shares issued and issuable in respect of all options granted under the Scheme, shall not exceed 15% of the issued shares of the Company on the day preceding that date.

The Company granted options under the Scheme to subscribe for 2,050,000 ordinary shares of the Company on 1 January 2019 ("2019 Options"), 1,965,000 ordinary shares of the Company on 1 January 2020 ("2020 Options") and 964,000 ordinary shares of the Company on 1 January 2021 ("2021 Options"). Particulars of these options were set out in the Directors' statement for the financial years ended 31 December 2019, 31 December 2020 and 31 December 2021 respectively<sup>6</sup>.

On 1 January 2024, the Company granted options to subscribe for 350,000 ordinary shares of the Company at exercise price of \$2.88 per share ("2023 Options"). The 2023 Options are exercisable from 1 January 2024 and expire on 31 December 2028. The total fair value of the 2023 Options granted was estimated to be \$800,000 using the Binomial Option Pricing Model. Details of the options granted to an executive director of the Company are as follows:

Section 2(a) &  
(b), Twelfth  
Schedule**No. of unissued ordinary shares of the Company under option**SGX  
852(1)(b)(i)

| <u>Name of director</u> | <u>No. of unissued ordinary shares of the Company under option</u> |  |  |                                   |
|-------------------------|--|--|--|-----------------------------------|
|                         | Granted in<br>financial year<br>ended                              | Aggregate granted<br>since<br>commencement of<br>scheme to | Aggregate<br>exercised since<br>commencement of<br>scheme to | Aggregate<br>outstanding<br>as at |
|                         | <u>31.12.2024</u>  | <u>31.12.2024</u>  | <u>31.12.2024</u>  | <u>31.12.2024</u>                 |
| Mr Ang Boon<br>Chew     | 50,000   | 180,000  | 30,000   | 150,000                           |

No options have been granted to controlling shareholders of the Company or their associates<sup>7</sup> (as defined in the Listing Manual of Singapore Exchange Securities Trading Limited).

SGX  
852(2,1)(b)(ii)

No participant under the Scheme has received 5% or more of the total number of shares under option available under the Scheme.

SGX  
852(2,1)(b)(iii),  
c(i)

During the financial year, 478,000 treasury shares of the Company were re-issued at the exercise price of \$1.31 or \$1.28 per share, upon the exercise of the 2019 or 2020 Options respectively.

Section 5,  
Twelfth  
Schedule

**Directors' Statement**

For the financial year ended 31 December 2024

**Share options** (continued)

## (b) Share options outstanding

Section 6,  
Twelfth  
Schedule

The number of unissued ordinary shares of the Company under option in relation to the PwC Employee Share Option Scheme outstanding at the end of the financial year was as follows:

|                     | No. of unissued<br>ordinary shares under<br>option at<br><u>31.12.2024</u> | <u>Exercise<br/>price</u> | <u>Exercise period</u> |
|---------------------|--|---------------------------|------------------------|
| <b>2020 Options</b> | 1,004,000  | \$1.28                    | 1.1.2021 – 31.12.2025  |
| <b>2021 Options</b> | 909,000  | \$2.95                    | 1.1.2022 – 31.12.2026  |
| <b>2023 Options</b> | 350,000  | \$2.88                    | 1.1.2024 – 31.12.2028  |
|                     | <b><u>2,263,000</u></b>  |                           |                        |

**Audit Committee<sup>8</sup>**

The members of the Audit Committee at the end of the financial year were as follows:

CA 201B(9)

Mr Balachandran Nair (Chairman)  
Mr Tan Cheng Eng  
Mr David Grey  
Mr John Benjamin Brown  
Madam Elise Chua

All members of the Audit Committee were non-executive directors. Except for Mr David Grey who was an Executive Director of PwC Global Limited, the ultimate holding corporation of the Group, all members were independent.

## Directors' Statement

For the financial year ended 31 December 2024

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### Audit Committee<sup>8</sup> (continued)

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Committee reviewed:

CA 201B(9)

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2024 before their submission to the Board of Directors.

The Audit Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

### Independent auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept reappointment.

DV

On behalf of the directors<sup>9</sup>



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Tan Cheng Eng

Director

20 March 2025<sup>10,11</sup>

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Ang Boon Chew

Director



# Directors' Statement

For the financial year ended 31 December 2024

## Guidance notes

### Directors' Statement

#### Inclusion of Company's statement of changes in equity

- 1 A holding company may choose to present the statement of changes in equity of the Company, in addition to the balance sheet of the Company and the consolidated financial statements of the Group. If so, paragraph (a) in the Directors' Statement can be replaced with the following:

"the balance sheet and the statement of changes in equity of the Company and the consolidated financial statements of the Group as set out on pages [ ] to [ ] are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2024, the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date; and"

In addition to the above, a holding company may also choose to present the statement of comprehensive income and/or the statement of cash flows of the Company. When this occurs, the above paragraph needs to be tailored.

#### Directors in office at the date of the statement

- 2 The names of the directors that are holding office at the date of the Directors' Statement are required to be disclosed. There is no requirement to give details of director(s) who resigned during the financial year/period and up to the date of the Directors' Statement. If a director is appointed during the financial year/period and remains in office at the date of the Directors' Statement, the date of the appointment, although not required, is recommended to be disclosed to clearly identify the new director.

Section 7,  
Twelfth  
Schedule

#### Directors' interests in shares or debentures

- 3 A director's interests include his personal holdings, the beneficial interests of his immediate family and any deemed interest as defined under Section 7 of the Companies Act. Interests in rights or share options, are also required to be disclosed.

Section 9,  
Twelfth  
Schedule  
Section 2,  
Twelfth  
Schedule

If a director resigns after the end of the financial year/period but before the date of the Directors' Statement, his interests at the end of the financial year/period are still required to be disclosed.

If none of the directors has any interests in shares or debentures in the Company or any related corporations, the following disclosure is suggested:

"None of the directors of the Company holding office at the end of the financial year has any interest in the shares or debentures of the Company or any related corporations."

**Directors' Statement**

For the financial year ended 31 December 2024

**Guidance notes****Directors' Statement** (continued)**Related corporations**

- 4 Related corporations include the Company's holding companies, subsidiaries and fellow subsidiaries.

CA 6

**Share options**

- 5 The disclosures required by Section 2 of the Twelfth Schedule of the Companies Act relate to share options granted by the Company. If the share options are granted by the parent of the Company or by another related corporation directly to the employees of the Company and/or its subsidiaries, the Company is not required to make those disclosures required by Section 2 of the Twelfth Schedule in the Directors' Statement. The share options shall however be accounted for in accordance with SFRS(I) 2 Share-based Payment in the financial statements.
- 6 Where such disclosures have been made in a previous statement, reference may be made to that statement.

Section 2,  
Twelfth  
ScheduleSection 3,  
Twelfth  
Schedule**Definition of associates**

- 7 The SGX Listing Manual defines associates differently to that in paragraph 3 of SFRS(I) 1-28 Investments in Associates and Joint Ventures. An associate is defined in the SGX Listing Manual as:

(a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual):

- (i) his immediate family;
- (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
- (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more.

SGX (General  
– Definitions)

(b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.

# Directors' Statement

For the financial year ended 31 December 2024

## Guidance notes

### Directors' Statement (continued)

#### Audit Committee

8 The details and functions of the audit committee shall be included in the Directors' Statement of listed companies if the statutory financial statements (which would not contain a section on corporate governance), rather than the annual report, are filed with the Accounting and Corporate Regulatory Authority ("ACRA"). If the annual report is filed with the ACRA, this section is not required.

CA 201B(9)

#### Signing of statement

9 This phrase is not necessary if the Company has only two directors.

#### Date of Directors' Statement

10 The Directors' Statement shall be made out and sent to all persons entitled to receive notice of general meetings of the Company not less than 14 days before the date of the Annual General Meeting ("AGM"). The statement may be sent less than 14 days before the date of the AGM if all the persons entitled to receive notice of general meetings of the Company so agree. The statement shall specify the day on which it was made out and be signed by two directors of the Company.

CA 203(1),(2)  
SGX 707(2)  
CA 201(16)

#### Date of AGM

11 AGMs for listed companies shall be held within four months after the end of their financial year. AGMs for non-listed companies shall be held within six months after the end of their financial year.

CA 201(1)(a,b)  
SGX 707 (1)  
CA 201(5)  
(a)(ii)

# Primary Statements

Consolidated Statement of Comprehensive Income

Balance Sheet – Group

Balance Sheet – Company

Consolidated Statement of Changes in Equity

Consolidated Statement of Cash Flows

**Consolidated Statement of Comprehensive Income<sup>1, 2</sup>**

For the financial year ended 31 December 2024

|   | Note  | 2024 <sup>3</sup><br>\$'000 | 2023 <sup>3</sup><br>\$'000 | SFRS(I) 1-1<br>(10(b),10A)<br>SGX 1207<br>(5(a)) |
|---|-------|-----------------------------|-----------------------------|--|
| <b>Continuing operations<sup>4</sup></b>                                      |       |                             |                             |  |
| Revenue   | 4     | 245,646                     | 198,898                     | SFRS(I) 1-1<br>(82(a))                           |
| Cost of sales   | 5     | (87,701)                    | (71,511)                    | SFRS(I) 1-1<br>(103)                             |
| Gross profit  |       | 157,945                     | 127,387                     | SFRS(I) 1-1<br>(103)                             |
| Other income  |       |                             |                             |  |
| - Interest  | 7     | 2,939                       | 2,144                       | SFRS(I) 1-1<br>(82(a))                           |
| - Others  | 7     | 4,645                       | 3,623                       |  |
| Other gains and losses  |       |                             |                             |  |
| - Impairment loss on financial assets and contract assets                     | 42(b) | (850)                       | (266)                       | SFRS(I) 1-1<br>(82(ba))                          |
| - Others  | 8     | (1,990)                     | (30)                        |  |
| Expenses  |       |                             |                             |  |
| - Distribution and marketing  | 5     | (55,872)                    | (47,571)                    | SFRS(I) 1-1<br>(103)                             |
| - Administrative  | 5     | (37,261)                    | (27,337)                    | SFRS(I) 1-1<br>(103)                             |
| - Finance   | 9     | (9,739)                     | (7,213)                     | SFRS(I) 1-1<br>(82(b))                           |
| Share of profit from investments in associates and joint venture <sup>5</sup> | 22,23 | 761                         | 340                         | SFRS(I) 1-1<br>(82(c))                           |
| Profit before income tax  |       | 60,578                      | 51,077                      |  |
| Income tax expense  | 10(a) | (15,893)                    | (14,567)                    | SFRS(I) 1-1<br>(82(d))                           |
| <b>Profit from continuing operations<sup>4</sup></b>                          |       | <b>44,685</b>               | <b>36,510</b>               |  |
| <b>Discontinued operations<sup>4</sup></b>                                    |       |                             |                             | SFRS(I) 1-1<br>(82(ea))                          |
| Profit from discontinued operations   | 11    | 422                         | 1,310                       | SFRS(I) 5<br>(33(a))                             |
| <b>Total profit<sup>4</sup></b>   |       | <b>45,107</b>               | <b>37,820</b>               |  |

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

**Consolidated Statement of Comprehensive Income<sup>1, 2</sup>**

For the financial year ended 31 December 2024

|   | Note  | 2024 <sup>3</sup><br>\$'000 | 2023 <sup>3</sup><br>\$'000 |                          |
|---|-------|-----------------------------|-----------------------------|--------------------------|
| <b>Other comprehensive income<sup>7</sup>:</b>                            |       |                             |                             |                          |
| Items that may be reclassified subsequently to profit or loss:            |       |                             |                             | SFRS(I) 1-1 (82A(a)(ii)) |
| Financial assets, at FVOCI  |       |                             |                             |                          |
| - Fair value gains/(losses) – debt instruments <sup>13</sup>              |       | 571                         | (105)                       |                          |
| - Reclassification <sup>8</sup>   |       | (145)                       | -                           | SFRS(I) 1-1 (92)         |
| Cash flow hedges  |       |                             |                             |                          |
| - Fair value gains/(losses)   |       | 173                         | (500)                       |                          |
| - Reclassification <sup>8</sup>   |       | 625                         | 523                         | SFRS(I) 1-1 (92)         |
| Share of other comprehensive income of associates <sup>12</sup>           | 22    | 68                          | 35                          | SFRS(I) 1-1 (82A(b)(ii)) |
| Currency translation differences arising from consolidation <sup>15</sup> |       |                             |                             |                          |
| - Gains   |       | 671                         | 1,008                       |                          |
| - Reclassification <sup>8</sup>   |       | -                           | 19                          | SFRS(I) 1-1 (92)         |
| - Discontinued operations <sup>4</sup>                                    |       | 180                         | -                           |                          |
|   |       | <b>2,143</b>                | <b>980</b>                  |                          |
| Items that will not be reclassified subsequently to profit or loss:       |       |                             |                             | SFRS(I) 1-1 (82A(a)(i))  |
| Revaluation gains on property, plant and equipment <sup>9, 10</sup>       |       | 540                         | 457                         |                          |
| Financial assets, at FVOCI  |       |                             |                             |                          |
| - Fair value gains/(losses) – equity investments <sup>14</sup>            |       | 885                         | (1,085)                     |                          |
| <b>Other comprehensive income, net of tax<sup>7</sup></b>                 | 10(c) | <b>3,568</b>                | <b>352</b>                  | SFRS(I) 1-1 (81A(b))     |
| <b>Total comprehensive income</b>   |       | <b>48,675</b>               | <b>38,172</b>               | SFRS(I) 1-1 (81A(c))     |
| <b>Profit attributable to:</b>  |       |                             |                             |                          |
| Equity holders of the Company   |       | 41,483                      | 34,416                      | SFRS(I) 1-1 (81B(a))     |
| Non-controlling interests   |       | 3,624                       | 3,404                       | SFRS(I) 12 (12(e))       |
|   |       | <b>45,107</b>               | <b>37,820</b>               |                          |
| <b>Profit attributable to equity holders of the Company relates to:</b>   |       |                             |                             |                          |
| Profit from continuing operations   |       | 41,124                      | 33,302                      | SFRS(I) 5 (33(d))        |
| Profit from discontinued operations                                       |       | 359                         | 1,114                       |                          |
|   |       | <b>41,483</b>               | <b>34,416</b>               |                          |

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

**Consolidated Statement of Comprehensive Income<sup>1, 2</sup>**

For the financial year ended 31 December 2024

|   | Note  | 2024 <sup>3</sup><br>\$'000 | 2023 <sup>3</sup><br>\$'000 |                         |
|---|-------|-----------------------------|-----------------------------|-------------------------|
| <b>Total comprehensive income attributable to:</b>  |       |                             |                             |                         |
| Equity holders of the Company   |       | <b>44,684</b>               | 34,355                      | SFRS(I) 1-1<br>(81B(b)) |
| Non-controlling interests   |       | <b>3,991</b>                | 3,817                       |                         |
|   |       | <b>48,675</b>               | <b>38,172</b>               |                         |
| <b>Earnings per share ("EPS")<sup>6</sup> for profit from continuing and discontinued operations attributable to equity holders of the Company (\$ per share)</b> |       |                             |                             |                         |
| <b>Basic EPS</b>  |       |                             |                             |                         |
| From continuing operations  | 12(a) | <b>1.53</b>                 | 1.38                        | SFRS(I) 1-33<br>(66)    |
| From discontinued operations  | 12(a) | <b>0.01</b>                 | 0.05                        | SFRS(I) 1-33<br>(68)    |
| <b>Diluted EPS</b>  |       |                             |                             |                         |
| From continuing operations  | 12(b) | <b>1.41</b>                 | 1.25                        | SFRS(I) 1-33<br>(66)    |
| From discontinued operations  | 12(b) | <b>0.01</b>                 | 0.04                        | SFRS(I) 1-33<br>(68)    |

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

**Consolidated Statement of Comprehensive Income<sup>1, 2</sup>**

For the financial year ended 31 December 2024

**Guidance notes****Consolidated statement of comprehensive income****Statement of comprehensive income, statement of cash flows and statement of changes in equity of the parent**

- 1 The 'Statement of Comprehensive Income' may also be titled 'Statement of Profit and Loss and Other Comprehensive Income'. An entity has the choice of presenting the statement of comprehensive income using a one-statement or a two-statement approach. These alternative presentations have been illustrated in Appendix 1 Example 1. SFRS(I) 1-1 paragraphs 82 and 82A prescribes the list of line items that are required to be presented in the Statement of Comprehensive Income.

SFRS(I) 1-1  
(10)  
CA 201 (5)  
SGX 1207 (5)

SFRS(I) 1-1  
(82), (82A)

If consolidated financial statements are presented, the statement of comprehensive income, statement of cash flows and statement of changes in equity of the parent need not be presented. If consolidated financial statements are not presented (e.g. exempted under SFRS(I) 10), the statement of comprehensive income, statement of cash flows, balance sheet and statement of changes in equity of the parent, forming a set of financial statements of the parent, should be presented.

For further information on exemption from preparing consolidated financial statements and exception from consolidation, please refer to Guidance notes on Group accounting – (a) Subsidiaries in Note 2.4.

**Alternative format**

- 2 An entity shall present an analysis of expenses using a classification based on either the function or the nature of the expenses, whichever provides information that is reliable and more relevant.

SFRS(I) 1-1  
(99)

If the expenses are presented by function, additional disclosures on the nature of expenses are required (as illustrated in Note 5 to the financial statements).

SFRS(I) 1-1  
(104)

Within a functional statement of comprehensive income (statement of profit or loss), costs directly associated with generating revenues should be included in cost of sales. Cost of sales should include direct material and labour costs but also indirect costs that can be directly attributed to generating revenue; for example, depreciation of assets used in the production function. Impairment charges should be classified according to how the depreciation or amortisation of the particular asset is classified.

Entities should not mix function and nature classifications of expenses by excluding certain expenses such as inventory write-downs, employee termination benefits and impairment charges from the functional classifications to which they relate.



**Consolidated Statement of Comprehensive Income<sup>1, 2</sup>**

For the financial year ended 31 December 2024

**Guidance notes****Consolidated statement of comprehensive income (continued)****Financial years/periods of different length**

- 3 Where the current reporting period and the comparative reporting period are of unequal timeframe, an entity shall disclose the period covered, the reason for using that period and the fact that comparative amounts for the statement of comprehensive income, statement of cash flows, statement of changes in equity of the parent, and related disclosure notes are not entirely comparable.

SFRS(I) 1-1  
(36)**Continuing/Discontinued operations**

- 4 The single amount disclosed in the statement of comprehensive income relating to discontinued operations shall include the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group(s) constituting the discontinued operation. If there is no discontinued operation, the heading 'Continuing operations' is not required. 'Profit from continuing operations' and 'Total profit' should also be changed to 'Net profit'.

SFRS(I) 5 (33)

SFRS(I) 5 is unclear as to whether entities need to separate out items of other comprehensive income between continuing and discontinued operations. We believe that it would be consistent with the principles of SFRS(I) 5 to do so, as it would provide a useful basis for predicting the future results of the continuing operations. We also note that entities must present separately any cumulative income or expense recognised in other comprehensive income that relates to a non-current asset or disposal group classified as held for sale.

**Share of results of associates and joint venture**

- 5 The share of results of associates and joint ventures refers to the group's share of associates and joint ventures' results after tax and non-controlling interests accounted for in accordance with SFRS(I) 1-28

SFRS(I) 1-1  
(82(c))  
SFRS(I) 1-1  
IG6**Earnings per share**

- 6 The basic and diluted earnings per share for each class of ordinary shares shall be presented, even if the amounts are negative (i.e. a loss per share).

SFRS(I) 1-33  
(69)**Tax effects – Other comprehensive income**

- 7 This publication illustrates the presentation of these items individually net of tax and disclosure of the gross amounts and their tax effects in Note 10(c) to the financial statements. Alternatively, an entity can present these items individually gross of tax and their total tax effects as a separate line item.

SFRS(I) 1-1  
(91)

**Consolidated Statement of Comprehensive Income<sup>1, 2</sup>**

For the financial year ended 31 December 2024

**Guidance notes****Consolidated statement of comprehensive income (continued)****Reclassification adjustments**

- |    |   |  |
|----|---|--|
| 8  | Reclassification adjustments are amounts reclassified to profit or loss in the current period that were previously recognised in other comprehensive income. Examples of reclassification adjustments are described in paragraphs 93 and 95 of SFRS(I) 1-1. Reclassification adjustments may be presented in the Statement of Comprehensive Income or in the notes. An entity presenting reclassification adjustments in the notes presents items of other comprehensive income after any related reclassification adjustments. In this case, PwC Holdings Ltd has elected to present reclassification adjustments in the Statement of Comprehensive Income.  | SFRS(I) 1-1 (93)<br>SFRS(I) 1-1 (95)<br>SFRS(I) 1-1 (96)     |
| 9  | Reclassification adjustments do not arise on changes in revaluation surplus recognised in accordance with SFRS(I) 1-16 or SFRS(I) 1-38 or on remeasurements of defined benefit plans recognised in accordance with SFRS(I) 1-19.  | SFRS(I) 1-1 (96)   |
| 10 | These components are recognised in other comprehensive income and are not reclassified to profit or loss in subsequent periods. Changes in revaluation surplus may be transferred to retained earnings in subsequent periods as the asset is used or when it is derecognised. Re-measurements of net defined benefit liability (asset) recognised in other comprehensive income may also be transferred within equity.  | SFRS(I) 1-16 (41)<br>SFRS(I) 1-38 (87)<br>SFRS(I) 1-19 (122) |
| 11 | Reclassification adjustments also do not arise in relation to cash flow hedge accounting of a forecast transaction that subsequently results in the recognition of a non-financial item or becomes a firm commitment for which fair value hedge accounting is applied. In such cases, the carrying value of that item is adjusted for the gains or losses on the hedging instrument accumulated in the cash flow hedge reserve in equity. This adjustment is made through a direct transfer from the cash flow hedge reserve in equity. In other words, that transfer is not recorded in OCI, and so it has no effect on the statement of total comprehensive income. This is often referred to as a 'basis adjustment in a cash flow hedge'. | SFRS(I) 1-1 (95)<br>SFRS(I) 1-1 (96)                         |

**Consolidated Statement of Comprehensive Income<sup>1, 2</sup>**

For the financial year ended 31 December 2024

**Guidance notes****Consolidated statement of comprehensive income (continued)****Share of other comprehensive income of associates**

- 12 Share of its associate's or joint venture's other comprehensive income or loss should be recognised. The requirement would apply, for example, to the entity's share of any revaluation surpluses or exchange differences of its associates and joint ventures reported in their other comprehensive income. The entity's share of its associate's or joint venture's other comprehensive income or loss is shown separately for amounts that will not be reclassified subsequently to profit or loss and for amounts that will be reclassified subsequently to profit or loss when specific conditions are met.

SFRS(I)1-28  
(10)  
SFRS(I)1-1  
(82A)**Items that may and may not be reclassified subsequently to profit or loss**

- 13 For debt instruments which are classified as financial assets, at FVOCI, subsequent fair value changes are recognised in other comprehensive income, except for interest income, impairment and foreign exchange gains and losses which are recognised in the profit or loss. Fair value changes on such debt instruments which were previously recognised in other comprehensive income will be subsequently reclassified to profit or loss when the instrument is derecognised.

SFRS(I) 9  
(B5.7.1A)

- 14 In contrast, for equity investments classified as financial assets, at FVOCI, subsequent fair value changes are recognised in other comprehensive income and will not be reclassified to profit or loss upon disposal. Instead, the entity may transfer the cumulative fair value gain or loss within equity upon disposal.

SFRS(I) 9  
(B5.7.1)

- 15 Currency translation differences arising from a foreign operation with a functional currency that is different from the presentation currency are recognised in other comprehensive income and accumulated in currency translation reserve. Such currency translation differences attributable to non-controlling interests will not be subsequently reclassified to profit or loss. In contrast, currency translation differences relating to equity holders of the parent are reclassified to profit or loss on disposal of the foreign operations.

SFRS(I) 1-21  
(39)  
SFRS(I) 1-21  
(48B)  
SFRS(I) 1-21  
(48)

An illustration of this has been included below:

|   | <b>2024</b>   | 2023   |
|---|---------------|--------|
|   | <b>\$'000</b> | \$'000 |
| <b>Other comprehensive income:</b>  |               |        |
| Items that will not be reclassified subsequently to profit or loss:   |               |        |
| Currency translation differences arising from translation of foreign operations attributable to non-controlling interests | [ ]           | [ ]    |

# Consolidated Statement of Comprehensive Income<sup>1, 2</sup>

For the financial year ended 31 December 2024

## Guidance notes

### Consolidated statement of comprehensive income (continued)

#### Additional disclosures

- 16 Additional line items, headings and subtotals shall be presented on the face of the statement of comprehensive income and separate income statement (if presented) only when such presentation is necessary for an understanding of the entity's financial performance, the presentation is free of bias and undue prominence, the presentation is applied consistently and the methods are described in detail in the accounting policies.

SFRS(I) 1-1  
(85)

#### Disclosure initiative

- 17 SFRS(I) 1-1 requires entities not to aggregate or disaggregate information in a manner that obscures useful information. Additional subtotals are acceptable if they are made up of items recognised and measured under SFRS(I), presented and labelled in a manner understandable and consistent from period to period. An entity is also permitted to disaggregate specific line items required by SFRS(I) 1-1. Management has to consider the understandability and comparability of financial statements when determining the order of notes.

SFRS(I) 1-1  
(30A), (55A),  
(85A), (85B)

For example, the material accounting policies of the Company can be disclosed along with each relevant note to the financial statements to make this critical information more prominent and easier to find.

**Balance Sheet – Group**

As at 31 December 2024

|  | Note | 2024<br>\$'000 | 2023<br>\$'000 | SFRS(I) 1-1 (54,(77))<br>SGX 1207 (5)(a)<br>SGX 1207 (5)(b) |
|--|------|----------------|----------------|---|
| <b>ASSETS</b>  |      |                |                |   |
| <b>Current assets</b>  |      |                |                |   |
| Cash and bank balances   | 13   | 94,777         | 31,170         | SFRS(I) 1-1 (60,(66))<br>SFRS(I) 1-1 (54)(i)                |
| Financial assets, at FVPL  | 14   | 11,800         | 11,300         | SFRS(I) 1-1 (54)(d)   |
| Other investments at amortised cost                                      | 17   | 763            | -              | SFRS(I) 1-1 (54)(d)   |
| Derivative financial instruments   | 15   | 288            | 1,854          | SFRS(I) 1-1 (54)(d)   |
| Trade and other receivables  | 18   | 22,385         | 28,481         | SFRS(I) 1-1 (54)(h)   |
| Inventories  | 19   | 27,499         | 32,461         | SFRS(I) 1-1 (54)(g)   |
| Contract assets <sup>2</sup>   | 4(b) | 2,939          | 2,471          |   |
| Other current assets   | 4(c) | 487            | 619            |   |
| <b>Total current assets excluding assets classified as held for sale</b> |      | <b>160,938</b> | <b>108,356</b> | SFRS(I) 1-1 (55)  |
| Assets of disposal group classified as held-for-sale                     | 11   | 2,818          | -              | SFRS(I) 1-1 (54)(j)   |
|  |      | <b>163,756</b> | <b>108,356</b> |   |
| <b>Non-current assets</b>  |      |                |                |   |
| Financial assets, at FVPL  | 14   | 2,950          | 2,300          | SFRS(I) 1-1 (60,(66))<br>SFRS(I) 1-1 (54)(d)                |
| Derivative financial instruments   | 15   | 2,668          | 308            | SFRS(I) 1-1 (54)(d)   |
| Financial assets, at FVOCI   | 16   | 4,725          | 13,452         | SFRS(I) 1-1 (54)(d)   |
| Other investments at amortised cost                                      | 17   | 2,734          | 2,403          | SFRS(I) 1-1 (54)(d)   |
| Trade and other receivables  | 20   | 9,518          | 7,374          | SFRS(I) 1-1 (54)(h)   |
| Investments in associates  | 22   | 8,284          | 7,606          | SFRS(I) 1-1 (54)(e)   |
| Investment in a joint venture  | 23   | 1,837          | 1,457          | SFRS(I) 1-1 (54)(e)   |
| Investment properties <sup>3,4</sup>                                     | 25   | 15,937         | 17,338         | SFRS(I) 1-1 (54)(b)   |
| Property, plant and equipment <sup>3,4</sup>                             | 26   | 150,929        | 155,377        | SFRS(I) 1-1 (54)(a)   |
| Intangible assets  | 29   | 28,141         | 26,187         | SFRS(I) 1-1 (54)(c)   |
| Deferred income tax assets   | 35   | 2,784          | 2,541          | SFRS(I) 1-1 (54)(o)   |
|  |      | <b>230,507</b> | <b>236,343</b> |   |
| <b>Total assets</b>  |      | <b>394,263</b> | <b>344,699</b> |   |

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

**Balance Sheet – Group**

As at 31 December 2024

|   | Note  | 2024<br>\$'000 | 2023<br>\$'000 |                     |
|---|-------|----------------|----------------|---------------------|
| <b>LIABILITIES</b>  |       |                |                | SFRS(I) 1-1 (60,69) |
| <b>Current liabilities</b>  |       |                |                |                     |
| Trade and other payables  | 30    | 17,090         | 15,203         | SFRS(I) 1-1 (54(k)) |
| Liabilities under supplier finance arrangement <sup>5,6</sup>                           | 30(a) | 520            | 340            | SFRS(I) 1-1 (54(m)) |
| Contract liabilities <sup>2</sup>   | 4(b)  | 678            | 548            |                     |
| Current income tax liabilities  | 10(b) | 800            | 1,700          | SFRS(I) 1-1 (54(n)) |
| Derivative financial instruments  | 15    | -              | 1,376          | SFRS(I) 1-1 (54(m)) |
| Borrowings <sup>3</sup>   | 31    | 18,772         | 21,505         | SFRS(I) 1-1 (54(m)) |
| Provisions  | 34    | 3,796          | 1,523          | SFRS(I) 1-1 (54(l)) |
| <b>Total current liabilities excluding liabilities relating to assets held for sale</b> |       | <b>41,656</b>  | <b>42,195</b>  |                     |
| Liabilities directly associated with disposal group classified as held-for-sale         | 11    | 287            | -              | SFRS(I) 1-1 (54(p)) |
|   |       | <b>41,943</b>  | <b>42,195</b>  |                     |
| <b>Non-current liabilities</b>  |       |                |                | SFRS(I) 1-1 (60,69) |
| Trade and other payables  | 30    | 500            | 350            | SFRS(I) 1-1 (54(k)) |
| Derivative financial instruments  | 15    | 3,090          | -              | SFRS(I) 1-1 (54(m)) |
| Borrowings <sup>3</sup>   | 31    | 124,285        | 122,067        | SFRS(I) 1-1 (54(m)) |
| Deferred income tax liabilities   | 35    | 13,587         | 12,360         | SFRS(I) 1-1 (54(o)) |
| Provisions  | 34    | 2,072          | 1,573          | SFRS(I) 1-1 (54(l)) |
|   |       | <b>143,534</b> | <b>136,350</b> |                     |
| <b>Total liabilities</b>  |       | <b>185,477</b> | <b>178,545</b> |                     |
| <b>NET ASSETS</b>   |       | <b>208,786</b> | <b>166,154</b> |                     |
| <b>EQUITY</b>   |       |                |                |                     |
| <b>Capital and reserves attributable to equity holders of the Company</b>               |       |                |                |                     |
| Share capital   | 36    | 49,509         | 41,495         | SFRS(I) 1-1 (54(r)) |
| Treasury shares   | 36    | (2,772)        | (2,022)        | SFRS(I) 1-1 (54(r)) |
| Other reserves  | 37    | 9,941          | 6,539          | SFRS(I) 1-1 (54(r)) |
| Retained profits  |       | 139,313        | 109,608        | SFRS(I) 1-1 (54(r)) |
|   |       | <b>195,991</b> | <b>155,620</b> | SFRS(I) 1-1 (54(r)) |
| <b>Non-controlling interests</b>  | 24    | <b>12,795</b>  | <b>10,534</b>  | SFRS(I) 1-1 (54(q)) |
| <b>Total equity</b>   |       | <b>208,786</b> | <b>166,154</b> |                     |

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

**Balance Sheet – Company**

As at 31 December 2024

|   | Note | 2024<br>\$'000 | 2023<br>\$'000 | SFRS(I) 1-1 (54,77)<br>SGX 1207 (5)(a)<br>SGX 1207 (5)(b) |
|---|------|----------------|----------------|---|
| <b>ASSETS</b>                                 |      |                |                |   |
| <b>Current assets</b>                         |      |                |                |   |
| Cash and bank balances                        | 13   | 19,346         | 17,278         | SFRS(I) 1-1 (60,66)                                       |
| Derivative financial instruments              | 15   | -              | 211            | SFRS(I) 1-1 (54(i))                                       |
| Trade and other receivables                   | 18   | 5,830          | 5,824          | SFRS(I) 1-1 (54(h))                                       |
| Inventories                                   | 19   | 2,245          | 3,305          | SFRS(I) 1-1 (54(g))                                       |
|   |      | <u>27,421</u>  | <u>26,618</u>  |   |
| Non-current asset classified as held-for-sale | 11   | 1,500          | -              | SFRS(I) 1-1 (54(j))                                       |
|   |      | <u>28,921</u>  | <u>26,618</u>  |   |
| <b>Non-current assets</b>                     |      |                |                |   |
| Derivative financial instruments              | 15   | 150            | -              | SFRS(I) 1-1 (54(d))                                       |
| Financial assets, at FVOCI                    | 16   | 1,615          | 1,600          | SFRS(I) 1-1 (54(d))                                       |
| Trade and other receivables                   | 20   | 4,733          | 3,147          | SFRS(I) 1-1 (54(h))                                       |
| Investments in associates                     | 22   | 1,000          | 1,000          | SFRS(I) 1-1 (54(e))                                       |
| Investment in a joint venture                 | 23   | 880            | 880            | SFRS(I) 1-1 (54(e))                                       |
| Investments in subsidiaries                   | 24   | 104,550        | 94,160         | SFRS(I) 1-1 (55)  |
| Property, plant and equipment                 | 26   | 1,258          | 843            | SFRS(I) 1-1 (54(a))                                       |
| Intangible assets                             | 29   | 1,444          | 1,542          | SFRS(I) 1-1 (54(c))                                       |
|   |      | <u>115,630</u> | <u>103,172</u> |   |
| <b>Total assets</b>                           |      | <u>144,551</u> | <u>129,790</u> |   |

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

**Balance Sheet – Company**

As at 31 December 2024

|   | Note  | 2024<br>\$'000 | 2023<br>\$'000 |                     |
|---|-------|----------------|----------------|---------------------|
| <b>LIABILITIES</b>  |       |                |                |                     |
| <b>Current liabilities</b>  |       |                |                |                     |
| Trade and other payables  | 30    | 951            | 848            | SFRS(I) 1-1 (60,69) |
| Current income tax liabilities  | 10(b) | 330            | 261            | SFRS(I) 1-1 (54(k)) |
| Borrowings  | 31    | 1,732          | 1,927          | SFRS(I) 1-1 (54(m)) |
| Provisions  | 34    | 44             | 50             | SFRS(I) 1-1 (54(l)) |
|   |       | <u>3,057</u>   | <u>3,086</u>   |                     |
| <b>Non-current liabilities</b>  |       |                |                |                     |
| Borrowings  | 31    | 79,084         | 78,499         | SFRS(I) 1-1 (60,69) |
| Provisions  | 34    | 170            | 150            | SFRS(I) 1-1 (54(m)) |
| Deferred income tax liabilities   | 35    | 2,468          | 3,140          | SFRS(I) 1-1 (54(l)) |
|   |       | <u>81,722</u>  | <u>81,789</u>  |                     |
| <b>Total liabilities</b>  |       | <u>84,779</u>  | <u>84,875</u>  |                     |
| <b>NET ASSETS</b>   |       | <u>59,772</u>  | <u>44,915</u>  |                     |
| <b>EQUITY</b>   |       |                |                |                     |
| <b>Capital and reserves attributable to equity holders of the Company</b> |       |                |                |                     |
| Share capital   | 36    | 49,509         | 41,495         | SFRS(I) 1-1 (54(r)) |
| Treasury shares   | 36    | (2,772)        | (2,022)        | SFRS(I) 1-1 (54(r)) |
| Other reserves  | 37    | 4,214          | 3,917          | SFRS(I) 1-1 (54(r)) |
| Retained profits  | 38    | 8,821          | 1,525          | SFRS(I) 1-1 (54(r)) |
| <b>Total equity</b>   |       | <u>59,772</u>  | <u>44,915</u>  |                     |

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



**Balance Sheet – Company**

As at 31 December 2024

**Guidance notes****Statement of financial position/balance sheet****Comparative information**

- 1 An entity shall present a third statement of financial position as at the beginning of the preceding period if:
- it applies an accounting policy retrospectively, makes a retrospective restatement of items in its financial statements or reclassifies items in its financial statements; and
  - the retrospective application, retrospective restatement or the reclassification has a material effect on the information in the statement of financial position at the beginning of the preceding period.

SFRS(I) 1-1  
(40A)

For further information, please refer to paragraphs 40B to 40D of SFRS(I) 1-1.

**Contract assets and contract liabilities**

- 2 SFRS(I)15 Revenue from Contracts with Customers requires the presentation of any unconditional rights to consideration as a receivable separately from contract assets. However, contract assets, contract liabilities and receivables do not have to be referred to as such and do not need to be presented separately in the balance sheet as long as the entity provides sufficient information so that users of the financial statements can distinguish them from other items.

SFRS(I) 15  
(109)**Presentation of right-of-use (“ROU”) assets and lease liabilities**

- 3 Right-of-use assets (except those meeting the definition of investment property) and lease liabilities do not need to be presented as a separate line items on the balance sheet, as long as they are disclosed separately in the notes. Where right-of-use assets are presented within the same line item as the corresponding underlying assets would be presented if they were owned, the lessee must disclose which line items in the balance sheet include those right-of-use assets.

SFRS(I) 16  
(47)

In this illustrative, we have presented lease liabilities within borrowings.

- 4 Right-of-use assets that meet the definition of investment property must be presented in the balance sheet as investment property.

SFRS(I) 16  
(48)

**Balance Sheet – Company**

As at 31 December 2024

**Guidance notes****Statement of financial position/balance sheet (continued)****Presentation of balances in relation to supplier finance arrangements**

- 5 Judgement might be needed to determine how to present supplier finance arrangements in the statement of financial position. In 2020, the 'Committee published an agenda decision on the presentation of a liability that is part of a supplier finance arrangement. The agenda decision explained that an entity presents a financial liability as a trade payable only when the liability:
- represents a liability to pay for goods or services
  - is invoiced or formally agreed with the supplier; and
  - is part of the working capital used in the entity's normal operating cycle.
- Based on the terms and conditions of its supplier finance arrangement, PwC Holdings Ltd has determined to present the arrangement as a separate line item 'Liabilities under supplier finance arrangement'. Refer to guidance note 1 of note 30 for an example disclosure for this significant judgement.
- 6 The presentation of the liabilities under supplier finance arrangements is a particular area of judgement. For further guidance, refer to our in-depth [Bringing transparency on supplier finance](#), which explains issues to consider when determining the appropriate presentation and disclosure of such arrangements.

Reference

| 2024   | Note                | Attributable to equity holders of the Company |                 |                                   |                              |                                 |                              |   |                                       |  |                  |                | Non-controlling interests | Total equity               | Reference            |
|--|---------------------|---|-----------------|-----------------------------------|------------------------------|---------------------------------|------------------------------|---|---------------------------------------|--|------------------|----------------|---------------------------|----------------------------|----------------------|
|  |                     | Share capital                                 | Treasury shares | Share option reserve <sup>3</sup> | Capital reserve <sup>3</sup> | Fair value reserve <sup>3</sup> | Hedging reserve <sup>3</sup> | Currency translation reserve <sup>3</sup> | Equity component of convertible bonds | Asset revaluation reserve <sup>3</sup> | Retained profits | Total          |                           |                            |                      |
|  |                     | \$'000  | \$'000          | \$'000                            | \$'000                       | \$'000                          | \$'000                       | \$'000                                    | \$'000                                | \$'000                                 | \$'000           | \$'000         | \$'000                    | \$'000                     |                      |
| <b>Balance as at 1 January 2024</b>                                  |                     | <b>41,495</b>                                 | <b>(2,022)</b>  | <b>1,510</b>                      | <b>858</b>                   | <b>(1,485)</b>                  | <b>110</b>                   | <b>1,207</b>                              | <b>1,685</b>                          | <b>2,654</b>                           | <b>109,608</b>   | <b>155,620</b> | <b>10,534</b>             | <b>166,154</b>             | SFRS(I) 1-1 (106)(d) |
| Profit for the year  |                     | -   | -               | -                                 | -                            | -                               | -                            | -   | -                                     | 41,483                                 | 41,483           | 3,624          | 45,107                    | SFRS(I) 1-1 (106)(d)(i)    |                      |
| Other comprehensive income for the year                              |                     | -   | -               | -                                 | 1,379                        | 798                             | 489                          | -   | 535                                   | -                                      | 3,201            | 367            | 3,568                     | SFRS(I) 1-1 (106)(d)(ii)   |                      |
| <b>Total comprehensive income for the year</b>                       |                     | <b>-</b>                                      | <b>-</b>        | <b>-</b>                          | <b>1,379</b>                 | <b>798</b>                      | <b>489</b>                   | <b>-</b>                                  | <b>535</b>                            | <b>41,483</b>                          | <b>44,684</b>    | <b>3,991</b>   | <b>48,675</b>             | SFRS(I) 1-1 (106)(a)       |                      |
| Purchase of treasury shares  | 36                  | -   | (1,754)         | -                                 | -                            | -                               | -                            | -   | -                                     | -                                      | (1,754)          | -              | (1,754)                   | SFRS(I) 1-32 (33)          |                      |
| Employee share option scheme   |                     |   |                 |                                   |                              |                                 |                              |   |                                       |  |                  |                |                           |                            |                      |
| - Value of employee services   | 37(b)(i)            | -   | -               | 672                               | -                            | -                               | -                            | -   | -                                     | -                                      | 672              | -              | 672                       | SFRS(I) 2 (7)              |                      |
| - Treasury shares re-issued  | 36<br>37(b)(i),(ii) | -   | 1,004           | (972)                             | 623                          | -                               | -                            | -   | -                                     | -                                      | 655              | -              | 655                       | SFRS(I) 1-32 (33)          |                      |
| Issue of new shares  | 36                  | 8,368   | -               | -                                 | -                            | -                               | -                            | -   | -                                     | -                                      | 8,368            | -              | 8,368                     |                            |                      |
| Share issue expenses   | 36                  | (354)   | -               | -                                 | -                            | -                               | -                            | -   | -                                     | -                                      | (354)            | -              | (354)                     |                            |                      |
| Dividends paid   | 39                  | -   | -               | -                                 | -                            | -                               | -                            | -   | -                                     | (12,078)                               | (12,078)         | (1,730)        | (13,808)                  | SFRS(I) 1-1 (106) (d)(iii) |                      |
| <b>Total transactions with owners, recognised directly in equity</b> |                     | <b>8,014</b>                                  | <b>(750)</b>    | <b>(300)</b>                      | <b>623</b>                   | <b>-</b>                        | <b>-</b>                     | <b>-</b>                                  | <b>-</b>                              | <b>(12,078)</b>                        | <b>(4,491)</b>   | <b>(1,730)</b> | <b>(6,221)</b>            | SFRS(I) 1-1 (106) (d)(iii) |                      |

Reference

|   |             | Attributable to equity holders of the Company |                 |                                   |                              |                                 |                              |   |                   |  |                  |                           |               |                |  |
|---|-------------|---|-----------------|-----------------------------------|------------------------------|---------------------------------|------------------------------|---|-------------------|--|------------------|---------------------------|---------------|----------------|--|
|   |             | Equity component of                           |                 |                                   |                              |                                 |                              |   |                   |  |                  | Non-controlling interests |               | Total equity   |  |
| 2024  | Note        | Share capital                                 | Treasury shares | Share option reserve <sup>3</sup> | Capital reserve <sup>3</sup> | Fair value reserve <sup>3</sup> | Hedging reserve <sup>3</sup> | Currency translation reserve <sup>3</sup> | convertible bonds | Asset revaluation reserve <sup>3</sup> | Retained profits | Total                     |               |                |  |
|   |             | \$'000  | \$'000          | \$'000                            | \$'000                       | \$'000                          | \$'000                       | \$'000                                    | \$'000            | \$'000                                 | \$'000           | \$'000                    | \$'000        | \$'000         |  |
| Transfer upon disposal of investments   | 37(b) (iii) | -   | -               | -                                 | -                            | (300)                           | -                            | -   | -                 | -                                      | 300              | -                         | -             | -              |  |
| Hedging gain transferred to the carrying value of inventory purchased during the year | 37(b) (iv)  | -   | -               | -                                 | -                            | -                               | 178                          | -   | -                 | -                                      | -                | 178                       | -             | 178            |  |
| <b>Balance at 31 December 2024</b>  |             | <b>49,509</b>                                 | <b>(2,772)</b>  | <b>1,210</b>                      | <b>1,481</b>                 | <b>(406)</b>                    | <b>1,086</b>                 | <b>1,696</b>                              | <b>1,685</b>      | <b>3,189</b>                           | <b>139,313</b>   | <b>195,991</b>            | <b>12,795</b> | <b>208,786</b> |  |

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

Consolidated Statement of Changes in Equity<sup>1, 2</sup>

As at 31 December 2024

| ← Attributable to equity holders of the Company → |                |               |                 |                                   |                              |                                 |                              |   |                                       |  |                  |                |                           | Reference      |                          |
|---|----------------|---------------|-----------------|-----------------------------------|------------------------------|---------------------------------|------------------------------|---|---------------------------------------|--|------------------|----------------|---------------------------|----------------|--------------------------|
| 2023  | Note           | Share capital | Treasury shares | Share option reserve <sup>3</sup> | Capital reserve <sup>3</sup> | Fair value reserve <sup>3</sup> | Hedging reserve <sup>3</sup> | Currency translation reserve <sup>3</sup> | Equity component of convertible bonds | Asset revaluation reserve <sup>3</sup> | Retained profits | Total          | Non-controlling interests | Total equity   |                          |
|   |                | \$'000        | \$'000          | \$'000                            | \$'000                       | \$'000                          | \$'000                       | \$'000                                    | \$'000                                | \$'000                                 | \$'000           | \$'000         | \$'000                    | \$'000         | \$'000                   |
|   |                | <b>41,495</b> | <b>(1,418)</b>  | <b>1,636</b>                      | <b>488</b>                   | <b>(73)</b>                     | <b>87</b>                    | <b>588</b>                                | <b>1,685</b>                          | <b>2,202</b>                           | <b>83,017</b>    | <b>129,707</b> | <b>8,252</b>              | <b>137,959</b> | SFRS(I) 1-1 (106)(d)     |
|   |                | -             | -               | -                                 | -                            | -                               | -                            | -   | -                                     | -                                      | 34,416           | 34,416         | 3,404                     | 37,820         | SFRS(I) 1-1 (106)(d)(i)  |
|   |                | -             | -               | -                                 | -                            | (1,155)                         | 23                           | 619                                       | -                                     | 452                                    | -                | (61)           | 413                       | 352            | SFRS(I) 1-1 (106)(d)(ii) |
|   |                | <b>-</b>      | <b>-</b>        | <b>-</b>                          | <b>-</b>                     | <b>(1,155)</b>                  | <b>23</b>                    | <b>619</b>                                | <b>-</b>                              | <b>452</b>                             | <b>34,416</b>    | <b>34,355</b>  | <b>3,817</b>              | <b>38,172</b>  | SFRS(I) 1-1 (106)(a)     |
|   | 37(b) (iii)    | -             | -               | -                                 | -                            | (257)                           | -                            | -   | -                                     | -                                      | 257              | -              | -                         | -              |                          |
|   | 36             | -             | (2,389)         | -                                 | -                            | -                               | -                            | -   | -                                     | -                                      | -                | (2,389)        | -                         | (2,389)        | SFRS(I) 1-32 (33)        |
|   | 37(b) (i)      | -             | -               | 715                               | -                            | -                               | -                            | -   | -                                     | -                                      | -                | 715            | -                         | 715            | SFRS(I) 2 (7)            |
|   | 36             | -             | 1,785           | (841)                             | 370                          | -                               | -                            | -   | -                                     | -                                      | -                | 1,314          | -                         | 1,314          | SFRS(I) 1-32 (33)        |
|   | 37(b) (i),(ii) | -             | 1,785           | (841)                             | 370                          | -                               | -                            | -   | -                                     | -                                      | -                | 1,314          | -                         | 1,314          |                          |

Consolidated Statement of Changes in Equity<sup>1, 2</sup>

As at 31 December 2024

Reference

| 2023   | Note | Attributable to equity holders of the Company |                 |                                   |                              |                                 |                              |   |                                       |  |                  |                | Non-controlling interests | Total equity               |
|--|------|---|-----------------|-----------------------------------|------------------------------|---------------------------------|------------------------------|---|---------------------------------------|--|------------------|----------------|---------------------------|----------------------------|
|  |      | Share capital                                 | Treasury shares | Share option reserve <sup>3</sup> | Capital reserve <sup>3</sup> | Fair value reserve <sup>3</sup> | Hedging reserve <sup>3</sup> | Currency translation reserve <sup>3</sup> | Equity component of convertible bonds | Asset revaluation reserve <sup>3</sup> | Retained profits | Total          |                           |                            |
|  |      | \$'000  | \$'000          | \$'000                            | \$'000                       | \$'000                          | \$'000                       | \$'000                                    | \$'000                                | \$'000                                 | \$'000           | \$'000         | \$'000                    | \$'000                     |
| Disposal of controlling interest in subsidiary                       | 13   | -   | -               | -                                 | -                            | -                               | -                            | -   | -                                     | -                                      | -                | -              | (75)                      | (75)                       |
| Dividends paid   | 39   | -   | -               | -                                 | -                            | -                               | -                            | -   | -                                     | (8,082)                                | (8,082)          | (1,460)        | (9,542)                   | SFRS(I) 1-1 (106) (d)(iii) |
| <b>Total transactions with owners, recognised directly in equity</b> |      | -   | (604)           | (126)                             | 370                          | (257)                           | -                            | -   | -                                     | (7,825)                                | (8,442)          | (1,535)        | (9,977)                   | SFRS(I) 1-1 (106) (d)(iii) |
| <b>Balance at 31 December 2023</b>                                   |      | <b>41,495</b>                                 | <b>(2,022)</b>  | <b>1,510</b>                      | <b>858</b>                   | <b>(1,485)</b>                  | <b>110</b>                   | <b>1,207</b>                              | <b>1,685</b>                          | <b>2,654</b>                           | <b>109,608</b>   | <b>155,620</b> | <b>10,534</b>             | <b>166,154</b>             |

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

# Consolidated Statement of Changes in Equity<sup>1, 2</sup>

For the financial year ended 31 December 2024

## Guidance notes

### Consolidated Statement of Changes in Equity ("SoCE")

#### Presentation of each component of equity in the SoCE

- 1 SFRS(I) 1-1 requires an entity to show in the SoCE, for each component of equity, a reconciliation between the carrying amount at the beginning and end of the period. Components of equity include, e.g., each class of contributed equity, the accumulated balance of each class of other comprehensive income and retained profits.
- 2 The reconciliation of changes in each component of equity shall show separately each item of comprehensive income. However, this reconciliation may be presented either in the notes or in the SoCE. This presentation illustrates the former.
- 3 An entity can choose to present the aggregation of reserve in the SoCE. For instance, share option reserve, fair value reserve, hedging reserve, currency translation reserve and asset revaluation reserve can be aggregated to be presented as "Other reserves". The entity should continue to disclose in the notes a description of the nature and purpose of each reserve within equity.

SFRS(I) 1-1  
(106(d)), (108)

**Consolidated Statement of Cash Flows**

For the financial year ended 31 December 2024

|  | Note | 2024           | 2023          |                            |
|--|------|----------------|---------------|----------------------------|
|  |      | \$'000         | \$'000        | SFRS(I) 1-7<br>(1)         |
| <b>Cash flows from operating activities<sup>1</sup></b>                                  |      |                |               | <b>SGX 1207<br/>(5(c))</b> |
| Total profit   |      | 45,107         | 37,820        | SFRS(I) 1-7<br>(10,18(b))  |
| Adjustments for:   |      |                |               | SFRS(I) 1-7<br>(20(b),(c)) |
| - Income tax expense   |      | 15,971         | 14,817        |                            |
| - Employee share option expense  |      | 672            | 715           |                            |
| - Amortisation and depreciation  |      | 23,025         | 13,704        |                            |
| - Impairment loss on goodwill  |      | 500            | 1,081         |                            |
| - Gain on disposal of property, plant and equipment                                      |      | (170)          | -             |                            |
| - Impairment loss on financial assets and contract assets                                |      | 850            | 266           | DV                         |
| - Fair value loss on derivatives   |      | 1,641          | 1,020         |                            |
| - Fair value gain on financial assets, at FVPL   |      | (750)          | (515)         |                            |
| - Net fair value losses/(gains) on investment properties                                 |      | 1,906          | (174)         |                            |
| - Interest income <sup>3</sup>   |      | (2,939)        | (2,144)       | SFRS(I) 1-7<br>(31-34)     |
| - Dividend income <sup>3</sup>   |      | (2,694)        | (1,547)       | SFRS(I) 1-7<br>(31-34)     |
| - Income from sub-lease  |      | (506)          | (355)         |                            |
| - Finance expenses <sup>3</sup>  |      | 9,739          | 7,213         | SFRS(I) 1-7<br>(31-34)     |
| - Share of profit of associates and joint venture  |      | (761)          | (340)         |                            |
| - Unrealised currency translation losses <sup>8</sup>                                    |      | 2,211          | 3,204         | SFRS(I) 1-7<br>(25-28)     |
|  |      | <b>93,802</b>  | <b>74,765</b> |                            |
| Change in working capital, net of effects from acquisition and disposal of subsidiaries: |      |                |               | SFRS(I) 1-7<br>(20)(a)     |
| - Inventories  |      | 5,081          | (2,898)       |                            |
| - Trade and other receivables  |      | 4,036          | 3,063         |                            |
| - Contract assets and liabilities  |      | (338)          | (518)         |                            |
| - Other current assets   |      | 132            | (203)         |                            |
| - Financial assets, at FVPL  |      | (400)          | (515)         |                            |
| - Trade and other payables   |      | (739)          | (147)         |                            |
| - Provisions   |      | 2,232          | 82            |                            |
| Cash generated from operations   |      | <b>103,806</b> | <b>73,629</b> |                            |
| Interest received <sup>3</sup>   |      | 732            | 48            | SFRS(I) 1-7<br>(31)        |
| Interest paid <sup>3</sup>   |      | (182)          | (187)         | SFRS(I) 1-7<br>(31)        |
| Income tax paid <sup>5</sup>   |      | (16,608)       | (16,059)      | SFRS(I) 1-7<br>(35), (36)  |
| <b>Net cash provided by operating activities</b>   |      | <b>87,748</b>  | <b>57,431</b> |                            |

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



**Consolidated Statement of Cash Flows**

For the financial year ended 31 December 2024

|   | Note | 2024         | 2023         |                              |
|---|------|--------------|--------------|------------------------------|
|   |      | \$'000       | \$'000       | SFRS(I) 1-7<br>(1)           |
| <b>Cash flows from investing activities</b>             |      |              |              | SFRS(I) 1-7<br>(21)          |
| Acquisition of a subsidiary, net of cash acquired       | 46   | (7,078)      | -            | SFRS(I) 1-7<br>(39,42)       |
| Prepayment of leases <sup>6</sup>                       |      | (600)        | -            |                              |
| Additions to property, plant and equipment <sup>6</sup> |      | (2,561)      | (3,011)      | SFRS(I) 1-7<br>(16)(a), (43) |
| Additions to investment property                        |      | (735)        | (246)        | SFRS(I) 1-7<br>(16)(a)       |
| Additions to intangible assets                          |      | (2,300)      | (1,492)      | SFRS(I) 1-7<br>(16)(a)       |
| Purchases of financial assets, at FVOCI                 |      | (500)        | (174)        | SFRS(I) 1-7<br>(16)(c)       |
| Purchases of other investments, at amortised cost       |      | (1,500)      | -            | SFRS(I) 1-7<br>(16)(c)       |
| Disposal of a subsidiary, net of cash disposed of       | 13   | -            | 2,757        | SFRS(I) 1-7<br>(39,42)       |
| Disposal of property, plant and equipment               |      | 439          | -            | SFRS(I) 1-7<br>(16)(b)       |
| Disposal of investment property                         |      | 230          | -            | SFRS(I) 1-7<br>(16)(b)       |
| Disposal of financial assets, at FVOCI                  |      | 10,977       | 1,113        | SFRS(I) 1-7<br>(16)(d)       |
| Loans to an associate                                   |      | (1,710)      | (212)        | SFRS(I) 1-7<br>(16)(e)       |
| Repayment of loans by an associate                      |      | 694          | 1,440        | SFRS(I) 1-7<br>(16)(f)       |
| Sub-lease income received                               |      | 506          | 355          |                              |
| Dividends received <sup>3</sup>                         |      | 3,894        | 1,547        | SFRS(I) 1-7<br>(31)          |
| Interest received <sup>3</sup>                          |      | 2,765        | 1,742        | SFRS(I) 1-7<br>(31)          |
| <b>Net cash provided by investing activities</b>        |      | <b>2,521</b> | <b>3,819</b> |                              |

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

**Consolidated Statement of Cash Flows**

For the financial year ended 31 December 2024

|  | Note | 2024<br>\$'000  | 2023<br>\$'000  |                         |
|--|------|-----------------|-----------------|-------------------------|
| <b>Cash flows from financing activities<sup>7</sup></b>                                  |      |                 |                 | SFRS(I) 1-7<br>(21)     |
| Bank deposits pledged  |      | 150             | (250)           |                         |
| Proceeds from issuance of ordinary shares  |      | 8,368           | -               | SFRS(I) 1-7<br>(17)(a)  |
| Proceeds from re-issuance of treasury shares   |      | 613             | 1,229           | SFRS(I) 1-7<br>(17)(b)  |
| Share issue expense  |      | (354)           | -               | SFRS(I) 1-7<br>(17)(b)  |
| Proceeds from borrowings   |      | 5,800           | 9,300           | SFRS(I) 1-7<br>(17)(c)  |
| Proceeds received under a supplier finance arrangement <sup>13</sup>                     |      | 3,070           | 2,520           | SFRS(I) 1-7<br>(17)(c)  |
| Purchase of treasury shares  |      | (1,754)         | (2,389)         | SFRS(I) 1-7<br>(17)(b)  |
| Repayment of borrowings  |      | (16,106)        | (33,082)        | SFRS(I) 1-7<br>(17)(d)  |
| Repayments to a financial institution under a supplier finance arrangement <sup>13</sup> |      | (2,890)         | (2,490)         | SFRS(I) 1-7<br>(17)(d)  |
| Principal payment of lease liability <sup>12</sup>                                       |      | (5,573)         | (6,720)         | SFRS(I) 1-7<br>(17)(e)  |
| Interest paid <sup>3,12</sup>  |      | (4,428)         | (4,601)         | SFRS(I) 1-7<br>(17)(31) |
| Dividends paid to redeemable preference shareholders <sup>3</sup>                        |      | (1,950)         | (1,950)         |                         |
| Dividends paid to equity holders of the Company  |      | (12,078)        | (8,082)         | SFRS(I) 1-7<br>(17)(31) |
| Dividends paid to non-controlling interests  |      | (1,730)         | (1,460)         | SFRS(I) 1-7<br>(17)(31) |
| <b>Net cash used in financing activities</b>   |      | <b>(28,862)</b> | <b>(47,975)</b> |                         |
| <b>Net increase in cash and cash equivalents</b>   |      | <b>61,407</b>   | <b>13,275</b>   |                         |
| <b>Cash and cash equivalents</b>   |      |                 |                 |                         |
| Beginning of financial year  |      | 26,760          | 13,232          | SFRS(I) 1-7<br>(45)     |
| Effects of currency translation on cash and cash equivalents <sup>9</sup>                |      | 1,850           | 253             | SFRS(I) 1-7<br>(28)     |
| <b>End of financial year</b>   | 13   | <b>90,017</b>   | <b>26,760</b>   | SFRS(I) 1-7<br>(45)     |

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

# Consolidated Statement of Cash Flows

For the financial year ended 31 December 2024

## Guidance notes

### Consolidated Statement of Cash Flows

#### Direct method

- 1 An entity can present its Statement of Cash Flows using the direct or indirect method; the latter is illustrated in this publication. When the direct method is used, the cash flows from operating activities shall be presented as follows:

SFRS(I) 1-7  
(18(a))

|   | 2024<br>\$'000  | 2023<br>\$'000  |
|---|-----------------|-----------------|
| <b>Cash flows from operating activities</b> |                 |                 |
| Cash receipts from customers                | 246,226         | 263,672         |
| Cash paid to suppliers and employees        | (142,420)       | (190,043)       |
| Cash generated from operations              | <u>103,806</u>  | <u>73,629</u>   |
| Interest received                           | 732             | 48              |
| Interest paid                               | (182)           | (187)           |
| Income taxes paid                           | <u>(16,608)</u> | <u>(16,059)</u> |
| Net cash provided by operating activities   | <u>87,748</u>   | <u>57,431</u>   |

SFRS(I) 1-7  
(19)

The rest of the “direct method” consolidated statement of cash flows is similar to that of the indirect method.

# Consolidated Statement of Cash Flows

For the financial year ended 31 December 2024

## Guidance notes

### Consolidated statement of cash flows (continued)

#### Discontinued operations

- 2 Non-cash items excluded from profit for purposes of the statement of cash flows should include those non-cash items attributed to discontinued operations.

The net cash flows attributable to operating, investing and financing activities of discontinued operations (including comparatives) shall be disclosed either in the notes or on the face of the statement of cash flows. This publication illustrates the disclosure when the entity elects to disclose in the notes to the financial statements. Please refer to Note 11(b).

SFRS(I) 5  
(33(c))

If the entity elects to present net cash flows on the face of the statement of cash flows, the relevant net cash flows should be presented under operating, investing and financing activities respectively. It is not appropriate to combine and present the net cash flows from three activities as one line item under operating, investing or financing activities.

#### Dividends and interest

- 3 Cash flows from interest and dividends received and paid shall each be disclosed separately and classified consistently from period to period. The interest amounts to be adjusted against profit after tax are the amounts charged or credited to profit or loss. The amounts to be shown under financing or investing cash flows shall be strictly cash paid or received during the period. Differences will be reflected in the changes in operating assets and liabilities or as additions to qualifying assets if interest has been capitalised in the cost of these assets.
- 4 SFRS(I) 1-7 does not specify how to classify cash flows from interest paid and interest and dividends received. PwC Holdings Ltd has chosen to present interest paid from bank overdraft and interest received on financial assets held for cash management purposes as operating cash flows, dividends and interest received on other financial assets as investing cash flows because they are returns on the Group's investments and interest paid other than bank overdraft as financing cash flows because they are costs of obtaining financial resources. Dividends paid are classified in this publication as financing cash flows, because they are a cost of obtaining financial resources. However, they could also be classified as operating cash flows, to assist users in determining the ability of an entity to pay dividends out of operating cash flows.

SFRS(I) 1-7  
(31-34)

SFRS(I) 1-7  
(31-34)

# Consolidated Statement of Cash Flows

For the financial year ended 31 December 2024

## Guidance notes

### Consolidated statement of cash flows (continued)

#### Taxes on income

- 5 Cash flows from taxes on income shall be separately disclosed and shall be classified as cash flows from operating activities unless they can be specifically identified with financing and/or investing activities.

SFRS(I) 1-7  
(35)

Taxes paid are usually classified as cash flows from operating activities as it is often impracticable to identify tax cash flows that are related to investing and/or financing activities. However, when it is practicable to be identified, the tax cash flow is classified as an investing and/or financing activity as appropriate. The total amount of taxes paid however needs to be disclosed.

SFRS(I) 1-7  
(36)

#### Additions to property, plant and equipment

- 6 Additions to property, plant and equipment in the statement of cash flows should be net of hedging gains/losses transferred from hedging reserve.

The classification of payments made before commencement of the lease is determined based on the substance of the payments. For example, one-off upfront payment of all the lease payments on commencement would be presented as an investing cash flow. Partial prepayment at commencement might be classified as financing cash flow, consistent with the ongoing periodic payment.

In this publication, the prepaid lease payment is classified under investing activities as it relates to an upfront payment of all the lease payments under the lease arrangement.

#### Changes in ownership interests that do not result in loss of control

- 7 Cash flow arising from changes in ownership interests in a subsidiary that does not result in a loss of control shall be classified as cash flows from financing activities.

SFRS(I) 1-7  
(42A)

#### Currency translation differences

- 8 The adjustment of total profit for unrealised currency translation (gains)/losses usually includes currency translation differences on monetary items that form part of investing or financing activities such as long-term loans. This is because these currency translation differences are included as a part of profit or loss for the financial year and need to be eliminated in arriving at the net cash flows from operating activities, as they do not relate to operating activities.

On the other hand, unrealised currency translation differences on monetary items that form part of operating activities, such as trade receivables or payables, do not usually require such adjustments, as they are already adjusted through the change in working capital lines.

# Consolidated Statement of Cash Flows

For the financial year ended 31 December 2024

## Guidance notes

### Consolidated statement of cash flows (continued)

#### Currency translation differences (continued)

Currency translation differences that arise on the translation of foreign currency cash and cash equivalents should be reported in the statement of cash flows in order to reconcile opening and closing balances of cash and cash equivalents, separately from operating, financing and investing cash flows.

SFRS(I) 1-7  
(28)

#### Cash flows reported on a gross or net basis

9 Major classes of cash receipts and cash payments arising from investing and financing activities should be reported on a gross basis, except for the cash flows described in paragraphs 22 to 24 of SFRS(I) 1-7, which are reported on a net basis.

SFRS(I) 1-7  
(21)

#### Non-cash transactions

10 Investing and financing transactions that do not require the use of cash or cash equivalents shall be excluded from the statement of cash flows. Such transactions shall be disclosed elsewhere in the financial statements in a way that provides all the relevant information about these investing and financing activities.

SFRS(I) 1-7  
(43)

#### Classification of borrowing cost capitalised into cost of qualifying assets

11 The classification of payments of interest that are capitalised shall be classified in a manner consistent with the classification of the underlying asset to which those payments were capitalised. For example, payments of interest that are capitalised as part of cost of property, plant and equipment should be classified as part of an entity's investing activities; payments of interest that are capitalised as part of the cost of inventories should be classified as part of an entity's operating activities.

#### Leases

12 A lessee shall classify cash flows relating to leases as follows:

- (a) Cash payments for the principal portion of the lease liabilities within financing activities;
- (b) Cash payments for the interest portion of the lease liabilities consistent with presentation of interest payments chosen by the Group; and
- (c) Short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities within operating activities.

SFRS(I) 16  
(50)

# Consolidated Statement of Cash Flows

For the financial year ended 31 December 2024

## Guidance notes

### Consolidated statement of cash flows (continued)

#### Supplier finance arrangements

- 13 Judgement might be needed to determine how to present the cash flows that occur under supplier finance arrangements on the statement of cash flows.

The 2020 IFRIC agenda decision noted that an entity's assessment of the nature of the liabilities that are part of a supplier finance arrangement might help in determining whether the related cash flows arise from operating or financing activities. For example, if the entity considers the related liability to be a trade or other payable that is part of the working capital used in the entity's principal revenue-producing activities, the entity presents cash outflows to settle the liability as arising from operating activities in its statement of cash flows. In contrast, if the entity considers that the related liability is not a trade or other payable because the liability represents borrowings of the entity, the entity presents cash outflows to settle the liability as arising from financing activities in its statement of cash flows.

The agenda decision also notes that, if a cash inflow and cash outflow occurred for a buyer when an invoice is factored as part of a supplier financing arrangement, the buyer presents those cash flows in its statement of cash flows. However, IAS 7 does not provide explicit guidance on how an entity determines whether a cash flow occurred for the buyer in circumstances where another party makes a payment on the entity's behalf.

Based on the terms and conditions of its supplier finance arrangement, PwC Holdings Ltd has determined that the presentation of an operating cash outflow and a financing cash inflow at the point in time when the bank pays the supplier, along with a financing cash outflow when PwC Holdings Ltd subsequently makes the payment to the bank, is the most appropriate. Refer to guidance note 1 of note 30 for an example disclosure for this significant judgement.

The presentation of the cash flows from supplier finance arrangements is a particular area of judgement. For further guidance refer to our practical guide [Bringing transparency on supplier finance](#), which explains issues to consider when determining the appropriate presentation and disclosure of such arrangements.

# **Material Accounting Policy Information**



# Notes to the Financial Statements

For the financial year ended 31 December 2024

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

## 1. General information

PwC Holdings Ltd (the “Company”) is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 350 Harbour Street, PwC Centre, #30-00, Singapore 049929.<sup>1</sup>

SFRS(I) 1-1  
(138(a))

The principal activities of the Company are the manufacturing and sale of electronic component parts, and investment holding. The principal activities of its subsidiaries are the manufacturing and sale of electronic component parts, the sale of furniture, the construction of specialised equipment and logistic services.

SFRS(I) 1-1  
(138(b))

### Guidance notes

#### General information

##### Change of company name

If the company changes its name during the financial year and up to the date of the financial statements, the change shall be disclosed. A suggested disclosure is as follows:

SFRS(I) 1-1  
(51(a))

“With effect from [effective date of change], the name of the Company was changed from [XYZ Pte Ltd] to [ZYX Pte Ltd].”

Further, all references to the company’s name in directors’ statement, auditors’ report and financial statements should be based on the new name, followed by the words “Formerly known as [old name].”

## 2. Material accounting policy information<sup>1-5</sup>

SFRS(I) 1-1  
(112(a))

### 2.1. Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) under the historical cost convention, except as disclosed in the accounting policies below.

SGX 1207  
(5(d))  
SFRS(I) 1-1  
(117(a))

The preparation of financial statements in conformity with SFRS(I)s requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

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# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Disclosure of accounting policies

- 1 In deciding whether a particular accounting policy shall be disclosed, management considers whether the disclosure will assist users in understanding how transactions, other events and conditions are reflected in the reported financial performance and financial position.

SFRS(I) 1-1  
(119)

**Accounting policies shall be disclosed for all material components. The accounting policies illustrated in this publication must be tailored if they are adopted by other reporting entities to suit the particular circumstances and needs of readers of those financial statements.**

- 2 Disclosure of accounting policies is particularly useful to users when there are alternatives allowed in Standards and Interpretations.

SFRS(I) 1-1  
(119)

An example is the measurement bases used for classes of property, plant and equipment (SFRS(I) 1-16).



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Going concern assumption

- 3 When management is aware of material uncertainties related to events or conditions which may cast significant doubt upon the entity's ability to continue as a going concern, those uncertainties shall be disclosed, even if management eventually concludes that it is appropriate to prepare the financial statements on a going concern basis.

SFRS(I) 1-1  
(25), (26)

One disclosure example is "These financial statements are prepared on a going concern basis because the holding company has confirmed its intention to provide continuing financial support so that the Company is able to pay its debts as and when they fall due".

- 4 When the financial statements are not prepared on a going concern basis, that fact shall be disclosed, together with the basis on which the financial statements are prepared and the reason why the entity is not considered a going concern.

SFRS(I) 1-1  
(25)

One disclosure example is "These financial statements are prepared on a realisation basis because management intends to liquidate the Company within 12 months from the balance sheet date".

### Disclosing rising inflation and interest rates in the financial statements

- 5 Rising inflation and interest rates may introduce new challenges when preparing financial statements and increase the relevance of some disclosures.

In light of rising inflation, an entity may need to:

- Reassess materiality judgements as previously immaterial items may become material.
- Make significant judgements and estimates about future cash flows considering a wide range of outcomes.
- More frequently reassess the facts and circumstances considered in its accounting assessments.
- Rely less on (or adjust) historic trend information in making predictions about the future.
- Provide additional disclosures about the impact that rising inflation and interest rates are having—and are expected to have— on the entity's business.

The effects of rising inflation in PwC Holdings Ltd have not been illustrated in the financial statements of this publication. Please refer to the [PwC In-depth: Navigating IFRS Accounting Standards in periods of rising inflation and interest rates](#) for more guidance.



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.1. Basis of preparation (continued)

### Interpretations and amendments to published standards effective in 2024<sup>1, 2</sup>

SFRS(I) 1-8  
(28)

On 1 January 2024, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

## Guidance notes

### Basis of preparation – New or amended Standards and Interpretations effective for 2024 calendar year-ends

- 1 The following are the other new or amended Standards and Interpretations that should be disclosed in the Basis of preparation note if the change in accounting policy had a material effect on the current or prior periods, or may have a material effect on future periods:

SFRS(I) 1-8  
(28)

Effective for annual periods beginning on or after 1 January 2024:

- |                |   |
|----------------|---|
| 1 January 2024 | Amendments to: <ul style="list-style-type: none"> <li>- SFRS(I) 1-1: Classification of Liabilities as Current or Non-current</li> <li>- SFRS(I) 1-1: Non-current Liabilities with Covenants</li> <li>- SFRS(I) 1-7 and SFRS(I) 7: Supplier Finance Arrangements</li> <li>- SFRS(I) 16: Lease Liability in a Sale and Leaseback</li> </ul> |
|----------------|---|

As a result of the adoption of the amendments to SFRS(I)1-7 and SFRS(I) 7, the group provided new disclosures for liabilities under supplier finance arrangements as well as the associated cash flows in note 30(a).

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Basis of preparation – New or amended Standards and Interpretations effective after 1 January 2024 (continued)

- 2 The following are the new or amended Standards and Interpretations (issued by the ASC up to 31 October 2024) that are not yet applicable but may be early adopted for the current financial year. For more recent information subsequent to 31 October 2024, please refer to ACRA website.

#### **Annual periods commencing on**

#### **Description**

|                |  |
|----------------|--|
| 1 January 2025 | Amendments to SFRS(I) 1-21: Lack of Exchangeability  |
| 1 January 2026 | Amendments to SFRS(I) 9 and SFRS(I) 7:<br>Amendments to the Classification and Measurement of Financial Instruments<br>Annual Improvements to SFRS(I)s - Volume 11 |
| 1 January 2027 | SFRS(I) 18: Presentation and Disclosure in Financial Statements<br>SFRS(I) 19: Subsidiaries without Public Accountability: Disclosures                             |

The new or amended accounting Standards and Interpretations listed above are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group. These are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.2. Revenue<sup>5</sup>

### (a) Wholesale of furniture and electronic equipment

The Group manufactures and sells a range of furniture and electronic equipment in the wholesale market. Sales are recognised when control of the goods has transferred. Control is considered to be transferred at the point in time when the products have been delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery has occurred when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and the wholesaler has accepted the goods.

SFRS(I) 15  
(119(a), (c))  
SFRS(I) 15  
(125)

Furniture is often sold with retrospective volume discounts based on aggregate sales over a 12-month period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts<sup>4</sup>. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No significant element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice. The Group's obligation to provide a refund for faulty products under the standard warranty terms is recognised as a provision. A provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. The claims are expected to be settled in the next financial year.

SFRS(I) 15  
(126(a), (c))

SFRS(I) 15  
(119(b))

SFRS(I) 15  
(126(d))

A receivable (financial asset) is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

SFRS(I) 15  
(117)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.2. Revenue (continued)

### (b) Retail of household furniture

The Group operates a chain of retail stores selling household furniture. Revenue from the sale of these goods is recognised at a point in time when the furniture is delivered to the customer.

SFRS(I) 15  
(119(a), (c))  
SFRS(I) 15  
(125)

Payment of the transaction price is due immediately when the customer purchases the furniture. However, the customer has a right to return the goods to the Group within 28 days of delivery to the customer. Therefore, a refund liability and a right to the returned goods (included in other current assets) are recognised for products expected to be returned. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level (expected value method). Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date. The asset is measured by reference to the former carrying amount of the product. The costs to recover the products are not material, because the customer usually returns the product in a saleable condition at the store.

SFRS(I) 15  
(119(b), (d))

SFRS(I) 15  
(126(d))

The Group does not operate any customer loyalty programme<sup>1</sup>.

### (c) Logistics services

Revenue from logistics services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual labour hours spent relative to the total expected labour hours.

SFRS(I) 15  
(119(a), (c))

SFRS(I) 15  
(124)

The customers are only invoiced once every two months. A contract asset is recognised for the cumulative revenue recognised but not yet invoiced.

SFRS(I) 15  
(119(b))  
SFRS(I) 15  
(117)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.2. Revenue (continued)

### (d) Construction of specialised equipment

The construction division manufactures and produces specialised equipment for customers through fixed-price contracts. Revenue is recognised when the control over the specialised equipment has been transferred to the customer. At contract inception, the Group assesses whether the Group transfers control of the equipment over time or at a point in time by determining if (a) its performance does not create an asset with an alternative use to the Group; and (b) the Group has an enforceable right to payment for performance completed to date.

SFRS(I) 15  
(119(a), (c))  
SFRS(I) 15  
(123)

The specialised equipment has no alternative use for the Group due to contractual restriction, and the Group has enforceable rights to payment arising from the contractual terms. For these contracts, revenue is recognised over time by reference to the Group's progress towards completing the construction of the specialised equipment. The measure of progress is determined based on the proportion of contract costs incurred to date relative to the estimated total contract costs. Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

SFRS(I) 15  
(123)

SFRS(I) 15  
(124)

For certain contracts where the Group does not have an enforceable right to payment, revenue is recognised only when the completed specialised equipment is delivered to the customers and the customers have accepted it in accordance with the sales contract.

SFRS(I) 15  
(125)

The period between the transfer of the promised goods and payment by the customer may exceed one year. For such contracts, there is no significant financing component present as the payment terms are an industry practice to protect the customer from the performing entity's failure to adequately complete some or all of its obligations under the contract. As a consequence, the Group does not adjust any of the transaction prices for the time value of money<sup>2,3</sup>.

SFRS(I) 15  
(119(b))

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

SFRS(I) 15  
(117)

The customer is invoiced on a milestone payment schedule. If the value of the goods transferred by the Group exceeds the payments, a contract asset is recognised. If the payments exceed the value of the goods transferred, a contract liability is recognised.





# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.2. Revenue (continued)

### (d) Construction of specialised equipment (continued)

For costs incurred in fulfilling the contract which are within the scope of another SFRS(I) (e.g. Inventories), these have been accounted for in accordance with those other SFRS(I). If these are not within the scope of another SFRS(I), the Group will capitalise these as contract costs assets only if (a) these costs relate directly to a contract or an anticipated contract which the Group can specifically identify; (b) these costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

SFRS(I) 15  
(95)

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue over time. An impairment loss is recognised in the profit or loss to the extent that the carrying amount of capitalised contract costs exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

SFRS(I) 15  
(99)

SFRS(I) 15  
(101)

### (e) Interest income

Interest income from financial assets at FVPL is included as part of the net fair value gains or losses in "Other gains and losses". Interest income from financial assets at amortised cost and FVOCI is recognised using the effective interest rate method.

SFRS(I) 15  
(5)  
SFRS(I) 9  
(5.4.1)

### (f) Dividend income

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

SFRS(I) 9  
(5.7.1A)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Revenue

- 1 The revenue recognition policy for each principal activity is required to be disclosed and the disclosure should be tailored to the entity's specific revenue sources and terms of business so as to provide the readers with information for a proper understanding of the policies. For example, the following disclosure can be considered if the Group operates a customer loyalty programme:

"The Group operates a loyalty programme where retail customers accumulate points for purchases made which entitle them to discounts on future purchases. Revenue from the awarded points are recognised when the points are redeemed or when they expire 12 months after the initial sale.

### Critical judgements in allocating the transaction price

The points provide a material right to customers that they would not receive without entering into a contract. Therefore, the promise to provide points to the customer is a separate performance obligation. The transaction price is allocated to the product and the points on a relative stand-alone selling price basis. Management estimates the stand-alone selling price per point based on the discount granted when the points are redeemed and on the likelihood of redemption. Likelihood of redemption is estimated using past experience and redemption forecasts. The stand-alone selling price of the product sold is estimated on the basis of the retail price. Discounts are not considered as they are only given in rare circumstances.

A contract liability is recognised until the points are redeemed or expire."



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Significant financing component

- 2 In this illustration, the Group does not have any significant financing component in its contracts with customers. For entities with significant financing component in its contracts with customers, the following disclosure can be considered:

SFRS(I) 15  
(60-65)

“An element of significant financing is deemed present for the Group’s construction of specialised equipment. In determining the transaction price, the Group adjusts the promised consideration for the effects of the significant financing component using a discount rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception, such that it reflects the credit characteristics of the party receiving financing in the contract.”

- 3 Entities electing the practical expedient on the accounting for significant financing component (where the period between the transfer of control of good or service and payment date is one year or less) may consider the following disclosure:

“The Group has elected to apply the practical expedient not to adjust the transaction price for the existence of significant financing component when the period between the transfer of control of good or service to a customer and the payment date is one year or less.”

### Consideration payable to customers

- 4 In this illustration, the Group provides volume discounts, which are payments to customers where the payments are not for distinct goods or services from the customers.

SFRS(I) 15  
(70-72)

If the payment is for distinct goods or services received from the customer, the Group accounts for any excess of the consideration payable to the customer over the fair value of the distinct goods or services as a reduction of the transaction price. If the fair value of the goods or services received from the customer cannot be reliably estimated, the Group accounts for all of the consideration payable to the customer as a reduction of the transaction price.



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Contract modifications

5 In this illustration, the Group does not have any significant contract modifications. Entities with contract modifications should account for contract modifications as follows:

- Contract modifications that add distinct goods or services at their standalone selling prices are accounted for as separate contracts;
- Contract modifications that add distinct goods or services but not at their standalone selling prices are accounted for as a continuation of the existing contract. The Group combines the remaining consideration in the original contract with the consideration promised in the modification to create a new transaction price that is then allocated to all remaining performance obligations.
- Contract modifications that do not add distinct goods or services are accounted for as a continuation of the original contract and the change is recognised as a cumulative adjustment to revenue at the date of modification.

SFRS(I) 15  
(18-21)

## 2.3 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

SFRS(I) 1-20  
(7)

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income<sup>1</sup>.

SFRS(I) 1-20  
(12)

Government grants relating to assets are deducted against the carrying amount of the assets<sup>2</sup>.

SFRS(I) 1-20  
(24)

## Guidance notes

### Government grants

1 Grants relating to income or compensation for costs already incurred should be presented as a credit to the statement of comprehensive income, either separately or under a general heading such as "Other Income". Alternatively, they may be deducted in reporting the related expense.

SFRS(I) 1-20  
(29)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Government grants (continued)

- 2 Grants relating to assets shall be presented in the balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying value of the asset.

SFRS(I) 1-20  
(24)

Both methods are acceptable for the presentation of grants relating to income and assets, and this needs to be consistently applied for all similar grants. Management should apply judgement in determining which grants are similar for the presentation applied to the financial statements. Where the grants are dissimilar and different method of presentation is adopted in the financial statements, disclosure of this method of presentation and the basis in the accounting policy is required.

SFRS(I) 1-8  
(13)

## 2.4 Group accounting<sup>1,3</sup>

### (a) Subsidiaries

#### (i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

SFRS(I) 10  
(5-7)

SFRS(I) 10  
(20)

SFRS(I) 10  
(25)

In preparing the consolidated financial statements<sup>1,2</sup>, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

SFRS(I) 10  
(B86)

SFRS(I) 10  
(B87)

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

SFRS(I) 10  
(B94)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.4 Group accounting (continued)

### (a) Subsidiaries (continued)

#### (ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group. SFRS(I) 3 (4)

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date. SFRS(I) 3 (37)

SFRS(I) 3 (39)

Acquisition-related costs are expensed as incurred. SFRS(I) 3 (53)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. SFRS(I) 3 (18), (20)

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. SFRS(I) 3 (19)

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill" for the subsequent accounting policy on goodwill<sup>4</sup>. SFRS(I) 3 (32)

#### (iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific SFRS(I). SFRS(I) 10 (B98)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.4 Group accounting (continued)

### (a) Subsidiaries (continued)

#### (iii) Disposals (continued)

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

SFRS(I) 10  
(B98(b)(iii))

Please refer to the paragraph “Investments in subsidiaries, associates and joint ventures” for the accounting policy on investments in subsidiaries in the separate financial statements of the Company<sup>1</sup>.

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### Guidance notes

#### Group accounting – (a) Subsidiaries

##### Exemption from preparing consolidated financial statements

1 When a parent is exempted under paragraph 4(a) of SFRS(I) 10 from preparing consolidated financial statements and elects to use the exemption and prepare separate financial statements of the company, the following disclosure can be considered:

SFRS(I) 10  
(4(a))

“These financial statements are the separate financial statements of [Company name]. The Company is exempted from the requirement to prepare consolidated financial statements as the Company is [a wholly-owned subsidiary of PwC Corporate Limited, a Singapore-incorporated company which produces consolidated financial statements available for public use that comply with SFRS(I)s or IFRS]. The registered office of PwC Corporate Limited, where those consolidated financial statements can be obtained, is as follows: 320 Pier Street, #17-00 Singapore 049900.”

SFRS(I) 1-27  
(16(a))

The exempted parent that elects to prepare separate financial statements shall also disclose a list of significant investments in subsidiaries, joint ventures and associates, including the name, principal place of business (and if different, country of incorporation), proportion of ownership interest (and if different, proportion of voting rights held) and a description of the method used to account for these investments.

SFRS(I) 1-27  
(16(b, c))



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Group accounting – (a) Subsidiaries (continued)

#### Exception to consolidation – when a parent is an investment entity

- 2 When an investment entity that is a parent (other than a parent covered by paragraph 16 of SFRS(I) 1-27) prepares, in accordance with paragraph 8A of SFRS(I) 1-27 Separate Financial Statements as its only financial statements, the following disclosure should be considered:

SFRS(I) 10  
(31)

“These financial statements are the separate financial statements of [Company name]. The Company has not prepared consolidated financial statements as the Company has determined that it meets the definition of an Investment Entity per paragraph 27 of SFRS(I) 10 Consolidated Financial Statements. Accordingly, the Company has measured its investment in subsidiaries at fair value through profit or loss in accordance with SFRS(I) 9 Financial Instruments.”

SFRS(I) 1-27  
(16A)

The investment entity that is a parent shall also present the disclosures relating to investment entities required by SFRS(I) 12 Disclosure of Interests in Other Entities.

SFRS(I) 12  
(9A – B),  
(19A-G)  
SFRS(I) 1-27  
(16A)

#### Reporting dates of parent and its subsidiaries

- 3 This publication illustrates the situation where the financial statements of the parent and its subsidiaries used in the preparation of the consolidated financial statements have the same reporting date. Where it is impracticable to do so, the parent may use financial statements of a subsidiary as of a different reporting date provided the difference in periods does not exceed three months, adjustments are made for the effects of significant transactions or events occurring during that period, and the length of reporting periods and any difference in the reporting dates are the same from period to period. Where this occurs, the reporting date of the financial statements of the subsidiary shall be disclosed, together with the reason for using a different reporting date or period.

SFRS(I) 10  
(B92), (B93)

SFRS(I) 12  
(11)

A similar requirement applies to the financial statements of associates and joint ventures used for the purpose of equity accounting.

SFRS(I) 12  
(22(b))





# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Group accounting – (a) Subsidiaries (continued)

#### Bargain purchase

- 4 When the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree is less than the fair value of the identifiable net assets of the subsidiary acquired, the difference – often referred to as “negative goodwill” – is recognised in profit or loss. The following is an illustrative disclosure when “negative goodwill” arises on an acquisition of business (to be inserted after the sentence describing the computation of goodwill):

SFRS(I) 3 (34)

“If those amounts are less than the fair value of the identifiable net assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a gain from bargain purchase.”

Before recognising a gain on a bargain purchase, management shall reassess whether it has correctly identified all of the assets acquired and all of the liabilities assumed and shall recognise any additional assets or liabilities that are identified in that review. The objective is to ensure that measurements appropriately reflect consideration of all available information as of the acquisition date.

SFRS(I) 3 (36)

For further information, please refer to Application Guidance B64(n) of SFRS(I) 3.



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.4 Group accounting (continued)

### (b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

SFRS(I) 10  
(23)  
SFRS(I) 10  
(B96)

### (c) Associates and joint ventures<sup>1,2,4,5</sup>

Associates are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above.

SFRS(I) 1-28  
(5)

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

SFRS(I) 11  
(16)

Investments in associates and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

SFRS(I) 1-28  
(16)

#### (i) Acquisition

Investments in associates and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associates and joint ventures represents the excess of the cost of acquisition of the associates or joint ventures over the Group's share of the fair value of the identifiable net assets of the associates or joint ventures and is included in the carrying amount of the investments<sup>4</sup>.

SFRS(I) 1-27  
(10(a))

SFRS(I) 1-28  
(32(a))



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.4 Group accounting (continued)

### (c) Associates and joint ventures (continued)

#### (ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associates' or joint ventures' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associates or joint ventures are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associates or joint venture equals to or exceeds its interest in the associates or joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associates or joint venture. If the associates or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in an associates or joint venture includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

SFRS(I) 1-28  
(10)

SFRS(I) 1-28  
(38), (39)

Unrealised gains on transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associates or joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

SFRS(I) 1-28  
(28)

SFRS(I) 1-28  
(29)  
SFRS(I) 1-28  
(35), (36)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

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## 2.4 Group accounting (continued)

### (c) Associates and joint ventures (continued)

#### (iii) Disposals

Investments in associates or joint ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associates or joint venture is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss<sup>3</sup>.

SFRS(I) 1-28  
(22(b))

Please refer to the paragraph “Investments in subsidiaries, associates, and joint ventures” for the accounting policy on investments in associates and joint ventures in the separate financial statements of the Company.

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# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Group accounting – (c) Associates and joint ventures

#### Reporting dates of investor and its associates

- 1 Please refer to guidance note 3 under Group accounting – (a) Subsidiaries.

SFRS(I) 1-28  
(33), (34)

#### Exemptions from applying equity accounting

- 2 Exemption from applying equity accounting to its investments in associates or joint ventures is available to an entity when it meets the same conditions as those required under SFRS(I) 10 to be exempted from preparing consolidated financial statements. Please refer to guidance note 1 under Group accounting – (a) Subsidiaries.

SFRS(I) 1-28  
(17)

In addition, when an investment in associates or joint venture, or a portion of an investment in associates or joint venture, is held by, or is held indirectly through, an entity that is a venture capital organisation, or a mutual fund, unit trust and similar entities, the entity may elect to measure investments in those associates and joint ventures, or the portion of those investments, at fair value through profit or loss in accordance with SFRS(I) 9. An entity shall make this election separately for each associate or joint venture, at initial recognition of the associate or joint venture.

SFRS(I) 1-28  
(18), (19)

#### Decrease in interest in associates

- 3 When significant influence or joint control is not lost, only a proportionate share of the amounts previously recognised in other comprehensive income relating to that associate or joint venture are reclassified to profit or loss and form part of the gain or loss on partial disposal. On the other hand, when significant influence or joint control is lost, the entire amounts previously recognised in other comprehensive income relating to that associate or joint venture are reclassified to profit or loss.

SFRS(I) 1-28  
(25)

SFRS(I) 1-28  
(22(c)), (23)

#### Bargain purchase

- 4 On acquisition of the investment, when the Group's share of the fair value of the identifiable net assets of the associates or joint venture exceeds the cost of acquisition paid by the Group, the excess is recognised in profit or loss as part of the share of profit from associates.

SFRS(I) 1-28  
(32(b))



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Group accounting – (c) Associates and joint ventures (continued)

#### Joint operations

- 5 When the joint arrangement is classified as a joint operation, the following disclosure should be considered:

“The Group’s joint operations are joint arrangements whereby the parties (the joint operators) that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

SFRS(I) 11  
(15)

The Group recognises, in relation to its interest in the joint operation:

SFRS(I) 11  
(20)

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

When the Group sells or contributes assets to a joint operation, the Group recognises gains or losses on the sale or contribution of assets that is attributable to the interest of the other joint operators. The Group recognises the full amount of any loss when the sale or contribution of assets provides evidence of a reduction in the net realisable value, or an impairment loss, of those assets.

SFRS(I) 11  
(B34), (B35)

When the Group purchases assets from a joint operation, it does not recognise its share of the gains and losses until it resells the assets to a third party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of the assets to be purchased or an impairment loss.

SFRS(I) 11  
(B36), (B37)

The accounting policies of the assets, liabilities, revenues and expenses relating to the Group’s interest in a joint operation have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

SFRS(I) 11  
(21)

The Company applies the same accounting policy on joint operations in its separate financial statements.”

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# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.5 Property, plant and equipment

### (a) Measurement<sup>1-4</sup>

#### (i) Land and buildings

Land and buildings are initially recognised at cost. Freehold land is subsequently carried at the revalued amount less accumulated impairment losses. Buildings and leasehold land are subsequently carried at the revalued amounts less accumulated depreciation and accumulated impairment losses.

SFRS(I) 1-16  
(15, 31)

Land and buildings are revalued by independent professional valuers on a triennial basis and whenever their carrying amounts are likely to differ materially from their revalued amounts. When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset.

SFRS(I) 1-16  
(34)

Increases in carrying amounts arising from revaluation, including currency translation differences, are recognised in other comprehensive income and accumulated in equity, unless they reverse a revaluation decrease of the same asset previously recognised in profit or loss. In this case, the increase is recognised in profit or loss. Decreases in carrying amounts are recognised in other comprehensive income to the extent of any credit balance existing in the equity in respect of that asset and reduces the amount accumulated in equity. All other decreases in carrying amounts are recognised in profit or loss.

SFRS(I) 1-16  
(39)  
SFRS(I) 1-21  
(30)  
SFRS(I) 1-16  
(40)

#### (ii) Other property, plant and equipment

All other items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

SFRS(I) 1-16  
(15,30)

#### (iii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable<sup>5</sup> to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs (refer to Note 2.7 on borrowing costs) and any fair value gains or losses on qualifying cash flow hedges of property, plant and equipment that are transferred from the hedging reserve.

SFRS(I) 1-16  
(16,17)

SFRS(I) 1-23  
(10,11)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Property, plant and equipment (“PPE”) – (a) Measurement

#### Method of accounting

- 1 An item of PPE shall be initially measured at cost, but can be subsequently measured using either the cost model (as illustrated in Note 2.5(a)(ii)) or the revaluation model (as illustrated in Note 2.5(a)(i)).

SFRS(I) 1-16  
(29)

The elected policy shall be applied consistently to an entire class of PPE. A class of PPE is a grouping of assets of a similar nature and use in an entity’s operations.

SFRS(I) 1-16  
(37)

#### Provision for dismantlement, removal or restoration

- 2 The initial estimate of the cost of dismantlement, removal or restoration is recognised as part of the cost of PPE if such obligation is incurred either when the item is acquired or as a consequence of using the asset during a particular period for purposes other than to produce inventories during that period. For an illustration of the accounting policy and other disclosures, please refer to Appendix 1 Example 2.

SFRS(I) 1-16  
(16(c))

#### Computer software licence and development costs

- 3 Computer software licence and development costs shall be accounted for as intangible assets using SFRS(I) 1-38 when they are not an integral part to the related hardware. Computer software that is an integral part to the related hardware shall be accounted for as PPE using SFRS(I) 1-16.

SFRS(I) 1-38  
(4)

#### Spare parts and servicing equipment

- 4 Minor spare parts and servicing equipment are typically carried as inventory and recognised in profit or loss as consumed. Major spare parts and stand-by equipment are carried as PPE when an entity expects to use them during more than one period or when they can be used only in connection with an item of PPE.

SFRS(I) 1-16  
(8)

#### Directly attributable costs – Self-constructed assets

- 5 The initial cost of an item of PPE shall include any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. While this may be relatively straightforward for items of PPE that are acquired, determining the production cost of a self-constructed asset may be more complex. Such production cost would normally comprise costs associated with material, labour and other inputs used in the construction. It would exclude other costs such as start-up costs, administrative and other general overhead costs, advertising and training costs that should be recognised as an expense when incurred.

SFRS(I) 1-16  
(16(b), 17, 19,  
21, 22)





# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.5 Property, plant and equipment (continued)

(b) Depreciation<sup>6</sup>

Freehold land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

SFRS(I) 1-16  
(50, 73(b),  
73(c))

|                             | <u>Useful lives</u> |
|-----------------------------|---------------------|
| Leasehold land <sup>7</sup> | 99 years            |
| Buildings                   | 25 – 50 years       |
| Motor vehicles              | 4 years             |
| Plant and equipment         | 5 – 10 years        |

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

SFRS(I) 1-16  
(51, 61)

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

SFRS(I) 1-16  
(12), (13)

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within “other losses”. Any amount in revaluation reserve relating to that item is transferred to retained profits directly.

SFRS(I) 1-16  
(67), (68), (71)

SFRS(I) 1-16  
(41)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Property, plant and equipment (“PPE”) – (b) Depreciation

#### Component approach to depreciation

- 6 Parts of some items of PPE may require replacements or major overhauls at regular intervals. An entity allocates the amount initially recognised in respect of an item of PPE to its significant parts and depreciates separately each significant part if those parts have different useful lives. The entity capitalises the cost of the replacements when (i) it is probable that future economic benefits associated with the item will flow to the entity; and (ii) the cost of the item can be reliably measured. The carrying amount of the replaced parts is derecognised.

SFRS(I) 1-16  
(7), (13), (14),  
(43)

If the amount is material, a suggested disclosure is as follows:

“The [specific class of plant and equipment] are subject to overhauls at regular intervals. The inherent components of the initial overhaul are determined based on the estimated costs of the next overhaul and are separately depreciated over a period of [years] in order to reflect the estimated intervals between two overhauls. The costs of the overhauls subsequently incurred are capitalised as additions and the carrying amounts of the replaced components are written off to profit or loss.”

#### Depreciation of leasehold land

- 7 Leasehold land is included as part of the carrying amount of ROU assets in Note 27 Leases and subject to the disclosure requirements under SFRS(I) 16.

The leasehold land is depreciated over the shorter of its lease term and useful life. The useful life is the period over which an asset is expected to be available for use by an entity. When assessing the useful life of an asset, all commercial, technical and legal factors, as well as the asset’s expected utility to the entity should be considered.

SFRS(I) 16  
(32)

SFRS(I) 1-16  
(56, 57)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.6 Intangible assets

### (a) Goodwill

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

SFRS(I) 3 (32)

Goodwill on acquisitions of joint ventures and associates represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associates and joint ventures is included in the carrying amount of the investments.

SFRS(I) 1-28  
(32)(a)

Gains and losses on the disposal of subsidiaries, joint ventures and associates include the carrying amount of goodwill relating to the entity sold.

### (b) Acquired trademarks and licences

Trademarks and licences acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 10 to 15 years, which is the shorter of their estimated useful lives and periods of contractual rights.

SFRS(I) 1-38  
(74)  
SFRS(I) 1-38  
(118)(a), (b)  
SFRS(I) 1-38  
(94), (97)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.6 Intangible assets (continued)

(c) Acquired computer software licences<sup>1</sup>

Acquired computer software licences are initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditures including employee costs, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are expensed off when incurred.

SFRS(I) 1-38  
(24)

SFRS(I) 1-38  
(27,28)

SFRS(I) 1-38  
(66,67)

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of 3 to 5 years.

SFRS(I) 1-38  
(74), (118)(a),  
(b)

SFRS(I) 1-38  
(97)

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

SFRS(I) 1-38  
(104)

### Guidance notes

#### Intangible assets

##### Development of software

- 1 If an entity is involved in research and development activities, the following disclosure is suggested (using the example of the development of a computer software):

SFRS(I) 1-38  
(57)

“Research costs are recognised as an expense when incurred. Costs directly attributable to the development of computer software are capitalised as intangible assets only when technical feasibility of the project is demonstrated, the Group has an intention and ability to complete and use the software and the costs can be measured reliably. Such costs include purchases of materials and services and payroll-related costs of employees directly involved in the project.”



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.7 Borrowing costs<sup>1</sup>

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

SFRS(I) 1-23  
(8), (12), (14)

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under development. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

### Guidance notes

#### Borrowing costs

##### Capitalisation of general borrowing costs

1 Where funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the borrowing costs eligible for capitalisation can be determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate should be the weighted average of the borrowing costs applicable to all borrowings of the entity that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

SFRS(I) 1-23  
(14)

The amount of borrowing costs capitalised during a period should not exceed the amount of borrowing costs incurred during the period.

2 If a specific borrowing remains outstanding when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete, the specific borrowing becomes part of the general borrowings.

##### Capitalisation of borrowing costs in respect of lease liabilities

3 Borrowing costs may include interest in respect of lease liabilities recognised in accordance with SFRS(I) 16.

SFRS(I) 1-23  
(6)(d)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.8 Investment properties<sup>1-4</sup>

Investment properties include those portions<sup>1</sup> of office buildings that are held for long-term rental yields and/or for capital appreciation and right-of-use assets relating to leasehold land that is held for long-term capital appreciation or for a currently indeterminate use. Investment properties include properties that are being constructed or developed for future use as investment properties.

SFRS(I) 1-40  
(5), (10)

SFRS(I) 1-40  
(8)

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest and best use basis. Changes in fair values are recognised in profit or loss.

SFRS(I) 1-40  
(20), (30), (35)  
(75)(a)

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 recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

SFRS(I) 1-40  
(17)

SFRS(I) 1-40  
(18), (19)

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

SFRS(I) 1-40  
(69)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Investment properties

#### Classification as investment property

- 1 When judgement is required to determine the portions of investment property, owner-occupied property and property held-for-sale in the ordinary course of business, the entity shall disclose the criteria used to distinguish them and the judgement involved. In some cases, an entity provides ancillary services to the occupants of a property it holds. An entity treats such a property as investment property if the services are insignificant to the arrangement as a whole. An example is when the owner of an office building provides security and maintenance services to the lessees who occupy the building.

SFRS(I) 1-40  
(75)(c)  
SFRS(I) 1-1  
(122)  
SFRS(I) 1-40  
(11)

#### Cost model

- 2 An entity shall choose either fair value model or cost model for all of its investment properties. A reporting entity which applied the cost model may disclose the accounting policy as follows:

SFRS(I) 1-40  
(30)

“Investment properties comprise significant portions of freehold office buildings that are held for long-term rental yields and/or for capital appreciation.

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using [a straight-line] method to allocate the depreciable amounts over the estimated useful lives of [ ] years. The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are included in profit or loss when the changes arise .....

SFRS(I) 1-40  
(56)

SFRS(I) 1-40  
(79(a, b))



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Investment properties (continued)

#### Cost model (continued)

When the cost model is applied, **the fair value of investment property shall be disclosed at each reporting date**. In the exceptional cases when an entity cannot determine the fair value of investment property reliably, it shall disclose:

SFRS(I) 1-40  
(79)(e)

- (a) a description of the investment property;
- (b) an explanation of why fair value cannot be determined reliably; and
- (c) if possible, the range of estimates within which fair value is highly likely to lie.

#### Determination of fair value

- 3 Under SFRS(I) 13, a fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Highest and best use is determined from the perspective of market participants, even if the entity intends a different use. However, an entity's current use of a non-financial asset is presumed to be its highest and best use unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

SFRS(I) 1-40  
(5)  
SFRS(I) 13  
(27-33)

#### Transfer in and out of investment properties

- 4 There are specific recognition and/or measurement requirements dealing with transfers from investment properties to property, plant and equipment or inventories and vice versa. Please refer to paragraphs 57-65 of SFRS(I) 1-40 for details.





# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.9 Investments in subsidiaries, associates, and joint ventures<sup>1-4</sup>

Investments in subsidiaries, associates and joint ventures are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

SFRS(I) 1-27  
(10(a))

### Guidance notes

#### Investments in subsidiaries, associates and joint ventures

##### Investments accounted for in accordance with SFRS(I) 9 and SFRS(I) 1-28

- 1 When separate financial statements of the Company are prepared, investments in subsidiaries, associates and joint ventures that are not classified as held-for-sale, shall be accounted for either: (a) at cost; (b) in accordance with SFRS(I) 9; or (c) equity method as described in SFRS(I) 1-28.
- 2 If an entity elects, in accordance with paragraph 18 of SFRS(I) 1-28, to measure its investments in associates and joint ventures at fair value through profit or loss in accordance with SFRS(I) 9, it shall also account for those investments in the same way in its separate financial statements.
- 3 If a parent is required, in accordance with paragraph 31 of SFRS(I) 10, to measure its investment in a subsidiary at fair value through profit or loss in accordance with SFRS(I) 9, it shall also account for its investment in a subsidiary in the same way in its separate financial statements.

SFRS(I) 1-27  
(10)

SFRS(I) 1-27  
(11)

SFRS(I) 1-27  
(11A)

##### Dividends received from subsidiaries, associates and joint ventures

- 4 The receipt of a dividend from a subsidiary, associates or a joint venture is an indicator of impairment of the relevant investment when:
  - (a) the carrying amount of the investment in the separate financial statements exceeds the carrying amounts in the consolidated financial statements of the investee's net assets, including associated goodwill; or
  - (b) the dividend exceeds the total comprehensive income of the subsidiary, associate or joint venture in the period the dividend is declared.

SFRS(I) 1-36  
(12)(h))



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.10 Impairment of non-financial assets

### (a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired. SFRS(I) 1-36  
(9), (10)(b)

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination. SFRS(I) 1-36  
(80)

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use. SFRS(I) 1-36  
(8), (90)

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. SFRS(I) 1-36  
(104)

An impairment loss on goodwill is recognised as an expense and is not reversed<sup>1</sup> in a subsequent period. SFRS(I) 1-36  
(60), (124)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.10 Impairment of non-financial assets (continued)

- (b) Intangible assets  
 Property, plant and equipment  
 Right-of-use assets  
 Investments in subsidiaries, associates and joint ventures

Intangible assets, property, plant and equipment, right-of-use assets and investments in subsidiaries, associates and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

SFRS(I) 1-36  
 (9), (10)(a)  
 SFRS(I) 1-28  
 (42)

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

SFRS(I) 1-36  
 (22)

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

SFRS(I) 1-36  
 (59)

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. Please refer to the paragraph “Property, plant and equipment” for the treatment of a revaluation decrease.

SFRS(I) 1-36  
 (60)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.10 Impairment of non-financial assets (continued)

- (b) Intangible assets
  - Property, plant and equipment
  - Right-of-use assets
  - Investments in subsidiaries, associates and joint ventures (continued)

For an asset other than goodwill, management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

SFRS(I) 1-36 (110)

SFRS(I) 1-36 (114)

SFRS(I) 1-36 (117)

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount<sup>2</sup>, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

SFRS(I) 1-36 (119)

### Guidance notes

#### Impairment of non-financial assets

#### Impairment loss on goodwill

- 1 An entity shall not reverse an impairment loss recognised in a previous interim period (e.g. in the quarterly financial announcement) in the annual period end financial statements in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost.

SFRS(I) INT10 (8)

#### Assets carried at revalued amounts

- 2 In this illustration, certain classes of non-financial assets are carried at their revalued amounts. The disclosures related to revalued amounts shall be removed if the Group applies only the cost model for all non-financial assets.



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.11 Financial assets

### (a) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

SFRS(I) 9  
(4.1.1)

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

SFRS(I) 9  
(4.1.2),  
(4.1.2.A),  
(4.1.4)

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

SFRS(I) 9  
(4.3.2)

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

SFRS(I) 9  
(4.4.1)

#### At initial recognition

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

SFRS(I) 9  
(5.1.1)

#### At subsequent measurement

### (i) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables, listed and unlisted debt securities.

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

SFRS(I) 9  
(5.2.1),  
(4.1.1)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.11 Financial assets (continued)

### (a) Classification and measurement (continued)

#### At subsequent measurement (continued)

#### (i) Debt instruments (continued)

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

SFRS(I) 9  
(4.1.2)

SFRS(I) 9  
(5.7.2)
- FVOCI: Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other gains and losses". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".

SFRS(I) 9  
(4.1.2A)

SFRS(I) 9  
(5.7.10)
- FVPL: Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other gains and losses".

SFRS(I) 9  
(4.1.4)

SFRS(I) 9  
(5.7.1)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.11 Financial assets (continued)

### (a) Classification and measurement (continued)

#### At subsequent measurement (continued)

#### (ii) Equity investments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in “other gains and losses”, except for those equity securities which are not held for trading. The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as “fair value gains / losses” in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as “dividend income”.

SFRS(I) 9  
(4.1.4),  
(5.7.5),  
(5.7.6)

SFRS(I) 7  
(11A(b))

SFRS(I) 9  
(5.7.1A)

#### (b) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 42 details how the Group determines whether there has been a significant increase in credit risk.

SFRS(I) 9  
(5.5.17),  
(5.2.2)

For trade receivables, lease receivables and contract assets, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

SFRS(I) 9  
(5.5.15)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.11 Financial assets (continued)

### (c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. SFRS(I) 9  
(3.1.2)

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. SFRS(I) 9  
(3.2.3),  
(3.2.6)

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset. SFRS(I) 9  
(B5.7.1)

Trade receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings. SFRS(I) 9  
(3.2.15)

## 2.12 Derivatives financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates each hedge as either: (a) fair value hedge; (b) cash flow hedge; or (c) net investment hedge. SFRS(I) 7  
(21A)  
SFRS(I) 9  
(4.1.4),  
(5.1.1), (5.2.3)

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.





# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.12 Derivatives financial instruments and hedging activities (continued)

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis on whether the hedging relationship meets the hedge effectiveness requirements under SFRS(I) 9.

SFRS(I) 9  
(6.4.1(a), (b))

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 15. The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

SFRS(I) 1-1  
(66), (69)

The following hedges in place qualified respectively as fair value, cash flow, and net investment hedges under SFRS(I) 9.

### (a) Fair value hedge

The firm commitment of contracts entered into with various customers denominated in foreign currencies are designated as the hedged item. The Group uses foreign currency forwards to hedge its exposure to foreign currency risk arising from these contracts. Under the Group's policy the critical terms of the forward exchange contracts must align with the hedged items. The Group designates the spot component of forward contracts as the hedging instrument. The fair value changes on the hedged item resulting from currency risk are recognised in profit or loss. The fair value changes on the spot component of the currency forwards designated as fair value hedges are recognised in profit or loss within the same line item as the fair value changes from the hedged item. The fair value changes on the ineffective portion of currency forwards are recognised in profit or loss and presented separately in "other gains and losses".

SFRS(I) 9  
(6.5.8)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.12 Derivatives financial instruments and hedging activities (continued)

### (b) Cash flow hedge

#### (i) Interest rate swaps

The Group has entered into interest rate swaps that are cash flow hedges for the Group's exposure to interest rate risk on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates.

SFRS(I) 9  
(6.5.11)

The fair value changes on the effective portion of interest rate swaps designated as cash flow hedges are recognised in other comprehensive income, accumulated in the hedging reserve and reclassified to profit or loss when the hedged interest expense on the borrowings is recognised in profit or loss and presented separately in "Finance expense". The fair value changes on the ineffective portion of interest rate swaps are recognised immediately in profit or loss.

#### (ii) Currency forwards

The Group has entered into currency forwards that qualify as cash flow hedges against highly probable forecasted transactions in foreign currencies. The fair value changes on the effective portion of the currency forwards designated as cash flow hedges are recognised in other comprehensive income. Amounts accumulated in equity are reclassified in the periods when the hedged item is recognised as an asset on the balance sheet, as follows:

SFRS(I) 9  
(6.5.11)

- The gain or loss relating to the effective portion of the spot component of forward contracts is treated as follows: Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory, property, plant and equipment), the deferred hedging gains and losses are included within the initial cost of the asset.
- The fair value changes on the ineffective portion of currency forwards are recognised immediately in profit or loss. When a forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in other comprehensive income are reclassified to profit or loss immediately.

SFRS(I) 9  
(6.5.11(d)(i))

SFRS(I) 9  
(6.5.11(c))

SFRS(I) 9  
(6.5.12(b))



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.12 Derivatives financial instruments and hedging activities (continued)

### (b) Cash flow hedge (continued)

#### (ii) Currency forwards (continued)

SFRS(I) 9  
(6.5.12)

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory.

### (c) Net investment hedge

The Group has foreign currency borrowings that qualify as net investment hedges of foreign operations. These hedging instruments are accounted for similarly to cash flow hedges. The currency translation differences on the borrowings relating to the effective portion of the hedge are recognised in other comprehensive income in the consolidated financial statements, accumulated in the currency translation reserve and reclassified to profit or loss as part of the gain or loss on disposal of the foreign operation. The currency translation differences relating to the ineffective portion of the hedge are recognised immediately in profit or loss.

SFRS(I) 9  
(6.5.13),  
(6.5.14)

## 2.13 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

SFRS(I)  
1-32 (42)

## 2.14 Financial guarantees<sup>1-4</sup>

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings. Intra-group transactions are eliminated on consolidation.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

SFRS(I) 9  
(4.2.1(c)),  
(5.1.1)

- (a) amount initially recognised less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and
- (b) the amount of expected loss allowance computed using the impairment methodology under Note 2.11.



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Financial guarantees

#### Definition of financial guarantee

- 1 A financial guarantee is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Where the financial guarantee is given with respect to a banking facility, that facility must be drawn down before the definition of financial guarantee is met as a debt (or debtor) only comes into existence upon draw-down.

SFRS(I) 9  
App A

#### Financial guarantees versus insurance contracts

- 2 Financial guarantees shall be accounted for under SFRS(I) 9, unless the issuer has previously asserted explicitly that it regarded them as insurance contracts and has accounted for them as insurance contracts under SFRS(I) 4. On transition to SFRS(I) 17, issuers can reassess whether to apply SFRS(I) 9 or SFRS(I) 17 to such contracts. The issuer shall make these elections on a contract by contract basis, but once the election is made, it is irrevocable.

SFRS(I) 4  
(4(d))  
SFRS(I) 9  
(2.1(e))

SFRS(I) 17  
(7(e))

#### Financial guarantees for associates and joint ventures

- 3 Where the entity has issued financial guarantees to banks for bank borrowings of its associates and joint ventures, these financial guarantees shall be recognised in both the entity's separate and consolidated financial statements as these transactions will not be fully eliminated on equity accounting or proportionate consolidation. The relevant disclosures as required by SFRS(I) 1-24 shall also be made.
- 4 Where a subsidiary has issued corporate guarantees to banks for borrowings of third parties, such financial guarantees are similarly accounted for in the Group's consolidated financial statements.

SFRS(I) 1-24  
(21)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.15 Borrowings

Borrowings are presented as current liabilities<sup>1</sup> unless, at the end of the reporting period, the Group has the right to defer settlement of the liability for at least 12 months after the reporting period, in which case they are presented as non-current liabilities<sup>2</sup>.

SFRS(I) 1-1  
(69)

Covenants that the Group is required to comply with on or before the end of the reporting period are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

SFRS(I) 1-1  
(72B)

### (a) Borrowings<sup>3,4,6</sup>

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

SFRS(I) 9  
(5.3.1), (5.3.2)

### (b) Redeemable preference shares<sup>5</sup>

Preference shares which are mandatorily redeemable on a specific date are classified as liabilities. The dividends on these preference shares are recognised as "Finance expenses".

SFRS(I) 1-32  
(18(a)), (36)

### (c) Convertible bonds

The total proceeds from convertible bonds issued are allocated to the liability component and the equity component, which are separately presented on the balance sheet.

SFRS(I) 1-32  
(28)

The liability component is recognised initially at its fair value, determined using a market interest rate for equivalent non-convertible bonds. It is subsequently carried at amortised cost using the effective interest method until the liability is extinguished on conversion or redemption of the bonds.

SFRS(I) 1-32  
AG31(a)

The difference between the total proceeds and the liability component is allocated to the conversion option (equity component), which is presented in equity net of any deferred tax effect. The carrying amount of the conversion option is not adjusted in subsequent periods. When the conversion option is exercised, its carrying amount is transferred to the share capital. When the conversion option lapses, its carrying amount is transferred to retained profits.

SFRS(I) 1-32  
(31)

SFRS(I) 1-32  
AG32



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Current/non-current classification of borrowings

- 1 When an entity breaches an undertaking under a long-term loan agreement on or before the balance sheet date with the effect that the liability becomes payable on demand, the liability is classified as current, even if the lender has agreed, after the balance sheet date and before the authorisation of the financial statements for issue, not to demand payment as a consequence of the breach. The liability is classified as current because, at the balance sheet date, the entity does not have the right to defer its settlement for at least twelve months after the date.
- 2 Where the entity has the right, at the end of the reporting period, to roll over an obligation for at least 12 months after the balance sheet date under an existing loan facility with the same lender, on the same or similar terms, the liability is classified as non-current. For disclosures relating to defaults and breaches of loans payable, please refer to illustrative disclosures in Appendix 1 example 4.

SFRS(I) 1-1  
(74)

SFRS(I) 1-1  
(73)

### Derecognition

- 3 Borrowings are derecognised when the obligation is extinguished, cancelled or expired. The difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

SFRS(I) 9  
(3.3.1), (3.3.3)

### Modification of contractual cash flows

- 4 When the contractual cash flows of a financial instrument are modified and does not result in derecognition, differences between the recalculated gross carrying amount and the carrying amount before modification is recognised in profit or loss as modification gain or loss, at the date of modification.

SFRS(I) 9  
(5.4.3)

### Classification of preference shares

- 5 Preference shares that are redeemable on a specific date or at the option of the shareholder, or carry non-discretionary dividend obligations, shall be classified as liabilities. As for non-redeemable preference shares, their terms and conditions shall be critically evaluated using the criteria in SFRS(I) 1-32 to determine whether they shall be classified as a liabilities or equity.

SFRS(I) 1-32  
(15), (16),  
(18(a))

### Facility fees

- 6 Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.16 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

SFRS(I) 1-1  
(69)

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

SFRS(I) 9  
(4.2.1), (5.1.1)

Trade payables settled via electronic cash transfer<sup>1</sup> are derecognised when the Group has no ability to withdraw, stop or cancel the payment, has lost the practical ability to access the cash as a result of the electronic payment instruction, and the risk of a settlement not occurring is insignificant.

DV

### Guidance notes

#### Derecognition of a financial liability settled through electronic transfers

- In March 2023, an Exposure Draft was published to propose amending the standards to clarify that settlement date accounting should be applied for the recognition and derecognition of financial instruments settled through electronic transfers. Nonetheless, entities are allowed an accounting policy to derecognise financial liabilities before settlement date if it can be demonstrated that the specified requirements above are met. While the standards are yet to be effective, disclosing the accounting policy choice adopted for derecognition of financial liabilities is recommended if transactions settled through electronic transfers are material.



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.17 Leases

(a) When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract 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. Reassessment is only required when the terms and conditions of the contract are changed.

SFRS(I) 16  
(9)

SFRS(I) 16  
(11)

- Right-of-use assets

The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost<sup>1</sup> which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

SFRS(I) 16  
(22)

SFRS(I) 16  
(24)

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

SFRS(I) 16  
(31), (32)

Right-of-use assets (except for those which meet the definition of an investment property) are presented within "Property, plant and equipment".

SFRS(I) 16  
(47)

Right-of-use assets which meet the definition of an investment property are presented within "Investment properties" and accounted for in accordance with Note 2.8.

SFRS(I) 16  
(48)





# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.17 Leases (continued)

(a) When the Group is the lessee (continued):

- Lease liabilities

The initial measurement of a lease liability is measured at the present value of the lease payments discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

SFRS(I) 16  
(26)

Lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under residual value guarantees;
- The exercise price of a purchase option if the Group is reasonably certain to exercise the option;
- Lease payments to be made under an extension option if the group is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

SFRS(I) 16  
(27)

For a contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone prices of the lease and non-lease components. The Group has elected to not separate lease and non-lease components for property leases and account these as one single lease component.

SFRS(I) 16  
(13)

SFRS(I) 16  
(15)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.17 Leases (continued)

(a) When the Group is the lessee (continued):

- Lease liabilities (continued)

Lease liabilities are measured at amortised cost using the effective interest method. Lease liabilities shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There is a modification in the scope or the consideration of the lease that was not part of the original term.

SFRS(I) 16  
(36), (40(b),  
(42(b))

Lease liabilities are remeasured with a corresponding adjustment to 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.

SFRS(I) 16  
(39)

- Short term and low value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

SFRS(I) 16  
(6), (60)

- Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments. Details of the variable lease payments are disclosed in Note 27.

SFRS(I) 16  
(38)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.17 Leases (continued)

- (b) When the Group is the lessor:

The Group leases equipment under finance leases and office spaces, retail stores and investment properties under operating leases to non-related parties.

- Lessor – Finance leases

Leases where the Group has transferred substantially all risks and rewards incidental to ownership of the leased assets to the lessees, are classified as finance leases. SFRS(I) 16  
(61), (62)

The leased asset is derecognised and the present value of the lease receivable is recognised on the balance sheet and included in "trade and other receivables". The difference between the gross receivable and the present value of the lease receivable is recognised as unearned finance income. SFRS(I) 16  
(67)

Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and the unearned finance income. The finance income is recognised in profit or loss on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable. SFRS(I) 16  
(76)

Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to finance lease receivables and reduce the amount of income recognised over the lease term. SFRS(I) 16  
(69)

- Lessor – Operating leases

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term. SFRS(I) 16  
(61), (62)

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income. SFRS(I) 16  
(83)

Contingent rents are recognised as income in profit or loss when earned.



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.17 Leases (continued)

(b) When the Group is the lessor (continued):

- Lessor – Subleases

In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

SFRS(I) 16  
(B58(b))

When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognised the net investment in the sublease within "Trade and other receivables"<sup>2</sup>. Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. The lease liability relating to the head lease is retained in the balance sheet, which represents the lease payments owed to the head lessor.

When the sublease is assessed as an operating lease, the Group recognises lease income from the sublease in profit or loss within "Other income". The right-of-use asset relating to the head lease is not derecognised.

For contract which contains lease and non-lease components, the Group allocates the consideration based on a relative stand-alone selling price basis.

SFRS(I) 16  
(17)

### Guidance notes

#### Restoration cost

- 1 Restoration cost is not illustrated in PwC Holdings Ltd. Such a cost should be included in the carrying amount of the ROU assets. For an illustration of the accounting policy and other disclosures, please refer to Appendix 1 Example 2.

#### Offsetting between the lease receivables and liabilities

- 2 In the case where the intermediate lessor classifies the sublease as a finance lease, the lease receivable arising from the sublease shall not be offset against the remaining lease liabilities from the head lease.



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.18 Inventories<sup>1-4</sup>

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Cost also includes the transfer from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

SFRS(I) 1-2  
(9), (25),  
(36(a)), (10)

SFRS(I) 9  
(6.5.11)(d)(i)

SFRS(I) 1-2 (6)

### Guidance notes

#### Inventories

#### Cost of inventories

- 1 Costs include all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.
- 2 Costs of purchase comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.
- 3 Other costs are included in the cost of inventories only to the extent that they are incurred in bringing the inventories to their present location and condition. For example, it may be appropriate to include non-production overheads or the costs of designing products for specific customers in the cost of inventories.

Please refer to paragraph 16 of SFRS(I) 1-2 for examples of costs excluded from the cost of inventories.

- 4 Where applicable, costs of inventories may include borrowing costs if inventories are assessed to be qualifying assets.

SFRS(I) 1-2  
(10-18)

SFRS(I) 1-2  
(11)

SFRS(I) 1-2  
(15,16)

SFRS(I) 1-23  
(7)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.19 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

SFRS(I) 1-12  
(46)

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

SFRS(I) 1-12  
(15)(b)(i), (ii)

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

SFRS(I) 1-12  
(39)

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

SFRS(I) 1-12  
(24), (34),  
(44)

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

SFRS(I) 1-12  
(47)

SFRS(I) 1-12  
(51)

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

SFRS(I) 1-12  
(58), (61A),  
(66)

The Group accounts for investment tax credits similar to accounting for other tax credits where a deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised.

SFRS(I) 1-12  
(34)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.20 Provisions<sup>1</sup>

Provisions for warranty, restructuring costs and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Restructuring provisions comprise employee termination payments. Provisions are not recognised for future operating losses.

SFRS(I) 1-37  
(14), (23)

SFRS(I) 1-37  
(72), (63)

The Group recognises the estimated liability to repair or replace products still under warranty at the balance sheet date. This provision is calculated based on historical experience of the level of repairs and replacements.

SFRS(I) 1-37  
IG AppC  
Example 1

Other provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

SFRS(I) 1-37  
(45), (47)

SFRS(I) 1-37  
(60)

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

SFRS(I) 1-37  
(59)

### Guidance notes

#### Provisions

##### Onerous contracts

1 If the entity has any onerous contract, the following disclosure is suggested:

“Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.”

SFRS(I) 1-37  
(66)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.21 Employee compensation<sup>1</sup>

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset. SFRS(I) 1-19  
(11)(b)

### (a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. SFRS(I) 1-19  
(8)

### (b) Share-based compensation<sup>2-4</sup>

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on grant date. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. SFRS(I) 2  
(2)(a)  
  
SFRS(I) 2 (7,8)  
  
SFRS(I) 2 (16,  
19)

At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve. SFRS(I) 2 (19)  
  
SFRS(I) 2 (20)

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to the share capital account, when new ordinary shares are issued, or to the “treasury shares” account, when treasury shares are re-issued to the employees<sup>5</sup>.





# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.21 Employee compensation (continued)

### (c) Termination benefits<sup>6</sup>

Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for a restructuring that is within the scope of SFRS(I) 1-37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

SFRS(I) 1-19  
(159)

SFRS(I) 1-19  
(165)

SFRS(I) 1-19  
(169)(b)

### Guidance notes

#### Employee compensation

##### Defined benefit plan

- 1 Defined benefit pension or medical obligation is mandatory in some countries. Where the Group has a material defined benefit pension plan and/ or post-employment medical plan, the suggested disclosure included in Appendix 1 Example 3 can be made.

##### Share-based compensation – Cash-settled plan

- 2 If the Group operates a cash-settled share-based compensation plan, the following disclosure is suggested:

SFRS(I) 2 (30)

“For cash-settled share-based compensation, the fair value of the employee services received in exchange for the grant of options is recognised as an expense with the recognition of a corresponding liability over the vesting period. Until the liability is settled, it is re-measured at each reporting date with changes in fair value recognised in profit or loss.”

##### Group share-based payment arrangements

- 3 A share-based payment transaction may be settled by another group entity (or a shareholder of any group entity) on behalf of the reporting entity who receives the services. SFRS(I) 2 is applicable in such cases.

SFRS(I) 2 (3A)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Employee compensation (continued)

#### Share-based compensation – Modification

- 4 If there is any modification of the share option plan, the following disclosure is suggested:

“Where the terms of the share option plan are modified, the expense that is not yet recognised for the award is recognised over the remaining vesting period as if the terms had not been modified. Additional expense is recognised for any increase in the total fair value of the share options due to the modification, as measured at the date of the modification.”

SFRS(I) 2 (27)

#### Share-based compensation – Transfer of share option reserve

- 5 The transfer of the balance in the share option reserve to share capital or treasury shares upon exercise of the option and the transfer of the balance in the share option reserve to retained profits upon expiry of the option are not mandatory. Alternatively, the share option reserve may be kept as a separate reserve upon expiry or exercise of the option. It may also be transferred to retained profits upon exercise of the option.

SFRS(I) 2 (23)

#### Termination benefits versus post-employment benefits

- 6 Some termination benefits are payable regardless of the reason for the employee's departure. Although these benefits are described in some countries as termination indemnities or termination gratuities, they can be post-employment benefits, rather than termination benefits.

SFRS(I) 1-19  
(164)

#### Post-employment benefits versus other long-term benefits

- 7 In circumstances where employees are entitled to one month of their final pay for every year of completed service and these payments are made in full at the point of retirement, these benefits shall be accounted for as “other long-term employee benefits” in accordance with SFRS(1) 1-19.

SFRS(I) 1-19  
(153)

The measurement of these benefits follows that of post-employment defined benefits except that remeasurements are not recognised in other comprehensive income.

SFRS(I) 1-19  
(154)

#### Profit sharing and bonus plans

- 8 If such benefits are material, the following disclosure is suggested: “The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises an accrual when it is contractually obliged to pay or when there is a past practice that has created a constructive obligation to pay.”

SFRS(I) 1-19  
(19)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Employee compensation (continued)

#### Profit sharing and bonus plans (continued)

Under some profit-sharing or deferred bonus plans, employees receive a share of the profits/bonus only if they remain with the entity for a specified period in the future. The measurement of such benefit shall reflect the possibility that some employees may leave without receiving the profit-sharing payment. A liability for the benefit shall be accrued over the vesting period.

SFRS(I) 1-19  
(20)

#### Short-term compensated absences

9 If such benefits are material, the following disclosure is suggested:

“Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for unutilised annual leave as a result of services rendered by employees up to the balance sheet date.”

SFRS(I) 1-19  
(16)

## 2.22 Currency translation

### (a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The financial statements are presented in Singapore Dollars (“SGD” or “\$”), which is the functional currency of the Company.

SFRS(I) 1-21  
(9)  
SFRS(I) 1-1  
(51)

## Guidance notes

### Currency translation – (a) Functional and presentation currency

- 1 Where there is a change in the functional currency of either the reporting entity or a significant foreign operation, that fact and reason for the change in the functional currency shall be disclosed.
- 2 When the financial statements are presented in a currency different from the company’s functional currency, the following are required to be disclosed:
  - (i) the company’s functional currency; and
  - (ii) the reason for using a different currency as its presentation currency.
- 3 Where a non-Singapore Dollar presentation currency is used for a Singapore-incorporated entity, it is recommended as a best practice to prominently denote this fact.

SFRS(I) 1-21  
(54)

SFRS(I) 1-21  
(53)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.22 Currency translation (continued)

### (b) Transactions and balances

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

SFRS(I) 1-21  
(21)

SFRS(I) 1-21  
(23(a)), (28)

SFRS(I) 1-21  
(32)  
SFRS(I) 9  
(6.5.13)

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

SFRS(I) 1-21  
(48)

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within “Finance expense”. All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within “other losses”.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

SFRS(I) 1-21  
(23(c))

### (c) Translation of Group entities’ financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

SFRS(I) 1-21  
(39)

- (i) assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.22 Currency translation (continued)

### (c) Translation of Group entities' financial statements (continued)

- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation. SFRS(I) 1-21  
(48)

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date. SFRS(I) 1-21  
(47)

## 2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments. SFRS(I) 8  
(5(b))

## 2.24 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, demand deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents. SFRS(I) 1-7 (6,  
8, 46)

## 2.25 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account. SFRS(I) 1-32  
(35)

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued. SFRS(I) 1-32  
(33)

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company. CA 76G



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2.25 Share capital and treasury shares (continued)

When treasury shares are subsequently sold or reissued pursuant to an employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

SFRS(I) 1-32  
(33)

### Guidance notes

#### Share capital and treasury shares

- 1 SFRS(I) 1-32 requires directly attributable costs relating to equity transactions to be recognised in equity, but does not specify which equity account. Accordingly, these costs may also be recognised against retained profits.

SFRS(I) 1-32  
(35)

## 2.26 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

SFRS(I) 1-32  
(35)

## 2.27 Non-current assets (or disposal groups) held-for-sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held-for-sale if their carrying amount is recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of carrying amount and fair value less costs to sell except for assets such as deferred tax assets, financial assets and investment property that are carried at fair value and groups of contracts within the scope of SFRS (I) 17 Insurance Contracts. The assets are not depreciated or amortised while they are classified as held-for-sale. Equity accounting cease when the investment in associates and joint ventures are classified as held for sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss previously recognised) is recognised in profit or loss.

SFRS(I) 5 (6),  
(15)

SFRS(I) 5 (5)

SFRS(I) 5 (1),  
(25)

SFRS(I) 5  
(20)

SFRS(I) 5  
(22)

SFRS(I) 5  
(32)

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held-for-sale and:

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



# Notes to the Financial Statements

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

SFRS(I) 1-1(122), (125), (126), (129)

### 3.1 Critical accounting estimates and assumptions

#### (a) Determination of stand-alone selling price

Some fixed-price specialised equipment contracts include an allowance for one free-of-charge major parts replacement per contract period up to a specified value. Because these contracts include two performance obligation, the transaction price must be allocated to each performance obligations on a relative standalone selling price basis. Management estimates the stand-alone selling price at contract inception based on observable prices of the type of hardware likely to be provided and the services rendered in similar circumstances to similar customers. Discounts granted are allocated to both performance obligations based on their relative stand-alone selling prices.

SFRS(I) 15 (123), (126(c))

#### (b) Estimation of total contract costs

The Group has significant ongoing contracts to construct specialised equipment. For these contracts, revenue is recognised over time by reference to the Group's progress towards completing the construction of the specialised equipment. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs ("input method").

SFRS(I) 15 (123)

Management has to estimate the total contract costs to complete, which are used in the input method to determine the Group's recognition of construction revenue. When it is probable that the total unavoidable costs of meeting the obligations under the contract exceed the total construction revenue, a provision for onerous contracts is recognised immediately.

SFRS(I) 1-37 (66)

Significant judgement is used to estimate these total contract costs to complete. In making these estimates, management has relied on the expertise of the surveying engineers to determine the progress of the construction and also on past experience of completed projects.





## Notes to the Financial Statements

For the financial year ended 31 December 2024

### 3.1 Critical accounting estimates and assumptions (continued)

#### (b) Estimation of total contract costs (continued)

As at 31 December 2024, \$2,000,000 of the Group's contract assets is subject to the estimation of progress towards completion using the input method. If the total contract cost of on-going contracts to be incurred had been higher/lower by 10% from management's estimates, the Group's revenue and contract assets would have been lower/higher by \$230,000 and \$210,000 respectively. If the total contract costs of on-going contracts to be incurred had been higher by 10% from management's estimates, a provision for onerous contracts of \$900,000 would have been recognised.

#### (c) Impairment of goodwill

The Group has recognised an impairment charge on its goodwill of \$500,000 during the financial year which resulted in the carrying amount of goodwill as at 31 December 2024 to reduce to \$11,118,000, as disclosed in Note 29(a).

In performing the impairment assessment of the carrying amount of goodwill, as disclosed in Note 29(a), the recoverable amounts of the cash-generating units ("CGUs") in which goodwill is attributable to, are determined using value-in-use ("VIU") calculation.

SFRS(I) 1-36  
(130(e))

Significant judgements are used to estimate the gross margin, weighted average growth rates and pre-tax discount rates applied in computing the recoverable amounts of different CGUs. In making these estimates, management has relied on past performance, its expectations of market developments in Singapore, People's Republic of China and The Philippines, the industry trends for electronic component parts and industries of household and office furniture. Specific estimates are disclosed in Note 29(a).

SFRS(I) 1-36  
(134(d)(i),(ii))

For its goodwill attributable to the Singapore component parts CGU:

- If the estimated gross margin used in the VIU calculation had been 10% lower than management's estimates, the Group would have recognised a further impairment charge on goodwill of \$780,000;
- If the estimated weighted average growth rate used had been 1% lower than management's estimates (for example: 1.0% instead of 2.0%), the Group would have recognised a further impairment charge on goodwill of \$950,000; and
- If the estimated pre-tax discount rate applied to the discounted cash flows for this CGU had been 1% higher than management's estimates (for example: 9.5% instead of 8.5%), the Group would have recognised a further impairment charge on goodwill of \$960,000.



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 3.1 Critical accounting estimates and assumptions (continued)

### (c) Impairment of goodwill (continued)

For its remaining goodwill, the change in the estimated recoverable amount from any reasonably possible change on the key estimates does not materially cause the recoverable amount to be lower than its carrying amount.

### (d) Uncertain tax positions

The Group is subject to income taxes in numerous jurisdictions. In determining the income tax liabilities, management has estimated the amount of capital allowances and the deductibility of certain expenses (“uncertain tax positions”) at each tax jurisdiction.

The Group has significant open tax assessments with a tax authority at the balance sheet date. As management believes that the tax positions are sustainable, the Group has not recognised any additional tax liability on these uncertain tax positions. The maximum exposure of these uncertain tax positions not recognised in these financial statements is \$2,850,000.

## 3.2 Critical judgements in applying the entity’s accounting policies

### (a) Critical judgements in recognising revenue – Wholesale of furniture

The Group recognised revenue amounting to \$2,189,000 for the sale of furniture to a wholesale customer in December 2024. The buyer has the right to rescind the sale if there is 5% dissatisfaction with the quality of the first 100 pieces of furniture sold. This specific concession was made because this is a new product line specifically designed for this customer. However, consistent with other contracts, the Group does not have a right to payment until the furniture has been delivered to the customer. Based on the quality assurance system implemented, the Group is confident that the quality of the product is such that the dissatisfaction rate will be well below 5%.

SFRS(I) 15  
(123)

Management has determined that it is highly probable that there will be no rescission of the contract and a significant reversal in the amount of revenue recognised will not occur. It is therefore appropriate to recognise revenue on this transaction in 2024 as control of the product was transferred to the customer. The profit recognised for this sale was \$1,625,000. The Group would suffer an estimated pre-tax loss of \$1,760,000 in its 2023/2024 financial statements if the sale is cancelled (\$1,625,000 for the reversal of 2024 profits and \$135,000 of costs connected with returning the stock to the warehouse).



## Notes to the Financial Statements

For the financial year ended 31 December 2024

### 3.2 Critical judgements in applying the entity's accounting policies (continued)

- (a) Critical judgements in recognising revenue – Wholesale of furniture (continued)

In 2023, the Group did not recognise revenue of \$280,000 in relation to a wholesale contract with volume discounts for a new customer and new product line. The Group did not have any experience with the customer's purchase pattern and the product line. Management therefore determined that it was not highly probable that a portion of the revenue would not reverse. Of the \$280,000 of revenue not recognised in 2023, \$150,000 was recognised in the current financial year based on the actual volume sold for the contract period (refer to Note 2.2(a)).

- (b) Impairment of trade receivables and contract assets

As at 31 December 2024, the Group's trade receivables and contract assets amounted to \$18,672,000 (Note 18) and \$2,978,000 (Note 4(b)) respectively, arising from the Group's different revenue segments – furniture and electronic equipment wholesale, specialised equipment construction and logistics services.

Based on the Group's historical credit loss experience, trade receivables exhibited significantly different loss patterns for each revenue segment. Within each revenue segment, the Group has common customers across the different geographical regions and applies credit evaluations by customer. Accordingly, management has determined the expected loss rates by grouping the receivables across geographical regions in each revenue segment. A loss allowance of \$894,000 and \$39,000 for trade receivables and contract assets respectively were recognised as at 31 December 2024.

Notwithstanding the above, the Group evaluates the expected credit loss on customers in financial difficulties separately. A group of customers amounted to \$128,000 are identified to be credit impaired and separately assessed for recoverability as set out in Note 42(b)(i).

The Group's and the Company's credit risk exposure for trade receivables and contract assets by different revenue segment are set out in Note 42(b)(i).



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 3.2 Critical judgements in applying the entity's accounting policies (continued)

### (c) Critical judgement over the lease terms

As at 31 December 2024, the Group's lease liabilities, which are measured with reference to an estimate of the lease term, amounted to \$37,325,000, of which \$2,500,000 arose from extension options. Extension options are included in the lease term if the lease is reasonably certain to be extended. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise the extension option.

SFRS(I) 16  
(18)  
SFRS(I) 16  
(19)

For leases of office space and retail stores, the following factors are considered to be most relevant:

- If any leasehold improvements are expected to have a significant remaining value, the Group typically includes the extension option in lease liabilities;
- If the retail stores are located in strategic locations that will contribute to the continued profitability of the retail segment, the Group typically includes the extension option in lease liabilities;
- Otherwise, the Group considers other factors including its historical lease periods for similar assets, costs required to obtain replacement assets, and business disruptions.

The extension options for certain retail stores, equipment and motor vehicles have not been included in lease liabilities because the Group could replace the assets without significant cost or business disruption.

The assessment of reasonable certainty to exercise extension options is only revised if a significant change in circumstances occurs which affects this assessment, and that is within the control of the lessee. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension options was an increase in recognised lease liabilities and right-of-use assets of \$80,000.

SFRS(I) 16  
(20)

As at 31 December 2024, potential future (undiscounted) cash outflows of approximately \$5,000,000 have not been included in lease liabilities because it is not reasonably certain that the leases will be extended.

SFRS(I) 16  
(59(b)(i))



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Critical accounting estimates, assumptions and judgements

- 1 These disclosures **must be tailored** for another reporting entity as they are specific to an entity's particular circumstances.
- 2 Disclosure of key sources of estimation uncertainty is not required for assets and liabilities that are measured at fair value based on recently observable market prices. This is because even if their fair values may change materially within the next financial year, these changes will not arise from assumptions or other sources of estimation uncertainty at the balance sheet date. SFRS(I) 1-1 (128)
- 3 The sensitivity of carrying amounts to the methods, assumptions and estimates underlying their calculation is required to be disclosed when it is necessary to help users of financial statements understand difficult, subjective or complex judgements made by management concerning the future and other key sources of estimation uncertainty. SFRS(I) 1-1 (129)  
SFRS(I) 1-1 (126)
- 4 Examples of situations which could give rise to significant judgements and assumptions are:
  - The entity has more than half of the voting rights but has no control over the entity; SFRS(I) 12 (9)(a)
  - The entity has less than of the voting rights but has control (e.g. de facto control); SFRS(I) 12 (9)(b)
  - Whether the entity is an agent or a principal; SFRS(I) 12 (9)(c)
  - The entity does not have significant influence even though it holds 20% or more of the voting rights; SFRS(I) 12 (9)(d)
  - The entity holds less than 20% of the voting rights but has significant influence and; SFRS(I) 12 (9)(e)
  - Determination of the classification of joint arrangements as joint operations or joint ventures. SFRS(I) 12 (7)(c)

Entities are required to disclose information about significant judgements and assumptions it has made (and changes to those judgements and assumptions). These significant judgements and assumptions include those made by the entity when changes in facts and circumstances are such that the conclusion about whether it has control, joint control or significant influence changes during the reporting period. SFRS(I) 12 (7)  
SFRS(I) 12 (8)
- 5 When a parent determines that it is an investment entity in accordance with paragraph 27 of SFRS(I) 10, the investment entity shall disclose information about significant judgements and assumptions it has made in determining that it is an investment entity. If the investment entity does not have one or more typical characteristics of an investment entity (see paragraph 28 of SFRS(I) 10), it shall disclose its reasons for concluding that it is nevertheless an investment entity. SFRS(I) 12 (9A)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Critical accounting estimates, assumptions and judgements (continued)

SFRS(I) 12  
(9B)

- 6 When an entity becomes, or ceases to be, an investment entity, it shall disclose the change of investment entity status and the reasons for the change. In addition, an entity that becomes an investment entity shall disclose the effect of the change of status on the financial statements for the period presented, including:
- the total fair value, as of the date of change of status, of the subsidiaries that cease to be consolidated;
  - the total gain or loss, if any, calculated in accordance with paragraph B101 of SFRS(I) 10; and
  - the line item(s) in profit or loss in which the gain or loss is recognised (if not presented separately).
- 7 The SFRS(I)s do not refer explicitly to climate-related matters. However, disclosures should be made when climate-related matters are material to the financial statements taken as a whole. For example, information about how management has considered climate-related matters in preparing a company's financial statements may be material with respect to the significant judgements and estimates that management has made.

Some key areas where climate-related considerations may be included in judgements and estimates are:

- Going concern;
- Useful lives and residual values of assets;
- Impairment of financial and non-financial assets;
- Recognition and measurement of deferred income tax assets;
- Measurement of net realisable value of inventories;
- Fair value measurement;
- Recognition or measurement of provisions or contingent liabilities; or
- Financial risk management.

The above list is non-exhaustive and entities should make an appropriate assessment of how climate-related risks impact their financial reporting. Each company **must tailor the disclosures** to suit the particular circumstances of the company.

Entities should ensure the financial statement disclosures are consistent with their Sustainability Report and other disclosures in other sections of the annual report. Refer to the [Impact of climate change on financial statements](#) section of this publication for further guidance.



**Notes to the Financial Statements**

For the financial year ended 31 December 2024

**4. Revenue from contracts with customers<sup>1</sup>**(a) Disaggregation of revenue from contracts with customers<sup>2-4</sup>

The Group derives revenue from the transfer of goods and services at a point in time and over time in the following major product lines and geographical regions. Revenue is attributed to countries by location of customers.

SFRS(I) 15(113)  
SFRS(I) 8  
(33(a))

|                              | <u>At a point<br/>in time</u><br>\$'000 | <u>Over time</u><br>\$'000 | <u>Total</u><br>\$'000 | SFRS(I) 15<br>(B87-89)     |
|------------------------------|---|----------------------------|------------------------|----------------------------|
| <b>2024</b>                  |   |                            |                        |                            |
| Component parts              |   |                            |                        | SFRS(I) 15<br>(114), (115) |
| - Singapore                  | 79,928                                  | -                          | 79,928                 |                            |
| - People's Republic of China | 61,502                                  | -                          | 61,502                 |                            |
| - The Philippines            | 1,978                                   | -                          | 1,978                  |                            |
|                              | <u>143,408</u>                          | <u>-</u>                   | <u>143,408</u>         |                            |
| Furniture                    |   |                            |                        |                            |
| - People's Republic of China | 38,988                                  | -                          | 38,988                 |                            |
| - The Philippines            | 27,556                                  | -                          | 27,556                 |                            |
|                              | <u>66,544</u>                           | <u>-</u>                   | <u>66,544</u>          |                            |
| Construction                 |   |                            |                        |                            |
| - Singapore                  | 12,647                                  | 17,177                     | 29,824                 |                            |
|                              | <u>12,647</u>                           | <u>17,177</u>              | <u>29,824</u>          |                            |
| Logistic services            |   |                            |                        |                            |
| - Singapore                  | -                                       | 5,870                      | 5,870                  |                            |
|                              | <u>-</u>                                | <u>5,870</u>               | <u>5,870</u>           |                            |
| Total                        | <u>222,599</u>                          | <u>23,047</u>              | <u>245,646</u>         |                            |



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 4. Revenue from contracts with customers (continued)

### (a) Disaggregation of revenue from contracts with customers (continued)

|                                 | At a point<br><u>in time</u><br>\$'000 | <u>Over time</u><br>\$'000 | <u>Total</u><br>\$'000 | SFRS(I) 15<br>(B87-89)    |
|---------------------------------|--|----------------------------|------------------------|---------------------------|
| <b>2023</b>                     |  |                            |                        |                           |
| Component parts                 |  |                            |                        | SFRS(I)<br>15(114), (115) |
| - Singapore                     | 67,291                                 | -                          | 67,291                 |                           |
| - People's Republic of<br>China | 39,464                                 | -                          | 39,464                 |                           |
| - The Philippines               | 2,410                                  | -                          | 2,410                  |                           |
|                                 | <u>109,165</u>                         | <u>-</u>                   | <u>109,165</u>         |                           |
| Furniture                       |  |                            |                        |                           |
| - People's Republic of<br>China | 29,645                                 | -                          | 29,645                 |                           |
| - The Philippines               | 25,613                                 | -                          | 25,613                 |                           |
|                                 | <u>55,258</u>                          | <u>-</u>                   | <u>55,258</u>          |                           |
| Construction                    |  |                            |                        |                           |
| - Singapore                     | 11,417                                 | 17,598                     | 29,015                 |                           |
|                                 | <u>11,417</u>                          | <u>17,598</u>              | <u>29,015</u>          |                           |
| Logistic services               |  |                            |                        |                           |
| - Singapore                     | -                                      | 5,460                      | 5,460                  |                           |
|                                 | <u>-</u>                               | <u>5,460</u>               | <u>5,460</u>           |                           |
| <b>Total</b>                    | <u>175,840</u>                         | <u>23,058</u>              | <u>198,898</u>         |                           |

### (b) Contract assets and liabilities

|   |       | 31 December<br><b>2024</b><br>\$'000 | 2023<br>\$'000 | 1 January <sup>9</sup><br>2023<br>\$'000 | SFRS(I) 15<br>(116(a)) |
|---|-------|--------------------------------------|----------------|--|------------------------|
| Contract assets                                   | Note  |                                      |                |  |                        |
| - Specialised equipment<br>construction contracts |       | <b>2,978</b>                         | 2,500          | 2,050                                    |                        |
| Less: Loss allowance                              | 42(b) | <b>(39)</b>                          | (29)           | (24)                                     |                        |
| Total contract assets                             |       | <u><b>2,939</b></u>                  | <u>2,471</u>   | <u>2,026</u>                             |                        |
| Contract liabilities                              |       |                                      |                |  |                        |
| - Specialised equipment<br>construction contracts |       | <b>678</b>                           | 548            | 621                                      |                        |
| Total contract liabilities                        |       | <u><b>678</b></u>                    | <u>548</u>     | <u>621</u>                               |                        |



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 4. Revenue from contracts with customers (continued)

### (b) Contract assets and liabilities (continued)

Contract assets relate to fixed-price specialised equipment construction contracts. The contract assets balance increased as the Group provided more services and transferred more goods ahead of the agreed payment schedules. SFRS(I) 15  
(118)  
SFRS(I)  
15 (113(b))

Contract liabilities for specialised equipment construction contracts have increased due to the negotiation of higher prepayments and an increase in overall contract activity. SFRS(I) 15  
(118)

### (i) Revenue recognised in relation to contract liabilities

|   | <b>2024</b>   | 2023   |                        |
|---|---------------|--------|------------------------|
|   | <b>\$'000</b> | \$'000 |                        |
| Revenue recognised in current period that was included in the contract liability balance at the beginning of the period |               |        | SFRS(I)<br>15 (116(b)) |
| - Specialised equipment construction contracts  | <b>480</b>    | 420    |                        |
| Revenue recognised in current period from performance obligations satisfied in previous periods                         |               |        | SFRS(I)<br>15 (116(c)) |
| - Consideration from component parts wholesale contracts, not previously recognised due to constraint                   | <b>385</b>    | 150    |                        |

### (ii) Unsatisfied performance obligations

|  | <b>31 December</b> |        |                        |
|--|--------------------|--------|------------------------|
|  | <b>2024</b>        | 2023   |                        |
|  | <b>\$'000</b>      | \$'000 |                        |
| Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at 31 December |                    |        | SFRS(I)<br>15 (120(a)) |
| - Specialised equipment construction contracts   | 9,976              | 8,881  |                        |



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 4. Revenue from contracts with customers (continued)

### (b) Contract assets and liabilities (continued)

Management expects that the transaction price allocated to unsatisfied performance obligations as at 31 December 2024 and 2023 may be recognised as revenue in the next reporting periods as follows:

SFRS(I) 15  
(120(b))  
SFRS(I) 15  
(122)

|  | 2024<br>\$'000 | 2025<br>\$'000 | 2026<br>\$'000 | Total<br>\$'000 |
|--|----------------|----------------|----------------|-----------------|
| Partial and fully unsatisfied performance obligations as at: |                |                |                |                 |
| <b>31 December 2024</b>                                      | -              | <b>4,988</b>   | <b>4,988</b>   | <b>9,976</b>    |
| 31 December 2023   | 5,329          | 3,552          | -              | 8,881           |

The amount disclosed above does not include variable consideration, which is subject to significant risk of reversal<sup>6,8</sup>.

As permitted under the SFRS(I) 15, the aggregated transaction price allocated to unsatisfied contracts of periods one year or less, or are billed based on time incurred, is not disclosed<sup>5</sup>.

SFRS(I)  
15 (121,122)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 4. Revenue from contracts with customers (continued)

### (c) Assets recognised from costs to fulfil contracts<sup>7</sup>

In addition to the contract balances disclosed above, the Group has also recognised an asset in relation to costs to fulfil long-term specialised equipment construction contracts. This is presented within other current assets in the balance sheet.

|  | 31 December |            |                        |
|--|-------------|------------|------------------------|
|  | 2024        | 2023       |                        |
|  | \$'000      | \$'000     |                        |
| Other current assets   |             |            |                        |
| Asset recognised from costs incurred to fulfil a contract as at 31 December    | 376         | 521        | SFRS(I)<br>15 (128(a)) |
| Rights to returned goods   | 111         | 98         | DV                     |
|  | <b>487</b>  | <b>619</b> |                        |
| Amortisation and impairment loss recognised as cost of sales during the period | 145         | 121        | SFRS(I)<br>15 (128(b)) |

Costs to fulfil contracts for the construction of specialised equipment relate to costs incurred in developing an IT platform that is used to fulfil a specialised equipment construction contract. These costs are amortised to profit or loss as cost of sales on a basis consistent with the pattern of recognition of the associated revenue.

SFRS(I)  
15 (127)

Due to an unexpected increase in costs on the contracts by 30% in the financial year ended 31 December 2024, the capitalised IT platform costs is not expected to be completely recovered through contract revenue. Accordingly, an impairment loss of \$70,000 was recognised.

SFRS(I) 1-36  
(126(a))  
SFRS(I)  
15 (128(b))

### (d) Trade receivables from contracts with customers

|   |      | Group            |               |                             | Company          |              |                             |                        |
|---|------|------------------|---------------|-----------------------------|------------------|--------------|-----------------------------|------------------------|
|   | Note | 31 December 2024 | 2023          | 1 January 2023 <sup>9</sup> | 31 December 2024 | 2023         | 1 January 2023 <sup>9</sup> |                        |
|   |      | \$'000           | \$'000        | \$'000                      | \$'000           | \$'000       | \$'000                      |                        |
| Current assets                                  |      |                  |               |                             |                  |              |                             |                        |
| Trade receivables from contracts with customers | 18   | 18,672           | 26,133        | 17,712                      | 6,037            | 6,019        | 7,823                       | SFRS(I) 15<br>(116)(a) |
| Loss allowance                                  | 18   | (894)            | (735)         | (733)                       | (297)            | (266)        | (311)                       |                        |
|   |      | <b>17,778</b>    | <b>25,398</b> | <b>16,979</b>               | <b>5,740</b>     | <b>5,753</b> | <b>7,512</b>                |                        |



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Revenue from contracts with customers

#### Objective

- 1 Users of the financial statements should be given sufficient information to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. To achieve this, entities must provide qualitative and quantitative information about their contracts with customers, significant judgement made in applying SFRS(I) 15 and any assets recognised from the costs to obtain or fulfil a contract with customers.

SFRS(I) 15  
(110)

#### Disaggregation of revenue

- 2 Entities must disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The level of detail in the disclosure will depend on the specific circumstances of each entity. The entity has determined that a disaggregation of revenue using existing segments and the timing of the transfer of goods or services (at a point in time vs over time) is adequate for its circumstances. However, this is a judgement and will not necessarily be appropriate for other entities.
- 3 Other categories that could be used as basis for disaggregation include:
  - (a) type of good or service (e.g. major product lines);
  - (b) geographical regions;
  - (c) market or type of customer;
  - (d) type of contract (e.g. fixed price vs time-and-materials contracts);
  - (e) contract duration (short-term vs long-term contracts); or
  - (f) sales channels (directly to customers vs wholesale).
- 4 When selecting categories for the disaggregation of revenue, entities should also consider how their revenue is presented for other purposes, e.g., in earnings releases, annual reports or investor presentations and what information is regularly reviewed by the chief operating decision makers. Where revenue is disaggregated on a basis other than reportable segments, the entity must disclose sufficient information such that users of their financial statements can understand the relationship between the disaggregated revenue and the revenue information that is disclosed for each reportable segment.

SFRS(I) 15  
(114), (B87-89)

SFRS(I) 15  
(115)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Revenue from contracts with customers (continued)

#### Practical expedients applied in disclosing transaction price allocated to unsatisfied performance obligations

5 SFRS(I) 15 provides a practical expedient for entities not to disclose information about its remaining unsatisfied performance obligations, if either of the following conditions is met:

SFRS(I) 15  
(121)

- (a) The performance obligation is part of a contract that has an original expected duration of one year or less; or
- (b) The entity recognises revenue from the satisfaction of the performance obligation based on its right to invoice (subject to meeting conditions under paragraph B16 of SFRS(I) 15).

6 Entities are required to explain qualitatively whether they are applying the practical expedient in guidance note 5 above, and whether any consideration from contracts with customers is not included in the transaction price, and therefore, not included in the information disclosed about transaction price allocated to unsatisfied performance obligations. In the illustration above, the entity has explained that the transaction price does not include any estimated amounts of variable consideration that are subject to significant risk of reversal.

SFRS(I) 15  
(122)

#### Presentation of capitalised contract costs and rights to returned goods

7 SFRS(I) 15 is silent on the presentation of capitalised contract costs and rights to returned goods. Therefore, the entity needs to develop an appropriate accounting policy and apply it consistently. Where capitalised contract costs or rights to returned goods are material, the entity may present this balance as an additional line item in the statement of financial position, if such presentation is relevant to an understanding of the entity's financial position. In this illustration, capitalised contract costs and rights to returned goods are presented under 'Other current assets'.

SFRS(I) 1-1  
(55)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Revenue from contracts with customers (continued)

#### Constraining estimates of variable consideration

- 8 In assessing whether it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur once the uncertainty related to the variable consideration is subsequently resolved, an entity shall consider both the likelihood and the magnitude of the revenue reversal. Factors that could increase the likelihood or the magnitude of a revenue reversal include, but are not limited to, any of the following:
- The amount of consideration is highly susceptible to factors outside the entity's influence. Those factors may include volatility in a market, the judgement or actions of third parties, weather conditions and a high risk of obsolescence of the promised good or service.
  - The uncertainty about the amount of consideration is not expected to be resolved for a long period of time.
  - The entity's experience (or other evidence) with similar types of contracts is limited, or that experience (or other evidence) has limited predictive value.
  - The entity has a practice of either offering a broad range of price concessions or changing the payment terms and conditions of similar contracts in similar circumstances.
  - The contract has a large number and broad range of possible consideration amounts.
- 9 Entities are required to disclose the opening and closing balances of receivables, contract assets and contract liabilities from contracts with customers, if not otherwise separately presented or disclosed. Therefore, the balances as at 1 January 2023, being the opening balances of the comparative period, are presented.

SFRS(I) 15  
(57)

SFRS(I) 15  
(116)(a)

#### Rising inflation

- 10 This area could be impacted by rising inflation rates and other global economic uncertainties. For considerations and disclosure relating to rising inflation, please refer to [Note 2 - Basis of preparation, Guidance Note 5](#).



**Notes to the Financial Statements**

For the financial year ended 31 December 2024

**5. Expenses by nature<sup>1-3</sup>**

|   | <u>Group</u>   |         |  |
|---|----------------|---------|--|
|   | 2024           | 2023    |  |
|   | \$'000         | \$'000  |  |
| Purchases of inventories and construction materials                               | <b>69,832</b>  | 57,711  |  |
| Auditors' remuneration paid/payable to <sup>4</sup>                               |                |         | SGX 1207                                     |
| Auditor of the Company  | <b>910</b>     | 810     | 6(a),<br>ACRA Code<br>R410.31(a)             |
| Other fees paid/payable to <sup>4</sup>   |                |         | SGX 1207<br>6(a),<br>ACRA Code<br>R410.31(b) |
| Auditor of the Company  | <b>50</b>      | 45      |  |
| Other auditors  | <b>10</b>      | 8       |  |
| Amortisation of intangible assets (Note 29(d))                                    | <b>1,443</b>   | 954     | SFRS(I) 1-38<br>(118(d))                     |
| Depreciation of property, plant and equipment (Note 26)                           | <b>21,153</b>  | 12,750  | SFRS(I) 1-16<br>(73)(e)(vii)                 |
| Impairment loss on goodwill (Note 29(a))  | <b>500</b>     | 1,081   | SFRS(I) 1-36<br>(126(a))                     |
| Employee compensation (Note 6)  | <b>44,827</b>  | 42,903  | SFRS(I) 1-1<br>(104)                         |
| Sub-contractor charges  | <b>13,238</b>  | 12,610  |  |
| Advertising expense   | <b>11,938</b>  | 9,304   |  |
| Rental expense (Note 27(d))   | <b>5,586</b>   | 5,690   |  |
| Research expense  | <b>785</b>     | 645     | SFRS(I) 1-38<br>(126)                        |
| Transportation expense  | <b>5,245</b>   | 4,713   |  |
| Reversal of inventory write-down (Note 19)  | <b>(380)</b>   | -       | SFRS(I) 1-2<br>(36(f))                       |
| Other expenses  | <b>3,201</b>   | 1,292   |  |
| Changes in inventories  | <b>3,466</b>   | (3,234) |  |
| Total cost of sales, distribution and marketing costs and administrative expenses | <b>180,834</b> | 146,419 |  |



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Expenses by nature

- 1 This disclosure is required only for entities that present their expenses by function on the face of the statement of comprehensive income. This publication illustrates a reconciliation of significant/material expenses to the total expenses by function (excluding finance expenses). This presentation, while not required, is encouraged as it ensures that all significant/material expenses are disclosed. As an alternative, the reporting entity can present only selected significant/material expenses in this note.
- 2 Where items of income and expense are material, the nature and amount of such items shall be disclosed separately, either in the statement of comprehensive income, the statement of profit or loss where applicable, or in the notes. Please refer to paragraph 98 of SFRS(I) 1-1 for items that would require separate disclosure.
- 3 The classification of expenses may vary with the type of expense. For example, where expenses are classified by nature, wages and salaries paid to employees involved in research and development (R&D) activities may be classified as employee benefits expense, while amounts paid to external organisations for R&D may be classified as external R&D expense. However, where expenses are classified by function, both the wages and salaries and external payments should be classified as R&D expense.

SFRS(I) 1-1  
(104)

SFRS(I) 1-1  
(97, 98)

### Auditors' fees

- 4 Where the entity is listed on the SGX, disclosure must be made on the aggregate of the fees paid to the auditors broken down into audit and non-audit services. If there are no audit or non-audit fees paid, an appropriate negative statement shall be made.

SGX 1207  
(6(a))

There may also be fees paid to the auditor of the company which are not included in determining the Group/Company's profit from operations, for example, those fees that are capitalised or charged immediately to equity. It is appropriate to include such fees for this disclosure.

The disclosure note also considers ACRA Code paragraph R410.31 which requires the auditor of a public interest entity to publicly disclose fees paid or payable to the audit firm and its network firms for the audit of the financial statements, and other fees charged by the audit firm and its network firms for the provision of services other than audit of financial statement.

ACRA Code  
R410.31





# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 6. Employee compensation

|  | 2024          | <u>Group</u> | 2023          |
|--|---------------|--------------|---------------|
|  | \$'000        |              | \$'000        |
| Wages and salaries   | 32,937        |              | 31,471        |
| Employer's contribution to defined contribution plans <sup>1</sup> | 10,890        |              | 10,417        |
| Termination benefits   | 350           |              | 200           |
| Other long-term benefits   | 298           |              | 100           |
| Share option expense (Note 37(b)(i))                               | 672           |              | 715           |
|  | <b>45,147</b> |              | <b>42,903</b> |
| Less: Amounts attributable to discontinued operations              | <b>(320)</b>  |              | -             |
| Amounts attributable to continuing operations (Note 5)             | <b>44,827</b> |              | <b>42,903</b> |

SFRS(I) 1-19 (53)

SFRS(I) 1-19 (171), DV

SFRS(I) 2 (50,51(a))

### Guidance notes

#### Employee compensation

- 1 For Singapore entities, defined contribution plans include contributions to the Central Provident Fund. A number of countries in the region (e.g. Korea, Taiwan, Thailand, Vietnam, Indonesia, India, Sri Lanka, Pakistan and Bangladesh) have local legislation that requires companies to contribute to defined benefit plans. Accounting for such plans is complicated and the disclosures are extensive. Please refer to Appendix 1 Example 3 for an illustrated disclosure.



**Notes to the Financial Statements**

For the financial year ended 31 December 2024

**7. Other income<sup>1</sup>**

|  | Group          |                | SFRS(I) 1-1<br>(97), (98)    |
|--|----------------|----------------|------------------------------|
|  | 2024<br>\$'000 | 2023<br>\$'000 |                              |
| Interest income <sup>2</sup>                               |                |                |                              |
| - Financial assets measured at amortised cost <sup>3</sup> |                |                | SFRS(I) 7<br>(20(b))         |
| - Investments  | 197            | 126            |                              |
| - Trade receivables  | 150            | 120            |                              |
| - Bank deposits  | 1,730          | 1,339          |                              |
| - Loans to an associate                                    | 30             | 30             | SFRS(I) 1-24<br>(18)         |
| - Net investment in sub-lease (Note 28)                    | 582            | 324            | SFRS(I) 16<br>(90(a)(ii))    |
| - Debt investments measured at FVOCI <sup>3</sup>          | 250            | 205            | SFRS(I) 7<br>(20(b))         |
|  | <b>2,939</b>   | <b>2,144</b>   |                              |
| Dividend income <sup>2</sup>                               | 2,694          | 1,547          |                              |
| Government grant income                                    | 800            | 1,200          |                              |
| Income from sub-leases (Note 28)                           | 506            | 355            |                              |
| Rental income from investment properties (Note 25)         | 645            | 521            | SFRS(I) 1-40<br>(75(f), (i)) |
|  | <b>4,645</b>   | <b>3,623</b>   |                              |
| Total  | <b>7,584</b>   | <b>5,767</b>   |                              |

The Group's dividend income includes dividends recognised from investments in equity instruments designated at FVOCI of \$520,000 (2023: \$1,402,000). No dividend was recognised for investments in equity instruments designated at FVOCI derecognised during the financial year.

SFRS(I) 7  
(11A(d))

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Other income

- 1 Where "Other income" is immaterial, a reporting entity may combine it with "Other gain and losses" (Please refer to Note 8 to the financial statements).

### Net presentation of interest income, expense and dividend income on financial assets at FVPL

- 2 This publication illustrates the disclosure where the entity has elected to present interest income on financial assets, at FVPL, as part of the net fair value gains or losses (Note 8).

As an alternative, an entity may present interest income, interest expense and dividend income arising from financial instruments, at FVPL, separately. When this option is adopted, interest income and expense shall be computed using the effective interest method.

This choice is not applicable to financial assets measured at FVOCI. Interest calculated using the effective interest method and dividends are recognised in profit or loss, separately from the fair value gains or losses which are recognised in other comprehensive income.

SFRS(I) 9  
(5.7.1)  
SFRS(I) 7  
(20(a))

SFRS(I) 9  
(5.7.10)

### Separate disclosure of interest revenue for financial assets at amortised cost / FVOCI

- 3 Entities must disclose the total interest revenue (calculated using the effective interest rate method) for financial assets that are measured at amortised cost and debt instruments that are measured at FVOCI separately.

SFRS(I) 7  
(20(b))



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 8. Other gains and losses – Others<sup>4</sup>

|  | Group          |                | SFRS(I) 1-1<br>(97), (98) |
|--|----------------|----------------|---------------------------|
|  | 2024<br>\$'000 | 2023<br>\$'000 |                           |
| Fair value (losses)/gains <sup>1</sup>   |                |                |                           |
| - Financial assets and liabilities, mandatorily measured at FVPL               |                |                | SFRS(I) 7<br>(20(a)(i))   |
| - Derivative financial instruments   | (1,641)        | (1,020)        |                           |
| - Financial assets, at FVPL (Note 14)  | 750            | 515            |                           |
| - Contingent consideration (Note 42(e))  | (150)          | -              |                           |
|  | <u>(1,041)</u> | <u>(505)</u>   |                           |
| Ineffectiveness on fair value hedges (Note 15) <sup>2</sup>                    | 1              | (1)            |                           |
| Ineffectiveness on cash flow hedges (Note 15) <sup>2</sup>                     | 1              | (5)            |                           |
| Currency exchange gains – net <sup>3</sup>                                     | 610            | 307            | SFRS(I) 1-21<br>(52(a))   |
| Gain on disposal of property, plant and equipment<br>Financial asset, at FVOCI | 170            | -              |                           |
| - Reclassification from OCI on disposal (Note 37(b)(iii))                      | 175            | -              |                           |
| Net fair value (losses)/gains on investment properties<br>(Note 25)            | <u>(1,906)</u> | <u>174</u>     | SFRS(I) 1-40<br>(76(d))   |
| Total  | <u>(1,990)</u> | <u>(30)</u>    |                           |



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Other gains and losses – Others

#### Income, expense, gains or losses

- 1 SFRS(I) 7 requires separate disclosure of net gains/losses, income and expense either in the statement of comprehensive income or in the notes for:
- (i) financial assets or financial liabilities measured at FVPL, showing separately those on financial assets or financial liabilities designated as such upon initial recognition or subsequently in accordance with paragraph 6.7.1 of SFRS(I) 9, and those on financial assets or financial liabilities that are mandatorily measured at FVPL in accordance with SFRS(I) 9 (e.g. financial liabilities that meet the definition of held for trading in SFRS(I) 9). For financial liabilities designated as at FVPL, an entity shall show separately the amount of gain or loss recognised in other comprehensive income and the amount recognised in profit or loss;
  - (ii) financial liabilities measured at amortised cost;
  - (iii) financial assets measured at amortised cost;
  - (iv) investments in equity instruments designated at FVOCI in accordance with paragraph 5.7.5 of SFRS(I) 9; and
  - (v) financial assets measured at FVOCI in accordance with paragraph 4.1.2A of SFRS(I) 9, showing separately the amount of gain or loss recognised in other comprehensive income during the period and the amount reclassified upon derecognition from accumulated other comprehensive income to profit or loss for the period.

SFRS(I) 7  
(20(a))

#### Ineffectiveness on hedges

- 2 The ineffectiveness on cash flow hedges should be classified consistently with the results of the trading derivative. There is limited guidance on where such derivative gains and losses should be presented on the income statement. Such gains and losses are usually most appropriately shown within 'other operating gains and losses', or 'other operating income and expense', or as a separate line item, if the amount is significant. However, it may be appropriate to classify fair value changes in other financial statement line items after considering the nature and purpose of the derivative and the entity's risk management policy. The manner of presentation policy should be applied consistently from period to period.



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Other gains and losses – Others (continued)

#### Currency exchange differences

- 3 An entity usually classifies foreign exchange gains and losses that relate to borrowings and cash and cash balances as part of 'finance income/cost'. Other foreign exchange gains and losses are usually classified as 'other operating gains/losses', 'other operating income and expense' or similar line items.

An entity may also present all foreign exchange gains and losses either in 'other operating gains/losses' (or similar line items) or in 'finance income/cost'. The entity needs to develop an appropriate accounting policy and apply it consistently.

#### Offsetting of income and expenses

- 4 Consider the size, nature, incidence of the items aggregated and presented net in the Statement of Comprehensive Income and if they are permitted to be offset. Offsetting is generally prohibited because it detracts from giving users a full and proper understanding of the transactions, and of other events and conditions that have occurred and assess the entity's future cash flows.

SFRS(I) 1-1  
(32), (33)

- 5 Gains and losses arising from groups of similar transactions, for example, foreign exchange gains and losses or gains and losses arising on financial instruments held for trading are reported on a net basis. However, such gains and losses are presented separately if they are material.

SFRS(I) 1-1  
(35)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 9. Finance expenses

|   | Group         |         |                           |
|---|---------------|---------|---------------------------|
|   | 2024          | 2023    |                           |
|   | \$'000        | \$'000  |                           |
| Interest expense  |               |         | SFRS(I) 7<br>(20(b))      |
| - Bank borrowings   | 3,704         | 4,509   |                           |
| - Convertible bonds (Note 32)   | 3,085         | 2,732   |                           |
| - Dividends on redeemable preference shares                                       | 1,950         | 1,950   |                           |
| - Lease liabilities   | 1,928         | 2,101   |                           |
| Loss on modification of borrowings  | 150           | -       |                           |
|   | <b>10,817</b> | 11,292  |                           |
| Unwinding of discount on provision for legal claims (Note 34(c))                  | 75            | 70      | SFRS(I) 1-37<br>(84(e))   |
| Cash flow hedges, reclassified from hedging reserve (Note 37(b)(iv))              | 753           | 643     | SFRS(I) 7<br>(24C(b)(iv)) |
| Currency exchange gains – net   | (1,785)       | (4,650) | SFRS(I) 1-21<br>(52(a))   |
|   | <b>9,860</b>  | 7,355   |                           |
| Less: Amount capitalised in investment property and property, plant and equipment | (121)         | (142)   | SFRS(I) 1-23<br>(26(a))   |
| Amount recognised in profit or loss   | <b>9,739</b>  | 7,213   |                           |

Finance expenses on general financing were capitalised at a rate of 5.8% per annum (2023: 5.6% per annum).

SFRS(I) 1-23  
(26(b))

During the financial year ended 31 December 2024, the Group renegotiated its existing loan facilities to refinance the construction of its investment properties. The refinancing resulted in the recognition of a modification loss of \$150,000 in profit or loss.



**Notes to the Financial Statements**

For the financial year ended 31 December 2024

**10. Income taxes**

## (a) Income tax expense

|   | <u>Group</u>  |        |                      |
|---|---------------|--------|----------------------|
|   | 2024          | 2023   |                      |
|   | \$'000        | \$'000 |                      |
| Tax expense attributable to profit is made up of: |               |        | SFRS(I) 1-12 (79)    |
| - Profit for the financial year:                  |               |        |                      |
| From continuing operations                        |               |        |                      |
| Current income tax                                |               |        |                      |
| - Singapore                                       | 9,942         | 9,714  |                      |
| - Foreign   | 4,986         | 4,473  |                      |
|   | <b>14,928</b> | 14,187 | SFRS(I) 1-12 (80(a)) |
| Deferred income tax (Note 35)                     | 965           | 360    | SFRS(I) 1-12 (80(c)) |
|   | <b>15,893</b> | 14,547 |                      |
| From discontinued operations                      |               |        |                      |
| Current income tax                                |               |        |                      |
| - Foreign (Note 11(a))                            | 78            | 250    | SFRS(I) 1-12 (81(h)) |
|   | <b>15,971</b> | 14,797 |                      |
| - Under-provision in prior financial years:       |               |        |                      |
| From continuing operations                        |               |        |                      |
| Current income tax                                | -             | 20     | SFRS(I) 1-12 (80(b)) |
|   | <b>15,971</b> | 14,817 |                      |
| Tax expense is attributable to:                   |               |        |                      |
| - continuing operations                           | 15,893        | 14,567 |                      |
| - discontinued operations (Note 11(a))            | 78            | 250    |                      |
|   | <b>15,971</b> | 14,817 |                      |





# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 10. Income taxes (continued)

### (a) Income tax expense (continued)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows: SFRS(I) 1-12  
(81(c))

|   | <u>Group</u>   |                |                         |
|---|----------------|----------------|-------------------------|
|   | 2024<br>\$'000 | 2023<br>\$'000 |                         |
| Profit before tax from  |                |                |                         |
| - continuing operations   | 60,578         | 51,077         |                         |
| - discontinued operations (Note 11(a))                                | 500            | 1,560          |                         |
|   | <b>61,078</b>  | 52,637         |                         |
| Share of profit of associates and joint venture, net of tax           | (761)          | (340)          |                         |
| Profit before tax and share of profit of associates and joint venture | <b>60,317</b>  | 52,297         |                         |
| Tax calculated using tax rate of 17% (2023: 17%) <sup>1,2</sup>       | 10,254         | 8,890          | SFRS(I) 1-12<br>(85)    |
| Effects of:   |                |                |                         |
| - different tax rates in other countries                              | 4,669          | 5,012          | SFRS(I) 1-12<br>(85)    |
| - tax incentives  | (80)           | -              |                         |
| - expenses not deductible for tax purposes                            | 2,987          | 2,485          |                         |
| - income not subject to tax   | (1,834)        | (1,560)        |                         |
| - utilisation of previously unrecognised:                             |                |                |                         |
| - capital allowances  | -              | (30)           | SFRS(I) 1-12<br>(80(f)) |
| - tax losses  | (25)           | -              | SFRS(I) 1-12<br>(80(e)) |
| - under-provision of tax in prior financial years                     | -              | 20             | SFRS(I) 1-12<br>(80(b)) |
| Tax charge  | <b>15,971</b>  | 14,817         |                         |

### (b) Movement in current income tax liabilities

|  | <u>Group</u>   |                | <u>Company</u> |                |    |
|--|----------------|----------------|----------------|----------------|----|
|  | 2024<br>\$'000 | 2023<br>\$'000 | 2024<br>\$'000 | 2023<br>\$'000 |    |
| Beginning of financial year              | 1,700          | 2,942          | 261            | 235            | DV |
| Currency translation differences         | 392            | 360            | -              | -              |    |
| Acquisition of a subsidiary (Note 46(c)) | 310            | -              | -              | -              |    |
| Income tax paid                          | (16,608)       | (16,059)       | (328)          | (289)          |    |
| Tax expense                              | 15,006         | 14,437         | 397            | 315            |    |
| Under-provision in prior financial years | -              | 20             | -              | -              |    |
| End of financial year                    | <b>800</b>     | 1,700          | <b>330</b>     | 261            |    |



## Notes to the Financial Statements

For the financial year ended 31 December 2024

### 10. Income taxes (continued)

Included in the Company's current tax liabilities is consideration of \$117,520 (2023: \$128,500) that will be payable to a subsidiary when that subsidiary's tax losses are being utilised by the Company under the group relief tax system.

DV

(c) The tax credit/(charge) relating to each component of other comprehensive income is as follows:

| Group  | 2024                    |                         |                        | 2023                    |                                      |                        | SFRS(I) 1-12<br>(81(ab))<br>SFRS(I) 1-1<br>(90) |
|--|-------------------------|-------------------------|------------------------|-------------------------|--------------------------------------|------------------------|---|
|  | Before<br>Tax<br>\$'000 | Tax<br>charge<br>\$'000 | After<br>tax<br>\$'000 | Before<br>Tax<br>\$'000 | Tax<br>credit/<br>(charge)<br>\$'000 | After<br>tax<br>\$'000 |   |
| Fair value gains/(losses) and reclassification on financial assets, at FVOCI | 1,580                   | (269)                   | 1,311                  | (1,451)                 | 261                                  | (1,190)                | SFRS(I) 1-1<br>(90)                             |
| Fair value gains and reclassification adjustments on cash flow hedges        | 961                     | (163)                   | 798                    | 33                      | (10)                                 | 23                     | SFRS(I) 1-1<br>(90)                             |
| Currency translation differences arising from consolidation                  | 851                     | -                       | 851                    | 1,027                   | -                                    | 1,027                  | SFRS(I) 1-1<br>(90)                             |
| Revaluation gains on property, plant and equipment                           | 650                     | (110)                   | 540                    | 539                     | (82)                                 | 457                    | SFRS(I) 1-1<br>(90)                             |
| Share of other comprehensive income of associates                            | 68                      | -                       | 68                     | 35                      | -                                    | 35                     | SFRS(I) 1-1<br>(90)                             |
| Other comprehensive income   | 4,110                   | (542)                   | 3,568                  | 183                     | 169                                  | 352                    |   |



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 10. Income taxes (continued)

(d) Income tax recognised directly in equity is as follows:

|   | <u>Group</u>   |                | SFRS(I) 1-12<br>(81(a)) |
|---|----------------|----------------|-------------------------|
|   | 2024<br>\$'000 | 2023<br>\$'000 |                         |
| Excess tax on employee share option scheme (Note 37(b)(ii)) | <u>42</u>      | <u>85</u>      |                         |
|   | <u>42</u>      | <u>85</u>      |                         |

(e) OECD Pillar Two model rules <sup>3,4,5</sup>

The Group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in Singapore, the jurisdiction in which PwC Holdings Ltd is incorporated, and will come into effect from 1 January 2025. Since Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure. The group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

SFRS(I) 1-12  
(88A)

Under the legislation, the Group is liable to pay a top-up tax for the difference between the GloBE effective tax rate for each jurisdiction and the 15% minimum rate. The Group has effective tax rates that exceed 15% in all jurisdictions in which it operates, except for jurisdiction A where one of its subsidiaries operates.

SFRS(I) 1-12  
(88C)

For 2024, the average effective tax rate (calculated in accordance with paragraph 86 of SFRS(I) 1-12) of the entity operating in jurisdiction A is:

SFRS(I) 1-12  
(88C)

|   | Group entity<br>operating in<br>jurisdiction A<br>\$'000 |
|---|--|
| Tax expense for the year ended 31 December 2024       | 250  |
| Accounting profit for the year ended 31 December 2024 | 3,000  |
| Average effective tax rate                            | 8.3%   |



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 10. Income taxes (continued)

### (e) OECD Pillar Two model rules (continued)

The Group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect. This assessment, as shown in the table above, indicates that, for the subsidiary operating in jurisdiction A, the average effective tax rate based on accounting profit is 8.3% for the annual reporting period ending 31 December 2024. However, although the average effective tax rate is below 15%, the Group's exposure to paying Pillar Two income taxes might not be for the full difference in tax rates in relation to jurisdiction A. This is due to the impact of specific adjustments envisaged in the Pillar Two legislation which give rise to different effective tax rates compared to those calculated in accordance with SFRS(I) 1-12.

SFRS(I) 1-12  
(88C)

Based on management's assessment, the application of Pillar Two legislation is expected to increase the group's annual effective tax rate by 0.5 to 1.0 percentage points, once effective in 2025.<sup>6</sup>

SFRS(I) 1-12  
(88D)

In addition, based on the current assessment, there is no material impact from exposure to Pillar Two legislation on the going concern of the Group and the Company, or on any asset impairment.

SFRS(I) 1-1  
(26)

### Guidance notes

#### Applicable tax rate(s)

- 1 In explaining the relationship between tax expense (or income) and accounting profit, an entity shall use an applicable tax rate that provides the most meaningful information to the users of its financial statements. This publication illustrates the disclosure where the corporate tax rate in the country in which the company is domiciled (Singapore) is the most meaningful tax rate.

SFRS(I) 1-12  
(85)

Another entity operating in several jurisdictions may find it more meaningful to aggregate separate reconciliations prepared using the domestic rates in those jurisdictions. When that approach is used, the line item "effect of different tax rates in other countries" will no longer be relevant.

- 2 In the event that changes to tax laws relating to new tax incentives are not finalised by the reporting date and the effect is expected to be material, the following disclosure can be considered:

SFRS(I) 1-12  
(81)(d)

"The tax liabilities of the Group and the Company have been computed based on the corporate tax rate and tax laws prevailing at balance sheet date. On [date of budget announcement], the Singapore Government announced changes to the Singapore tax laws, which included new incentives that might be available to certain group entities with effect from the year of assessment 2024. The tax expense of the Group and the Company for the financial year ended [31 December 2024] have not taken into consideration the effect of these incentives as the final detailed interpretation of the incentives had not been released by the tax authority as of the date of authorisation of these financial statements."



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### OECD Pillar Two model rules

- 3 In December 2021, the Organisation for Economic Co-operation and Development ('OECD') published Tax Challenges Arising from the Digitalisation of the Economy – Global Anti-Base Erosion Model Rules (Pillar Two): Inclusive Framework on BEPS, hereafter referred to as the 'OECD Pillar Two model rules' or 'the rules'. The rules are designed to ensure that large multinational enterprises within the scope of the rules pay a minimum level of tax on the income arising in a specific period in each jurisdiction where they operate. In general, the rules apply a system of top-up taxes that brings the total taxes paid on an entity's excess profit in a jurisdiction up to the minimum rate of 15%.

The rules need to be passed into national legislation based on each country's approach. Based on the OECD's recommendation, a number of territories have already enacted the legislation and we expect that further territories will follow. For further information, please refer to our [Pillar Two Country tracker](#). The rules will impact current income tax when the legislation comes into effect.

- 4 The OECD Pillar Two model rules apply to multinational enterprises that have consolidated revenues (which, as defined by the OECD, include any form of income and are therefore not limited to revenue recognised in accordance with SFRS(I)1-15) of €750m in at least two out of the last four years. For illustrative purposes we have assumed that:
- PwC Holdings Ltd is within the scope of the OECD Pillar Two model rules
  - Pillar Two legislation has been enacted in Singapore, PwC Holdings Ltd's jurisdiction
  - the legislation is not yet effective, and
  - the entity expects to be materially affected by those rules.
- 5 The illustrative disclosures in note 10(e) are based on the amendments to SFRS(I) 1-12 that were made in May 2023. The amendments introduce the disclosures requirements relating to the known or reasonably estimable exposure to Pillar Two income taxes, which are required for annual reporting periods beginning on or after 1 January 2023. The amendments also introduce an exception to the requirements in the SFRS(I) 1-12 where an entity shall neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The amendments related to deferred tax are required to be applied immediately and retrospectively in accordance with SFRS(I) 1-8 *Accounting Policies, Changes in Accounting Estimates and Errors*, including the requirement to disclose the fact that the exception has been applied. For more details, see our In brief INT2023-10 [Global implementation of Pillar Two: Impact on deferred taxes and financial statement disclosures](#).

SFRS(I) 1-12  
(98M)

Notes



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### OECD Pillar Two model rules (continued)

- 6 An entity shall disclose qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period. This information does not have to reflect all the specific requirements of the Pillar Two legislation and can be provided in the form of an indicative range. To the extent information is not known or reasonably estimable, an entity shall instead disclose a statement to that effect and disclose information about the entity's progress in assessing its exposure. Examples of information an entity could disclose include:
- (a) qualitative information such as information about how an entity is affected by Pillar Two legislation and the main jurisdictions in which exposures to Pillar Two income taxes might exist; and
  - (b) qualitative information such as:
    - (i) an indication of the proportion of an entity's profits that might be subject to Pillar Two income taxes and the average effective tax rate applicable to those profits; or
    - (ii) an indication of how the entity's average effective tax rate would have changed if Pillar Two legislation had been in effect.

SFRS(I) 1-12  
(88D)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 11. Discontinued operations and disposal group classified as held for sale

On 31 May 2024, the Group's management and shareholders approved the sale of its 85%-owned subsidiary, PwC Components (Thailand) Co Ltd, in Thailand. The entire assets and liabilities related to PwC Components (Thailand) Co Ltd was presented as a disposal group classified as held-for-sale as at 31 December 2024, and the entire results from PwC Components (Thailand) Co Ltd was presented separately on the statement of comprehensive income as "Discontinued operations" for the financial year ended 31 December 2024. The disposal group was previously presented under the "component parts" reportable segment of the Group (Note 45). The disposal was completed on 15 January 2025.

SFRS(I) 5 (41)

SFRS(I) 5  
(41(d))

- (a) The results of the discontinued operations and the re-measurement of the disposal group are as follows<sup>2</sup>:

SFRS(I) 5  
(33(b))

|   | <u>Group</u>      |                     |                           |
|---|-------------------|---------------------|---------------------------|
|   | 2024              | 2023                |                           |
|   | \$'000            | \$'000              |                           |
| Revenue   | 1,830             | 4,560               | SFRS(I) 5<br>(33(b)(i))   |
| Expenses  | <u>(1,250)</u>    | <u>(3,000)</u>      | SFRS(I) 5<br>(33(b)(i))   |
| Profit before tax from discontinued operations  | 580               | 1,560               | SFRS(I) 5<br>(33(b)(i))   |
| Tax (Note 10(a))  | <u>(92)</u>       | <u>(250)</u>        | SFRS(I) 5<br>(33(b)(ii))  |
| <b>Profit after tax from discontinued operations</b>  | <b><u>488</u></b> | <b><u>1,310</u></b> | SFRS(I) 5<br>(33(a)(i))   |
| Pre-tax loss recognised on the re-measurement of disposal group to fair value less costs to sell  | (80)              | -                   | SFRS(I) 5<br>(33(b)(iii)) |
| Tax (Note 10(a))  | <u>14</u>         | -                   | SFRS(I) 5<br>(33(b)(iv))  |
| Post-tax loss recognised on the re-measurement of disposal group to fair value less costs to sell | <u>(66)</u>       | -                   | SFRS(I) 5<br>(33(a)(ii))  |
| <b>Profit for the year from discontinued operations</b>   | <b><u>422</u></b> | <b><u>1,310</u></b> |                           |



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 11. Discontinued operations and disposal group classified as held for sale (continued)

- (b) The impact of the discontinued operations on the cash flows of the Group was as follows: SFRS(I) 5  
(33(c))

|                                      | <u>Group</u>  |            |
|--------------------------------------|---------------|------------|
|                                      | <b>2024</b>   | 2023       |
|                                      | <b>\$'000</b> | \$'000     |
| Operating cash inflows               | <b>420</b>    | 956        |
| Investing cash outflows              | <b>(198)</b>  | (269)      |
| Financing cash outflows              | <b>(265)</b>  | (410)      |
| <b>Total cash (outflows)/inflows</b> | <b>(43)</b>   | <b>277</b> |

- (c) Details of the assets of disposal group classified as held-for-sale were as follows: SFRS(I) 5 (38)
- |   | <u>Group</u>            |  |
|---|-------------------------|--|
|   | <b>As at</b>            |  |
|   | <b>31 December 2024</b> |  |
|   | <b>\$'000</b>           |  |
| Property, plant and equipment (Note 26) | <b>1,430</b>            |  |
| Trademark and licences (Note 29(b))     | <b>104</b>              |  |
| Inventory                               | <b>1,284</b>            |  |
|   | <b>2,818</b>            |  |

- (d) Details of the liabilities directly associated with disposal group classified as held-for-sale were as follows: SFRS(I) 5 (38)
- |                           |            |
|---------------------------|------------|
| Trade and other payables  | <b>169</b> |
| Other current liabilities | <b>46</b>  |
| Provisions (Note 34(a))   | <b>72</b>  |
|                           | <b>287</b> |





# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 11. Discontinued operations and disposal group classified as held for sale (continued)

|  | <u>Group</u><br>As at<br>31 December 2024<br>\$'000   |                |
|--|---|----------------|
| (e) Cumulative income recognised in other comprehensive income relating to disposal group classified as held-for-sale were as follows: |   |                |
| Currency translation differences   | 180   | SFRS(I) 5 (38) |
|  | <u>Company</u><br>As at<br>31 December 2024<br>\$'000 |                |
| (f) Details of assets in non-current asset classified as held-for-sale were as follows:  |   |                |
| Investment in subsidiary (Note 24)   | 1,500   | SFRS(I) 5 (38) |

In accordance with SFRS(I) 5, the assets of disposal group classified as held-for-sale and liabilities directly associated with disposal group classified as held-for-sale were written down to their fair value less costs to sell of \$2,531,000. This is a non-recurring fair value measurement, which was derived using observable inputs, being the prices for recent sales of similar businesses, and is therefore within level 2 of the fair value hierarchy. The fair value was calculated based on the ratio of transaction price to annual revenue for the similar businesses and applying the average to PwC Components (Thailand) Co Ltd.

SFRS(I)  
13 (93(d))

### Guidance notes

#### Discontinued operations and disposal group classified as held-for-sale

- An entity shall re-present the statement of comprehensive income and statement of cash flows for the discontinued operations for prior periods. In contrast, the balance sheet information for the prior year is not re-presented.

SFRS(I) 5 (34)

SFRS(I) 1-1  
(38)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Discontinued operations and disposal group classified as held-for-sale (continued)

#### Results of the discontinued operations and the re-measurement of the disposal group

- 2 The analysis of the results of the discontinued operations and the gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal groups constituting the discontinued operations shall be disclosed either in the notes or in the statement of comprehensive income. This publication illustrates the disclosure when the entity elects to disclose in the notes to the financial statements.

SFRS(I) 5  
(33)(b)

If the entity elects to present the analysis of the results of the discontinued operations in the statement of comprehensive income, the analysis should be presented in a section identified as relating to discontinued operations. The analysis is not required for disposal groups that are newly acquired subsidiaries that meet the criteria to be classified as held for sale on acquisition (see SFRS(I) 5(11)).

SFRS(I) 5 (39)

#### Other disclosure requirements

- 3 Disclosures required by other standards do not apply to each of the non-current assets classified as held-for-sale or included in a disposal group except for those assets that are outside the scope of SFRS(I) 5 measurement requirements, which include:

SFRS(I) 5 (5),  
(5B)

- (i) deferred tax assets (SFRS(I) 1-12 Income Taxes).
- (ii) assets arising from employee benefits (SFRS(I) 1-19 Employee Benefits).
- (iii) financial assets within the scope of SFRS(I) 9 Financial Instruments
- (iv) non-current assets that are accounted for in accordance with the fair value model in SFRS(I) 1-40 Investment Property.
- (v) non-current assets that are measured at fair value less costs to sell in accordance with SFRS(I) 1-41 Agriculture.
- (vi) group of contracts within the scope of SFRS(I) 17 Insurance Contracts.

For example, disclosure requirements in SFRS(I) 13 are required for financial assets within the scope of SFRS(I) 9 and investment properties accounted for at fair value, even if they are classified as held-for-sale.

#### Rising inflation

- 4 This area could be impacted by rising inflation rates and other global economic uncertainties. For considerations and disclosure relating to rising inflation, please refer to [Note 2 - Basis of preparation, Guidance Note 5](#).



## Notes to the Financial Statements

For the financial year ended 31 December 2024

### 12. Earnings per share

#### (a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

|  | Continuing operations |        | Discontinued operations |        | Total         |        | SFRS(I) 1-33 (68)    |
|--|-----------------------|--------|-------------------------|--------|---------------|--------|----------------------|
|  | 2024                  | 2023   | 2024                    | 2023   | 2024          | 2023   |                      |
| Net profit attributable to equity holders of the Company (\$'000)                          | <b>41,124</b>         | 33,302 | 359                     | 1,114  | <b>41,483</b> | 34,416 | SFRS(I) 1-33 (70(a)) |
| Weighted average number of ordinary shares outstanding for basic earnings per share ('000) | <b>26,900</b>         | 24,050 | 26,900                  | 24,050 | <b>26,900</b> | 24,050 | SFRS(I) 1-33 (70(b)) |
| Basic earnings per share (\$ per share)  | <b>1.53</b>           | 1.38   | 0.01                    | 0.05   | <b>1.54</b>   | 1.43   |                      |

#### (b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: convertible bonds and share options.

SFRS(I) 1-33 (33, 36)

Convertible bonds are assumed to have been converted into ordinary shares at issuance and the net profit is adjusted to eliminate the interest expense less the tax effect.

For share options, the weighted average number of shares on issue has been adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net profit.



## Notes to the Financial Statements

For the financial year ended 31 December 2024

### 12. Earnings per share (continued)

#### (b) Diluted earnings per share (continued)

Diluted earnings per share for continuing operations and discontinued operations attributable to equity holders of the Company is calculated as follows:

|  | Continuing operations |        | Discontinued operations |        | Total         |        |                      |
|--|-----------------------|--------|-------------------------|--------|---------------|--------|----------------------|
|  | 2024                  | 2023   | 2024                    | 2023   | 2024          | 2023   |                      |
| Net profit attributable to equity holders of the Company (\$'000)                          | <b>41,124</b>         | 33,302 | <b>359</b>              | 1,114  | <b>41,483</b> | 34,416 | SFRS(I) 1-33 (70(a)) |
| Add back:  |                       |        |                         |        |               |        |                      |
| Interest expense on convertible bonds, net of tax (\$'000)                                 | <b>2,760</b>          | 2,432  | -                       | -      | <b>2,760</b>  | 2,432  |                      |
| Net profit used to determine diluted earnings per share (\$'000)                           | <b>43,884</b>         | 35,734 | <b>359</b>              | 1,114  | <b>44,243</b> | 36,848 | SFRS(I) 1-33 (70(a)) |
| Weighted average number of ordinary shares outstanding for basic earnings per share ('000) | <b>26,900</b>         | 24,050 | <b>26,900</b>           | 24,050 | <b>26,900</b> | 24,050 | SFRS(I) 1-33 (70(b)) |
| Adjustments for ('000)   |                       |        |                         |        |               |        |                      |
| - Convertible bonds  | <b>3,300</b>          | 3,300  | <b>3,300</b>            | 3,300  | <b>3,300</b>  | 3,300  |                      |
| - Share options  | <b>881</b>            | 1,218  | <b>881</b>              | 1,218  | <b>881</b>    | 1,218  |                      |
|  | <b>31,081</b>         | 28,568 | <b>31,081</b>           | 28,568 | <b>31,081</b> | 28,568 | SFRS(I) 1-33 (70(b)) |
| Diluted earnings per share (\$ per share)  | <b>1.41</b>           | 1.25   | <b>0.01</b>             | 0.04   | <b>1.42</b>   | 1.29   |                      |



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Earnings per share (“EPS”)

#### Retrospective adjustment for changes in number of shares

- 1 If the number of ordinary or potential ordinary shares increases as a result of a capitalisation, bonus issue or share split, or decreases as a result of a reverse share split before the financial statements are authorised for issue, the basic and diluted EPS for all periods presented shall be adjusted retrospectively, even when this occurs after the balance sheet date. The fact that EPS calculations reflect such changes in the number of shares shall be disclosed.

SFRS(I) 1-33  
(64)

#### EPS based on alternative earnings

- 2 If the reporting entity discloses, in addition to basic and diluted EPS, per share amounts using another measure of net profit, such amounts shall be calculated using the weighted average number of ordinary shares determined based on SFRS(I) 1-33. The basic and diluted per share amount shall be disclosed in the notes to the financial statements. A reconciliation shall be provided between the measure used and a line item reported in the statement of comprehensive income.

SFRS(I) 1-33  
(73)

#### Potential dilutive instruments which were anti-dilutive during the period

- 3 An entity is required to disclose instruments (including contingently issuable shares) that could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share because they are anti-dilutive for the period(s) covered.

SFRS(I) 1-33  
(70(c))

#### Share transactions after the end of the reporting period

- 4 An entity is required to provide a description of material share transactions that occurred after the end of the reporting period and that were not retrospectively adjusted in the calculation of EPS.

SFRS(I) 1-33  
(70(d))



## Notes to the Financial Statements

For the financial year ended 31 December 2024

### 13. Cash and bank balances

|                          | <u>Group</u>  |        | <u>Company</u> |        |                  |
|--------------------------|---------------|--------|----------------|--------|------------------|
|                          | 31 December   |        | 31 December    |        |                  |
|                          | <b>2024</b>   | 2023   | <b>2024</b>    | 2023   |                  |
|                          | <b>\$'000</b> | \$'000 | <b>\$'000</b>  | \$'000 |                  |
| Cash at bank and on hand | <b>81,290</b> | 19,207 | <b>13,586</b>  | 10,173 | SFRS(I) 1-7 (45) |
| Short-term bank deposits | <b>13,487</b> | 11,963 | <b>5,760</b>   | 7,105  | SFRS(I) 1-7 (45) |
|                          | <b>94,777</b> | 31,170 | <b>19,346</b>  | 17,278 |                  |

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

SFRS(I) 1-7 (45)

|  | <u>Group</u>   |         |                 |
|--|----------------|---------|-----------------|
|  | 31 December    |         |                 |
|  | <b>2024</b>    | 2023    |                 |
|  | <b>\$'000</b>  | \$'000  |                 |
| Cash and bank balances (as above)                                  | <b>94,777</b>  | 31,170  |                 |
| Less: Bank deposits pledged <sup>3</sup>                           | <b>(300)</b>   | (450)   |                 |
| Less: Bank overdrafts (Note 31)                                    | <b>(4,460)</b> | (3,960) | SFRS(I) 1-7 (8) |
| Cash and cash equivalents per consolidated statement of cash flows | <b>90,017</b>  | 26,760  |                 |

Bank deposits are pledged in relation to the security granted for certain borrowings (Note 31(a)).



## Notes to the Financial Statements

For the financial year ended 31 December 2024

### 13. Cash and bank balances (continued)

#### Acquisition and disposal of subsidiaries

Please refer to Note 46 for the effects of acquisitions of subsidiaries on the cash flows of the Group.

On 2 January 2023, the Group disposed of its 70%-owned subsidiary, PwC Glass Sdn. Bhd. The effects of the disposal on the cash flows of the Group were:

|  | <u>Group</u> |                             |
|--|--------------|-----------------------------|
|  | At 2         |                             |
|  | January      |                             |
|  | 2023         |                             |
|  | \$'000       |                             |
| Carrying amounts of assets and liabilities as at the date of disposal: |              | SFRS(I) 1-7<br>(40(d))      |
| Cash and bank balances   | 300          |                             |
| Property, plant and equipment  | 1,563        |                             |
| Trademark and licences   | 100          |                             |
| Inventory  | 1,370        |                             |
| Total assets   | <u>3,333</u> |                             |
| Trade and other payables   | 104          |                             |
| Other current liabilities  | 20           |                             |
| Provisions   | 96           |                             |
| Total liabilities  | <u>220</u>   |                             |
| Net assets derecognised  | 3,113        |                             |
| Less: Non-controlling interests  | (75)         |                             |
| Net assets disposed of   | <u>3,038</u> |                             |
| Cash inflows arising from disposal:                                    |              |                             |
| Net assets disposed of (as above)                                      | 3,038        |                             |
| Reclassification of currency translation reserve (Note 37(b)(v))       | 19           | SFRS(I) 5 (38)              |
| Total assets   | <u>3,057</u> |                             |
| Gain on disposal   | -            |                             |
| Cash proceeds on disposal  | 3,057        | SFRS(I) 1-7<br>(40(a), (b)) |
| Less: Cash and bank balances in subsidiary disposed of                 | (300)        | SFRS(I) 1-7<br>(40(c))      |
| Net cash inflow on disposal  | <u>2,757</u> |                             |



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Cash and bank balances

#### Cash equivalents for the purpose of presenting statement of cash flows

- 1 Under SFRS(I) 1-7, cash equivalents are defined as “short-term, highly liquid investment that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value”. An investment normally qualifies as a cash equivalent when it has a short maturity of three months or less from the date of “acquisition”.
- 2 The classification of the movement of cash subjected to restriction that does not meet the definition of cash and cash equivalents would depends on the nature of the item and the restriction in force. For example, where the cash deposit is placed as collateral for a performance bond, the movement in the cash deposit would form part of the operating cash flows. In this publication, this movement has been presented under “financing activities” in the statement of cash flows as the bank deposit was pledged in relation to the security granted for certain borrowings.

SFRS(I) 1-7  
(7)-(9)

SFRS(I) 1-7  
(6)

#### Cash subject to restriction

- 3 There may be circumstances in which cash and bank balances held by an entity are not available for use by the Group. An example is when a subsidiary operates in a country where exchange controls or other legal restrictions apply.

SFRS(I) 1-7  
(48), (49)

The economic substance of the restrictions would depend on the facts and circumstances in each individual case and should be assessed separately. If the funds do meet the criteria to be classified as cash and cash equivalents but the use of the funds is subject to restrictions, disclosure is required of the relevant amounts along with a commentary on their restriction. The following disclosure can be considered:

“Included in cash and cash equivalents are bank deposits amounting to \$[ ] (2023: \$[ ]) which are not freely remissible for use by the Group because of currency exchange restrictions.”

- 4 The International Financial Reporting Interpretations Committee (“IFRIC”) concluded that restrictions on the use of a demand deposit arising from a contract with a third party do not result in the deposit no longer being cash for the purpose of the presentation in the statement of cash flows, provided that the entity can still access those amounts on demand -- that is, unless the restrictions change the deposit’s nature in a way that it would no longer meet the definition of cash.





**Notes to the Financial Statements**

For the financial year ended 31 December 2024

**14. Financial assets, at FVPL<sup>4,5</sup>**

|   | Group         |               | DV                         |
|---|---------------|---------------|----------------------------|
|   | 2024          | 2023          |                            |
|   | \$'000        | \$'000        |                            |
| Beginning of financial year                             | 13,600        | 11,895        |                            |
| Additions   | 500           | 1,490         |                            |
| Fair value gains (Note 8)                               | 750           | 515           |                            |
| Disposals   | <u>(100)</u>  | <u>(300)</u>  |                            |
| End of financial year                                   | <u>14,750</u> | <u>13,600</u> |                            |
|   |               |               |                            |
|   | Group         |               | SFRS(I) 7<br>(31), (34(c)) |
|   | 31 December   |               |                            |
|   | 2024          | 2023          |                            |
|   | \$'000        | \$'000        |                            |
| Current   |               |               |                            |
| Listed securities:                                      |               |               |                            |
| - Equity securities – Singapore <sup>1</sup>            | 8,435         | 8,235         |                            |
| - Equity securities – US <sup>1</sup>                   | <u>3,365</u>  | <u>3,065</u>  |                            |
|   | <u>11,800</u> | <u>11,300</u> |                            |
| Non-current   |               |               |                            |
| Non-listed debt instruments:                            |               |               |                            |
| - Mandatorily redeemable preference shares <sup>2</sup> | 2,350         | 2,300         |                            |
| - Convertible bond                                      | <u>600</u>    | <u>-</u>      |                            |
|   | <u>2,950</u>  | <u>2,300</u>  |                            |
| Total   | <u>14,750</u> | <u>13,600</u> |                            |

The instruments are all mandatorily measured at fair value through profit or loss.<sup>3</sup> SFRS(I) 7 (8(a)(ii))



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Financial assets, at FVPL

- 1 An entity shall disclose information that enables users of its financial statements to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed at the end of the reporting period. Information such as the countries in which the equity securities are listed, and the interest rates and maturity dates of the debt securities shall be disclosed if the information is material to enable the users to evaluate the nature and extent of risks arising from those financial assets.
- 2 To determine which measurement category the financial asset falls into, management should first consider, whether the financial asset is an investment in equity instrument, as defined in SFRS(I) 1-32, by considering from the perspective of the issuer.

SFRS(I) 7  
(31)

Where the classification involves significant judgement and the relevant amounts are material, the entity should consider disclosing the rationale for classifying such shares as debt instruments.

SFRS(I) 1-1  
(122)

- 3 The entity would need to disclose each of these following financial assets and the associated gains/losses separately. If an entity has financial assets measured at FVPL of which:
- (a) Some were designated as such upon initial recognition;
  - (b) Some were designated as such in accordance with paragraph 6.7.1 of SFRS(I) 9; and
  - (c) Some were mandatorily measured at FVPL in accordance with the requirements of SFRS(I) 9.

SFRS(I) 7  
(8(a), 20(a)  
(i))

All of PwC Holdings Ltd's financial assets are mandatorily measured at FVPL, hence, this disclosure does not apply.

- 4 If an entity has designated financial assets at FVPL which would otherwise be measured at FVOCI or amortised cost, the entity must provide additional disclosures as required under paragraph 9 of SFRS(I) 7.

SFRS(I) 7 (9)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Financial assets, at FVPL (continued)

- 5 If an entity has financial liabilities designated at FVPL, a number of additional disclosures apply as set out in paragraphs 8, 10, 10A, 11 and 20 of SFRS(I) 7. Some, but not all of these are illustrated as follows:

#### Financial liabilities designated at FVPL

The Group has convertible debentures which are classified entirely as liabilities because there is an obligation to pay cash to the holders at maturity, and the debentures were issued in a currency other than the functional currency of the Company. As the instrument contains an embedded derivative, it has been designated at fair value through profit or loss on initial recognition and as such the embedded conversion feature is not separated. All transaction costs related to financial instruments designated as fair value through profit or loss are expensed as incurred.

The component of fair value changes relating to the Company's own credit risk is recognised in other comprehensive income. Amounts recorded in OCI related to credit risk are not subject to recycling in profit or loss, but are transferred to retained profits when realised. Fair value changes relating to market risk are recognised in profit or loss.

|   | 2024         | 2023         |
|---|--------------|--------------|
|   | \$'000       | \$'000       |
| Carrying amount   | 105,216      | 104,715      |
| Includes:   |              |              |
| - Cumulative change in fair value of convertible debentures attributable to changes in credit risk, recognised in the FVOCI reserve             | 217          | 225          |
| Amount the Company is contractually obligated to pay to the holders of the convertible debentures at maturity                                   | 102,620      | 102,620      |
| <b>Difference between carrying amount and the amount the company is contractually obligated to pay to holders of the debentures at maturity</b> | <b>2,596</b> | <b>2,095</b> |

SFRS(I) 7  
(B5(a))  
SFRS(I) 7  
(21)  
SFRS(I) 9  
(4.3.5)

SFRS(I) 9  
(5.7.7)

SFRS(I) 7  
(10(a))

SFRS(I) 7  
(10(b))



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Financial assets, at FVPL (continued)

#### Financial liabilities designated at FVPL (continued)

The Group determines the amount of fair value changes which are attributable to credit risk, by first determining the changes due to market conditions which give rise to market risk, and then deducting those changes from the total change in fair value of the convertible debentures. Market conditions which give rise to market risk include changes in the benchmark interest rate. The change in fair value of the embedded derivative is excluded in determining the amount to be presented in OCI.

The Group believes that this approach most faithfully represents the amount of change in fair value due to the company's own credit risk, as the changes in factors contributing to the fair value of the convertible debentures other than changes in the benchmark interest rate are not deemed to be significant.

- 6 This area could be impacted by rising inflation rates and other global economic uncertainties. For considerations and disclosure relating to rising inflation, please refer to [Note 2 - Basis of preparation, Guidance Note 5](#).

SFRS(I) 7  
(11(a))  
SFRS(I) 9  
(B5.7.13) –  
(B5.7.20)

SFRS(I) 7  
(11(b))



**Notes to the Financial Statements**

For the financial year ended 31 December 2024

**15. Derivative financial instruments**

|                                   | ← Group →                                       |                 |                     | ← Company →                                     |                 |                     | DV                     |
|-----------------------------------|---|-----------------|---------------------|---|-----------------|---------------------|------------------------|
|                                   | Contract notional amount <sup>5</sup><br>\$'000 | Fair value      |                     | Contract notional amount <sup>5</sup><br>\$'000 | Fair value      |                     |                        |
|                                   |   | Asset<br>\$'000 | Liability<br>\$'000 |   | Asset<br>\$'000 | Liability<br>\$'000 |                        |
| <b>31 December 2024</b>           |   |                 |                     |   |                 |                     |                        |
| Derivatives held for hedging:     |   |                 |                     |   |                 |                     |                        |
| Cash-flow hedges                  |   |                 |                     |   |                 |                     |                        |
| - Interest rate swaps             | 27,000  | -               | (1,011)             | -   | -               | -                   |                        |
| - Currency forwards               | 15,000  | 1,508           | -                   | -   | -               | -                   |                        |
| Fair value hedge                  |   |                 |                     |   |                 |                     |                        |
| - Currency forwards               | 10,000  | 1,448           | -                   | -   | -               | -                   |                        |
| Derivatives not held for hedging: |   |                 |                     |   |                 |                     |                        |
| - Currency forwards               | 8,000   | -               | (2,079)             | 2,000   | 150             | -                   |                        |
| <b>Total</b>                      |   | <b>2,956</b>    | <b>(3,090)</b>      |   | <b>150</b>      | <b>-</b>            |                        |
| - Current <sup>2,3</sup>          |   | 288             | -                   |   | -               | -                   | SFRS(I) 1-1 (66), (69) |
| - Non-current <sup>2,3</sup>      |   | 2,668           | (3,090)             |   | 150             | -                   | SFRS(I) 1-1 (66), (69) |
| <b>Total</b>                      |   | <b>2,956</b>    | <b>(3,090)</b>      |   | <b>150</b>      | <b>-</b>            |                        |



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 15. Derivative financial instruments (continued)

|                                   | ← Group →                          |                 |                     | ← Company →                        |                 |                     | DV                     |
|-----------------------------------|------------------------------------|-----------------|---------------------|------------------------------------|-----------------|---------------------|------------------------|
|                                   | Contract notional amount<br>\$'000 | Fair value      |                     | Contract notional amount<br>\$'000 | Fair value      |                     |                        |
|                                   |                                    | Asset<br>\$'000 | Liability<br>\$'000 |                                    | Asset<br>\$'000 | Liability<br>\$'000 |                        |
| <b>31 December 2023</b>           |                                    |                 |                     |                                    |                 |                     |                        |
| Derivatives held for hedging:     |                                    |                 |                     |                                    |                 |                     |                        |
| Cash-flow hedges                  |                                    |                 |                     |                                    |                 |                     |                        |
| - Interest rate swaps             | 30,324                             | 308             | -                   | -                                  | -               | -                   |                        |
| - Currency forwards               | 13,410                             | -               | (766)               | -                                  | -               | -                   |                        |
| Fair value hedge                  |                                    |                 |                     |                                    |                 |                     |                        |
| - Currency forwards               | 2,400                              | 1,854           | -                   | 2,100                              | 211             | -                   |                        |
| Derivatives not held for hedging: |                                    |                 |                     |                                    |                 |                     |                        |
| - Currency forwards               | 1,908                              | -               | (610)               | -                                  | -               | -                   |                        |
| <b>Total</b>                      |                                    | <b>2,162</b>    | <b>(1,376)</b>      |                                    | <b>211</b>      | <b>-</b>            |                        |
| - Current                         |                                    | 1,854           | (1,376)             |                                    | 211             | -                   | SFRS(I) 1-1 (66), (69) |
| - Non-current                     |                                    | 308             | -                   |                                    | -               | -                   | SFRS(I) 1-1 (66), (69) |
| <b>Total</b>                      |                                    | <b>2,162</b>    | <b>(1,376)</b>      |                                    | <b>211</b>      | <b>-</b>            |                        |



**Reference**

**15. Derivative financial instruments (continued)**

Hedging instruments used in Group's hedging strategy in 2024

| <u>Group</u>  | <u>Contractual<br/>notional<br/>amount<sup>6</sup></u><br>\$'000 | <u>Carrying Amount</u>                     |  | <u>Changes in fair value used<br/>for calculating hedge<br/>ineffectiveness</u> |                              | <u>Hedge<br/>ineffectiveness<br/>recognised in<br/>P&amp;L<sup>5</sup></u><br>\$'000 | <u>Weighted<br/>average hedged<br/>rate<sup>7</sup></u> | <u>Maturity<br/>date<sup>7</sup></u> |
|---|--|--|--|---|------------------------------|--|---|--------------------------------------|
|   |  | <u>Assets/<br/>(Liabilities)</u><br>\$'000 | <u>Financial<br/>statement<br/>line item</u> | <u>Hedging<br/>instrument</u>   | <u>Hedged Item</u><br>\$'000 |  |   |                                      |
| <b>Fair value hedge</b>   |  |  |  |   |                              |  |   |                                      |
| Foreign exchange risk <sup>1</sup>                                |  |  |  |   |                              |  |   |                                      |
| - Forward contracts to<br>hedge firm<br>commitments               | 10,000   | 1,448                                      | Derivative<br>financial<br>instruments       | 1,448   | (1,447)                      | 1  | USD \$1 : \$1.50<br>RMB 4.7: \$1                        | June 2024<br>- Sept 2024             |
| <b>Cash flow hedge</b>  |  |  |  |   |                              |  |   |                                      |
| Foreign exchange risk <sup>1</sup>                                |  |  |  |   |                              |  |   |                                      |
| - Forward contracts to<br>hedge highly probable<br>transactions   | 15,000   | 1,508                                      | Derivative<br>financial<br>instruments       | 1,220   | (1,217)                      | 3  | USD \$1 : \$1.45  | March 2024<br>- June 2024            |
| Interest rate risk <sup>1</sup>                                   |  |  |  |   |                              |  |   |                                      |
| - Interest rate swap to<br>hedge floating rate<br>borrowings      | 27,000   | (1,011)                                    | Derivative<br>financial<br>instruments       | (1,011)   | 1,009                        | (2)  | 5.8%  | June 2024<br>- Jan 2025              |
| <b>Net investment hedge</b>                                       |  |  |  |   |                              |  |   |                                      |
| Foreign exchange risk <sup>1</sup>                                |  |  |  |   |                              |  |   |                                      |
| - Borrowings to hedge<br>net investments in<br>foreign operations | N/A  | (3,010)                                    | Borrowings                                   | 216   | (216)                        | -  | RMB 4.7 : \$1   | June 2024                            |

SFRS(I) 7  
(23A, 23B,  
24A,  
24B(a)(iv),  
24B(b)(i),  
24C(a)(i),  
24C(b)(i),  
24C(b)(ii))

SFRS(I) 7  
(24C(a)(ii),  
24C(b)(iii))

\* All hedge ineffectiveness is recognised in profit and loss within "other gains/losses".

Reference

15. Derivative financial instruments (continued)

Hedging instruments used in Group's hedging strategy in 2023

| Group   | Contractual<br>notional<br>amount <sup>6</sup> | Carrying Amount          |  | Changes in fair value used<br>for calculating hedge<br>ineffectiveness |             | Hedge<br>ineffectiveness<br>recognised in<br>P&L <sup>5</sup> | Weighted<br>average hedged<br>rate <sup>7</sup> | Maturity<br>date <sup>7</sup> |
|---|--|--------------------------|--|--|-------------|---|---|-------------------------------|
|   |  | Assets/<br>(Liabilities) | Financial<br>statement<br>line item    | Hedging<br>instrument  | Hedged Item |   |   |                               |
|   | \$'000   | \$'000                   |  | \$'000   | \$'000      | \$'000  |   |                               |
| <b>Fair value hedge</b>   |  |                          |  |  |             |   |   |                               |
| Foreign exchange risk <sup>1</sup>                                |  |                          |  |  |             |   |   |                               |
| - Forward contracts to<br>hedge firm<br>commitments               | 2,400  | 1,854                    | Derivative<br>financial<br>instruments | 1,535  | (1,534)     | (1)   | USD \$1 : \$1.52<br>RMB 4.83 : \$1              | Jan 2023 -<br>March 2023      |
| <b>Cash flow hedge</b>  |  |                          |  |  |             |   |   |                               |
| Foreign exchange risk <sup>1</sup>                                |  |                          |  |  |             |   |   |                               |
| - Forward contracts to<br>hedge highly probable<br>transactions   | 13,410   | (766)                    | Derivative<br>financial<br>instruments | (276)  | 274         | (2)   | USD \$1 : \$1.52                                | Jan 2023 -<br>March 2023      |
| Interest rate risk <sup>1</sup>                                   |  |                          |  |  |             |   |   |                               |
| - Interest rate swap to<br>hedge floating rate<br>borrowings      | 30,324   | 308                      | Derivative<br>financial<br>instruments | (337)  | 334         | (3)   | 6.10%   | 2024                          |
| <b>Net investment hedge</b>                                       |  |                          |  |  |             |   |   |                               |
| Foreign exchange risk <sup>1</sup>                                |  |                          |  |  |             |   |   |                               |
| - Borrowings to hedge<br>net investments in<br>foreign operations | N/A  | (3,010)                  | Borrowings                             | (296)  | 296         | -   | RMB 4.83 : \$1                                  | 2025                          |
| <b>Company</b>  |  |                          |  |  |             |   |   |                               |
| <b>Fair value hedge</b>   |  |                          |  |  |             |   |   |                               |
| Foreign exchange risk <sup>1</sup>                                |  |                          |  |  |             |   |   |                               |
| - Forward contracts to<br>hedge firm<br>commitments               | 2,100  | 211                      | Derivative<br>financial<br>instruments | (7)  | 7           | -   | USD \$1 : \$1.52                                | Jan 2023 -<br>March 2023      |

\* All hedge ineffectiveness is recognised in profit and loss within "other gains/losses".

SFRS(I) 7  
(23A, 23B,  
24A,  
24B(a)(iv),  
24B(b)(i),  
24C(a)(i),  
24C(b)(i),  
24C(b)(ii))

SFRS(I) 7  
(24C(a)(ii),  
24C(b)(iii))



**15. Derivative financial instruments (continued)**

Effects of fair value hedges on hedged items are as follows:

|   | <u>Carrying<br/>amount of<br/>assets/<br/>(liabilities)</u><br>\$'000 | <u>Financial statement<br/>line item that<br/>includes hedged<br/>item</u> | <u>Accumulated<br/>amount of fair<br/>value<br/>adjustments</u><br>\$'000 | <small>SFRS(I) 7<br/>(24B(a)(i),<br/>(ii), (iii))</small> |
|---|---|--|---|---|
| <b>2024</b>   |   |  |   |   |
| <b><u>Group</u></b>                                 |   |  |   |   |
| <b>Fair value hedge</b>                             |   |  |   |   |
| Foreign exchange risk                               |   |  |   |   |
| - Forward contracts to<br>hedge firm<br>commitments | 200   | Trade and other<br>receivables   | 27  |   |
| <b>2023</b>   |   |  |   |   |
| <b><u>Group</u></b>                                 |   |  |   |   |
| <b>Fair value hedge</b>                             |   |  |   |   |
| Foreign exchange risk                               |   |  |   |   |
| - Forward contracts to<br>hedge firm<br>commitments | 340   | Trade and other<br>receivables   | 35  |   |
| <b><u>Company</u></b>                               |   |  |   |   |
| <b>Fair value hedge</b>                             |   |  |   |   |
| - Forward contracts to<br>hedge firm commitments    | 5   | Trade and other<br>receivables   | (2)   |   |

The Company did not apply fair value hedge accounting in 2024.

**Guidance notes****Derivative financial instruments****Disclosure by risk category**

- 1 SFRS(I) 7 requires an entity to provide hedge accounting disclosures by risk categories. An entity shall determine each risk category on the basis of risk exposures it decides to hedge, and for which hedge accounting is applied. Risk categories shall be determined consistently for all hedge accounting disclosures. SFRS(I) 7 does not prescribe on the level of disaggregation of hedge accounting disclosures required, however, an entity shall use the same level of aggregation or disaggregation it uses for disclosure requirements of related information in SFRS(I) 7 and SFRS(I) 13 Fair value measurement.

SFRS(I) 7  
(21C), (21D)**Classification as current or non-current**

- 2 The classification of financial instruments as held for trading under SFRS(I) 9 does not mean that they must necessarily be presented as current in the balance sheet. If a financial liability is primarily held for trading purposes it should be presented as current. If it is not held for trading purposes, it should be presented as current or non-current on the basis of its settlement date. Financial assets should only be presented as current assets if the entity expects to realise them within 12 months.
- 3 The treatment of hedging derivatives will be similar. Where a portion of a financial asset is expected to be realised within 12 months of the end of the reporting period, that portion should be presented as a current asset; the remainder of the financial asset should be shown as a non-current asset. This suggests that hedging derivatives should be split into current and non-current portions. However, as an alternative, the full fair value of hedging derivatives could be classified as current if the hedge relationships are for less than 12 months and as non-current if those relationships are for more than 12 months.

SFRS(I) 1-1  
(66), (69)**Rising inflation**

- 4 This area could be impacted by rising inflation rates and other global economic uncertainties. For considerations and disclosure relating to rising inflation, please refer to [Note 2 - Basis of preparation, Guidance Note 5](#).



**Guidance notes****Derivative financial instruments (continued)****Designation of hedging instruments**

5 There is normally a single fair value measure for a hedging instrument in its entirety, and the factors that cause changes in fair value are co-dependent. Thus, a hedging relationship is designated by an entity for a hedging instrument in its entirety. It follows that a derivative instrument cannot be split into components representing different risks, with only certain components designated as a hedging instrument. However, SFRS(I) 9 permits three exceptions where certain components of the derivative instrument may be designated as the hedging instrument, as follows:

SFRS(I) 9  
(6.2.4)

- (a) separating the forward element and spot element of a forward contract, and designating only the change in the spot element as hedging instrument;
- (b) separating and excluding the foreign currency basis spread from the designated hedging instrument; and
- (c) separating the intrinsic value and time value of an option contract, and designating only the change in intrinsic value of an option as the hedging instrument.

Where the above exceptions are applied, the changes in the fair value of the component of the derivative instrument not designated as a hedging instrument is recognised in OCI and deferred in a hedging reserve in equity. This would be amortised to profit or loss on a systematic and rational basis.

SFRS(I) 9  
(6.5.15),  
(6.5.16)**Disclosure of contractual notional amounts**

6 SFRS(I) 7 requires the disclosure of the nominal amounts (including quantities such as tonnes or cubic metres) of the hedging instruments. While not mandatory for non-hedging derivative financial instruments, these may be included to enable users to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed to during and at the end of the financial period.

SFRS(I) 7  
(24A(d))SFRS(I) 7  
(1(b))**Disclosure of the amount, timing and uncertainty of future cash flows**

7 An entity shall disclose quantitative information by risk category to allow users of the financial statements to evaluate the terms and conditions of hedging instruments and how they affect the amount, timing and uncertainty of future cash flows by disclosing:

SFRS(I) 7  
(23A), (23B)

- (a) A profile of the timing of the nominal amount of the hedging instrument; and
- (b) The average price (for example, strike price or forward price etc) of the hedging instruments, if applicable.

**16. Financial assets, at FVOCI**

|   | <u>Group</u>    |         | <u>Company</u> |        | DV                         |
|---|-----------------|---------|----------------|--------|----------------------------|
|   | 31 December     |         | 31 December    |        |                            |
|   | <b>2024</b>     | 2023    | <b>2024</b>    | 2023   |                            |
|   | <b>\$'000</b>   | \$'000  | <b>\$'000</b>  | \$'000 |                            |
| Beginning of financial year                                 | <b>13,452</b>   | 15,850  | <b>1,600</b>   | 1,500  |                            |
| Fair value gains/(losses) (Note (a))                        | <b>1,750</b>    | (1,459) | <b>15</b>      | (68)   |                            |
| Additions   | <b>500</b>      | 174     | -              | 168    |                            |
| Disposals (Note (b))  | <b>(10,977)</b> | (1,113) | -              | -      |                            |
| End of financial year                                       | <b>4,725</b>    | 13,452  | <b>1,615</b>   | 1,600  |                            |
|   |                 |         |                |        |                            |
|   | <u>Group</u>    |         | <u>Company</u> |        |                            |
|   | <b>2024</b>     | 2023    | <b>2024</b>    | 2023   |                            |
|   | <b>\$'000</b>   | \$'000  | <b>\$'000</b>  | \$'000 |                            |
| Non-current assets  |                 |         |                |        |                            |
| Listed equity securities <sup>1</sup> :                     |                 |         |                |        |                            |
| - ABC Limited   | <b>1,900</b>    | 1,600   | <b>1,615</b>   | 1,600  | SFRS(I) 7<br>(11A(a), (c)) |
| - XYZ Limited   | -               | 5,744   | -              | -      |                            |
| - EFG Plc   | <b>2,300</b>    | 2,014   | -              | -      |                            |
|   | <b>4,200</b>    | 9,358   | <b>1,615</b>   | 1,600  |                            |
|   |                 |         |                |        |                            |
| Unlisted debt securities <sup>2</sup> :                     |                 |         |                |        |                            |
| - SGD corporate variable rate notes<br>due 30 November 2024 | -               | 4,094   | -              | -      |                            |
| - SGD corporate fixed rate notes<br>due 30 June 2027        | <b>525</b>      | -       | -              | -      |                            |
|   | <b>525</b>      | 4,094   | -              | -      |                            |
|   | <b>4,725</b>    | 13,452  | <b>1,615</b>   | 1,600  |                            |

**16. Financial assets, at FVOCI (continued)**

- (a) Fair value gains/(losses) include a loss allowance due to impairment of debt instruments, at FVOCI of \$5,000 (2023: \$8,000) (Note 42(b)).
- (b) During the financial year ended 31 December 2024, the Group disposed listed equity securities as the underlying investment was no longer aligned with the Group's long-term investment strategy. These investments had a fair value of \$5,844,000 (2023: \$1,113,000) at the date of disposal, and the cumulative gain on disposal amounted to \$300,000 (2023: \$257,000), net of tax. The cumulative gain on disposal was reclassified from fair value reserve to retained profits.

SFRS(I) 7  
(16A)SFRS(I) 7  
(11B)  
SFRS(I) 7  
(11A(e))**Guidance notes****Financial assets, at FVOCI**

- 1 Requirement to disclose the identity of each individual equity investment depends on whether the identity of each individual equity investment is material information under SFRS(I) 1-1 by considering the size or nature of the item (or a combination of both). Whether the identity of each individual equity investment held by an entity is material to the financial statement is a matter of judgement.

SFRS(I) 7  
(11A)

The identity of an individual equity investment might be considered material where an entity has a single large strategic investment designated at FVOCI. Conversely, the identity of an individual equity investment might not be considered material where an entity holds a large number of similar individual investments designated at FVOCI or where the value of each investment is not material. In this case, the entity should consider the disclosure at higher level of aggregation (for example, disclosing by type of investments, industries and geographical areas).

In this illustration, each individual investment is considered as material because it is held for strategic purpose.

- 2 The carrying amount of debt instruments measured at FVOCI in accordance with paragraph 4.1.2A of SFRS(I) 9 is not reduced by a loss allowance and an entity shall not present the loss allowance separately in the statement of financial position as a reduction of the carrying amount of the financial asset. However, an entity shall disclose the loss allowance in the notes to the financial statements.
- 3 This area could be impacted by rising inflation rates and other global economic uncertainties. For considerations and disclosure relating to rising inflation, please refer to [Note 2 - Basis of preparation, Guidance Note 5](#).

SFRS(I) 7  
(16A)

**17. Other investments at amortised cost**

|   | Group         |              | DV             |
|---|---------------|--------------|----------------|
|   | 31 December   |              |                |
|   | 2024          | 2023         |                |
|   | \$'000        | \$'000       |                |
| Beginning of financial year                                   | 2,403         | 2,403        |                |
| Addition  | 1,500         | -            |                |
| Accrued interest  | 47            | 23           |                |
| Impairment recognised in profit and loss during the year      | (453)         | (23)         |                |
| End of financial year   | <b>3,497</b>  | <b>2,403</b> |                |
|   | <b>2024</b>   | 2023         | SFRS(I) 7 (31) |
|   | <b>\$'000</b> | \$'000       |                |
| Current   |               |              |                |
| Unlisted SGD floating rate notes due 28 June 2025             | 482           | -            |                |
| Listed SGD corporate 4.4% fixed rate notes due 27 August 2025 | 321           | -            |                |
|   | <b>803</b>    | -            |                |
| Less: Loss allowance  | (40)          | -            |                |
|   | <b>763</b>    | -            |                |
| Non-current   |               |              |                |
| Unlisted SGD 5.5% fixed rate notes due 31 May 2026            | 1,647         | 1,650        |                |
| Listed SGD corporate 5% fixed rate notes due 31 May 2029      | 1,500         | -            |                |
| Unlisted SGD floating rate notes due 28 June 2025             | -             | 472          |                |
| Listed SGD corporate 4.4% fixed rate notes due 27 August 2025 | -             | 311          |                |
|   | <b>3,147</b>  | <b>2,433</b> |                |
| Less: Loss allowance  | (413)         | (30)         |                |
|   | <b>2,734</b>  | <b>2,403</b> |                |
| Total   | <b>3,497</b>  | <b>2,403</b> |                |

The fair values of non-current fixed rate notes are \$2,850,000 (2023: \$1,780,000). The fair values are based on discounted cash flows using the market interest rates for an equivalent bond as at 31 December 2024 and 31 December 2023. The fair values are within Level 2 of the fair value hierarchy.

SFRS(I) 13  
(93(b), (d))SFRS(I) 13  
(97)

**18. Trade and other receivables – current**SFRS(I) 1-  
1(77,78(b))

|   | <u>Group</u>   |         | <u>Company</u> |        |
|---|----------------|---------|----------------|--------|
|   | 31 December    |         | 31 December    |        |
|   | <b>2024</b>    | 2023    | <b>2024</b>    | 2023   |
|   | <b>\$'000</b>  | \$'000  | <b>\$'000</b>  | \$'000 |
| Trade receivables                       |                |         |                |        |
| - Associates                            | <b>197</b>     | 214     | -              | -      |
| - Subsidiaries                          | -              | -       | <b>379</b>     | 700    |
| - Non-related parties                   | <b>18,475</b>  | 25,919  | <b>5,658</b>   | 5,319  |
|   | <b>18,672</b>  | 26,133  | <b>6,037</b>   | 6,019  |
| Less: Loss allowance                    | <b>(894)</b>   | (735)   | <b>(297)</b>   | (266)  |
|   | <b>17,778</b>  | 25,398  | <b>5,740</b>   | 5,753  |
| Loan to an associate (Note (a))         | <b>2,456</b>   | 1,440   | -              | -      |
| Less: Non-current portion<br>(Note 20)  | <b>(1,357)</b> | (1,047) | -              | -      |
|   | <b>1,099</b>   | 393     | -              | -      |
| Other receivables                       | <b>35</b>      | 49      | <b>15</b>      | 18     |
| Finance lease receivables<br>(Note (b)) | <b>2,800</b>   | 2,010   | -              | -      |
| Staff loans (Note 21)                   | <b>50</b>      | 70      | <b>30</b>      | 35     |
| Government grant receivable<br>(Note 7) | <b>150</b>     | -       | <b>43</b>      | -      |
| Deposits                                | <b>217</b>     | 316     | -              | -      |
| Prepayments                             | <b>256</b>     | 245     | <b>2</b>       | 18     |
|   | <b>22,385</b>  | 28,481  | <b>5,830</b>   | 5,824  |

SFRS(I) 1-1  
(78(b))  
SFRS(I) 1-24  
(18(b))  
SFRS(I) 1-24  
(18(b))SFRS(I) 1-24  
(18(b))

- (a) The loan to an associate, PwC A Property (Hong Kong) Limited is unsecured. Loan amounting to \$1,357,000 (2023: \$1,047,000) is repayable in full by 31 December 2026 (Note 20). Interest is fixed at 2.3% per annum.
- (b) The finance lease receivables relate to a sublease which was classified as finance lease, as disclosed in Note 28.

SFRS(I) 1-24  
(18(b))  
SFRS(I) 7 (31)

**19. Inventories<sup>1,2</sup>**SFRS(I) 1-1  
(78(c))

|                  | <u>Group</u>  |               | <u>Company</u> |              |                     |
|------------------|---------------|---------------|----------------|--------------|---------------------|
|                  | 31 December   |               | 31 December    |              |                     |
|                  | 2024          | 2023          | 2024           | 2023         |                     |
|                  | \$'000        | \$'000        | \$'000         | \$'000       |                     |
| <u>At cost</u>   |               |               |                |              |                     |
| Raw materials    | 12,585        | 11,619        | -              | -            | SFRS(I) 1-2<br>(37) |
| Work-in-progress | 2,458         | 3,012         | -              | -            | SFRS(I) 1-2<br>(37) |
| Finished goods   | 12,456        | 17,830        | 2,245          | 3,305        | SFRS(I) 1-2<br>(37) |
|                  | <b>27,499</b> | <b>32,461</b> | <b>2,245</b>   | <b>3,305</b> |                     |

The cost of inventories recognised as an expense and included in “cost of sales” amounted to \$75,174,000 (2023: \$64,508,000).

SFRS(I) 1-2  
(36(d)), (38),  
(39)

Inventories of \$1,500,000 (2023: \$1,000,000) of the Group and \$500,000 (2023: \$500,000) of the Company have been pledged as security for bank overdrafts of the Group and the Company (Note 31(a)).

SFRS(I) 1-2  
(36(h))

The Group reversed \$380,000 (2023: \$nil) of a previous inventory write-down in August 2022. The Group has sold all the goods that were written down to an independent retailer in People’s Republic of China at original cost. The amount reversed has been included in “cost of sales”. No inventory write-down or reversal was recognised in 2023.

SFRS(I) 1-2  
(36(f), (g))**Guidance notes****Inventories**

- Separate disclosure of finished goods at fair value less costs to sell is required where applicable per SFRS(I) 13 (e.g., for commodity broker-traders who measure their inventories at fair value less costs to sell). When inventories are measured at fair value less costs to sell, changes in fair value less costs to sell are recognised in profit or loss in the period of the change.
- This area could be impacted by rising inflation rates and other global economic uncertainties. For considerations and disclosure relating to rising inflation, please refer to [Note 2 - Basis of preparation, Guidance Note 5](#).

SFRS(I) 13 (5)  
SFRS(I) 1-2  
(3(b)), (36(c))



**20. Trade and other receivables – non-current**SFRS(I) 1-1  
(77,78(b))

|  | <u>Group</u>  |               | <u>Company</u> |               |
|--|---------------|---------------|----------------|---------------|
|  | 31 December   |               | 31 December    |               |
|  | 2024          | 2023          | 2024           | 2023          |
|  | <b>\$'000</b> | <b>\$'000</b> | <b>\$'000</b>  | <b>\$'000</b> |
| Finance lease receivables<br>(Note 28)             | 7,711         | 5,534         | -              | -             |
| Loan to an associate<br>(Note 18)                  | 1,357         | 1,047         | -              | -             |
| Loans to subsidiaries <sup>3</sup>                 | -             | -             | 4,693          | 3,032         |
| Staff loans (Note 21)                              | 50            | 593           | 40             | 115           |
| Indemnification asset <sup>1</sup><br>(Note 46(i)) | 400           | 200           | -              | -             |
|  | <b>9,518</b>  | <b>7,374</b>  | <b>4,733</b>   | <b>3,147</b>  |

SFRS(I) 1-24  
(18(b))

The loans to subsidiaries by the Company are unsecured, interest bearing at the three-month deposit rate plus 1.5% per annum and will be repayable in full on 31 December 2026.

SFRS(I) 1-24  
(18(b)(i))  
SFRS(I) 7  
(31)

The fair values of non-current trade and other receivables are computed based on cash flows discounted at market borrowing rates. The fair values are within level 2 of the fair value hierarchy.

SFRS(I) 7  
(25)  
SFRS(I) 13  
(93(b,d),97)

| <u>Fair value</u>         | <u>Group</u>  |               | <u>Company</u> |               |
|---------------------------|---------------|---------------|----------------|---------------|
|                           | 31 December   |               | 31 December    |               |
|                           | 2024          | 2023          | 2024           | 2023          |
|                           | <b>\$'000</b> | <b>\$'000</b> | <b>\$'000</b>  | <b>\$'000</b> |
| Finance lease receivables | 7,805         | 5,648         | -              | -             |
| Loan to an associate      | 1,410         | 1,250         | -              | -             |
| Loans to subsidiaries     | -             | -             | 4,600          | 3,039         |
| Staff loans               | 59            | 628           | 46             | 121           |
| Indemnification asset     | 405           | 201           | -              | -             |

SFRS(I) 7  
(6), (26)

| <u>Market borrowing rate</u> | <u>Group</u> |          | <u>Company</u> |          |
|------------------------------|--------------|----------|----------------|----------|
|                              | 31 December  |          | 31 December    |          |
|                              | 2024         | 2023     | 2024           | 2023     |
|                              | <b>%</b>     | <b>%</b> | <b>%</b>       | <b>%</b> |
| Finance lease receivables    | 7.1          | 7.2      | -              | -        |
| Loan to an associate         | 7.3          | 7.5      | -              | -        |
| Loans to subsidiaries        | -            | -        | 6.3            | 6.5      |
| Staff loans                  | 7.5          | 7.6      | 7.4            | 7.5      |

**Guidance notes****Trade and other receivables – non-current****Subsequent measurement of indemnification assets**

- 1 At the end of each subsequent reporting period, the acquirer shall measure an indemnification asset that was recognised at the acquisition date on the same basis as the indemnified liability or asset, subject to any contractual limitation on its amount. The indemnification asset is subject to recoverability considerations. A loss allowance (provision for a doubtful recoverability of the receivable) might be included in the indemnification asset's carrying value. The indemnification asset's value is adjusted to reflect any contractual limitations on the indemnified amount.

SFRS(I) 3  
(57)**Factoring of receivables**

- 2 Certain entities may have receivables which are subject to factoring arrangements. If the entity has receivables that are factored under a factoring arrangement but not derecognised, the following illustrative disclosure may be considered:

SFRS(I) 7  
(42D)

“The carrying amounts of the trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement, the Group has factored the relevant receivables in exchange for cash and is prevented from selling or pledging the receivables. However, the Group has retained substantially all of the risks and rewards of ownership through late payment and credit risk. The Group therefore continues to recognise the factored assets in their entirety in the balance sheet. The amount repayable under the factoring agreement is presented as secured borrowing. The Group's accounting policy is to interpret 'held to collect' on the basis of the accounting treatment and the continued recognition of the receivables on the balance sheet. The Group therefore considers that the held to collect business model remains appropriate for these receivables and hence continues measuring them at amortised cost.

Management considers that, in substance, the factor collects the amounts receivable on the entity's behalf and retains the cash in settlement of the separate financing transaction. The Group therefore presents the cash inflows, received from the factor as financing cash inflows and the subsequent payments by the debtor as both operating cash inflows and financing cash outflows.”

**Guidance notes**

**Trade and other receivables – non-current (continued)**

**Loans to subsidiaries – repayable on demand**

- 3 Certain entities may provide loans to subsidiaries that are repayable on demand. The demand feature might be primarily a form of protection or a tax-driven feature of the loan. Both parties might expect and intend that the loan will remain outstanding for the foreseeable future. If so, the instrument is, in substance, long-term in nature, and the entity classifies it as a non-current asset. The entity classifies the loan as a current asset if the parties intend that it will be repaid within 12 months of the reporting period. The subsidiary classifies the liability as current, because it does not have the right to defer repayment for more than 12 months, regardless of the parties' intentions.

SFRS (I) 1-1 (66)



**21. Staff loans**

DV

|   | <u>Group</u>  |        | <u>Company</u> |        |
|---|---------------|--------|----------------|--------|
|   | 31 December   |        | 31 December    |        |
|   | <b>2024</b>   | 2023   | <b>2024</b>    | 2023   |
|   | <b>\$'000</b> | \$'000 | <b>\$'000</b>  | \$'000 |
| Receivables due                                       |               |        |                |        |
| - Not later than one year (Note 18)                   | <b>50</b>     | 70     | <b>30</b>      | 35     |
| - Later than one year but within five years (Note 20) | <b>50</b>     | 593    | <b>40</b>      | 115    |
|   | <b>100</b>    | 663    | <b>70</b>      | 150    |

Staff loans included \$15,000 (2023: \$15,000) made to a member of key management personnel of the Group. The loan is unsecured, interest free and repayable in full on 31 December 2026.

SFRS(I) 1-24  
(18)**22. Investments in associates**

| <u>Company</u>                      | <b>2024</b>   | 2023   |
|-------------------------------------|---------------|--------|
| Equity investments at cost          | <b>\$'000</b> | \$'000 |
| Beginning and end of financial year | <b>1,000</b>  | 1,000  |

DV

Set out below are the associates which are material to the Group.

| <u>Name of entity</u>              | <u>Place of business / country of incorporation</u> | <u>% of ownership interest</u> |      |
|------------------------------------|---|--------------------------------|------|
|                                    |   | 2024                           | 2023 |
| PwC A Property (Hong Kong) Limited | Hong Kong   | <b>35</b>                      | 35   |
| PwC A Furniture Sdn. Bhd.          | Malaysia  | <b>25</b>                      | 25   |

SFRS(I) 12  
(21)(a)(i), (iii),  
(iv)

**22. Investments in associates (continued)**

PwC A Property (Hong Kong) Limited is an investment holding company with subsidiaries holding significant real estate investments in Hong Kong. PwC A Property (Hong Kong) is a strategic partnership for the Group, providing access to new markets in Hong Kong.

SFRS(I) 12  
(21(a)(ii))

PwC A Furniture Sdn. Bhd. markets and distributes furniture in Malaysia. PwC A Furniture Sdn. Bhd. provides the Group with access to expertise in efficient marketing and distribution processes for its own furniture business and access to key trends.

SFRS(I) 12  
(21(a)(ii))

As at 31 December 2024, the fair value of the Group's interest in PwC A Property (Hong Kong) Limited, which is listed on the Hong Kong Stock Exchange, was \$1,521,000 (2023: \$1,486,000). The fair value is classified within Level 1 of the fair value hierarchy. The carrying amount of the Group's interest was \$737,000 (2023: \$710,000).

SFRS(I) 12  
(21(b)(iii))

There are no contingent liabilities relating to the Group's interest in the associates<sup>2</sup>.

SFRS(I) 12  
(23(b))**Summarised financial information for associates<sup>3</sup>****Summarised balance sheet**SFRS(I) 12  
(21(b)(ii))

|                         | PwC A Property<br>(Hong Kong) Limited |         | PwC A Furniture<br>Sdn. Bhd. |          |                             |
|-------------------------|---------------------------------------|---------|------------------------------|----------|-----------------------------|
|                         | 31 December                           |         | 31 December                  |          |                             |
|                         | 2024                                  | 2023    | 2024                         | 2023     |                             |
|                         | \$'000                                | \$'000  | \$'000                       | \$'000   |                             |
| Current assets          | <b>3,650</b>                          | 3,210   | <b>24,863</b>                | 21,357   | SFRS(I) 12<br>(B12(b)(i))   |
| Current liabilities     | <b>(3,628)</b>                        | (3,401) | <b>(15,080)</b>              | (14,320) | SFRS(I) 12<br>(B12(b)(iii)) |
| Non-current assets      | <b>6,042</b>                          | 5,890   | <b>27,245</b>                | 25,206   | SFRS(I) 12<br>(B12(b)(ii))  |
| Non-current liabilities | <b>(5,674)</b>                        | (5,385) | <b>(14,232)</b>              | (13,211) | SFRS(I) 12<br>(B12(b)(iv))  |

**22. Investments in associates (continued)**

## Summarised statement of comprehensive income

|   | PwC A Property<br>(Hong Kong) Limited |                | PwC A Furniture<br>Sdn. Bhd.      |                |                              |
|---|---------------------------------------|----------------|-----------------------------------|----------------|------------------------------|
|   | For the year ended<br>31 December     |                | For the year ended<br>31 December |                |                              |
|   | 2024<br>\$'000                        | 2023<br>\$'000 | 2024<br>\$'000                    | 2023<br>\$'000 |                              |
| Revenue   | <b>3,819</b>                          | 3,112          | <b>24,185</b>                     | 21,363         | SFRS(I) 12<br>(B12(b)(v))    |
| Profit/(loss) from continuing operations                  | <b>94</b>                             | (169)          | <b>3,329</b>                      | 2,317          | SFRS(I) 12<br>(B12(b)(vi))   |
| Post-tax profit/(loss) from continuing operations         | <b>76</b>                             | (169)          | <b>2,588</b>                      | 2,106          | DV                           |
| Post-tax profit from discontinued operations <sup>4</sup> | -                                     | -              | -                                 | -              | SFRS(I) 12<br>(B12(b)(vii))  |
| Other comprehensive gain                                  | -                                     | -              | <b>260</b>                        | 140            | SFRS(I) 12<br>(B12(b)(viii)) |
| Total comprehensive income/(loss)                         | <b>76</b>                             | (169)          | <b>2,848</b>                      | 2,246          | SFRS(I) 12<br>(B12(b)(ix))   |
| Dividends received from associate <sup>4</sup>            | -                                     | -              | -                                 | -              | SFRS(I) 12<br>(B12(a))       |

The information above reflects the amounts presented in the financial statements of the associates (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the associates.

SFRS(I) 12  
(B14(a))

The following table summarises, in aggregate, the Group's share of profit and other comprehensive income of the Group's individually immaterial associates accounted for using the equity method:

SFRS(I)  
12 (B16)

|   | As at 31 December |                |                        |
|---|-------------------|----------------|------------------------|
|   | 2024<br>\$'000    | 2023<br>\$'000 |                        |
| Loss from continuing operations                           | <b>(293)</b>      | (416)          | SFRS(I)<br>12 (B16(a)) |
| Post-tax profit from discontinued operations <sup>4</sup> | -                 | -              | SFRS(I)<br>12 (B16(b)) |
| Other comprehensive income                                | <b>3</b>          | -              | SFRS(I)<br>12 (B16(c)) |
| Total comprehensive loss                                  | <b>(290)</b>      | (416)          | SFRS(I)<br>12 (B16(d)) |

**22. Investments in associates (continued)**

## Reconciliation of summarised financial information

SFRS(I) 12  
(B14(b))

Reconciliation of the summarised financial information presented, to the carrying amount of the Group's interest in associates, is as follows:

|  | PwC A Property<br>(Hong Kong)<br>Limited |        | PwC A Furniture<br>Sdn. Bhd. |        | Total         |        |
|--|--|--------|------------------------------|--------|---------------|--------|
|  | 31 December                              |        | 31 December                  |        | 31 December   |        |
|  | 2024                                     | 2023   | 2024                         | 2023   | 2024          | 2023   |
|  | \$'000                                   | \$'000 | \$'000                       | \$'000 | \$'000        | \$'000 |
| Net assets   | <b>390</b>                               | 314    | <b>22,796</b>                | 19,032 | <b>23,186</b> | 19,346 |
| Group's equity interest  | <b>35%</b>                               | 35%    | <b>25%</b>                   | 25%    | -             | -      |
| Group's share of net asset   | <b>137</b>                               | 110    | <b>5,699</b>                 | 4,758  | <b>5,836</b>  | 4,868  |
| Goodwill   | <b>600</b>                               | 600    | <b>420</b>                   | 420    | <b>1,020</b>  | 1,020  |
| Carrying value   | <b>737</b>                               | 710    | <b>6,119</b>                 | 5,178  | <b>6,856</b>  | 5,888  |
| Add: Carrying value of individually immaterial associates, in aggregate <sup>3</sup> |  |        |                              |        | <b>1,428</b>  | 1,718  |
| Carrying value of Group's interest in associates                                     |  |        |                              |        | <b>8,284</b>  | 7,606  |

SFRS(I) 12  
(B16)

**Guidance notes****Investments in associates****Cumulative preference shares issued by associates**

- 1 If an associate has cumulative preference shares that are held by parties outside the Group and that are classified as equity, the Group computes its share of results after adjusting for the dividends on such shares, whether or not the dividends have been declared.

SFRS(I) 1-28  
(37)**Risks associated with an entity's interest in associates**

- 2 In accordance with SFRS(I) 1-37, unless the probability of loss is remote, contingent liabilities incurred relating to the entity's interest in associates (including its share of contingent liabilities incurred jointly with other investors with significant influence over the associates), are required to be disclosed separately from the amount of other contingent liabilities.

SFRS(I) 12  
(23(b))**Summarised financial information of associates**

- 3 Summarised financial information is required for the Group's interest in material associates. An entity is also required to disclose, in aggregate, the carrying amount of its interests in all individually immaterial associates that are accounted for using the equity method. An entity shall also disclose separately the aggregate amount of its share of those associates' profit or loss from continuing operations, post-tax profit or loss from discontinued operations, other comprehensive income, and total comprehensive income.
- 4 Some of the line items have nil balances but have been included for illustrative purpose.

SFRS(I) 12  
(21(b)(ii),  
21(c))  
SFRS(I) 12  
(B16)**Nature, extent and financial effects of an entity's interests in associates**

- 5 An entity is required to disclose the nature and extent of any significant restriction (e.g. borrowing arrangements, regulatory requirements or contractual arrangements between investors with significant influence over an associate) on the ability of the associates to transfer funds to the entity in the form of cash dividends, or to repay loans or advances made by the entity.
- 6 When the financial statements of an associate used in applying the equity method are as of a date or for a period that is different from that of the entity, an entity is required to disclose the date of the end of the reporting period of the financial statements of that associate; and the reason for using a different date or period.
- 7 If the entity has stopped recognising its share of losses of the associate when applying the equity method, the entity is required to disclose the unrecognised share of losses of the associate, both for the reporting period and cumulatively.

SFRS(I) 12  
(22(a))SFRS(I) 12  
(22(b))SFRS(I) 12  
(22(c))



**Guidance notes**

**Investments in associates** (continued)

**Nature, extent and financial effects of an entity's interests in associates**  
(continued)

8 The interest in an associate is the carrying amount of the investment in the associate together with any long-term interest that, in substance, forms part of the investor's net investment in the associate. SFRS(I) 9 impairment requirements are applied to other financial instruments, including any long-term interest forming part of the investor's net interest in an associate to which equity accounting is not applied.

SFRS(I) 1-28  
(38)

**Entities classified as held for sale**

9 The disclosure requirements of SFRS(I) 12 also apply to interests in entities that are classified as held for sale, except for the summarised information in paragraphs B10 to B16 of SFRS(I) 12.

SFRS(I) 12  
(5A), (B17)

**Rising inflation**

10 This area could be impacted by rising inflation rates and other global economic uncertainties. For considerations and disclosure relating to rising inflation, please refer to [Note 2 - Basis of preparation, Guidance Note 5](#).



**23. Investment in a joint venture**

| <u>Company</u>                      | <b>2024</b>   | 2023   | DV |
|-------------------------------------|---------------|--------|----|
|                                     | <b>\$'000</b> | \$'000 |    |
| Equity investments at cost          |               |        |    |
| Beginning and end of financial year | <b>880</b>    | 880    |    |

Set out below is the joint venture of the Group as at 31 December 2024, which is material to the Group.

| <u>Name of entity</u>          | <u>Place of business/<br/>country of incorporation</u> | <u>% of ownership interest</u> |      | SFRS(I) 12<br>(21)(a)(i), (iii),<br>(iv) |
|--------------------------------|--|--------------------------------|------|--|
|                                |  | 31 December                    |      |  |
|                                |  | <b>2024</b>                    | 2023 |  |
| PwC JV Logistics (PRC) Co. Ltd | China  | <b>60</b>                      | 60   |  |

PwC JV Logistics (PRC) Co. Ltd provides freight forwarding and warehousing services and gives the Group access to efficient freight forwarding processes and quality warehousing service processes in People’s Republic of China.

SFRS(I) 12  
(21)(a)(ii)

The Group has \$200,000 (2023: \$150,000) of commitments to provide funding if called, relating to its joint venture. There are no contingent liabilities relating to the Group’s interest in the joint venture. PwC JV Logistics (PRC) Co. Ltd has an unresolved legal case relating to a contract dispute with a customer. As the case is at an early stage in proceedings, it is not possible to determine the likelihood or amount of any settlement, should PwC JV Logistics (PRC) Co. Ltd be unsuccessful.<sup>2</sup>

SFRS(I) 12  
(23)



**23. Investment in a joint venture (continued)**Summarised financial information for joint venture<sup>3</sup>

Set out below is the summarised financial information for PwC JV Logistics (PRC) Co. Ltd.

SFRS(I) 12  
(21(b)(ii))

## Summarised balance sheet

|   | PwC JV Logistics (PRC) Co. Ltd |          |                             |
|---|--------------------------------|----------|-----------------------------|
|   | 31 December                    |          |                             |
|   | 2024                           | 2023     |                             |
|   | \$'000                         | \$'000   |                             |
| Current assets  | <b>8,102</b>                   | 6,711    | SFRS(I) 12<br>(B12(b)(i))   |
| Includes:   |                                |          | SFRS(I) 12<br>(B13(a))      |
| - Cash and bank balances <sup>4</sup>                           | <b>1,824</b>                   | 1,002    |                             |
| Current liabilities   | <b>(11,385)</b>                | (10,428) | SFRS(I) 12<br>(B12(b)(iii)) |
| Includes:   |                                |          | SFRS(I) 12<br>(B13(b))      |
| - Financial liabilities (excluding trade payables) <sup>4</sup> | <b>(9,846)</b>                 | (9,340)  |                             |
| Non-current assets  | <b>15,548</b>                  | 13,221   | SFRS(I) 12<br>(B12(b)(ii))  |
| Non-current liabilities   | <b>(9,537)</b>                 | (7,409)  | SFRS(I) 12<br>(B12(b)(iv))  |
| Includes:   |                                |          | SFRS(I) 12<br>(B13(c))      |
| - Financial liabilities (excluding trade payables) <sup>4</sup> | <b>(6,981)</b>                 | (6,520)  |                             |

**23. Investment in a joint venture (continued)**

## Summarised statement of comprehensive income

|   | PwC JV Logistics (PRC) Co. Ltd |         |                              |
|---|--------------------------------|---------|------------------------------|
|   | For the year ended             |         |                              |
|   | 31 December                    |         |                              |
|   | 2024                           | 2023    |                              |
|   | \$'000                         | \$'000  |                              |
| Revenue   | 10,728                         | 10,228  | SFRS(I) 12<br>(B12(b)(v))    |
| Interest income <sup>4</sup>                              | 320                            | 320     | SFRS(I) 12<br>(B13(e))       |
| Expenses  |                                |         |                              |
| Includes:   |                                |         |                              |
| - Depreciation and amortisation <sup>4</sup>              | (1,720)                        | (1,420) | SFRS(I) 12<br>(B13(d))       |
| - Interest expense <sup>4</sup>                           | (3,308)                        | (3,108) | SFRS(I) 12<br>(B13(f))       |
| Profit from continuing operations                         | 731                            | 393     | SFRS(I) 12<br>(B12(b)(vi))   |
| Income tax expense <sup>4</sup>                           | (98)                           | -       | SFRS(I) 12<br>(B13(g))       |
| Post-tax profit from continuing operations                | 633                            | 393     | DV                           |
| Post-tax profit from discontinued operations <sup>5</sup> | -                              | -       | SFRS(I) 12<br>(B12(b)(vii))  |
| Other comprehensive income <sup>5</sup>                   | -                              | -       | SFRS(I) 12<br>(B12(b)(viii)) |
| Total comprehensive income                                | 633                            | 393     | SFRS(I) 12<br>(B12(b)(ix))   |
| Dividends received from joint venture <sup>5</sup>        | -                              | -       | SFRS(I) 12<br>(B14(a))       |

The information above reflects the amounts presented in the financial statements of the joint venture (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the joint venture.

SFRS(I) 12  
(B14(a))



**23. Investment in a joint venture (continued)****Reconciliation of summarised financial information**

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in joint venture, is as follows:

SFRS(I) 12  
(B14(b))

|                             | PwC JV Logistics (PRC)<br>Co. Ltd<br>31 December |        |
|-----------------------------|--|--------|
|                             | 2024   | 2023   |
|                             | \$'000   | \$'000 |
| Net Assets                  | <b>2,728</b>                                     | 2,095  |
| Group's equity interest     | <b>60%</b>                                       | 60%    |
| Group's share of net assets | <b>1,637</b>                                     | 1,257  |
| Goodwill                    | <b>200</b>                                       | 200    |
| Carrying value              | <b>1,837</b>                                     | 1,457  |

**Guidance notes****Investment in a joint venture****Cumulative preference shares issued by joint ventures**

- 1 If the joint venture has cumulative preference shares that are held by parties outside the Group and that are classified as equity, the Group computes its share of results after adjusting for the dividends on such shares, whether or not the dividends have been declared.

SFRS(I) 1-28  
(37)

**Risks associated with an entity's interests in joint ventures**

- 2 An entity is required to disclose commitments that it has relating to its joint ventures separately from the amount of other commitments as specified in SFRS(I) 12 (B18–B20).

SFRS(I) 12  
(23(a))

In accordance with SFRS(I) 1-37, unless the probability of loss is remote, contingent liabilities incurred relating to the entity's interests in joint ventures (including its share of contingent liabilities incurred jointly with other investors with joint control over, the joint ventures), are required to be disclosed separately from the amount of other contingent liabilities.

SFRS(I) 12  
(23(b))



**Guidance notes****Investment in a joint venture (continued)****Summarised financial information of joint ventures**

- 3 Summarised financial information is required for the Group's interest in material joint ventures. In this illustration, PwC Holdings Ltd has provided the financial information for the Group's interests in its only joint venture. An entity is also required to disclose, in aggregate, the carrying amount of its interests in all individually immaterial joint ventures that are accounted for using the equity method. An entity shall also disclose separately the aggregate amount of its share of those joint ventures' profit or loss from continuing operations, post-tax profit or loss from discontinued operations, other comprehensive income, and total comprehensive income.
- 4 There are more disclosure requirements in relation to summarised financial information of joint ventures than those for interests in associates. The following line items, while not required to be disclosed for associates, are required for joint ventures:
- (a) cash and bank balances included in paragraph B12(b)(i).
  - (b) current financial liabilities (excluding trade and other payables and provisions) included in paragraph B12(b)(iii).
  - (c) non-current financial liabilities (excluding trade and other payables and provisions) included in paragraph B12(b)(iv).
  - (d) depreciation and amortisation.
  - (e) interest income.
  - (f) interest expense.
  - (g) income tax expense or income.
- 5 Some of the line items have nil balances but have been included for illustrative purposes.

SFRS(I) 12  
(21(b)(ii))SFRS(I) 12  
(21(c))  
SFRS(I) 12  
(B16)SFRS(I) 12  
(B13)**Nature, extent and financial effects of an entity's interests in joint ventures**

- 6 An entity is required to disclose the nature and extent of any significant restrictions (e.g. resulting from borrowing arrangements, regulatory requirements or contractual arrangements between investors with joint control over a joint venture) on the ability of the joint ventures to transfer funds to the entity in the form of cash dividends, or to repay loans or advances made by the entity.

SFRS(I) 12  
(22(a))

**Guidance notes****Investment in a joint venture (continued)**SFRS(I) 12  
(22(b))**Nature, extent and financial effects of an entity's interests in joint ventures (continued)**

7 When the financial statements of a joint venture used in applying the equity method are as of a date or for a period that is different from that of the entity, an entity is required to disclose the date of the end of the reporting period of the financial statements of that joint venture, and the reason for using a different date or period.

8 If the entity has stopped recognising its share of losses of the joint venture when applying the equity method, the entity is required to disclose the unrecognised share of losses of the joint venture, both for the reporting period and cumulatively.

SFRS(I) 12  
(22(c))**Interest in a joint venture**

9 The interest in a joint venture is the carrying amount of the investment in the joint venture together with any long-term interests that, in substance, form part of the investor's net investment in the joint venture. For example, an item for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, an extension of the entity's investment in that joint venture. SFRS(I) 9 impairment requirements are applied to other financial instruments, including any long-term interest forming part of the investor's net interest in a joint venture to which equity accounting is not applied.

SFRS(I) 1-28  
(38)**Entities classified as held for sale**

10 The disclosure requirement of SFRS(I) 12 also apply to interest in entities that are classified as held for sale, except for the summarised information in paragraph B10 to B16 of SFRS(I) 12.

SFRS(I) 12  
(5A), (B17)**Rising inflation**

11 This area could be impacted by rising inflation rates and other global economic uncertainties. For considerations and disclosure relating to rising inflation, please refer to [Note 2 - Basis of preparation, Guidance Note 5](#).



**24. Investments in subsidiaries**

|   | <u>Company</u> |                |
|---|----------------|----------------|
|   | 2024<br>\$'000 | 2023<br>\$'000 |
| Equity investments at cost  |                |                |
| Beginning of financial year   | 94,160         | 95,160         |
| Additions   | 11,890         | -              |
| Reclassified to non-current asset classified<br>as held-for-sale (Note 11(f)) | (1,500)        | -              |
| Disposal  | -              | (1,000)        |
| End of financial year   | 104,550        | 94,160         |

The Group has the following subsidiaries as at 31 December 2024 and 2023:

| <u>Name</u>                         | <u>Principal activities</u>           | <u>Country of business/ incorporation</u> | <u>Proportion of ordinary shares directly held by parent</u> | <u>Proportion of ordinary shares held by the Group</u> | <u>Proportion of ordinary shares held by non-controlling interests</u> | <u>Proportion of preference shares held by the Group</u> |
|-------------------------------------|---------------------------------------|---|--|--|--|--|
|                                     |                                       |   | %  | %  | %  | %  |
| PwC Construction Pte Ltd            | Construction of specialised equipment | Singapore                                 | 100  | 100  | -  | -  |
| PwC Property (Singapore) Pte Ltd    | Investment holding                    | Singapore                                 | 100  | 100  | -  | 100  |
| PwC Furniture (PRC) Co., Ltd        | Sale of furniture                     | People's Republic of China                | 85   | 85   | 15   | -  |
| PwC Components (Singapore) Pte Ltd  | Manufacture of component parts        | Singapore                                 | 45   | 45   | 55   | -  |
| PwC Components (PRC) Co., Ltd       | Manufacture of component parts        | People's Republic of China                | 80   | 80   | 20   | -  |
| PwC Components (China) Co. Ltd      | Manufacture of component parts        | People's Republic of China                | 70   | 70   | 30   | -  |
| PwC Furniture (Philippines) Pte Ltd | Sale of furniture                     | Philippines                               | 70   | 70   | 30   | -  |

SFRS(I) 12  
(10(a),  
12(a-d))



**24. Investments in subsidiaries (continued)**

In addition, the Group acquired the following subsidiary during 2024:

| Name                             | Principal activities           | Country of business/ incorporation | Proportion of ordinary shares directly held by parent |      | Proportion of ordinary shares held by the Group |      | Proportion of ordinary shares held by non-controlling interests |      |
|----------------------------------|--------------------------------|------------------------------------|---|------|---|------|---|------|
|                                  |                                |                                    | 31 December 2024                                      | 2023 | 31 December 2024                                | 2023 | 31 December 2024  | 2023 |
|                                  |                                |                                    | %   | %    | %   | %    | %   | %    |
| PwC Components (Dalian) Co., Ltd | Manufacture of component parts | People's Republic of China         | 95  | -    | 95  | -    | 5   | -    |

The Group classified its 85%-owned subsidiary, PwC Components Thailand Co Ltd to disposal group held for sale during 2024 (Note 11).

**Significant restrictions<sup>1</sup>**

SFRS(I) 12  
(13(a)(i))

Cash and short-term deposits of \$1,585,000 (2023: \$1,043,000) are held in the People's Republic of China and are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through normal dividends.

|   | 31 December |        |                       |
|---|-------------|--------|-----------------------|
|   | 2024        | 2023   |                       |
| Carrying value of non-controlling interests                 | \$'000      | \$'000 | SFRS(I) 12<br>(12(f)) |
| PwC Components (Singapore) Pte Ltd                          | 4,271       | 3,650  |                       |
| PwC Components (China) Co. Ltd                              | 7,896       | 6,351  |                       |
| Other subsidiaries with immaterial non-controlling interest | 628         | 533    |                       |
| Total   | 12,795      | 10,534 |                       |

**24. Investments in subsidiaries (continued)**

Summarised financial information of subsidiaries with material non-controlling interests<sup>2</sup>

SFRS(I) 12  
(12(g)),  
(B10(b)), (B11)

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

**Summarised balance sheet**

|                                 | PwC Components<br>(Singapore) Pte Ltd<br>31 December |                | PwC Components<br>(China) Co. Ltd<br>31 December |                | SFRS(I) 12<br>(B10(b)) |
|---------------------------------|--|----------------|--|----------------|------------------------|
|                                 | 2024<br>\$'000                                       | 2023<br>\$'000 | 2024<br>\$'000                                   | 2023<br>\$'000 |                        |
| Current                         |  |                |  |                |                        |
| Assets                          | <b>7,981</b>   | 6,440          | <b>19,434</b>                                    | 16,887         |                        |
| Liabilities                     | <b>(3,298)</b>                                       | (2,998)        | <b>(6,218)</b>                                   | (5,890)        |                        |
| Total current net<br>assets     | <b>4,683</b>   | 3,442          | <b>13,216</b>                                    | 10,997         |                        |
| Non-current                     |  |                |  |                |                        |
| Assets                          | <b>5,757</b>   | 3,411          | <b>14,880</b>                                    | 9,980          |                        |
| Liabilities                     | <b>(2,286)</b>                                       | (2,337)        | <b>(5,232)</b>                                   | (4,431)        |                        |
| Total non-current net<br>assets | <b>3,471</b>   | 1,074          | <b>9,648</b>                                     | 5,549          |                        |
| Net assets                      | <b>8,154</b>   | 4,516          | <b>22,864</b>                                    | 16,546         |                        |

**24. Investments in subsidiaries (continued)**

## Summarised income statements

SFRS(I) 12  
(B10(b))

|  | PwC Components<br>(Singapore) Pte Ltd |        | PwC Components<br>(China) Co. Ltd |         |
|--|---------------------------------------|--------|-----------------------------------|---------|
|  | For year ended<br>31 December         |        | For year ended<br>31 December     |         |
|  | 2024                                  | 2023   | 2024                              | 2023    |
|  | \$'000                                | \$'000 | \$'000                            | \$'000  |
| Revenue  | 18,343                                | 12,554 | 32,650                            | 25,330  |
| Profit before income tax   | 3,867                                 | 2,117  | 6,820                             | 4,322   |
| Income tax expense   | (657)                                 | (644)  | (1,344)                           | (1,030) |
| Post-tax profit from<br>continuing operations                            | 3,210                                 | 1,473  | 5,476                             | 3,292   |
| Post-tax profit from<br>discontinued operations <sup>4</sup>             | -                                     | -      | -                                 | -       |
| Other comprehensive<br>income  | 428                                   | 389    | 842                               | 655     |
| Total comprehensive<br>income  | 3,638                                 | 1,862  | 6,318                             | 3,947   |
| Total comprehensive<br>income allocated to non-<br>controlling interests | 2,001                                 | 1,024  | 1,895                             | 1,184   |
| Dividends paid to non-<br>controlling interests                          | 1,380                                 | 1,260  | 350                               | 200     |

SFRS(I) 12  
(12(e))SFRS(I) 12  
(B10(a))

## Summarised cash flows

SFRS(I) 12  
(B10(b))

|   | PwC Components<br>(Singapore) Pte Ltd |         | PwC Components<br>(China) Co. Ltd |         |
|---|---------------------------------------|---------|-----------------------------------|---------|
|   | For year ended<br>31 December         |         | For year ended<br>31 December     |         |
|   | 2024                                  | 2023    | 2024                              | 2023    |
|   | \$'000                                | \$'000  | \$'000                            | \$'000  |
| Net cash generated from<br>operating activities | 4,640                                 | 3,813   | 5,690                             | 2,634   |
| Net cash used in investing<br>activities        | (1,028)                               | (855)   | (1,845)                           | (1,110) |
| Net cash used in financing<br>activities        | (3,088)                               | (2,651) | (437)                             | (234)   |



**Guidance notes****Investment in subsidiaries****Nature and extent of significant restrictions**

- 1 An entity is required to disclose information that enables users of its consolidated financial statements to evaluate the nature and extent of significant restrictions on its ability to access or use assets, and settle liabilities, of the Group.

SFRS(I) 12  
(10(b)(i)), (13)

When the financial statements of a subsidiary used in the preparation of consolidated financial statements are as of a date or for a period that is different from that of the consolidated financial statements, an entity is required to disclose the date of the end of the reporting period of the financial statements of that subsidiary, and the reason for using a different date or period.

SFRS(I) 12  
(11)**Summarised financial information of subsidiaries with material non-controlling interests**

- 2 Summarised financial information about the assets, liabilities, profit or loss and cash flows is required for the Group's subsidiaries with material non-controlling interests.

SFRS(I) 12  
(12(g)),  
(B10(b))**Transactions with non-controlling interests**

- 3 An entity is required to present a schedule that shows the effects on the equity attributable to owners of the parent of any changes in its ownership interest in a subsidiary that do not result in a loss of control.

SFRS(I) 12  
(18)

An illustration is as follows:

- (a) Acquisition of additional interest in a subsidiary

On 21 April 2024, the Company acquired the remaining 5% of the issued shares of XYZ group for a purchase consideration of \$1,000,000. The Group now holds 100% of the equity share capital of XYZ group. The carrying amount of the non-controlling interests in XYZ group on the date of acquisition was \$400,000. The Group derecognised non-controlling interests of \$400,000 and recorded a decrease in equity attributable to owners of the parent of \$600,000. The effect of changes in the ownership interest of XYZ group on the equity attributable to owners of the Company during the year is summarised as follows:

|  | <b>2024</b>    |
|--|----------------|
|  | <b>\$'000</b>  |
| Carrying amount of non-controlling interest acquired       | <b>400</b>     |
| Consideration paid to non-controlling interest             | <b>(1,000)</b> |
| Excess of consideration paid recognised in parent's equity | <b>(600)</b>   |

**Guidance notes**

**Investment in subsidiaries (continued)**

**Transactions with non-controlling interests (continued)**

- (b) Disposal of interest in a subsidiary without loss of control

On 5 September 2024, the Company disposed of a 10% equity interest in ABC Limited at a consideration of \$1,100,000. Following the disposal, the Company still controls ABC Limited, retaining 70% of the equity interests. The carrying amount of the non-controlling interests in ABC Limited on the date of disposal was \$2,000,000 (representing 20% interest). This resulted in an increase in non-controlling interest of \$1,000,000 and an increase in equity attributable to owner of the parent of \$100,000. The effect of changes in the ownership interest of ABC Limited on the equity attributable to owners of the Company during the year is summarised as follows:

|  | 2024    |
|--|---------|
|  | \$'000  |
| Carrying amount of interests in subsidiary disposed of         | (1,000) |
| Consideration received from non-controlling interests          | 1,100   |
| Excess of consideration received recognised in parent's equity | 100     |

- (c) Effects of transactions with non-controlling interests on the equity attributable to owner of the parent for the year ended 31 December 2024

|   |   | ← Attributable to equity holders of the Company → |        |                           |              |
|---|---|---|--------|---------------------------|--------------|
|   |   | Other reserves                                    | Total  | Non-controlling interests | Total equity |
| 2024  |   | \$'000  | \$'000 | \$'000                    | \$'000       |
| Acquisition of additional interest in a subsidiary            | Refer to Consolidated Statement of Changes in Equity for other equity items | (600)   | (600)  | (400)                     | (1,000)      |
| Disposal of interests in a subsidiary without loss of control |   | 100   | 100    | 1,000                     | 1,100        |

4 Some of the line items have nil balances but have been included for illustrative purposes.



**Guidance notes**

**Investment in subsidiaries (continued)**

**Nature of risks associated with an entity's interests in consolidated and unconsolidated structured entities**

5 An entity is required to disclose information that enable users of its consolidated financial statements to evaluate the nature of, and changes in, the risks associated with its interests in consolidated structured entities and unconsolidated structured entities (see paragraphs 14 to 17 and 24 to 31 of SFRS(I) 12).

SFRS(I) 12  
(14)-(17), (24)-  
(31)

**Interests in unconsolidated subsidiaries (investment entities)**

6 An investment entity that, in accordance with SFRS(I) 10, is required to apply the exception to consolidation and instead account for its investment in a subsidiary at fair value through profit or loss shall disclose that fact. For each unconsolidated subsidiary, an investment entity shall disclose details as required by SFRS(I) 12 (19B)(a-c) and SFRS(I) 12 (19D-G). If investment entity is the parent of another investment entity, the parent shall also provide the disclosure in SFRS(I) 12 (19B)(a-c) for investments that are controlled by its investment entity subsidiary. The disclosure may be provided by including, in the financial statements of the parent, the financial statements of the subsidiary (or subsidiaries) that contain the above information.

SFRS(I) 12  
(19A-G)



**25. Investment properties**

| <u>Group</u>  | <u>Completed<br/>investment<br/>properties</u> <sup>2</sup> | <u>Investment<br/>property<br/>under<br/>construction</u> <sup>2</sup> | <u>Total</u>   | SFRS(I) 1-40<br>(76)    |
|---|---|--|----------------|-------------------------|
|   | \$'000  | \$'000   | \$'000         |                         |
| <b>2024</b>   |   |  |                |                         |
| Beginning of financial year   | <b>17,292</b>   | <b>46</b>  | <b>17,338</b>  |                         |
| Additions (Note (a))  | <b>650</b>  | <b>85</b>  | <b>735</b>     | SFRS(I) 1-40<br>(76(a)) |
| Disposals   | <b>(230)</b>  | -  | <b>(230)</b>   | SFRS(I) 1-40<br>(76(c)) |
| Reclassified to disposal group<br>(Note 11) <sup>3</sup>              | -   | -  | -              | SFRS(I) 1-40<br>(76(c)) |
| Transfer from inventories (Note 19) <sup>3</sup>                      | -   | -  | -              | SFRS(I) 1-40<br>(76(f)) |
| Transfer from property, plant and<br>equipment (Note 26) <sup>3</sup> | -   | -  | -              | SFRS(I) 1-40<br>(76(f)) |
| Net fair value losses recognised in<br>profit or loss (Note 8)        | <b>(1,906)</b>  | -  | <b>(1,906)</b> | SFRS(I) 1-40<br>(76(d)) |
| <b>End of financial year</b>  | <b>15,806</b>   | <b>131</b>   | <b>15,937</b>  |                         |
| <b>2023</b>   |   |  |                |                         |
| Beginning of financial year   | 16,918  | -  | 16,918         |                         |
| Additions (Note (a))  | 200   | 46   | 246            | SFRS(I) 1-40<br>(76(a)) |
| Net fair value gains recognised in<br>profit or loss (Note 8)         | 174   | -  | 174            | SFRS(I) 1-40<br>(76(d)) |
| <b>End of financial year</b>  | <b>17,292</b>   | <b>46</b>  | <b>17,338</b>  |                         |

(a) Included in additions are acquisition of an investment property of \$650,000 (2023: \$200,000) and capitalised expenditure of \$85,000 (2023: \$46,000). SFRS(I) 1-40  
(76(a))

Bank borrowings are secured on investment properties of the Group with carrying amounts of \$3,000,000 (2023: \$2,800,000). SFRS(I) 1-40  
(75(g))

The following amounts are recognised in profit and loss: SFRS(I) 1-40  
(75(f))

|  | <u>Group</u>  |               | SFRS(I) 1-40<br>(75(f)(i))   |
|--|---------------|---------------|------------------------------|
|  | <b>2024</b>   | <b>2023</b>   |                              |
|  | <b>\$'000</b> | <b>\$'000</b> |                              |
| Rental income (Note 7)                                     | <b>645</b>    | 521           | SFRS(I) 1-40<br>(75(f)(i))   |
| Direct operating expenses arising from:                    |               |               |                              |
| - Investment properties that generate rental income        | <b>(48)</b>   | (33)          | SFRS(I) 1-40<br>(75(f)(ii))  |
| - Investment properties that do not generate rental income | <b>(56)</b>   | (48)          | SFRS(I) 1-40<br>(75(f)(iii)) |

**25. Investment properties (continued)**

At the balance sheet date, the details of the Group's investment properties are as follows<sup>4</sup>:

SGX 1207  
(11(b))

| <u>Location</u>   | <u>Description/existing use</u>                        | <u>Tenure</u>                     |
|---|--|-----------------------------------|
| Capital Square, 55 Upper Cross Street, Singapore                      | 5-storey office building                               | Freehold                          |
| Marine One, 7 Straits Road, Singapore                                 | 18-storey office building                              | 30-year lease from 1 January 2019 |
| ABC Centre, Units #14-05 to #14-07, Connaught Road Central, Hong Kong | 3 units of office space of a 50-storey office building | 99-year lease from 1 January 2010 |

**Fair value hierarchy – Recurring fair value measurements**SFRS(I) 13  
(93(a), (b))

| Description | <u>Fair value measurements using</u>                 |                                     |                                 |
|-------------|--|-------------------------------------|---------------------------------|
|             | Quoted prices in active markets for identical assets | Significant other observable inputs | Significant unobservable inputs |
|             | <u>(Level 1)</u>                                     | <u>(Level 2)</u>                    | <u>(Level 3)</u>                |
|             | \$'000   | \$'000                              | \$'000                          |

**31 December 2024**

|   |   |       |        |
|---|---|-------|--------|
| - Office buildings and land – Singapore | - | -     | 14,257 |
| - Office units – Hong Kong              | - | 1,680 | -      |

**31 December 2023**

|   |   |       |        |
|---|---|-------|--------|
| - Office buildings and land – Singapore | - | -     | 16,018 |
| - Office units – Hong Kong              | - | 1,320 | -      |

**Reconciliation of fair value measurement to valuation report <sup>1</sup>**

|   | <u>Group</u>  |        | SFRS(I) 1-40<br>(77) |
|---|---------------|--------|----------------------|
|   | 2024          | 2023   |                      |
|   | \$'000        | \$'000 |                      |
| Fair value of investment property based on valuation report | <b>4,009</b>  | 4,650  |                      |
| Add: Carrying amount of leased liabilities                  | <b>10,248</b> | 11,368 |                      |
| Carrying amount of investment property                      | <b>14,257</b> | 16,018 |                      |





**25. Investment properties (continued)****Valuation techniques and inputs used to derive Level 2 fair values**

Level 2 fair values of the Group's properties were derived using the sales comparison approach. Sales prices of comparable properties in close proximity were adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is the selling price per square metre.

SFRS(I) 13  
(93(d))

There were no changes in valuation techniques during the year.

SFRS(I) 13  
(93(d))

The Group's policy is to recognise transfers into and out of fair value hierarchy levels at the end of the reporting period. There were no transfers into or out of fair value hierarchy levels for the financial years ended 31 December 2024 and 2023<sup>7</sup>.

SFRS(I) 13  
(95)  
SFRS(I) 13  
(93(c), (e)(iv))**Reconciliation of movements in Level 3 fair value measurement**SFRS(I) 13  
(93)(e)

|   | Office buildings<br>and land -<br>Singapore |                            |
|---|---|----------------------------|
|   | <u>\$'000</u>                               |                            |
| <b>31 December 2024</b>   |   |                            |
| Beginning of financial year   | <b>16,018</b>                               |                            |
| Transfers to/(from) Level 3 <sup>7</sup>  | -   | SFRS(I) 13<br>(93(e)(iv))  |
| Additions   | <b>196</b>                                  | SFRS(I) 13<br>(93(e)(iii)) |
| Losses recognised in profit and loss, under "Other gains and losses"  | <b>(1,957)</b>                              | SFRS(I) 13<br>(93(e)(i))   |
| End of financial year   | <b>14,257</b>                               |                            |
| Change in unrealised losses for assets held at the end of the financial year included in profit or loss, under "Other gains and losses" | <b>(2,325)</b>                              | SFRS(I) 13<br>(93(f))      |
| <b>31 December 2023</b>   |   |                            |
| Beginning of financial year   | 15,668                                      |                            |
| Transfers to/(from) Level 3 <sup>7</sup>  | -   | SFRS(I) 13<br>(93(e)(iv))  |
| Additions   | 246   | SFRS(I) 13<br>(93(e)(iii)) |
| Gains recognised in profit and loss, under "Other gains and losses"   | 104   | SFRS(I) 13<br>(93(e)(i))   |
| End of financial year   | <b>16,018</b>                               |                            |
| Change in unrealised gains for assets held at the end of the financial year included in profit or loss, under "Other gains and losses"  | 20  | SFRS(I) 13<br>(93(f))      |



**25. Investment properties (continued)****Valuation techniques and inputs used in Level 3 fair value measurements**

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy:

SFRS(I) 13  
(93(d), (h)(i))  
SFRS(I) 13  
(99)

**Investment properties**

| <u>Description</u>                    | <u>Fair value at</u>     | <u>Valuation</u>  | <u>Unobservable</u>                        | <u>Range of</u>                       | <u>Relationship of</u>  |
|---------------------------------------|--------------------------|-------------------|--|---------------------------------------|---|
|                                       | <u>31 December</u>       |                   |  |                                       |   |
|                                       | <u>2024</u>              |                   |  | <u>inputs</u>                         | <u>inputs to fair</u>   |
|                                       | <u>(\$'000)</u>          | <u>Discounted</u> | <u>Discount rate</u>                       | <u>6.5% - 7.2%</u>                    | <u>value</u>  |
| Office buildings and land – Singapore | 14,257<br>(2023: 16,018) | cash flows        |  | (2023:<br>6.2% - 7.5%)                | The higher the discount rate, the lower the valuation.                |
|                                       |                          |                   | Terminal capitalisation rate               | 6.2% - 9.2%<br>(2023:<br>6.5% - 9.6%) | The higher the terminal capitalisation rate, the lower the valuation. |
|                                       |                          |                   | Average rental (per square foot per month) | \$7.5 - \$12<br>(2023:<br>\$8 - \$13) | The higher the average rental, the higher the valuation.              |
|                                       |                          |                   | Length of lease (years)                    | 28 - 91<br>(2023: 29 - 92)            | The longer the length of lease in place, the higher the valuation.    |
|                                       |                          |                   | Age of building (years)                    | 14 - 32<br>(2023: 13 - 31)            | The higher the age of the building, the lower the valuation.          |

<sup>(a)</sup> There were no significant inter-relationships between unobservable inputs.



**25. Investment properties (continued)**

**Valuation processes of the Group**

The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at the end of every financial year based on the properties' highest and best use. As at 31 December 2024 and 2023, the fair values of the properties have been determined by ABC Property Surveyors Limited.

SFRS(I) 13  
(93(g))  
SFRS(I) 13  
(IE65)  
SFRS(I) 13  
(93(j))  
SFRS(I) 1-40  
(75(e))

The finance department of the Group includes a team that performs the valuations of non-property assets required for financial reporting purposes, including Level 3 fair values. This team reports directly to the chief financial officer (CFO). Discussions of valuation processes and results are held between the CFO and the valuation team at least once every quarter, in line with the Group's quarterly reporting dates.

At each financial year end the finance department:

- (a) verifies all major inputs to the independent valuation reports;
- (b) assesses property valuation movements compared to the prior year valuation reports; and
- (c) holds discussions with the independent valuer.

Changes in Level 2 and 3 fair values are analysed at each reporting date during the quarterly valuation discussions between the CFO and the valuation team.

As part of this discussion, the valuation team presents a report that explains the reasons for the fair value movements.



**Guidance notes****Investment properties****Adjustments to fair value**

- 1 When a valuation obtained for investment property is adjusted significantly for the purpose of the financial statements, for example, to avoid double counting for assets or liabilities that are recognised as separate assets and liabilities, the entity shall disclose a reconciliation between the valuation obtained and the adjusted valuation included in the financial statements, showing separately the aggregate amount of each type of significant adjustment.

SFRS(I) 1-40  
(50), (77)**Reconciliation of carrying amount of investment properties**

- 2 Entities are required to present a reconciliation of the carrying amount of investment properties at the beginning and the end of the period. This publication illustrates a breakdown of the reconciliation between completed investment properties and investment properties under construction. This presentation may be useful for readers of the financial statements to appreciate the changes in the carrying amounts. It may also be appropriate if completed properties and properties under construction are not categorised in the same level of the fair value hierarchy. It is however not a required disclosure and therefore such presentation is on a voluntary basis.
- 3 Some of the line items have nil balances but have been included for illustrative purpose.

SFRS(I) 1-40  
(76)  
SFRS(I) 13  
(94)**Details of investment properties**

- 4 When the aggregate value for all properties for development, sale or for investment purposes held by the Group represent more than 15% of the value of the consolidated net tangible assets or contribute more than 15% of the pre-tax operating profit, the issuer must disclose certain information on the properties held for development and/or sale, and on the properties held for investment. The latter is illustrated in this publication.

SGX 1207 (11)

**Quantitative sensitivity analysis of inputs used in Level 3 fair value measurements**

- 5 SFRS(I) 13 does not explicitly require a quantitative sensitivity analysis; however, such a sensitivity analysis may be necessary in order to satisfy the requirement of paragraph 129 of SFRS(I) 1-1 in relation to sources of estimation uncertainty.



**Guidance notes****Investment properties (continued)****Description of valuation techniques**

- 6 This publication illustrates investment properties measured using the discounted cash flow approach, which involves the estimation and projection of an income stream over a period and discounting the future income stream to arrive at the present value. There are other valuation techniques commonly used for valuing properties that fall under an income approach methodology, sale comparison approach (direct market comparison approach), where properties are valued using transacted prices for similar properties with appropriate adjustment to reflect the characteristics of the properties being valued, and the income capitalisation approach, where a yield is applied to a fixed income stream.

SFRS (I) 13  
(62)**Transfers between levels of fair value measurement**

- 7 Property assets are often unique and not traded on a regular basis. For investment properties, it would be extremely rare to be quoted in an active market. As a result, most investment properties will be classified under Level 3 of the fair value hierarchy, with the exception of properties valued using transacted prices for similar properties with insignificant adjustments (e.g. homogenous units in the same building, a recently purchased building, etc.), which could be classified under Level 2. The requirement will apply for transfers between these two levels. Entities are required to disclose the amounts of any transfers between Level 1 and Level 2, and in and out of Level 3 of the fair value hierarchy, the reasons for those transfers, and the policies for determining when such transfers are deemed to have occurred. Transfers to/(from) Level 3 have been included in this table for illustrative purposes only, even though the balance is nil.

SFRS(I) 13  
(93(c), (e))  
SFRS(I) 13  
(B35(g))**Investment properties not measured at fair value but for which fair value is disclosed**

- 8 For each class of assets and liabilities not measured at fair value in the statement of financial position but for which the fair value is disclosed, paragraph 97 of SFRS(I) 13 requires the entity to disclose the level within the fair value hierarchy which the fair value measurement would be categorised and a description of the valuation technique and the input used in the techniques.

SFRS(I) 13  
(97)

**Guidance notes****Investment properties (continued)****Investment properties not measured at fair value but for which fair value is disclosed (continued)**

9 In addition to the disclosures above, entities that apply the cost model to measure its investment properties shall disclose:

- (a) the depreciation methods used;
- (b) the useful lives or the depreciation rates used;
- (c) the gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period;
- (d) a reconciliation of the carrying amount of investment property at the beginning and end of the period; and
- (e) the fair value of investment property. In the exceptional cases described in paragraph 53 of SFRS(I) 1-40, where an entity cannot measure the fair value of the investment property reliably, it shall disclose:
  - (i) a description of the investment property;
  - (ii) an explanation of why fair value cannot be measured reliably; and
  - (iii) if possible, the range of estimates within which fair value is highly likely to lie.

SFRS(I) 1-40  
(79)



For the financial year ended 31 December 2024

**26. Property, plant and equipment**

| Group   | Freehold land<br>\$'000 | Leasehold land<br>\$'000 | Buildings<br>\$'000 | Plant and equipment<br>\$'000 | Motor vehicles<br>\$'000 | Assets under construction<br>\$'000 | Total<br>\$'000 | SFRS(I) 1-16<br>(78(a))        |
|---|-------------------------|--------------------------|---------------------|-------------------------------|--------------------------|-------------------------------------|-----------------|--------------------------------|
| <b>2024</b>   |                         |                          |                     |                               |                          |                                     |                 |                                |
| Beginning of financial year                         |                         |                          |                     |                               |                          |                                     |                 |                                |
| Cost  | -                       | -                        | -                   | 108,394                       | 7,491                    | 640                                 | 116,525         | SFRS(I) 1-16 (73(a))           |
| Valuation   | 8,615                   | 22,755                   | 66,733              | -                             | -                        | -                                   | 98,103          | SFRS(I) 1-16 (73(a))           |
|   | 8,615                   | 22,755                   | 66,733              | 108,394                       | 7,491                    | 640                                 | 214,628         | SFRS(I) 1-16 (73(d))           |
| Currency translation differences                    |                         |                          |                     |                               |                          |                                     |                 |                                |
|   | -                       | 22                       | 30                  | 672                           | 44                       | -                                   | 768             | SFRS(I) 1-16 (73(e)(viii))     |
| Acquisition of subsidiary (Note 46(c)) <sup>4</sup> |                         |                          |                     |                               |                          |                                     |                 |                                |
|   | -                       | -                        | 4,350               | 2,890                         | -                        | -                                   | 7,240           | SFRS(I) 1-16 (73(e)(iii))      |
| Additions   |                         |                          |                     |                               |                          |                                     |                 |                                |
|   | -                       | -                        | 600                 | 1,250                         | 121                      | 590                                 | 2,561           | SFRS(I) 1-16 (73(e)(i), 74(b)) |
| Modification of lease liability <sup>6</sup> (a)    |                         |                          |                     |                               |                          |                                     |                 |                                |
|   | -                       | -                        | 9,354               | -                             | -                        | -                                   | 9,354           | SFRS(I) 1-16 (73(e)(ix))       |
| Reclassified to disposal group (Note 11(c))         |                         |                          |                     |                               |                          |                                     |                 |                                |
|   | -                       | -                        | -                   | (2,600)                       | -                        | -                                   | (2,600)         | SFRS(I) 1-16 (73(e)(ii))       |
| Disposals <sup>1</sup>                              |                         |                          |                     |                               |                          |                                     |                 |                                |
|   | -                       | -                        | -                   | (1,124)                       | -                        | -                                   | (1,124)         | SFRS(I) 1-16 (73(e)(ii))       |
| Revaluation surplus (Note 37(b)(vii))               |                         |                          |                     |                               |                          |                                     |                 |                                |
|   | 238                     | 125                      | 287                 | -                             | -                        | -                                   | 650             | SFRS(I) 1-16 (73(e)(iv))       |
| Revaluation adjustments <sup>2</sup>                |                         |                          |                     |                               |                          |                                     |                 |                                |
|   | -                       | (586)                    | (6,415)             | -                             | -                        | -                                   | (7,001)         | SFRS(I) 1-16 (73(e)(iv))       |
| <b>End of financial year</b>                        |                         |                          |                     |                               |                          |                                     |                 |                                |
|   | 8,853                   | 22,316                   | 74,939              | 109,482                       | 7,656                    | 1,230                               | 224,476         | SFRS(I) 1-16 (73(d))           |
| Representing:                                       |                         |                          |                     |                               |                          |                                     |                 |                                |
| Cost  | -                       | -                        | -                   | 109,482                       | 7,656                    | 1,230                               | 118,368         | SFRS(I) 1-16 (73(a))           |
| Valuation   | 8,853                   | 22,316                   | 74,939              | -                             | -                        | -                                   | 106,108         | SFRS(I) 1-16 (73(a))           |
|   | 8,853                   | 22,316                   | 74,939              | 109,482                       | 7,656                    | 1,230                               | 224,476         | SFRS(I) 1-16 (73(d))           |



**26. Property, plant and equipment (continued)**

| <u>Group</u><br><b>2024</b><br>(continued)     | <u>Freehold</u><br><u>land</u><br>\$'000 | <u>Leasehold</u><br><u>land</u><br>\$'000 | <u>Buildings</u><br>\$'000 | <u>Plant and</u><br><u>equipment</u><br>\$'000 | <u>Motor</u><br><u>vehicles</u><br>\$'000 | <u>Assets</u><br><u>under</u><br><u>construction</u><br>\$'000 | <u>Total</u><br>\$'000 | <u>SFRS(I) 1-1</u><br><u>(78(a))</u> |
|--|--|---|----------------------------|--|---|--|------------------------|--------------------------------------|
| Accumulated depreciation and impairment losses |  |   |                            |  |   |  |                        |                                      |
| Beginning of financial year                    | -  | -   | -                          | 55,557   | 3,694                                     | -  | 59,251                 | SFRS(I) 1-16 (73(d))                 |
| Currency translation differences               | -  | 50  | 275                        | 1,487  | 32  | -  | 1,844                  | SFRS(I) 1-16 (73(e)(viii))           |
| Depreciation charge                            |  |   |                            |  |   |  |                        | SFRS(I) 1-16 (73(e)(vii))            |
| - Continuing operations (Note 5)               | -  | 536                                       | 6,140                      | 13,725   | 752                                       | -  | 21,153                 |                                      |
| - Discontinued operations                      | -  | -   | -                          | 325  | -   | -  | 325                    |                                      |
| Reclassified to disposal group (Note 11(c))    | -  | -   | -                          | (1,170)  | -   | -  | (1,170)                | SFRS(I) 1-16 (73(e)(ii))             |
| Disposals <sup>1</sup>                         | -  | -   | -                          | (855)  | -   | -  | (855)                  | SFRS(I) 1-16 (73(e)(ii))             |
| Revaluation adjustments <sup>2</sup>           | -  | (586)                                     | (6,415)                    | -  | -   | -  | (7,001)                | SFRS(I) 1-16 (73(e)(iv))             |
| End of financial year                          | -  | -   | -                          | 69,069   | 4,478                                     | -  | 73,547                 | SFRS(I) 1-16 (73(d))                 |
| Net book value                                 |  |   |                            |  |   |  |                        |                                      |
| <b>End of financial year</b>                   | <b>8,853</b>                             | <b>22,316</b>                             | <b>74,939</b>              | <b>40,413</b>                                  | <b>3,178</b>                              | <b>1,230</b>   | <b>150,929</b>         |                                      |





**26. Property, plant and equipment (continued)**

| <u>Group</u>                                | <u>Freehold<br/>land</u><br>\$'000 | <u>Leasehold<br/>land</u><br>\$'000 | <u>Buildings</u><br>\$'000 | <u>Plant and<br/>equipment</u><br>\$'000 | <u>Motor<br/>vehicles</u><br>\$'000 | <u>Assets<br/>under<br/>construction</u><br>\$'000 | <u>Total</u><br>\$'000 | <u>SFRS(I) 1-1<br/>(78(a))</u>       |
|---|------------------------------------|-------------------------------------|----------------------------|--|-------------------------------------|--|------------------------|--------------------------------------|
| <b>2023</b>                                 |                                    |                                     |                            |  |                                     |  |                        |                                      |
| Beginning of<br>financial year              |                                    |                                     |                            |  |                                     |  |                        |                                      |
| Cost  | -                                  | -                                   | -                          | 107,364                                  | 7,846                               | 360  | 115,570                | SFRS(I) 1-16<br>(73(a))              |
| Valuation                                   | 8,450                              | 22,854                              | 65,534                     | -  | -                                   | -  | 96,838                 | SFRS(I) 1-16<br>(73(a))              |
|   | 8,450                              | 22,854                              | 65,534                     | 107,364                                  | 7,846                               | 360  | 212,408                | SFRS(I) 1-16<br>(73(d))              |
| Currency<br>translation<br>differences      | -                                  | (12)                                | 140                        | 899                                      | 90                                  | -  | 1,117                  | SFRS(I) 1-16<br>(73(e)(viii))        |
| Additions                                   | -                                  | -                                   | 2,492                      | 131                                      | 108                                 | 280  | 3,011                  | SFRS(I) 1-16<br>(73(e)(i),<br>74(b)) |
| Disposals <sup>1</sup>                      | -                                  | -                                   | -                          | -  | (553)                               | -  | (553)                  | SFRS(I) 1-16<br>(73(e)(ii))          |
| Revaluation<br>surplus (Note<br>37(b)(vii)) | 165                                | 144                                 | 230                        | -  | -                                   | -  | 539                    | SFRS(I) 1-16<br>(73(e)(iv))          |
| Revaluation<br>adjustments <sup>2</sup>     | -                                  | (231)                               | (1,663)                    | -  | -                                   | -  | (1,894)                | SFRS(I) 1-16<br>(73(e)(iv))          |
| <b>End of financial<br/>year</b>            | <b>8,615</b>                       | <b>22,755</b>                       | <b>66,733</b>              | <b>108,394</b>                           | <b>7,491</b>                        | <b>640</b>   | <b>214,628</b>         | <b>SFRS(I) 1-16<br/>(73(d))</b>      |
| Representing:                               |                                    |                                     |                            |  |                                     |  |                        |                                      |
| Cost  | -                                  | -                                   | -                          | 108,394                                  | 7,491                               | 640  | 116,525                | SFRS(I) 1-16<br>(73(a))              |
| Valuation                                   | 8,615                              | 22,755                              | 66,733                     | -  | -                                   | -  | 98,103                 | SFRS(I) 1-16<br>(73(a))              |
|   | 8,615                              | 22,755                              | 66,733                     | 108,394                                  | 7,491                               | 640  | 214,628                | SFRS(I) 1-16<br>(73(d))              |



**26. Property, plant and equipment (continued)**

| <u>Group</u>                                   | <u>Freehold<br/>land</u><br>\$'000 | <u>Leasehold<br/>land</u><br>\$'000 | <u>Buildings</u><br>\$'000 | <u>Plant and<br/>equipment</u><br>\$'000 | <u>Motor<br/>vehicles</u><br>\$'000 | <u>Assets<br/>under<br/>construction</u><br>\$'000 | <u>Total</u><br>\$'000 | <u>SFRS(I) 1-16</u><br><u>(78(a))</u> |
|--|------------------------------------|-------------------------------------|----------------------------|--|-------------------------------------|--|------------------------|---------------------------------------|
| <b>2023 (continued)</b>                        |                                    |                                     |                            |  |                                     |  |                        |                                       |
| Accumulated depreciation and impairment losses |                                    |                                     |                            |  |                                     |  |                        |                                       |
| Beginning of financial year                    | -                                  | -                                   | -                          | 43,371                                   | 3,605                               | -  | 46,976                 | SFRS(I) 1-16<br>(73(d))               |
| Currency translation differences               | -                                  | (293)                               | 211                        | 1,955                                    | 99                                  | -  | 1,972                  | SFRS(I) 1-16<br>(73(e)(viii))         |
| Depreciation charge                            |                                    |                                     |                            |  |                                     |  |                        | SFRS(I) 1-16<br>(73(e)(vii))          |
| - Continuing operations (Note 5)               | -                                  | 524                                 | 1,452                      | 10,231                                   | 543                                 | -  | 12,750                 |                                       |
| Disposals <sup>1</sup>                         | -                                  | -                                   | -                          | -  | (553)                               | -  | (553)                  | SFRS(I) 1-16<br>(73(e)(ii))           |
| Revaluation adjustments <sup>2</sup>           | -                                  | (231)                               | (1,663)                    | -  | -                                   | -  | (1,894)                | SFRS(I) 1-16<br>(73(e)(iv))           |
| End of financial year                          | -                                  | -                                   | -                          | 55,557                                   | 3,694                               | -  | 59,251                 | SFRS(I) 1-16<br>(73(d))               |
| Net book value                                 |                                    |                                     |                            |  |                                     |  |                        |                                       |
| <b>End of financial year</b>                   | <b>8,615</b>                       | <b>22,755</b>                       | <b>66,733</b>              | <b>52,837</b>                            | <b>3,797</b>                        | <b>640</b>   | <b>155,377</b>         |                                       |

**26. Property, plant and equipment (continued)**

|                              | <u>Plant and<br/>Equipment</u> | <u>Motor<br/>Vehicles</u> | <u>Total</u> |                              |
|------------------------------|--------------------------------|---------------------------|--------------|------------------------------|
|                              | \$'000                         | \$'000                    | \$'000       |                              |
| <u>Company</u>               |                                |                           |              |                              |
| <b>2024</b>                  |                                |                           |              |                              |
| Cost                         |                                |                           |              | SFRS(I) 1-16<br>(73(a))      |
| Beginning of financial year  | 755                            | 230                       | 985          | SFRS(I) 1-16<br>(73(d))      |
| Additions                    | 431                            | 127                       | 558          | SFRS(I) 1-16<br>(73(e)(i))   |
| Disposals                    | (65)                           | -                         | (65)         | SFRS(I) 1-16<br>(73(e)(ii))  |
| End of financial year        | <u>1,121</u>                   | <u>357</u>                | <u>1,478</u> | SFRS(I) 1-16<br>(73(d))      |
| Accumulated depreciation     |                                |                           |              |                              |
| Beginning of financial year  | 99                             | 43                        | 142          | SFRS(I) 1-16<br>(73(d))      |
| Depreciation charge          | 78                             | 29                        | 107          | SFRS(I) 1-16<br>(73(e)(vii)) |
| Disposals                    | (29)                           | -                         | (29)         | SFRS(I) 1-16<br>(73(e)(ii))  |
| End of financial year        | <u>148</u>                     | <u>72</u>                 | <u>220</u>   | SFRS(I) 1-16<br>(73(d))      |
| <b>Net book value</b>        |                                |                           |              |                              |
| <b>End of financial year</b> | <u>973</u>                     | <u>285</u>                | <u>1,258</u> |                              |
| <b>2023</b>                  |                                |                           |              |                              |
| Cost                         |                                |                           |              | SFRS(I) 1-16<br>(73(a))      |
| Beginning of financial year  | 705                            | 230                       | 935          | SFRS(I) 1-16<br>(73(d))      |
| Additions                    | 50                             | -                         | 50           | SFRS(I) 1-16<br>(73(e)(i))   |
| End of financial year        | <u>755</u>                     | <u>230</u>                | <u>985</u>   | SFRS(I) 1-16<br>(73(d))      |
| Accumulated depreciation     |                                |                           |              |                              |
| Beginning of financial year  | 56                             | 24                        | 80           | SFRS(I) 1-16<br>(73(d))      |
| Depreciation charge          | 43                             | 19                        | 62           | SFRS(I) 1-16<br>(73(e)(vii)) |
| End of financial year        | <u>99</u>                      | <u>43</u>                 | <u>142</u>   | SFRS(I) 1-16<br>(73(d))      |
| <b>Net book value</b>        |                                |                           |              |                              |
| <b>End of financial year</b> | <u>656</u>                     | <u>187</u>                | <u>843</u>   |                              |



**26. Property, plant and equipment (continued)**

- (a) Right-of-use of assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 27(a). SFRS(I) 16  
(47(a))

During the current year, the Group renegotiated and modified an existing lease contract for an office building by extending the lease term by another 5 years at revised lease payments. As this extension is not part of the terms and conditions of the original lease contract, it is accounted for as a lease modification with an addition to the right-of-use assets, classified under 'Property, plant and equipment'. The corresponding remeasurement to lease liability is recorded under 'Borrowings' (Note 31).

- (b) The freehold and leasehold land and buildings of the Group were valued by an independent professional valuer based on the properties' highest-and-best-use using the discounted cash flow approach at the balance sheet date. These are regarded as Level 3 fair values. A description of the valuation technique and the valuation processes of the Group are provided in Note 25<sup>3</sup>. SFRS(I) 1-16  
(77(a), (b))  
SGX 1207 (11)  
SFRS(I) 13  
(93)
- (c) If freehold land, leasehold land and buildings stated at valuation were included in the financial statements at cost less accumulated depreciation, their net book values would be: SFRS(I) 1-16  
(77(e))  
  
SFRS(I) 16  
(57)

|                | <u>Group</u>  |        |
|----------------|---------------|--------|
|                | <b>2024</b>   | 2023   |
|                | <b>\$'000</b> | \$'000 |
| Freehold land  | <b>7,810</b>  | 7,810  |
| Leasehold land | <b>18,696</b> | 19,653 |
| Buildings      | <b>50,133</b> | 50,821 |

- (d) Bank borrowings are secured on property, plant and equipment of the Group and the Company with carrying amounts of \$46,800,000 and \$420,000 respectively (2023: \$47,500,000 and \$483,000) (Note 31(a)). SFRS(I) 1-16  
(74(a))
- (e) Included within additions in the 2024's consolidated financial statements are motor vehicles acquired under finance leases amounting to \$50,000. SFRS(I) 1-7  
(43)



**Guidance notes****Property, plant and equipment (“PPE”)****Disposals**

- 1 Disposal of PPE due to the sale of subsidiary may be included in the “Disposals” line item, as illustrated in this publication. In contrast, acquisitions of PPE through business combinations must be separately disclosed in the PPE reconciliation table.

SFRS(I) 1-16  
(73(e)(iii))**Revaluation**

- 2 When an item of PPE is revalued, the accumulated depreciation at the date of the revaluation can either be:
- (a) restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
  - (b) eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

SFRS(I) 1-16  
(35)

Method (b) is illustrated in this publication.

**Fair value hierarchy disclosures**

- 3 Please refer to guidance notes under Note 25.

**Acquisition of subsidiary**

- 4 Property, plant and equipment acquired as part of a business combination should be initially recorded at fair value from the perspective of the Group. From the viewpoint of the acquired entity, however, the property, plant and equipment continue to be recorded at cost less accumulated depreciation, including accumulated depreciation recorded prior to the date of the business combination. At Group level, consolidation adjustments may be necessary to adjust the subsidiary book values to the Group numbers. For example, any pre-acquisition accumulated depreciation at the subsidiary level should not be carried forward to the consolidated Group numbers.

**Impairment of assets**

- 5 Please refer to guidance notes under Note 29.

**Modification of leases**

- 6 Please refer to guidance notes under Note 31.

**Rising inflation**

- 7 This area could be impacted by rising inflation rates and other global economic uncertainties. For considerations and disclosure relating to rising inflation, please refer to [Note 2 - Basis of preparation, Guidance Note 5](#).



**27. Leases – The Group as a lessee**

**Nature of the Group’s leasing activities**

**Property**

The Group leases office space and retail stores for the purpose of back office operations and sale of consumer goods to retail customers respectively.

SFRS(I) 16  
(59(a))

**Leasehold land and building**

The Group has made an upfront payment to secure the right-of-use of a 99-year leasehold land, which is used in the Group’s retail operations. This leasehold land is recognised within Property, plant and equipment (Note 26).

The Group also makes annual lease payments for a leasehold land. The right-of-use of the land is classified as an investment property (Note 25).

There are no externally imposed covenants on these lease arrangements.

SFRS(I) 16  
(59(c))

**Equipment and vehicles**

The Group leases vehicles to render logistic services and leases equipment for the construction division to manufacture and produce specialised equipment. The lease arrangements prohibit the Group from subleasing the equipment to third parties.

SFRS(I) 16  
(59(c))



**27. Leases – The Group as a lessee (continued)**

## (a) Carrying amounts

Right-of-use (“ROU”) assets classified within Property, plant and equipment

|                     | <b>2024</b>   | 2023   | SFRS(I) 16<br>(54)    |
|---------------------|---------------|--------|-----------------------|
|                     | <b>\$'000</b> | \$'000 |                       |
| Leasehold land      | <b>22,316</b> | 22,755 | SFRS(I) 16<br>(53(j)) |
| Buildings           | <b>23,419</b> | 15,866 |                       |
| Plant and equipment | <b>2,225</b>  | 2,780  |                       |
| Motor vehicles      | <b>2,164</b>  | 2,529  |                       |
|                     | <b>50,124</b> | 43,930 |                       |

ROU assets classified within Investment properties<sup>1</sup>

The right-of-use asset relating to the leasehold land presented under Investment properties (Note 25) is stated at fair value and has a carrying amount at balance sheet date of \$10,248,000 (2023: \$16,018,000).

DV

|   |               |        |                                 |
|---|---------------|--------|---------------------------------|
| (b) Depreciation charge during the year   | <b>2024</b>   | 2023   | SFRS(I) 16<br>(53(a))           |
|   | <b>\$'000</b> | \$'000 |                                 |
| Leasehold land  | <b>536</b>    | 524    |                                 |
| Buildings   | <b>1,801</b>  | 1,137  |                                 |
| Plant and equipment   | <b>635</b>    | 753    |                                 |
| Motor vehicles  | <b>365</b>    | 256    |                                 |
| Total   | <b>3,337</b>  | 2,670  |                                 |
| (c) Interest expense  |               |        | SFRS(I) 16<br>(53(b))           |
| Interest expense on lease liabilities   | <b>1,928</b>  | 2,101  |                                 |
| (d) Lease expense not capitalised in lease liabilities  |               |        |                                 |
| Lease expense – short-term leases   | <b>2,868</b>  | 2,245  | SFRS(I) 16<br>(53(c), (d), (e)) |
| Lease expense – low-value leases  | <b>2,468</b>  | 3,135  |                                 |
| Variable lease payments which do not depend on an index or rate                               | <b>250</b>    | 310    |                                 |
| Total (Note 5)  | <b>5,586</b>  | 5,690  |                                 |
| (e) Total income from subleasing ROU assets was \$506,000 (2023: \$335,000) (Note 7).         |               |        | SFRS(I) 16<br>(53(f))           |
| (f) Total cash outflow <sup>2</sup> for all the leases was \$13,087,000 (2023: \$14,511,000). |               |        | SFRS(I) 16<br>(53(g))           |
| (g) Addition of ROU assets during the year was \$10,034,000 (2023: Nil).                      |               |        | SFRS(I) 16<br>(53(h))           |

**27. Leases – The Group as a lessee (continued)**

(h) Future cash outflow which are not capitalised in lease liabilities

i. Variable lease payments

The leases for retail stores contain variable lease payments that are based on a percentage of sales generated by the stores ranging from 2% to 5% (2023: 2 to 5%), on top of fixed payments. The Group negotiates variable lease payments for a variety of reasons, including minimising the fixed costs base for newly established stores. Such variable lease payments are recognised to profit or loss when incurred and amounted to \$250,000 (2023: \$310,000) (Note 27(d)).

SFRS(I) 16  
(59(b))

SFRS(I) 16  
(B49(a), (c))

ii. Extension options

The leases for certain retail stores, equipment and motor vehicles contain extension options, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension options. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations. The majority of the extension options are exercisable by the Group and not by the lessor.

SFRS(I) 16  
(B50(a))





## Guidance Notes

### Right-of-use assets

- 1 SFRS(I) 16 only requires disclosure of depreciation expense and additions to right-of-use assets, but not of a full reconciliation of the right-of-use assets held. However, additional disclosures may be necessary to explain significant changes in the amounts of right-of-use assets, for example as a result of foreign exchange movements or modifications to lease agreements.
- 2 Where an entity has elected to present right-of-use assets within the same line item as the corresponding underlying assets would be presented if they were owned, it should provide the same disclosures for the right-of-use assets as for the corresponding underlying assets. For example, where the right-of-use assets are presented as property, plant and equipment, they would need to be included in the reconciliation that is required under SFRS(I) 1-16, with the same amount of detail as is required for other items of property, plant and equipment.

SFRS(I) 16  
(53)

SFRS(I) 16  
(47(a))

SFRS(I) 1-16  
(73(e))

### Rising inflation

- 3 This area could be impacted by rising inflation rates and other global economic uncertainties. For considerations and disclosure relating to rising inflation, please refer to [Note 2 - Basis of preparation, Guidance Note 5](#).



**28. Leases – The Group as a lessor**

**Nature of the Group’s leasing activities – Group as a lessor**

The Group has leased out their owned investment properties to a third party for monthly lease payments. Where considered necessary to reduce credit risk, the Group may obtain bank guarantees for the term of the lease. This lease is classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

SFRS(I) 16  
(92(a), (b))

Rental income from investment properties are disclosed in Note 25.

**Nature of the Group’s leasing activities – Group as an intermediate lessor**

Sub-leases – classified as operating leases

The Group acts as an intermediate lessor under arrangements in which it sub-leases out retail stores to third parties for monthly lease payments. The sub-lease periods do not form a major part of the remaining lease terms under the head leases and accordingly, the sub-leases are classified as operating leases.

SFRS(I) 16  
(92(a))

Income from sub-leasing the retail stores recognised during the financial year 2024 was \$506,000 (2023: \$355,000), of which \$30,000 (2023: \$35,000) relates to variable lease payments that do not depend on an index or rate.

SFRS(I) 16  
(53(f))  
SFRS(I) 16  
(90(b))

**Maturity analysis of lease payments – Group as a lessor**

The table below discloses the undiscounted lease payments to be received by the Group for its leases and sub-leases after the reporting date as follows:

SFRS(I) 16  
(97)

|                                   | <b>2024</b>   | 2023   |
|-----------------------------------|---------------|--------|
|                                   | <b>\$'000</b> | \$'000 |
| Less than one year                | <b>965</b>    | 476    |
| One to two years                  | <b>965</b>    | 476    |
| Two to three years                | <b>645</b>    | -      |
| Total undiscounted lease payments | <b>2,575</b>  | 952    |



**28. Leases – The Group as a lessor (continued)**

Sub-leases – classified as finance leases

The Group's sub-lease of its right-of-use of the office space is classified as finance lease because the sub-lease is for the entire remaining lease term of the head lease.

SFRS(I) 16  
(92(a))

The ROU asset relating to the head lease with sub-lease classified as finance lease is derecognised. The net investment in the sub-lease is recognised under "Trade and other receivables" (Note 18 & 20).

Finance income on the net investment in sub-lease during the financial year is \$582,000 (2023: \$324,000), of which \$40,000 (2023: \$37,000) relates to variable lease payments of the lease which is not included in the measurement of the net investment in the lease.

SFRS(I) 16  
(90(a)(ii), (iii))

The following table shows the maturity analysis of the undiscounted lease payments to be received:

SFRS(I) 16  
(94)

|   | <b>2024</b>    | 2023    |
|---|----------------|---------|
|   | <b>\$'000</b>  | \$'000  |
| Less than one year                                | <b>2,926</b>   | 1,747   |
| One to two years                                  | <b>2,926</b>   | 1,747   |
| Two to three years                                | <b>2,925</b>   | 1,747   |
| Three to four years                               | <b>2,925</b>   | 1,747   |
| Four to five years                                | -              | 1,747   |
| <b>Total undiscounted lease payments</b>          | <b>11,702</b>  | 8,735   |
| Less: Unearned finance income                     | <b>(1,191)</b> | (1,191) |
| <b>Net investment in finance lease (Note (a))</b> | <b>10,511</b>  | 7,544   |
| <br>  |                |         |
| Current (Note 18)                                 | <b>2,800</b>   | 2,010   |
| Non-current (Note 20)                             | <b>7,711</b>   | 5,534   |
| <b>Total</b>                                      | <b>10,511</b>  | 7,544   |

The net investment in finance lease has increased by \$2,967,000 as the Group has entered into a new sublease arrangement during the current financial year 2024.

SFRS(I) 16  
(93)

**Guidance notes**

**ROU assets classified as investment property**

1 If right-of-use assets meet the definition of investment property, a lessee shall apply the disclosure requirements in SFRS(I) 1-40. In that case, a lessee is not required to provide the following disclosures:

SFRS(I) 16 (56)

- (i) Depreciation charge for right-of-use assets by class of underlying assets;
- (ii) Income from subleasing right-of-use assets;
- (iii) Additions to right-of-use assets; and
- (iv) The carrying amount of right-of-use assets at the reporting period by class of underlying asset.

**Total cash outflow for leases**

2 Total cash outflow for leases should include all lease payments regardless whether the payments are capitalised as part of the lease liabilities.

**Disclosures relating to rent concessions**

3 For disclosures relating to rent concessions for both lessors and lessees, please refer to illustrative disclosures in Appendix 2 example 2.



**Guidance notes**

**Disclosures not illustrated**

4 The following disclosures are not illustrated in this publication as they are not applicable to PwC Holdings Ltd.

| Issue not illustrated  | Relevant disclosures or references   |
|--|--|
| Sale and leaseback transactions  | Disclose gain or loss separately in the notes and consider additional information set out in SFRS(I) 16 (B52).                                 |
| Lessee capitalises leasing costs as part of the cost of another asset  | Ensure the amounts disclosed in Note 27 under SFRS(I) 16 paragraph 53 include costs that are included in the carrying amount of another asset. |
| Portfolio of short-term leases at the end of the reporting period is dissimilar to the portfolio of short-term leases held during the year | Disclose lease commitments for short-term leases that are recognised as expenses on a straight-line or other systematic basis.                 |
| Leases not yet commenced to which the lessee is committed  | Provide information about the future cash outflows to which the lessee is potentially exposed.   |

SFRS(I) 16 (53(i)), (59(d)), (B52)

SFRS(I) 16 (54)

SFRS(I) 16 (55)

SFRS(I) 16 (59(b)(iv))

**Rising inflation**

5 This area could be impacted by rising inflation rates and other global economic uncertainties. For considerations and disclosure relating to rising inflation, please refer to [Note 2 - Basis of preparation, Guidance Note 5](#).



**29. Intangible assets**

|   | <u>Group</u>  |               | <u>Company</u> |              |
|---|---------------|---------------|----------------|--------------|
|   | 31 December   |               | 31 December    |              |
|   | 2024          | 2023          | 2024           | 2023         |
|   | \$'000        | \$'000        | \$'000         | \$'000       |
| <u>Composition:</u>                         |               |               |                |              |
| Goodwill (Note (a))                         | 11,118        | 10,377        | -              | -            |
| Trademark and<br>licences<br>(Note (b))     | 16,249        | 14,861        | 1,060          | 1,100        |
| Computer software<br>licences<br>(Note (c)) | 774           | 949           | 384            | 442          |
|   | <b>28,141</b> | <b>26,187</b> | <b>1,444</b>   | <b>1,542</b> |

## (a) Goodwill

|  | <u>Group</u>  |               | SFRS(I) 3<br>(B67(d))       |
|--|---------------|---------------|-----------------------------|
|  | 2024          | 2023          |                             |
|  | \$'000        | \$'000        |                             |
| <b>Cost</b>                            |               |               |                             |
| Beginning of financial year            | 16,112        | 16,138        | SFRS(I) 3<br>(B67(d)(i))    |
| Acquisition of subsidiary (Note 46(c)) | 1,250         | -             | SFRS(I) 3<br>(B67(d)(ii))   |
| Currency translation differences       | (21)          | (26)          | SFRS(I) 3<br>(B67(d)(vi))   |
| End of financial year                  | <b>17,341</b> | <b>16,112</b> | SFRS(I) 3<br>(B67(d)(viii)) |
| <b>Accumulated impairment</b>          |               |               |                             |
| Beginning of financial year            | 5,735         | 4,670         | SFRS(I) 3<br>(B67(d)(i))    |
| Currency translation differences       | (12)          | (16)          | SFRS(I) 3<br>(B67(d)(vi))   |
| Impairment charge (Note 5)             | 500           | 1,081         | SFRS(I) 3<br>(B67(d)(v))    |
| End of financial year                  | <b>6,223</b>  | <b>5,735</b>  | SFRS(I) 3<br>(B67(d)(viii)) |
| Net book value                         | <b>11,118</b> | <b>10,377</b> |                             |

**29. Intangible assets (continued)**

## (a) Goodwill (continued)

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units ("CGUs") identified according to countries of operation and business segments.

A segment-level summary of the goodwill allocation is as follows:

SFRS(I) 1-36  
(134(a))

| <u>Group</u>               | <u>Component parts</u> |        | <u>Furniture</u> |        | <u>Total</u>  |        |
|----------------------------|------------------------|--------|------------------|--------|---------------|--------|
|                            | 31 December            |        | 31 December      |        | 31 December   |        |
|                            | <b>2024</b>            | 2023   | <b>2024</b>      | 2023   | <b>2024</b>   | 2023   |
|                            | <b>\$'000</b>          | \$'000 | <b>\$'000</b>    | \$'000 | <b>\$'000</b> | \$'000 |
| Singapore                  | <b>3,970</b>           | 3,970  | <b>120</b>       | 120    | <b>4,090</b>  | 4,090  |
| People's Republic of China | <b>4,531</b>           | 3,281  | <b>1,521</b>     | 2,030  | <b>6,052</b>  | 5,311  |
| The Philippines            | <b>270</b>             | 270    | <b>87</b>        | 87     | <b>357</b>    | 357    |
| Others                     | <b>539</b>             | 539    | <b>80</b>        | 80     | <b>619</b>    | 619    |
|                            | <b>9,310</b>           | 8,060  | <b>1,808</b>     | 2,317  | <b>11,118</b> | 10,377 |

The recoverable amount of a CGU was determined based on value-in-use<sup>4</sup>. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period were extrapolated using the estimated growth rates stated below. The growth rate did not exceed the long-term average growth rate for the component parts business and furniture business in which the CGUs operate.

SFRS(I) 1-36  
(134(c), (d))



**29. Intangible assets (continued)**

## (a) Goodwill (continued)

## Key assumptions used for value-in-use calculations:

|                            | Component parts |                            |                 |        | Furniture |                            |                 |        |
|----------------------------|-----------------|----------------------------|-----------------|--------|-----------|----------------------------|-----------------|--------|
|                            | Singapore       | People's Republic of China | The Philippines | Others | Singapore | People's Republic of China | The Philippines | Others |
| <b>31 December 2024</b>    |                 |                            |                 |        |           |                            |                 |        |
| Gross margin <sup>1</sup>  | 49.0%           | 53.0%                      | 56.0%           | 60.0%  | 35.0%     | 34.0%                      | 40.0%           | 36.0%  |
| Growth rate <sup>2</sup>   | 2.0%            | 3.0%                       | 7.5%            | 2.1%   | 1.9%      | 2.8%                       | 2.4%            | 1.5%   |
| Discount rate <sup>3</sup> | 8.5%            | 14.2%                      | 14.5%           | 13.5%  | 8.3%      | 14.6%                      | 14.3%           | 13.2%  |
| <b>31 December 2023</b>    |                 |                            |                 |        |           |                            |                 |        |
| Gross margin <sup>1</sup>  | 48.0%           | 51.0%                      | 55.0%           | 56.0%  | 32.0%     | 33.0%                      | 36.0%           | 35.0%  |
| Growth rate <sup>2</sup>   | 2.0%            | 1.5%                       | 7.0%            | 1.9%   | 1.8%      | 2.5%                       | 2.3%            | 1.4%   |
| Discount rate <sup>3</sup> | 7.4%            | 13.5%                      | 14.0%           | 13.2%  | 7.5%      | 13.5%                      | 13.8%           | 13.5%  |

<sup>1</sup> Budgeted gross margin<sup>2</sup> Weighted average growth rates used to extrapolate cash flows beyond the budget period<sup>3</sup> Pre-tax discount rates applied to the pre-tax cash flow projections

Management determined budgeted gross margin based on past performance and its expectations of market developments. The weighted average growth rates used were consistent with forecasts included in industry reports. The discount rates used were pre-tax and reflected specific risks relating to the relevant segments.

SFRS(I) 1-36  
(134(d)(ii))SFRS(I) 1-36  
(55)

An impairment charge of \$500,000 (2023: \$1,081,000) is included within "Administrative expenses" in the statement of comprehensive income. The impairment charge in both financial years arose from the furniture CGU in People's Republic of China following a decision to reduce the manufacturing output as a result of declining customer demand<sup>3</sup>. The Group has also reassessed the useful lives of its property, plant and equipment related to the same business segment and determined that no change in the useful lives was required.

SFRS(I) 1-36  
(126(a))SFRS(I) 1-36  
(130)

The impairment test carried out as at 31 December 2024 for the component parts CGU in Singapore, which includes 36% of the goodwill recognised on the balance sheet, has revealed that the recoverable amount of the CGU is \$4,089,000 or 3% higher than its carrying amount. This has decreased due to significant pressure on selling prices and a sharp decrease in demand as a result of the economic crisis. A further decrease in the growth margin by 1%, a decrease in the growth rate by 0.2% or an increase in the discount rate by 0.3% would result in the recoverable amount of the component parts CGU in Singapore being equal to its carrying amount<sup>2</sup>.

SFRS(I) 1-36  
(134(f))



**29. Intangible assets (continued)**

## (b) Trademark and licences

|   | Group          |                | Company        |                | SFRS(I) 1-38<br>(118(e))      |
|---|----------------|----------------|----------------|----------------|-------------------------------|
|   | 2024<br>\$'000 | 2023<br>\$'000 | 2024<br>\$'000 | 2023<br>\$'000 |                               |
| Cost  |                |                |                |                |                               |
| Beginning of financial year                 | <b>17,243</b>  | 16,028         | <b>1,900</b>   | 1,660          | SFRS(I) 1-38<br>(118(c))      |
| Acquisition of subsidiary (Note 46(c))      | <b>535</b>     | -              | -              | -              | SFRS(I) 1-38<br>(118(e)(i))   |
| Additions                                   | <b>2,300</b>   | 1,205          | <b>150</b>     | 240            | SFRS(I) 1-38<br>(118(e)(i))   |
| Reclassified to disposal group (Note 11(c)) | <b>(208)</b>   | -              | -              | -              | SFRS(I) 1-38<br>(118(e)(ii))  |
| Currency translation differences            | <b>18</b>      | 10             | -              | -              | SFRS(I) 1-38<br>(118(e)(vii)) |
| End of financial year                       | <b>19,888</b>  | 17,243         | <b>2,050</b>   | 1,900          | SFRS(I) 1-38<br>(118(c))      |
| Accumulated amortisation                    |                |                |                |                |                               |
| Beginning of financial year                 | <b>2,382</b>   | 1,580          | <b>800</b>     | 660            | SFRS(I) 1-38<br>(118(c))      |
| Amortisation charge                         |                |                |                |                | SFRS(I) 1-38<br>(118(e)(vi))  |
| - Continuing operations                     | <b>1,275</b>   | 812            | <b>190</b>     | 140            |                               |
| - Discontinued operations                   | <b>104</b>     | -              | -              | -              |                               |
| Reclassified to disposal group (Note 11(c)) | <b>(104)</b>   | -              | -              | -              | SFRS(I) 1-38<br>(118(e)(ii))  |
| Currency translation differences            | <b>(18)</b>    | (10)           | -              | -              | SFRS(I) 1-38<br>(118(e)(vii)) |
| End of financial year                       | <b>3,639</b>   | 2,382          | <b>990</b>     | 800            | SFRS(I) 1-38<br>(118(c))      |
| Net book value                              | <b>16,249</b>  | 14,861         | <b>1,060</b>   | 1,100          |                               |

**29. Intangible assets (continued)**(c) Computer software licences<sup>7</sup>

|                                  | <u>Group</u>  |        | <u>Company</u> |        |                               |
|----------------------------------|---------------|--------|----------------|--------|-------------------------------|
|                                  | <b>2024</b>   | 2023   | <b>2024</b>    | 2023   |                               |
|                                  | <b>\$'000</b> | \$'000 | <b>\$'000</b>  | \$'000 |                               |
| Cost                             |               |        |                |        |                               |
| Beginning of financial year      | <b>1,915</b>  | 1,649  | <b>520</b>     | 240    | SFRS(I) 1-38<br>(118(c))      |
| Additions                        | -             | 287    | -              | 280    | SFRS(I) 1-38<br>(118(e)(i))   |
| Currency translation differences | <b>(15)</b>   | (21)   | -              | -      | SFRS(I) 1-38<br>(118(e)(vii)) |
| End of financial year            | <b>1,900</b>  | 1,915  | <b>520</b>     | 520    | SFRS(I) 1-38<br>(118(c))      |
| Accumulated amortisation         |               |        |                |        |                               |
| Beginning of financial year      | <b>966</b>    | 835    | <b>78</b>      | 40     | SFRS(I) 1-38<br>(118(c))      |
| Amortisation charge              | <b>168</b>    | 142    | <b>58</b>      | 38     | SFRS(I) 1-38<br>(118(e)(vii)) |
| Currency translation differences | <b>(8)</b>    | (11)   | -              | -      | SFRS(I) 1-38<br>(118(e)(vii)) |
| End of financial year            | <b>1,126</b>  | 966    | <b>136</b>     | 78     | SFRS(I) 1-38<br>(118(c))      |
| Net book value                   | <b>774</b>    | 949    | <b>384</b>     | 442    |                               |

- (d) Amortisation expense included in the statement of comprehensive income is analysed as follows<sup>1</sup>:

|                         | <u>Group</u>  |        |
|-------------------------|---------------|--------|
|                         | <b>2024</b>   | 2023   |
|                         | <b>\$'000</b> | \$'000 |
| Cost of sales           | <b>1,275</b>  | 812    |
| Administrative expenses | <b>168</b>    | 142    |
| Total (Note 5)          | <b>1,443</b>  | 954    |

**Guidance notes****Intangible assets****Line items on the statement of comprehensive income in which amortisation expenses are included**

- 1 These disclosures are required only for entities that present expenses by function on the face of the statement of comprehensive income.

SFRS(I) 1-38  
(118(d))**Effects of reasonably possible changes on impairment key assumptions**

- 2 If a reasonably possible change in a key assumption on which management has based its determination of the unit's (group of units') recoverable amount would cause the unit's (group of units') carrying amount to exceed its recoverable amount, the following should be disclosed:

SFRS(I) 1-36  
(134(f))

- (d) the amount by which the unit's (group of units') recoverable amount exceeds its carrying amount;
- (e) the value assigned to the key assumption; and
- (f) the amount by which the value assigned to the key assumption must change, after incorporating any consequential effects of that change on the other variables used to measure recoverable amount, in order for the unit's (group of units') recoverable amount to be equal to its carrying amount.

**Impairment of goodwill and other assets**

- 3 Entities are required to disclose the events and circumstances that led to the recognition of impairment losses. For each material impairment loss recognised or reversed during the period for an individual asset, including goodwill or a cash-generating unit, entities should provide disclosures in accordance to paragraphs 129 to 132 of SFRS(I) 1-36.

SFRS(I) 1-36  
(129-132)**Fair value hierarchy disclosure**

- 4 For recoverable amounts measured at fair value less cost to sell, disclosure of the fair value hierarchy of the fair value measurement and related fair value information under SFRS(I) 13 is required.

SFRS(I) 1-36  
(130(f))**Intangible assets with indefinite useful lives**

- 5 If an entity has an intangible asset assessed as having an indefinite useful life, the entity shall disclose the carrying amount of that asset and the reasons supporting the assessment of an indefinite useful life. In giving these reasons, the entity shall describe the factor(s) that played a significant role in determining that the asset has an indefinite useful life. This has not been illustrated in this publication, but a disclosure example is provided as follows:

SFRS(I) 1-38  
(122(a))

**Guidance notes****Intangible assets (continued)****Intangible assets with indefinite useful lives (continued)**

The Group's trademark used to identify and distinguish the Group's specialised product has a carrying amount of \$2,345,000 (2023: \$2,345,000). The trademark has a remaining legal life of five years but is renewable every ten years at insignificant cost. The Group intends to renew the trademark continuously and evidence supports its ability to do so, based on its past experience. An analysis of product life cycle studies and market and competitive trends provides evidence that the product will generate net cash inflows for the Group for an indefinite period. Therefore, the trademark is carried at cost without amortisation, but is tested for impairment on an annual basis.

**Intangible assets measured under the revaluation model**

- 6 For intangible assets accounted for at revalued amounts, additional disclosures under paragraph 124 of SFRS(I) 1-38 are required.

SFRS(I) 1-38  
(124)

**Configuration and customisation costs in a cloud computing arrangement**

- 7 Cloud computing services in the form of Software as a Service ("SaaS") are increasingly common. Such contracts convey to the customer the right to receive access to the supplier's application software over the contract term. That right to receive access does not provide the customer with a software asset and therefore, the access to the software is a service that the customer receives over the contract term.

In March 2021 the IFRIC update included an agenda decision on Configuration and Customisation ("CC") costs in a Cloud Computing Arrangement, which provided guidance on accounting for such CC costs.

Entities that incur or have previously incurred CC costs associated with a SaaS cloud arrangement should reassess how these transactions are accounted for. An entity should assess whether the CC costs create an asset that is separate from the software, based on the recognition criteria in SFRS(I) 1-38 to determine if the CC costs should be recognised as an intangible asset.



**Guidance notes****Intangible assets** (continued)**Configuration and customisation costs in a cloud computing arrangement**  
(continued)

Where an intangible asset is not recognised, the entity should consider if the CC costs can be capitalised as a prepayment or should be expensed when incurred. In determining this, the entity should consider the principles in SFRS(I) 15 to understand who is performing the CC service (a third party or the SaaS provider), and whether the service is distinct from the SaaS performance obligation. Where a third-party supplier is engaged to perform the CC services, those costs would typically be expensed immediately.

This might require an entity to re-evaluate its accounting for CC costs incurred in previous reporting periods, in particular if they were capitalised. This could result in a change in the entity's accounting policy which should be applied retrospectively unless impracticable. Appropriate disclosures should also be made in the financial statements in relation to this change.

**Rising inflation**

- 8 This area could be impacted by rising inflation rates and other global economic uncertainties. For considerations and disclosure relating to rising inflation, please refer to [Note 2 - Basis of preparation, Guidance Note 5](#).



**30. Trade and other payables<sup>1</sup>**SFRS(I) 1-1  
(77)

|   | <u>Group</u>  |        | <u>Company</u> |        |                         |
|---|---------------|--------|----------------|--------|-------------------------|
|   | 31 December   |        | 31 December    |        |                         |
|   | <b>2024</b>   | 2023   | <b>2024</b>    | 2023   |                         |
|   | <b>\$'000</b> | \$'000 | <b>\$'000</b>  | \$'000 |                         |
| Current                                       |               |        |                |        |                         |
| Trade payables to:                            |               |        |                |        |                         |
| - non-related parties                         | <b>847</b>    | 1,128  | <b>84</b>      | 97     |                         |
| - associates                                  | <b>1,857</b>  | 2,095  | <b>240</b>     | 141    | SFRS(I) 1-24<br>(19(d)) |
| - subsidiaries                                | -             | -      | <b>34</b>      | 162    | SFRS(I) 1-24<br>(19(c)) |
| - other related parties                       | <b>8,346</b>  | 8,124  | -              | -      | SFRS(I) 1-24<br>(19(g)) |
| Refund liabilities                            | <b>167</b>    | 135    | -              | -      |                         |
| Accruals for volume discounts                 | <b>3,145</b>  | 1,344  | -              | -      |                         |
| Financial guarantees                          | -             | -      | <b>120</b>     | 120    |                         |
| Deferred grant income                         | <b>150</b>    | 500    | <b>80</b>      | 100    |                         |
| Accruals for operating expenses               | <b>2,578</b>  | 1,877  | <b>393</b>     | 228    |                         |
|   | <b>17,090</b> | 15,203 | <b>951</b>     | 848    |                         |
| Non-current                                   |               |        |                |        |                         |
| Contingent consideration payable (Note 46(a)) | <b>500</b>    | 350    | -              | -      |                         |
| Total trade and other payables                | <b>17,590</b> | 15,553 | <b>951</b>     | 848    |                         |

Transactions with associates, subsidiaries and other related parties were made on normal commercial terms and conditions.

SFRS(I) 1-24  
(18(b)(i))

Trade payables are unsecured and are usually paid within 30 days of recognition.



**30. Trade and other payables (continued)**

## (a) Liabilities under supplier finance arrangements

|   | <u>Group</u> |        | <u>Company</u> |        |
|---|--------------|--------|----------------|--------|
|   | 31 December  |        | 31 December    |        |
|   | 2024         | 2023   | 2024           | 2023   |
|   | \$'000       | \$'000 | \$'000         | \$'000 |
| Liabilities under supplier finance arrangements | <b>520</b>   | 340    | -              | -      |

Supplier finance arrangements (“SFAs”) are characterised by one or more finance providers offering to pay amounts that an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, when suppliers are paid. These arrangements provide the entity with extended payment terms, or the entity’s suppliers with early payment terms, compared to the related invoice payment due date.

SFRS(I) 1-7  
(44G)

On 1 January 2022, the Group entered into a supplier finance arrangement ending on 31 December 2025. Under the arrangement, a bank acquires the rights to selected trade receivables from the supplier. The terms and conditions of the arrangement are unchanged from the trade payables from this supplier, other than:

SFRS(I) 1-7  
(44H)(a)

- the due date has been extended to 45 days after the invoice date from the original 30 days; and
- the acquired payables are no longer able to be offset against credit notes received from the supplier.

|   | 31 December                         |                              | 1 January                    |  |
|---|-------------------------------------|------------------------------|------------------------------|--|
|   | 2024                                | 2023                         | 2023                         |  |
| <b>Range of payment due dates</b>   |                                     |                              |                              |  |
| Liabilities under supplier finance arrangement  | <b>45 days after invoice date</b>   | 45 days after invoice date   | 45 days after invoice date   |  |
| Comparable trade payables that are not part of the supplier finance arrangement (same line of business) | <b>0-30 days after invoice date</b> | 0-30 days after invoice date | 0-30 days after invoice date |  |
| <b>Carrying amount of liabilities under supplier finance arrangement</b>                                |                                     |                              |                              |  |
| Liabilities under supplier finance arrangement  | <b>\$'000</b>                       | \$'000                       | \$'000                       |  |
| of which the supplier has received payment from the finance provider                                    | <b>520</b>                          | 340                          | 420                          |  |
|   | <b>450</b>                          | 270                          | 240                          |  |

SFRS(I) 1-7  
(44H)(b)(iii)SFRS(I) 1-7  
(44H)(b)(i)  
SFRS(I) 1-7  
(44H)(b)(ii)

**30. Trade and other payables (continued)****(a) Liabilities under supplier finance arrangements (continued)**

There were no material business combinations or foreign exchange differences that would affect the liabilities under the supplier finance arrangement in either period. There were non-cash transfers from trade payables to liabilities under the supplier finance arrangement of \$2,890,000 and \$2,490,000 in 2024 and 2023 respectively.

SFRS(I) 1-7  
(44H)(c)

Reconciliation of liabilities arising from financing activities in relation to supplier finance arrangements is disclosed in note 31(e).

**Guidance notes****Significant judgments applied on supplier finance arrangements**

1 The Group assesses how to present and account for SFAs based on the specific terms and conditions of each arrangement. There is significant judgement involved in both the presentation of liabilities under SFAs and the presentation of cash flows. While PwC Holdings Ltd may not have disclosed this judgment as the supplier financing amounts are not material, the following illustrative disclosure may be considered:

SFRS(I) 1-1  
(117), (122)

“Given that the only changes are the payment due date changing from 30 days to 45 days after the invoice date and the group no longer being able to offset the acquired payables against the credit notes received from the supplier, management has determined that it is appropriate to present the amounts as a separate line item in the statement of financial position instead of within borrowings.

For the purpose of the cash flow statement, management has determined that the amounts are not part of the working capital used in the entity’s principal revenue-producing activities, so it presents the cash outflows to settle the supplier finance liability in financing.

Management considers that the finance provider settles the invoices as a payment agent on behalf of the entity. The payments made by the finance provider are therefore presented as operating cash outflows and financing cash inflows in equal but opposite amounts at the point when the finance provider pays the supplier. When the Group subsequently pays the amount outstanding to the finance provider, this is presented as a financing cash outflow. As a consequence, the liabilities under the supplier finance arrangement are included in the net debt reconciliation.”





**Guidance notes****Disclosures**

- 2 The qualitative information disclosing the terms and conditions of SFAs can be presented on an aggregated basis where the characteristics of the arrangements are similar. Judgement might be required to assess whether a specific arrangement is dissimilar in nature to other arrangements. An arrangement would be dissimilar if it has unusual or unique terms and conditions. For further guidance on the above judgements, please refer to our in depth [PwC In-Depth 'Bringing transparency on supplier finance'](#), which explains issues to consider when determining the appropriate presentation and disclosure of such arrangements
- 3 Three years have been presented for the above tables, to meet the disclosure requirements as at the beginning and end of both the current and the comparative reporting period.
- 4 The following reliefs are available in the first year of application:
- (a) Disclosure of comparative information: comparative information will not be required during the first year in which the entity applies the amendments. That is, an entity with a closing reporting date of 31 December 2024 will not need to present comparative information for 2024.
  - (b) Disclosure of certain opening balances: quantitative disclosures in paragraph 44H(b) of SFRS(I) 1-7 will normally be required at the opening and closing of each reporting period. However, considering the complexity that might exist for disclosures in paragraphs 44H(b)(ii) and (iii) of SFRS(I) 1-7, in the first year of application, entities are provided with transition relief, meaning that disclosures in paragraphs 44H(b)(ii) and (iii) of SFRS(I) 1-7 are only required as of year-end.
  - (c) Interim financial statements: the required disclosures will only apply for the annual periods during the first year of application. Therefore, the earliest that the new disclosure requirements would be mandated is for an annual reporting period ending 31 December 2024.

SFRS(I) 1-7  
(63)

PwC Holdings Ltd has elected not to use the reliefs available in (a) and (b) above.



**31. Borrowings**

|   | <u>Group</u>   |                | <u>Company</u> |               | SFRS(I) 1-1<br>(77)       |
|---|----------------|----------------|----------------|---------------|---------------------------|
|   | 31 December    |                | 31 December    |               |                           |
|   | 2024           | 2023           | 2024           | 2023          |                           |
|   | \$'000         | \$'000         | \$'000         | \$'000        |                           |
| Current                                   |                |                |                |               | SFRS(I) 1-1<br>(60), (69) |
| Bank overdrafts (Note 13)                 | 4,460          | 3,960          | 1,732          | 1,927         |                           |
| Bank borrowings                           | 2,898          | 5,195          | -              | -             |                           |
| Lease liabilities                         | 11,414         | 12,350         | -              | -             |                           |
|   | <b>18,772</b>  | <b>21,505</b>  | <b>1,732</b>   | <b>1,927</b>  |                           |
| Non-current                               |                |                |                |               | SFRS(I) 1-1<br>(60), (69) |
| Bank borrowings                           | 19,290         | 22,724         | -              | -             |                           |
| Convertible bonds<br>(Note 32)            | 49,084         | 48,499         | 49,084         | 48,499        |                           |
| Redeemable preference<br>shares (Note 33) | 30,000         | 30,000         | 30,000         | 30,000        |                           |
| Lease liabilities                         | 25,911         | 20,844         | -              | -             |                           |
|   | <b>124,285</b> | <b>122,067</b> | <b>79,084</b>  | <b>78,499</b> |                           |
| Total borrowings                          | <b>143,057</b> | <b>143,572</b> | <b>80,816</b>  | <b>80,426</b> |                           |

The exposure of the borrowings of the Group and of the Company to interest rate changes and the contractual repricing dates<sup>3</sup> at the balance sheet date are as follows:

SFRS(I) 7  
(22A(e)),  
(34(a))

|                  | <u>Group</u>   |                | <u>Company</u> |               |
|------------------|----------------|----------------|----------------|---------------|
|                  | 31 December    |                | 31 December    |               |
|                  | 2024           | 2023           | 2024           | 2023          |
|                  | \$'000         | \$'000         | \$'000         | \$'000        |
| 6 months or less | 7,623          | 10,194         | 1,732          | 1,927         |
| 6 – 12 months    | 11,149         | 11,311         | -              | -             |
| 1 – 5 years      | 123,190        | 120,997        | 79,084         | 78,499        |
| Over 5 years     | 1,095          | 1,070          | -              | -             |
|                  | <b>143,057</b> | <b>143,572</b> | <b>80,816</b>  | <b>80,426</b> |

**31. Borrowings (continued)**

## (a) Security granted

SFRS(I) 7 (14)

Total borrowings include secured liabilities of \$33,570,000 (2023: \$31,879,000) and \$1,257,000 (2023: \$1,927,000) for the Group and the Company respectively. Bank overdrafts of the Group and the Company are secured by debenture deeds which provide for first floating charges on inventories (Note 19) of the Company and certain subsidiaries. Bank borrowings of the Group and the Company are secured over certain bank deposits (Note 13), certain trade receivables (Note 18), investment properties (Note 25) and certain land and buildings of the Group (Note 26(d)).

(b) Loan covenants<sup>4</sup>SFRS(I) 1-1  
((76ZA)(a)),  
((135)(d))

Under the terms of a major non-current bank borrowing, which has a carrying amount of \$9,000,000 (2023: \$8,000,000), the group is required to comply with the following financial covenants at the end of each half-yearly period:

- the gearing ratio must be not more than 50%, and
- the ratio of net finance cost to EBITDA must be not more than 10%.

The Group has complied with these covenants throughout the reporting period. As at 31 December 2024, the ratio of net finance cost to EBITDA was 8% (2023: 7%).

## (c) Fair value of non-current borrowings

SFRS(I) 7 (25,  
29)

|                              | <u>Group</u>  |        | <u>Company</u> |        |
|------------------------------|---------------|--------|----------------|--------|
|                              | 31 December   |        | 31 December    |        |
|                              | <b>2024</b>   | 2023   | <b>2024</b>    | 2023   |
|                              | <b>\$'000</b> | \$'000 | <b>\$'000</b>  | \$'000 |
| Bank borrowings              | <b>23,189</b> | 24,500 | -              | -      |
| Convertible bonds            | <b>46,890</b> | 46,012 | <b>46,890</b>  | 46,012 |
| Redeemable preference shares | <b>32,175</b> | 31,258 | <b>32,175</b>  | 31,258 |

**31. Borrowings (continued)**

## (c) Fair value of non-current borrowings (continued)

SFRS(I) 7 (25, 29)

The fair values above are determined from the cash flow analyses, discounted at market borrowing rates of an equivalent instrument at the balance sheet date which the directors expect to be available to the Group as follows:

SFRS(I) 13 (93(b), 93(d), 97)

|                              | <u>Group</u> |      | <u>Company</u> |      |
|------------------------------|--------------|------|----------------|------|
|                              | 31 December  |      | 31 December    |      |
|                              | 2024         | 2023 | 2024           | 2023 |
|                              | %            | %    | %              | %    |
| Bank borrowings              | 5.3%         | 5.2% | -              | -    |
| Convertible bonds            | 5.5%         | 5.6% | 5.5%           | 5.6% |
| Redeemable preference shares | 5.4%         | 5.5% | 5.4%           | 5.5% |

The fair values are within Level 2 of the fair value hierarchy.

## (d) Undrawn borrowing facilities

|                          | <u>Group</u>  |               | <u>Company</u> |               |
|--------------------------|---------------|---------------|----------------|---------------|
|                          | 31 December   |               | 31 December    |               |
|                          | 2024          | 2023          | 2024           | 2023          |
|                          | \$'000        | \$'000        | \$'000         | \$'000        |
| Expiring within one year | 22,000        | 21,400        | 7,200          | 7,500         |
| Expiring beyond one year | 12,000        | 10,500        | 4,000          | 4,200         |
|                          | <b>34,000</b> | <b>31,900</b> | <b>11,200</b>  | <b>11,700</b> |

The facilities expiring within one year from the balance sheet date are subject to annual review at various dates during 2024. The other facilities are arranged mainly to help finance the Group's proposed expansion in Asia.

For the financial year ended 31 December 2024

**31. Borrowings (continued)**(e) Reconciliation of liabilities arising from financing activities:<sup>2</sup>SFRS(I) 1-  
7 (44A)

|                              | 1 January 2024 | Proceeds from borrowings | Principal and interest / dividend payments | Non-cash changes         |  |   |                  |                           | 31 December 2024 |
|------------------------------|----------------|--------------------------|--|--------------------------|--|---|------------------|---------------------------|------------------|
|                              |                |                          |  | Addition during the year | Modification of lease liability <sup>4</sup> | Acquisition arising from business combination | Interest expense | Foreign exchange movement |                  |
|                              | \$'000         | \$'000                   | \$'000                                     | \$'000                   | \$'000                                       | \$'000  | \$'000           | \$'000                    | \$'000           |
| Convertible bonds            | 48,499         | -                        | (2,500)                                    | -                        | -  | -   | 3,085            | -                         | 49,084           |
| Bank borrowings              | 27,919         | 5,800                    | (16,106)                                   | -                        | -  | 2,150   | 3,704            | (1,279)                   | 22,188           |
| Lease liabilities            | 33,194         | -                        | (7,501)                                    | 680                      | 9,354  | 350   | 1,928            | (680)                     | 37,325           |
| Redeemable preference shares | 30,000         | -                        | (1,950)                                    | -                        | -  | -   | 1,950            | -                         | 30,000           |

|  | 1 January 2024 | Financing cash flows | Liabilities under supplier finance arrangement transferred from trade payables | Payments to suppliers by the bank under supplier finance arrangement | 31 December 2024 |
|--|----------------|----------------------|--|--|------------------|
|  | \$'000         | \$'000               | \$'000   | \$'000   | \$'000           |
| Liabilities under supplier finance arrangements (Note 30 (a)) <sup>5</sup> | 340            | 180                  | 3,070  | (3,070)  | 520              |

|                              | 1 January 2023 | Proceeds from borrowings | Principal and interest / dividend payments | Non-cash changes |                           | 31 December 2023 |
|------------------------------|----------------|--------------------------|--|------------------|---------------------------|------------------|
|                              |                |                          |  | Interest expense | Foreign exchange movement |                  |
|                              | \$'000         | \$'000                   | \$'000                                     | \$'000           | \$'000                    | \$'000           |
| Convertible bonds            | 48,267         | -                        | (2,500)                                    | 2,732            | -                         | 48,499           |
| Bank borrowings              | 45,982         | 9,300                    | (33,082)                                   | 4,509            | 1,210                     | 27,919           |
| Lease liabilities            | 39,811         | -                        | (8,821)                                    | 2,101            | 103                       | 33,194           |
| Redeemable preference shares | 30,000         | -                        | (1,950)                                    | 1,950            | -                         | 30,000           |

|  | 1 January 2023 | Financing cash flows | Liabilities under supplier finance arrangement transferred from trade payables | Payments to suppliers by the bank under supplier finance arrangement | 31 December 2023 |
|--|----------------|----------------------|--|--|------------------|
|  | \$'000         | \$'000               | \$'000   | \$'000   | \$'000           |
| Liabilities under supplier finance arrangements (Note 30 (a)) <sup>5</sup> | 420            | 30                   | 2,410  | (2,520)  | 340              |



**Guidance notes**

**Borrowings**

**Defaults and breaches on borrowings**

- 1 SFRS(I) 7 requires additional disclosures in the event of defaults and breaches on borrowings. Appendix 1 Example 4 includes an illustration.

SFRS(I) 7  
(18, 19)

**Net debt reconciliation**

- 2 The entity should include changes in financial assets (for example, assets that hedge liabilities arising from financing liabilities) in the disclosures if such cash flows were, or will be, included in cash flows from financing activities.

SFRS(I) 1-7  
(44C)

Changes in other items are included where an entity considers that such disclosures would meet the disclosure objective. For example, an entity might consider including changes in cash and bank balances and interest payments that are classified as operating activities in the cash flow statement. Any such disclosure should be clearly distinguished from the disclosure of changes in liabilities arising from financing activities.

**Exposure to interest rate changes**

- 3 In this publication, fixed-rate borrowings with no contractual re-pricing dates are disclosed within the table based on their maturity dates. Alternatively, entities could consider applying the following format for the disclosure:

SFRS(I) 7  
(22A(c)),  
(34(a))

|   | <u>Group</u>               |        | <u>Company</u>             |        |
|---|----------------------------|--------|----------------------------|--------|
|   | 31 December<br><b>2024</b> | 2023   | 31 December<br><b>2024</b> | 2023   |
|   | \$'000                     | \$'000 | \$'000                     | \$'000 |
| Variable rate borrowings                                | [ ]                        | [ ]    | [ ]                        | [ ]    |
| Fixed rate borrowings –<br>repricing or maturity dates: |                            |        |                            |        |
| 6 months or less  | [ ]                        | [ ]    | [ ]                        | [ ]    |
| 6 – 12 months   | [ ]                        | [ ]    | [ ]                        | [ ]    |
| 1 – 5 years   | [ ]                        | [ ]    | [ ]                        | [ ]    |
| Over 5 years  | [ ]                        | [ ]    | [ ]                        | [ ]    |



**Guidance notes**

**Loan covenant disclosure**

- 4 Amendments were made to SFRS(I) 1-1 which require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:
- (a) the carrying amount of the liability,
  - (b) information about the covenants (including the nature of the covenants and when the entity is required to comply with them), and
  - (c) facts and circumstances, if any, that indicate that the entity might have difficulty complying with the covenants.

SFRS(I) 1-1 (76ZA)

In applying the disclosure requirements, entities should assess if there are any facts and circumstances that indicate the entity may have difficulty complying with the covenants—for example, the entity having acted during or after the reporting period to avoid or mitigate a potential breach. Such facts and circumstances could also include the fact that the entity would not have complied with the covenants if they were to be assessed for compliance based on the entity’s circumstances at the end of the reporting period.

SFRS(I) 1-1 (76ZA) (b)

**Modification of lease liability**

- 5 A change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease (for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term) is a lease modification. For lease modifications that are not accounted for as a separate lease, the lessee shall remeasure the lease liability by discounting the revised lease payments using a revised discount rate and record the corresponding adjustment against the right-of-use asset.

SFRS(I) 16 App A

SFRS(I) 16 (45), (46)

This publication has illustrated an entity which has extended the lease term by modifying the existing lease contract. This disclosure example also applies to changes in consideration, for example, rent concessions provided by that are not part of the original terms and conditions of the lease.

**Supplier finance arrangements**

- 6 As explained in the commentary on the statement of cash flows, for the purpose of this publication, we have assumed that a gross presentation of cash flows relating to supplier finance arrangements (that is, gross operating cash outflow and financing cash inflow) is appropriate. However, this might not always be the case. Where no cash flows occur for the entity when the financial institution settles the invoices by paying the supplier, the entity should disclose this as a non-cash financing transaction and also identify it as a non-cash change in the reconciliation of the liabilities from financing activities. For further guidance, please refer to the in depth [PwC In-Depth 'Bringing transparency on supplier finance'](#).

SFRS(I) 1-7 (43), (44A)

Notes



**32. Convertible bonds<sup>1-3</sup>**

On 2 January 2020, the Company issued 5% convertible bonds denominated in Singapore Dollars with a nominal value of \$50,000,000. The bonds are due for repayment five years from the issue date at their nominal value of \$50,000,000 or may be converted into shares of the Company at the option of the holder at a rate of 33 shares per \$500 nominal value of the bonds, subject to adjustments for share splits or share consolidations.

SFRS(I)  
7(17)  
SFRS(I) 1-1  
(79(a)(vii))

The fair value of the liability component, included in non-current borrowings, is calculated using a market interest rate for an equivalent non-convertible bond at the date of issue. The residual amount, representing the value of the equity conversion component, is included in shareholders' equity in other reserves, net of deferred income taxes, and not subsequently remeasured.

SFRS(I) 1-32  
(28)  
SFRS(I) 1-32  
(31)

The carrying amount of the liability component of the convertible bonds at the balance sheet date is derived as follows:

DV (disclosed  
in Note  
2.15(c))  
DV

|   | 31 December    |               |
|---|----------------|---------------|
|   | 2024           | 2023          |
| <u>Group and Company</u>  | <u>\$'000</u>  | <u>\$'000</u> |
| Face value of convertible bonds at issuance                         | <b>50,000</b>  | 50,000        |
| Equity conversion component on initial recognition (Note 37(b)(vi)) | <b>(1,685)</b> | (1,685)       |
| Liability component on initial recognition                          | <b>48,315</b>  | 48,315        |
| Accumulated amortisation of interest expense (Note 9)               | <b>8,269</b>   | 5,184         |
| Accumulated payments of interest                                    | <b>(7,500)</b> | (5,000)       |
| Liability component at end of financial year (Note 31)              | <b>49,084</b>  | 48,499        |





**Guidance notes****Convertible bonds**

- 1 Certain tax authorities may compute the tax base of the liability component of such convertible bonds as the sum of the carrying amount of both the liability and equity components. When this occurs, the issuer shall recognise a deferred tax liability on the resulting temporary differences at the date of issuance of these instruments, with the corresponding entry charged directly to the carrying amount of the equity component (i.e. equity component reserve).

SFRS(I) 1-12  
(23)**Conversion at maturity**

- 2 On conversion of a convertible instrument at maturity, the company derecognises the liability component and recognises it as equity. The original equity component remains in equity. There is no gain or loss on conversion at maturity.

SFRS(I) 1-32  
(AG32)**Early redemption or repurchase**

- 3 When the company extinguishes a convertible instrument before maturity through an early redemption or repurchase in which the original conversion rights are unchanged, the company should allocate the redemption consideration paid (including any transaction costs) to the instrument's liability and equity components at the date of repurchase or redemption. Any resulting gain or loss is treated in accordance with accounting principles applicable to the related component, as follows:
- the difference between the consideration allocated to the liability component and its carrying value is recognised in profit or loss; and
  - the amount of consideration relating to the equity component is recognised in equity.

SFRS(I) 1-32  
(AG33)**33. Redeemable preference shares**

On 4 January 2017, the Company issued 30 million cumulative redeemable preference shares at \$1 per share to its immediate holding corporation. The shares are mandatorily redeemable at \$1 per share on 4 January 2026 or by the Company at any time before that date. The shares pay fixed dividends of 6.5% per annum. These are classified as borrowings (Note 31).

SFRS(I) 1-1  
(79(a)(v))SFRS(I) 1-32  
(18(a))

**34. Provisions**SFRS(I) 1-1  
(78(d))

|                          | <u>Group</u> |        | <u>Company</u> |        |                     |
|--------------------------|--------------|--------|----------------|--------|---------------------|
|                          | 31 December  |        | 31 December    |        |                     |
|                          | 2024         | 2023   | 2024           | 2023   |                     |
|                          | \$'000       | \$'000 | \$'000         | \$'000 |                     |
| Current                  |              |        |                |        |                     |
| Warranty (Note (a))      | 2,996        | 1,523  | 44             | 50     | SFRS(I) 1-1<br>(69) |
| Restructuring (Note (b)) | 800          | -      | -              | -      |                     |
|                          | <b>3,796</b> | 1,523  | <b>44</b>      | 50     |                     |
| Non-current              |              |        |                |        |                     |
| Legal claims (Note (c))  | 2,072        | 1,573  | 170            | 150    | SFRS(I) 1-1<br>(69) |
| Total                    | <b>5,868</b> | 3,096  | <b>214</b>     | 200    |                     |

## (a) Warranty

SFRS(I) 1-37  
(85(a))

The Group and the Company offer two-year warranties on certain products and undertake to repair or replace items that fail to perform satisfactorily.

A provision is recognised at the balance sheet date for expected warranty claims based on past experience of the level of repairs and returns.

|  | <u>Group</u> |        | <u>Company</u> |        |                         |
|--|--------------|--------|----------------|--------|-------------------------|
|  | 2024         | 2023   | 2024           | 2023   |                         |
|  | \$'000       | \$'000 | \$'000         | \$'000 |                         |
| Beginning of financial year                    | 1,523        | 259    | 50             | 100    | SFRS(I) 1-37<br>(84(a)) |
| Currency translation differences               | 13           | (5)    | -              | -      |                         |
| Provision made                                 | 2,882        | 1,519  | 144            | 120    | SFRS(I) 1-37<br>(84(b)) |
| Provision utilised                             | (1,350)      | (250)  | (150)          | (170)  | SFRS(I) 1-37<br>(84(c)) |
| Reclassified to disposal group<br>(Note 11(d)) | (72)         | -      | -              | -      |                         |
| End of financial year                          | <b>2,996</b> | 1,523  | <b>44</b>      | 50     | SFRS(I) 1-37<br>(84(a)) |



**34. Provisions (continued)**SFRS(I) 1-1  
(78(d))

## (b) Restructuring

The restructuring of the furniture segment in the People's Republic of China (Note 29(a)) in 2024 resulted in the retrenchment of 120 employees at two factories. An agreement was reached with the local union representatives in October 2024 that specified the number of staff involved and quantified the amount payable to those made redundant.

SFRS(I) 1-37  
(85(a))

Estimated staff redundancy costs amounting to \$600,000 was recognised in the financial year ended 31 December 2024. Other restructuring expenses amounting to \$200,000 mainly in relation to the early termination of certain contracts for the supply of services.

SFRS(I) 1-37  
(84(b))

## (c) Legal claims

Other than as disclosed in Note 46(h), the provision for legal claims is in respect of certain legal claims brought against the Group by customers, and is expected to be utilised in 2026. In the opinion of the directors, after taking appropriate legal advice, the outcomes of these legal claims are not expected to give rise to any significant loss beyond the amounts provided at 31 December 2024. The directors consider that disclosure of further details of these claims will seriously prejudice the Group's negotiating position and accordingly, further information on the nature of the obligation has not been provided.

SFRS(I) 1-37  
(85(a))SFRS(I) 1-37  
(92)

|  | <u>Group</u>  |        | <u>Company</u> |        |                         |
|--|---------------|--------|----------------|--------|-------------------------|
|  | <b>2024</b>   | 2023   | <b>2024</b>    | 2023   |                         |
|  | <b>\$'000</b> | \$'000 | <b>\$'000</b>  | \$'000 |                         |
| Beginning of financial year                    | <b>1,573</b>  | 1,655  | <b>150</b>     | 200    | SFRS(I) 1-37<br>(84(a)) |
| Currency translation difference                | <b>(76)</b>   | (90)   | -              | -      |                         |
| Acquisition of subsidiary (Note 46(c))         | <b>500</b>    | -      | -              | -      | SFRS(I) 1-37<br>(84(b)) |
| Provision made                                 | -             | 488    | -              | -      | SFRS(I) 1-37<br>(84(b)) |
| Provision utilised                             | -             | (550)  | -              | (70)   | SFRS(I) 1-37<br>(84(c)) |
| Amortisation of discount (Note 9) <sup>3</sup> | <b>75</b>     | 70     | <b>20</b>      | 20     | SFRS(I) 1-37<br>(84(e)) |
| End of financial year                          | <b>2,072</b>  | 1,573  | <b>170</b>     | 150    | SFRS(I) 1-37<br>(84(a)) |

**Guidance notes****Provisions**

- |   |   |  |
|---|---|--|
| 1 | Comparative information is encouraged, but not required for the movement of each class of provision.  | SFRS(I) 1-37 (84)                      |
| 2 | If an estimate of an amount reported in an interim period has changed significantly during the final interim period of the financial year but a separate financial report is not published for that final interim period, the nature and amount of that change in estimate shall be disclosed in a note to the financial statements for that financial year. Such an update is relevant only for entities that prepare interim financial reports in accordance with SFRS(I) 1-34 requirements.  | SFRS(I) 1-34 (26)                      |
| 3 | Where the effect of the time value of money is material, the amount of a provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate shall be a pre-tax rate that reflects current market assessments of time value of money and the risks specific to the liability.  | SFRS(I) 1-37 (45)<br>SFRS(I) 1-37 (47) |
| 4 | It is common for an entity to provide a warranty in connection with the sale of a product. If a customer has the option to purchase a warranty separately, the warranty is accounted for as a separate performance obligation. If a customer does not have the option to purchase a warranty separately, the warranty is accounted for in accordance with SFRS(I) 1-37 unless the warranty provides a service in addition to the assurance that the product complies with agreed-upon specifications.   | SFRS(I) 15 (B28, B29, B30)             |
|   | While warranties provided in connection with a sale need not apply SFRS(I) 17 under the scope exclusion, extended warranties provided at a later stage and not in connection with the sale would not be able to apply the same exclusion. Nonetheless, an entity may choose to apply SFRS(I) 15 instead of SFRS(I) 17 if the extended warranties meet specified conditions that show the contracts' primary purpose is to provide services for a fixed fee. For additional guidance on how to assess whether a contract is in scope of SFRS(I) 17, please refer to <a href="#">IFRS 17 for non insurers key reminders</a> . | SFRS(I) 17 (7(a), 8(a), 8(b), 8(c))    |
| 5 | This area could be impacted by rising inflation rates and other global economic uncertainties. For considerations and disclosure relating to rising inflation, please refer to <a href="#">Note 2 - Basis of preparation, Guidance Note 5</a> .   |  |



**35. Deferred income taxes**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same taxation authority.

SFRS(I) 1-12  
(74)

The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

DV

|                              | <u>Group</u>    |          | <u>Company</u> |         |
|------------------------------|-----------------|----------|----------------|---------|
|                              | 31 December     |          | 31 December    |         |
|                              | 2024            | 2023     | 2024           | 2023    |
|                              | \$'000          | \$'000   | \$'000         | \$'000  |
| Deferred tax assets          | <b>2,784</b>    | 2,541    | -              | -       |
| Deferred tax liabilities     | <b>(13,587)</b> | (12,360) | <b>(2,468)</b> | (3,140) |
| Net deferred tax liabilities | <b>(10,803)</b> | (9,819)  | <b>(2,468)</b> | (3,140) |

The movement in the net deferred income tax account is as follows:

DV

|  | <u>Group</u>  |        | <u>Company</u> |        |
|--|---------------|--------|----------------|--------|
|  | 2024          | 2023   | 2024           | 2023   |
|  | \$'000        | \$'000 | \$'000         | \$'000 |
| Beginning of financial year                | <b>8,289</b>  | 9,522  | <b>3,140</b>   | 2,779  |
| Currency translation differences           | <b>64</b>     | 191    | -              | -      |
| Acquisition of subsidiary (Note 46(c))     | <b>985</b>    | -      | -              | -      |
| Tax charged/(credited) to                  |               |        |                |        |
| - profit or loss (Note 10(a))              | <b>965</b>    | 360    | <b>(676)</b>   | 358    |
| - other comprehensive income (Note 10 (c)) | <b>542</b>    | (169)  | <b>4</b>       | 3      |
| - equity (Note 10(d))                      | <b>(42)</b>   | (85)   | -              | -      |
| End of financial year                      | <b>10,803</b> | 9,819  | <b>2,468</b>   | 3,140  |

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The deferred income tax assets balance includes an amount of \$198,000 (2023: \$213,000) which relates to carried forward tax losses of PwC Furniture (PRC) Co., Ltd. The subsidiary has incurred the losses over the last three financial years due to one-off restructuring costs arising from the Group's restructuring of its furniture segment, which are not expected to recur in the future. The Group has concluded that the deferred tax assets will be recoverable based on the estimated future taxable income of the subsidiary based on the approved business plans and budgets for the subsidiary. The subsidiary is expected to generate taxable income from 2025 onwards. The tax losses will expire in 2026<sup>2</sup>.

SFRS(I) 1-12  
(82)

**35. Deferred income taxes (continued)**

The Group has unrecognised tax losses of \$4,700,000 (2023: \$5,000,000) and capital allowances of \$400,000 (2023: \$400,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. The tax losses have no expiry date except for the amount of \$198,000 relating to PwC Furniture (PRC) Co., Ltd above, which will expire in 2026. The capital allowances will expire between 2025 and 2026.

SFRS(I) 1-12  
(81(e))

Deferred income tax liabilities of \$190,000 (2023: \$170,000) have not been recognised for the withholding and other taxes that will be payable on the earnings of an overseas subsidiary when remitted to the holding company. These unremitted profits are permanently reinvested and amount to \$2,400,000 (2023: \$2,000,000) at the balance sheet date<sup>3</sup>.

SFRS(I) 1-12  
(81(f))

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

SFRS(I)  
1-12 (81(g))Group

## Deferred income tax liabilities

|                                  | Accelerated<br>tax<br><u>depreciation</u> | Fair value<br><u>gains-net</u> | Convertible<br><u>bonds</u> | ROU<br><u>assets</u> <sup>1</sup> | <u>Other</u> | <u>Total</u>  |
|----------------------------------|---|--------------------------------|-----------------------------|-----------------------------------|--------------|---------------|
|                                  | \$'000                                    | \$'000                         | \$'000                      | \$'000                            | \$'000       | \$'000        |
| <b>2024</b>                      |   |                                |                             |                                   |              |               |
| Beginning of financial year      | 7,326                                     | 3,823                          | 461                         | 3,516                             | 2,486        | 17,612        |
| Currency translation differences | 96  | 48                             | -                           | 22                                | 10           | 176           |
| Acquisition of subsidiary        | 1,128                                     | 69                             | -                           | -                                 | 238          | 1,435         |
| Charged/(credited) to            |   |                                |                             |                                   |              |               |
| - profit or loss                 | 1,162                                     | 74                             | -                           | (874)                             | (7)          | 355           |
| - other comprehensive income     | -   | 542                            | -                           | -                                 | -            | 542           |
| <b>End of financial year</b>     | <b>9,712</b>                              | <b>4,556</b>                   | <b>461</b>                  | <b>2,664</b>                      | <b>2,727</b> | <b>20,120</b> |

For the financial year ended 31 December 2024

**35. Deferred income taxes (continued)**Group

## Deferred income tax liabilities (continued)

|                                  | Accelerated<br>tax<br><u>depreciation</u> | Fair<br>value<br><u>gains-net</u> | Convertible<br><u>bonds</u> | ROU<br><u>assets</u> | <u>Other</u> | <u>Total</u> |
|----------------------------------|---|-----------------------------------|-----------------------------|----------------------|--------------|--------------|
|                                  | \$'000                                    | \$'000                            | \$'000                      | \$'000               | \$'000       | \$'000       |
| <b>2023</b>                      |   |                                   |                             |                      |              |              |
| Beginning of financial year      | 6,711                                     | 3,931                             | 442                         | 4,193                | 3,350        | 18,627       |
| Currency translation differences | 174                                       | 54                                | -                           | (32)                 | (80)         | 116          |
| Charged to                       |   |                                   |                             |                      |              |              |
| - profit or loss                 | 441                                       | 7                                 | 19                          | (645)                | 746          | 568          |
| - other comprehensive income     | -   | (169)                             | -                           | -                    | -            | (169)        |
| End of financial year            | 7,326                                     | 3,823                             | 461                         | 3,516                | 4,016        | 19,142       |

Group

## Deferred income tax assets

|   | <u>Provisions</u> | Tax<br><u>losses</u> | Lease<br><u>liabilities</u> <sup>1</sup> | <u>Other</u> | <u>Total</u> |
|---|-------------------|----------------------|--|--------------|--------------|
|   | \$'000            | \$'000               | \$'000                                   | \$'000       | \$'000       |
| <b>2024</b>                                     |                   |                      |  |              |              |
| Beginning of financial year                     | (2,032)           | (596)                | (4,281)                                  | (2,414)      | (9,323)      |
| Currency translation differences                | (46)              | (15)                 | (1)                                      | (50)         | (112)        |
| Acquisition of subsidiary (Credited)/charged to | (390)             | (60)                 | -  | -            | (450)        |
| - profit or loss                                | (231)             | (38)                 | 853                                      | 26           | 610          |
| - equity  | -                 | -                    | -  | (42)         | (42)         |
| End of financial year                           | (2,699)           | (709)                | (3,429)                                  | (2,480)      | (9,317)      |
| <b>2023</b>                                     |                   |                      |  |              |              |
| Beginning of financial year                     | (1,628)           | (407)                | (5,012)                                  | (1,823)      | (8,870)      |
| Currency translation differences                | (35)              | (44)                 | (5)                                      | (76)         | (160)        |
| (Credited)/charged to                           |                   |                      |  |              |              |
| - profit or loss                                | (369)             | (145)                | 736                                      | (430)        | (208)        |
| - equity  | -                 | -                    | -  | (85)         | (85)         |
| End of financial year                           | (2,032)           | (596)                | (4,281)                                  | (2,414)      | (9,323)      |



**35. Deferred income taxes (continued)**Company

## Deferred income tax liabilities

|                              | <u>Accelerated<br/>tax<br/>depreciation</u><br>\$'000 | <u>Fair<br/>value<br/>gains-net</u><br>\$'000 | <u>Convertible<br/>bonds</u><br>\$'000 | <u>Total</u><br>\$'000 |
|------------------------------|---|---|--|------------------------|
| <b>2024</b>                  |   |   |  |                        |
| Beginning of financial year  | 2,784   | 89  | 461                                    | 3,334                  |
| (Credited)/charged to        |   |   |  |                        |
| - profit or loss             | (1,081)   | 263   | -                                      | (818)                  |
| - other comprehensive income | -   | 4   | -                                      | 4                      |
| <b>End of financial year</b> | <b>1,703</b>  | <b>356</b>                                    | <b>461</b>                             | <b>2,520</b>           |
| <b>2023</b>                  |   |   |  |                        |
| Beginning of financial year  | 2,380   | 86  | 442                                    | 2,908                  |
| Charged to                   |   |   |  |                        |
| - profit or loss             | 404   | -   | 19                                     | 423                    |
| - other comprehensive income | -   | 3   | -                                      | 3                      |
| <b>End of financial year</b> | <b>2,784</b>  | <b>89</b>                                     | <b>461</b>                             | <b>3,334</b>           |

Company

## Deferred income tax assets

|                              | <u>Provisions</u><br>\$'000 | <u>Other</u><br>\$'000 | <u>Total</u><br>\$'000 |
|------------------------------|-----------------------------|------------------------|------------------------|
| <b>2024</b>                  |                             |                        |                        |
| Beginning of financial year  | (9)                         | (185)                  | (194)                  |
| (Credited)/charged to        |                             |                        |                        |
| - profit or loss             | (8)                         | 150                    | 142                    |
| <b>End of financial year</b> | <b>(17)</b>                 | <b>(35)</b>            | <b>(52)</b>            |
| <b>2023</b>                  |                             |                        |                        |
| Beginning of financial year  | (24)                        | (105)                  | (129)                  |
| Charged/(credited) to        |                             |                        |                        |
| - profit or loss             | 15                          | (80)                   | (65)                   |
| <b>End of financial year</b> | <b>(9)</b>                  | <b>(185)</b>           | <b>(194)</b>           |





**Guidance notes****Deferred income taxes****Deferred tax on lease assets and lease liabilities**

- 1 In September 2021 ASC has adopted amendments to SFRS(I) 1-12 which narrow the scope of the initial recognition exemption in paragraphs 15 and 24 of SFRS(I) 1-12. This amendment requires companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. As a consequence, entities will be required to recognise both a deferred tax asset and a deferred tax liability on the initial recognition of a lease. While these would qualify for offsetting in the balance sheet, the notes would need to disclose the gross amounts.

SFRS(I) 1-12  
(15), (24)**Deferred tax asset dependent on future taxable profits**

- 2 An entity shall disclose the amount of a deferred tax asset and the nature of the evidence supporting its recognition, when:
- (a) the utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences; and
  - (b) the entity has suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates.

SFRS(I) 1-12  
(82)**Deferred tax on unremitted earnings of overseas subsidiaries**

- 3 An entity shall recognise a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint arrangements, except to the extent that both of the following conditions are satisfied:
- (a) the parent, investor, joint venturer or joint operator is able to control the timing of the reversal of the temporary difference; and
  - (b) it is probable that the temporary difference will not reverse in the foreseeable future.

SFRS(I) 1-12  
(39)

As a parent controls the dividend policy of its subsidiary, it can control the timing of the reversal of such temporary differences associated with its subsidiary (applies to temporary differences arising from undistributed profits and foreign exchange translation differences). Furthermore, it would often be impracticable to determine the income taxes that would be payable when the temporary difference reverses. Therefore, when the parent has determined that those profits will not be distributed in the foreseeable future the parent does not recognise a deferred tax liability. The same considerations apply to investments in branches.

SFRS(I) 1-12  
(40)**Rising inflation rates**

- 4 This area could be impacted by rising inflation rates and other global economic uncertainties. For considerations and disclosure relating to rising inflation, please refer to [Note 2 - Basis of preparation, Guidance Note 5](#).

**36. Share capital and treasury shares**

| <u>Group and Company</u>    | <u>No. of ordinary shares</u>       |                                | <u>Amount</u>                  |                                  | SFRS(I) 1-1<br>(79(a)(i), (iv),<br>(vi), 106(d)) |
|-----------------------------|-------------------------------------|--------------------------------|--------------------------------|----------------------------------|--|
|                             | <u>Issued share capital</u><br>'000 | <u>Treasury shares</u><br>'000 | <u>Share capital</u><br>\$'000 | <u>Treasury shares</u><br>\$'000 |  |
| <b>2024</b>                 |                                     |                                |                                |                                  |  |
| Beginning of financial year | 24,050                              | (1,135)                        | 41,495                         | (2,022)                          |  |
| Treasury shares purchased   | -                                   | (900)                          | -                              | (1,754)                          |  |
| Shares issued               | 3,800                               | -                              | 8,368                          | -                                |  |
| Share issue expenses        | -                                   | -                              | (354)                          | -                                |  |
| Treasury shares reissued    | -                                   | 478                            | -                              | 1,004                            |  |
| End of financial year       | <u>27,850</u>                       | <u>(1,557)</u>                 | <u>49,509</u>                  | <u>(2,772)</u>                   |  |
| <b>2023</b>                 |                                     |                                |                                |                                  |  |
| Beginning of financial year | 24,050                              | (975)                          | 41,495                         | (1,418)                          |  |
| Treasury shares purchased   | -                                   | (1,100)                        | -                              | (2,389)                          |  |
| Treasury shares reissued    | -                                   | 940                            | -                              | 1,785                            |  |
| End of financial year       | <u>24,050</u>                       | <u>(1,135)</u>                 | <u>41,495</u>                  | <u>(2,022)</u>                   |  |

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

SFRS(I) 1-1  
(79(a)(ii), (iii))

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company, after paying dividends for the 6.5% redeemable preference shares, which are classified as liabilities (Note 33).

SFRS(I) 1-1  
(79(a)(v))

On 1 April 2024, the Company issued 3,800,000 ordinary shares for a total consideration of \$8,368,000 for cash to provide funds for the expansion of the Company's operations. The newly issued shares rank pari passu in all aspects with the previously issued shares.

**36. Share capital and treasury shares (continued)**

## (a) Treasury shares

The Company acquired 900,000 (2023: 1,100,000) shares in the Company in the open market during the financial year. The total amount paid to acquire the shares was \$1,754,000 (2023: \$2,389,000) and this was presented as a component within shareholder's equity.

SFRS(I) 1-32  
(33)

The Company re-issued 478,000 (2023: 940,000) treasury shares during the financial year pursuant to the PwC Employee Share Option Scheme at the exercise price of \$1.31 or \$1.28 (2023: \$1.31 or \$1.28) each (Note 36(b)). The cost of the treasury shares re-issued amounted to \$1,004,000 (2023: \$1,785,000). The total consideration (net of expense) for the treasury shares issued is as follows:

|  | <b>2024</b>   | 2023   |
|--|---------------|--------|
|  | <b>\$'000</b> | \$'000 |
| Exercise price paid by employees           | <b>615</b>    | 1,230  |
| Value of employee services (Note 37(b)(i)) | <b>972</b>    | 841    |
| Less: Transaction costs                    | <b>(2)</b>    | (1)    |
| Total net consideration                    | <b>1,585</b>  | 2,070  |

Accordingly, a gain on re-issue of treasury shares of \$581,000 (2023: \$285,000) is recognised in the capital reserve (Note 37(b)(ii)).

DV



**36. Share capital and treasury shares (continued)****(b) Share options**SFRS(I) 2  
(44), (45(a))

Share options were granted to key management personnel and employees with more than three years of service under the PwC Employee Share Option Scheme, which became operative on 1 January 2017.

The exercise price of the options is determined at the average of the closing prices of the Company's ordinary shares as quoted on the Singapore Exchange for five market days immediately preceding the date of the grant. The vesting of the options is conditional on the key management personnel or employee completing another two years of service to the Group and the Group achieving its targets of profitability and sales growth.

Once they have vested, the options are exercisable over a period of four years. The options may be exercised in full or in part in respect of 1,000 shares or a multiple thereof, on the payment of the exercise price. The persons to whom the options have been issued have no right to participate by virtue of the options in any share issue of any other company. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

On 1 January 2024, options to subscribe for 350,000 ordinary shares in the Company at an exercise price of \$2.88 per ordinary share were granted pursuant to the Scheme ("2023 Options"). The 2023 Options are exercisable from 1 January 2024 and expire on 31 December 2028.

SFRS(I) 1-1  
(79(a)(vii))

Movements in the number of unissued ordinary shares under the PwC Employee Share Option Scheme and their exercise prices are as follows:

| <u>Group and Company</u> | <u>No. of ordinary shares under option</u> |                                      |  |  |                              | <u>Exercise price</u> | <u>Exercise period</u> |
|--------------------------|--|--------------------------------------|--|--|------------------------------|-----------------------|------------------------|
|                          | <u>Beginning of financial year</u>         | <u>Granted during financial year</u> | <u>Forfeited during financial year</u> | <u>Exercised during financial year</u> | <u>End of financial year</u> |                       |                        |
| <b>2024</b>              |  |                                      |  |  |                              |                       |                        |
| 2019 Options             | 110,000                                    | -                                    | -                                      | (110,000)                              | -                            | \$1.31                | 1.1.2020 – 31.12.2024  |
| 2020 Options             | 1,422,000                                  | -                                    | (50,000)                               | (368,000)                              | 1,004,000                    | \$1.28                | 1.1.2021 – 31.12.2025  |
| 2021 Options             | 909,000                                    | -                                    | -                                      | -                                      | 909,000                      | \$2.95                | 1.1.2022 – 31.12.2026  |
| 2023 Options             | -  | 350,000                              | -                                      | -                                      | 350,000                      | \$2.88                | 1.1.2024 – 31.12.2028  |
|                          | <b>2,441,000</b>                           | <b>350,000</b>                       | <b>(50,000)</b>                        | <b>(478,000)</b>                       | <b>2,263,000</b>             |                       |                        |

**36. Share capital and treasury shares (continued)**

## (b) Share options (continued)

| <u>Group and Company</u> | ← No. of ordinary shares under option → |                                      |  |  | <u>End of financial year</u> | <u>Exercise price</u> | <u>Exercise period</u>   |
|--------------------------|---|--------------------------------------|--|--|------------------------------|-----------------------|--------------------------|
|                          | <u>Beginning of financial year</u>      | <u>Granted during financial year</u> | <u>Forfeited during financial year</u> | <u>Exercised during financial year</u> |                              |                       |                          |
| <b>2023</b>              |   |                                      |  |  |                              |                       |                          |
| 2019 Options             | 1,000,000                               | -                                    | -                                      | (890,000)                              | 110,000                      | \$1.31                | 1.1.2020 –<br>31.12.2024 |
| 2020 Options             | 1,532,000                               | -                                    | (60,000)                               | (50,000)                               | 1,422,000                    | \$1.28                | 1.1.2021 –<br>31.12.2025 |
| 2021 Options             | 964,000                                 | -                                    | (55,000)                               | -                                      | 909,000                      | \$2.95                | 1.1.2022 –<br>31.12.2026 |
|                          | <u>3,496,000</u>                        | <u>-</u>                             | <u>(115,000)</u>                       | <u>(940,000)</u>                       | <u>2,441,000</u>             |                       |                          |

Out of the unexercised options for 2,263,000 (2023: 2,441,000) shares, options for 1,913,000 (2023: 1,532,000) shares are exercisable at the balance sheet date. Options exercised in 2024 resulted in 478,000 treasury shares (2023: 940,000) being re-issued at the exercise price of \$1.31 or \$1.28 (2023: \$1.31 or \$1.28) each. The weighted average share price at the time of exercise was \$3.87 (2023: \$3.80) per share. The related transaction costs amounting to \$2,000 (2023: \$1,000) were deducted against the proceeds received.

SFRS(I) 2  
(46), (47(a))

The fair value of options granted on 1 January 2024, determined using the Binomial Valuation Model was \$800,000. The significant inputs into the model were the share price of \$2.88 at the grant date, the exercise price of \$2.88, standard deviation of expected share price returns of 28%, dividend yield of 8%, the option life shown above and the annual risk-free interest rate of 5%. The volatility measured on the standard deviation of expected share price returns was estimated based on statistical analysis of share prices over the last three years.

SFRS(I) 2  
(45(b)(vii))  
SFRS(I) 2  
(45(c))

**Guidance notes****Share capital and treasury shares****Modification of share-based payments**

- 1 If an entity has share-based payment arrangements that were modified during the period, it is required to disclose:
- (i) an explanation of those modifications;
  - (ii) the incremental fair value granted (as a result of those modifications); and;
  - (iii) information on how the incremental fair value granted was measured, consistently with the requirements set out in paragraph 47(a) and (b) of SFRS(I) 2, where applicable.
- 2 A disclosure example for modification of a share-based payment arrangement is provided as follows:

SFRS(I) 2  
(47(c))**“Modification of share-based payment arrangements**

In May 2024, PwC Holdings Ltd increased the vesting period for the employee share options granted in January 2023 from two to five years and reduced the exercise price to \$2.90 to reflect the recent fall in the Company’s share price. The fair value of the options at the date of the modification was determined to be \$2.05. The incremental fair value of \$0.25 will be recognised as an expense over the period from the modification date to the end of the extended vesting period. The expense for the original option grant will continue to be recognised as if the terms had not been modified.

The fair value of the modified options was determined using the same models and principles as described above, with the following model inputs: [provide details].”



**37. Other reserves**SFRS(I) 1-1  
(106(d))

|  | <u>Group</u>  |         | <u>Company</u> |        |
|--|---------------|---------|----------------|--------|
|  | 31 December   |         | 31 December    |        |
|  | <b>2024</b>   | 2023    | <b>2024</b>    | 2023   |
|  | <b>\$'000</b> | \$'000  | <b>\$'000</b>  | \$'000 |
| (a) Composition:   |               |         |                |        |
| Share option reserve   | <b>1,210</b>  | 1,510   | <b>1,210</b>   | 1,510  |
| Capital reserve  | <b>1,481</b>  | 858     | <b>1,267</b>   | 684    |
| Fair value reserve   | <b>(406)</b>  | (1,485) | <b>52</b>      | 38     |
| Hedging reserve  | <b>1,086</b>  | 110     | -              | -      |
| Currency translation reserve   | <b>1,696</b>  | 1,207   | -              | -      |
| Equity component of convertible bonds                                | <b>1,685</b>  | 1,685   | <b>1,685</b>   | 1,685  |
| Asset revaluation reserve  | <b>3,189</b>  | 2,654   | -              | -      |
|  | <b>9,941</b>  | 6,539   | <b>4,214</b>   | 3,917  |
| (b) Movement:  |               |         |                |        |
| <b>(i) Share option reserve</b>                                      |               |         |                |        |
| Beginning of financial year  | <b>1,510</b>  | 1,636   | <b>1,510</b>   | 1,636  |
| Employee share option scheme   |               |         |                |        |
| - Value of employee services (Note 6)                                | <b>672</b>    | 715     | <b>672</b>     | 715    |
| - Share options exercised (Note 36(a))                               | <b>(972)</b>  | (841)   | <b>(972)</b>   | (841)  |
| End of financial year  | <b>1,210</b>  | 1,510   | <b>1,210</b>   | 1,510  |
| <b>(ii) Capital reserve</b>  |               |         |                |        |
| Beginning of financial year  | <b>858</b>    | 488     | <b>684</b>     | 394    |
| Gain on re-issue of treasury shares (Note 36(a))                     | <b>581</b>    | 285     | <b>581</b>     | 285    |
| Excess tax on employee share option scheme <sup>5</sup> (Note 10(d)) | <b>42</b>     | 85      | <b>2</b>       | 5      |
| End of financial year  | <b>1,481</b>  | 858     | <b>1,267</b>   | 684    |



**37. Other reserves (continued)**

|   | <u>Group</u>   |         | <u>Company</u> |        |                          |
|---|----------------|---------|----------------|--------|--------------------------|
|   | 31 December    |         | 31 December    |        |                          |
|   | <b>2024</b>    | 2023    | <b>2024</b>    | 2023   |                          |
| (b) Movement: (continued)   | <b>\$'000</b>  | \$'000  | <b>\$'000</b>  | \$'000 |                          |
| <b>(iii) Fair value reserve</b>   |                |         |                |        |                          |
| Beginning of financial year   | <b>(1,485)</b> | (73)    | <b>38</b>      | 96     |                          |
| Financial assets, at FVOCI  |                |         |                |        |                          |
| - Fair value gains/(losses)<br>(Note 16)  | <b>1,755</b>   | (1,451) | <b>15</b>      | (68)   | SFRS(I)<br>7(20(a)(vii)) |
| - Tax on fair value changes   | <b>(299)</b>   | 261     | <b>(1)</b>     | 10     | SFRS(I) 1-<br>12(81(a))  |
|   | <b>1,456</b>   | (1,190) | <b>14</b>      | (58)   |                          |
| Share of associates' fair value<br>gains on financial asset,<br>FVOCI, net of tax                     | <b>68</b>      | 35      | -              | -      |                          |
| Reclassification to profit or loss  |                |         |                |        |                          |
| - Other gains and losses<br>(Note 8)  | <b>(175)</b>   | -       | -              | -      |                          |
| Tax on reclassification   | <b>30</b>      | -       | -              | -      |                          |
|   | <b>(145)</b>   | -       | -              | -      |                          |
| Transfer to retained profits<br>upon disposal of equity<br>investment in financial asset,<br>at FVOCI | <b>(300)</b>   | (257)   | -              | -      |                          |
| End of financial year   | <b>(406)</b>   | (1,485) | <b>52</b>      | 38     |                          |



**37. Other reserves (continued)**

Movements in hedging reserve by risk category:

|   | ←                               | Group<br>2024                         | → |                            |
|---|---------------------------------|---------------------------------------|---|----------------------------|
|   | Interest rate<br>risk<br>\$'000 | Foreign<br>exchange<br>risk<br>\$'000 |   | Total<br>\$'000            |
| (b) Movement: (continued)   |                                 |                                       |   |                            |
| <b>(iv) Hedging reserve</b>   |                                 |                                       |   |                            |
| Beginning of financial year   | 257                             | (147)                                 |   | 110                        |
|   |                                 |                                       |   | SFRS(I) 7<br>(24C)(b)(ii)  |
| - Fair value (losses)/gains   | (1,009)                         | 1,217                                 |   | 208                        |
|   |                                 |                                       |   | SFRS(I) 7<br>(24C)(b)(i)   |
| - Tax on fair value losses/(gains)  | 172                             | (207)                                 |   | (35)                       |
|   |                                 |                                       |   | SFRS(I)<br>1-12 (81)(a))   |
|   | <b>(837)</b>                    | <b>1,010</b>                          |   | <b>173</b>                 |
| Reclassification to profit or loss, as<br>hedged item has affected profit or loss |                                 |                                       |   |                            |
|   |                                 |                                       |   | SFRS(I) 7<br>(24C)(b)(iv)) |
| - Finance expense (Note 9)  | 753                             | -                                     |   | 753                        |
|   |                                 |                                       |   | SFRS(I) 7<br>(24C)(b)(v))  |
| Tax on reclassification adjustments   | (128)                           | -                                     |   | (128)                      |
| Reclassification to balance sheet   |                                 |                                       |   |                            |
| - Inventories   | -                               | 215                                   |   | 215                        |
|   |                                 |                                       |   | SFRS(I) 7<br>(24E(a))      |
| Tax on reclassification adjustments   | -                               | (37)                                  |   | (37)                       |
|   |                                 |                                       |   | SFRS(I) 1-12<br>(81)(a))   |
|   | <b>625</b>                      | <b>178</b>                            |   | <b>803</b>                 |
| <b>End of financial year</b>  | <b>45</b>                       | <b>1,041</b>                          |   | <b>1,086</b>               |



**37. Other reserves (continued)**

Movements in hedging reserve by risk category: (continued)

SFRS(I) 7  
(24C)

|   | <u>Group</u><br><b>2023</b>     |                                       |                 |                           |
|---|---------------------------------|---------------------------------------|-----------------|---------------------------|
|   | Interest rate<br>risk<br>\$'000 | Foreign<br>exchange<br>risk<br>\$'000 | Total<br>\$'000 |                           |
| (b) Movement: (continued)   |                                 |                                       |                 |                           |
| <b>(iv) Hedging reserve</b> (continued)   |                                 |                                       |                 |                           |
| Beginning of financial year   | 12                              | 75                                    | 87              | SFRS(I) 7<br>(24B(b)(ii)) |
| - Fair value losses   | (334)                           | (276)                                 | (610)           | SFRS(I) 7<br>(24C(b)(i))  |
| - Tax on fair value losses  | 56                              | 54                                    | 110             | SFRS(I)<br>1-12 (81(a))   |
|   | <u>(278)</u>                    | <u>(222)</u>                          | <u>(500)</u>    |                           |
| Reclassification to profit or loss, as<br>hedged item has affected profit or loss |                                 |                                       |                 | SFRS(I) 7<br>(24C(b)(iv)) |
| - Finance expense (Note 9)  | 643                             | -                                     | 643             | SFRS(I) 7<br>(24C(b)(v))  |
| Tax on reclassification adjustments   | (120)                           | -                                     | (120)           | SFRS(I) 1-12<br>(81(a))   |
|   | <u>523</u>                      | <u>-</u>                              | <u>523</u>      |                           |
| End of financial year   | <u>257</u>                      | <u>(147)</u>                          | <u>110</u>      |                           |

**37. Other reserves (continued)**

|  | <u>Group</u>  |        | <u>Company</u> |        |   |
|--|---------------|--------|----------------|--------|---|
|  | <b>2024</b>   | 2023   | <b>2024</b>    | 2023   |   |
|  | <b>\$'000</b> | \$'000 | <b>\$'000</b>  | \$'000 |   |
| (b) Movement: (continued)  |               |        |                |        |   |
| <b>(v) Currency translation reserve</b>  |               |        |                |        | SFRS(I) 1-1<br>(106(d)),<br>SFRS(I)<br>1-21 (52(a)) |
| Beginning of financial year  | <b>1,207</b>  | 588    | -              | -      | SFRS(I)<br>1-21<br>(52)(b)                          |
| Net currency translation differences of financial statements of foreign subsidiaries, a joint venture and associates   | <b>635</b>    | 712    | -              | -      |   |
| Less: Non-controlling interests <sup>2</sup>   | <b>(362)</b>  | (408)  | -              | -      |   |
|  | <b>273</b>    | 304    | -              | -      |   |
| Net currency translation difference on borrowings designated as net investment hedge of foreign operations <sup>1</sup>  | <b>216</b>    | 296    | -              | -      | SFRS(I) 7<br>(24C(b)(vi))                           |
| Reclassification on disposal of a subsidiary (Note 13)   | -             | 19     | -              | -      |   |
| End of financial year  | <b>1,696</b>  | 1,207  | -              | -      |   |
| As at 31 December 2024, \$554,000 (2023: \$364,000) of the currency translation reserve relates to continuing hedges. None of the currency translation reserve relates to hedging relationships for which hedge accounting is no longer applied. |               |        |                |        | SFRS(I) 7<br>(24B(b)(ii), (iii))                    |
| <b>(vi) Equity component of convertible bonds</b>  |               |        |                |        | SFRS(I) 1-1<br>(106(d))                             |
| Beginning and end of financial year  | <b>1,685</b>  | 1,685  | <b>1,685</b>   | 1,685  |   |

**37. Other reserves (continued)**SFRS(I) 1-1  
(106(d))

|  | Group        |        | Company |        |
|--|--------------|--------|---------|--------|
|  | 2024         | 2023   | 2024    | 2023   |
|  | \$'000       | \$'000 | \$'000  | \$'000 |
| (b) Movement: (continued)                          |              |        |         |        |
| <b>(vii) Asset revaluation reserve<sup>3</sup></b> |              |        |         |        |
| Beginning of financial year                        | 2,654        | 2,202  | -       | -      |
| Revaluation gains (Note 26)                        | 650          | 539    | -       | -      |
| Tax on revaluation gains                           | (110)        | (82)   | -       | -      |
| Less: Non-controlling interests <sup>2</sup>       | (5)          | (5)    | -       | -      |
| End of financial year                              | <b>3,189</b> | 2,654  | -       | -      |

SFRS(I) 1-1  
(106(d))SFRS(I)  
1-16  
(77(f))  
SFRS(I)  
1-12  
(81(a))Other reserves are non-distributable<sup>4</sup>.SFRS(I) 1-16  
(77(f))**Guidance notes****Other reserves****Borrowings designated as net investment hedges**

- 1 For a monetary item that is receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future, the item is in substance a part of the entity's net investment in that foreign operation. Currency translation differences arising from such items shall be recognised (a) in profit or loss in the separate financial statements of the reporting entity or the foreign operation; and (b) in a separate component of equity in the consolidated financial statements.

SFRS(I) 1-21  
(15), (32)**Non-controlling interests**

- 2 Non-controlling interests' share of reserve movement (net of tax) should be separately disclosed, where applicable.

**Transfer of revaluation surplus on property, plant and equipment ("PPE")**

- 3 An entity may elect to transfer revaluation surplus of an item of PPE directly to retained profits when that asset is derecognised. An entity can also choose to transfer the revaluation surplus to retained profits progressively as the asset is used by the entity; the amount to be transferred will then be the difference in depreciation based on the revalued amount and the depreciation based on the asset's original cost.

SFRS(I) 1-16  
(41)

**Guidance notes****Other reserves (continued)****Distributable reserves**

4 In providing a description of the nature and purpose of the reserves it would be appropriate to refer to any restrictions on their distribution or any other important characteristics. In the case of:

(a) the property, plant and equipment revaluation surplus: there is a specific requirement to disclose any restrictions on the distribution of the balance to shareholders; and

SFRS(I) 1-16  
(77(f))

(b) the amount of the revaluation surplus that relates to intangible assets; there is a specific requirement to disclose the balance at the beginning and end of the period, indicating the changes during the period and any restrictions on the distribution of the balance to shareholders.

SFRS(I) 1-38  
(124(b))

The amount of reserves that are distributable will depend on the Articles of Association of the company subject to any regulatory restrictions.

**Tax on employee share option scheme**

5 With effect from the Year of Assessment 2007, companies are allowed tax deduction for costs incurred in the purchase of treasury shares that are transferred to employees pursuant to employee share-based payment (“SBP”) arrangements. For details, please refer to the Inland Revenue Authority of Singapore circular – “Use of treasury shares to fulfil obligations under an employee equity-based remuneration scheme” issued in June 2006 and a supplemental circular issued in January 2007.

As the timing of the tax deduction and the recognition of the employee share option expense differs, SFRS(I) 1-12 requires the recognition of the related deferred tax asset if the deferred tax asset recognition criteria are met. For an equity-settled SBP, if the cumulative amount of tax deduction exceeds the tax effect of the related cumulative remuneration expense at the reporting date, the excess of the associated deferred tax shall be recognised directly in equity. All taxes related to cash-settled SBPs shall be recognised in profit or loss.

SFRS(I) 1-12  
(68A – C)

**38. Retained profits**

- (a) Retained profits of the Group are distributable except for accumulated retained profits of associates and joint ventures amounting to \$1,506,000 (2023: \$745,000) and the amount of \$2,772,000 (2023: \$2,022,000) utilised to purchase treasury shares. Retained profits and other reserves of the Company are distributable except for the amount of \$2,772,000 (2023: \$2,022,000) utilised to purchase treasury shares. SFRS(I)11-1  
(79(a)(v))  
CA 403 (1A)
- (b) Movement in retained profits for the Company is as follows: DV

|                             | <u>Company</u>  |                |
|-----------------------------|-----------------|----------------|
|                             | 2024            | 2023           |
|                             | \$'000          | \$'000         |
| Beginning of financial year | 1,525           | 1,338          |
| Net profit                  | 19,374          | 8,269          |
| Dividends paid (Note 39)    | <u>(12,078)</u> | <u>(8,082)</u> |
| End of financial year       | <u>8,821</u>    | <u>1,525</u>   |

**39. Dividends<sup>1</sup>**

|  | <u>Group</u>  |              |
|--|---------------|--------------|
|  | 2024          | 2023         |
|  | \$'000        | \$'000       |
| Ordinary dividends   |               |              |
| Final dividend paid in respect of the previous financial year of 52.70 cents (2023: 35.03 cents) per share (Note 38) | <u>12,078</u> | <u>8,082</u> |

SFRS(I) 1-1  
(107)

At the Annual General Meeting on 15 February 2025, a final dividend of 31.25 cents per share amounting to a total of \$8,703,000 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2025.

SFRS(I) 1-1  
(137(a))  
SFRS(I) 1-10  
(12,13)



**Guidance notes**

**Dividends**

- 1 It shall be noted that no dividend may be paid, and no other distribution (whether in cash or otherwise) of the company's assets may be made, to the company in respect of its treasury shares.

CA 76J (4)

**Non-cash dividends**

- 2 When an entity distributes non-cash dividends, the following disclosures can be considered.

IFRIC 17 (11, 14, 15, 16)

"In November 2024, the Company declared a non-cash dividend in the form of all of the shares held in its subsidiary, ABC Limited, to its shareholders. The dividend was measured at the fair value of the subsidiary (\$2,500,000). The difference between the fair value of the shares and their carrying amount (\$1,800,000) is presented in profit or loss as other income (\$700,000)."



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 40. Contingencies

### (a) Contingent liabilities

SFRS(I) 1-37  
(86)

Contingent liabilities, excluding those relating to business combinations (Note 46), investments in associates (Note 22) and the investment in a joint venture (Note 23), for which the probability of settlement is not remote at the balance sheet date, are as follows:

#### Group

A claim for unspecified quantum of damages was lodged by a customer during the financial year against a subsidiary and certain of its executives in respect of damages allegedly caused by the use of furniture supplied by the subsidiary. The subsidiary has disclaimed the liability and is defending the action. Legal advice obtained indicates that it is not probable that any significant liability will arise. At the date of these financial statements, the directors are of the view that no material losses will arise in respect of the legal claim.

### (b) Contingent assets

SFRS(I) 1-37  
(89)

A subsidiary of the Group has lodged a claim against a supplier for damages caused by the supply of faulty products. The matter has been referred to arbitration and, based on external legal advice, management believes that a favourable outcome is probable. However, the contingent asset has not been recognised as a receivable as at 31 December 2024 as receipt of the amount is dependent on the outcome of the arbitration process.

## Guidance notes

### Contingent assets and liabilities

- 1 This area could be impacted by rising inflation rates and other global economic uncertainties. For considerations and disclosure relating to rising inflation, please refer to [Note 2 - Basis of preparation, Guidance Note 5](#).





# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 41. Commitments

### Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements, excluding those relating to investments in associates (Note 22) and investment in a joint venture (Note 23), are as follows:

### Capital commitments

|                               | <u>Group</u>  |        | <u>Company</u> |        |                          |
|-------------------------------|---------------|--------|----------------|--------|--------------------------|
|                               | 31 December   |        | 31 December    |        |                          |
|                               | <b>2024</b>   | 2023   | <b>2024</b>    | 2023   |                          |
|                               | <b>\$'000</b> | \$'000 | <b>\$'000</b>  | \$'000 |                          |
| Investment properties         | <b>80</b>     | 100    | -              | -      | SFRS(I) 1-40<br>(75(h))  |
| Property, plant and equipment | <b>1,000</b>  | 800    | <b>400</b>     | 500    | SFRS(I) 1-16<br>(74(c))  |
| Intangible assets             | <b>120</b>    | 210    | <b>100</b>     | 110    | SFRS(I) 1-38<br>(122(e)) |
|                               | <b>1,200</b>  | 1,110  | <b>500</b>     | 610    |                          |

### Guidance notes

#### Lease commitments for short-term leases

- An entity shall disclose the amount of its lease commitments for short-term leases accounted for using short-term exemption, if the portfolio of short-term leases to which it is committed at the end of the reporting period is dissimilar to the portfolio of short-term leases to which the short-term lease expenses, disclosed in Note 27, relate to. For the purpose of this publication, the portfolio of committed short-term leases as at 31 December 2024 remains similar to the portfolio of short-term leases for the financial year 2024 and no additional disclosure is required.

SFRS(I)  
16 (55)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 42. Financial risk management<sup>10,11</sup>

SFRS(I) 7  
(31, 33)

### Financial risk factors

SFRS(I) 7  
(21A(a))

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group uses financial instruments such as currency forwards, interest rate swaps and foreign currency borrowings to hedge certain financial risk exposures.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Financial Risk Management Committee ("FRMC") then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

Financial risk management is carried out by a central treasury department ("Group Treasury") in accordance with the policies set by the FRMC. The dealing team of Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The reporting team of Group Treasury measures actual exposures against the limits set and prepares daily reports for review by the Heads of Group Treasury and each operating unit. Regular reports are also submitted to the FRMC and the Board of Directors.

#### (a) Market risk

##### (i) Currency risk

The Group operates in Asia with dominant operations in Singapore, the People's Republic of China and the Philippines. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies").

SFRS(I) 7  
(22A(a), 33(a))

Currency risk arises when transactions are denominated in foreign currencies other than functional currency such as the United States Dollar ("USD") and Chinese Renminbi ("RMB"). To manage the currency risk, individual Group entities enter into currency forwards with Group Treasury. Group Treasury in turn manages the overall currency exposure mainly by entering into currency forwards with banks.

SFRS(I) 7  
(22A(b), 33(b))  
SFRS(I) 7  
(22B(a))



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 42. Financial risk management<sup>10, 11</sup> (continued)

SFRS(I) 7  
(31, 33)

### (a) Market risk (continued)

#### (i) Currency risk (continued)

Group Treasury's risk management policy is to hedge between 60% and 80% of highly probable forecast transactions (mainly export sales and import purchases) in the next three months and approximately 90% of firm commitments denominated in foreign currencies.

SFRS(I) 7  
(22A(c))

The risk is measured through a forecast of highly probable USD expenditure and tracking of firm commitments in USD and RMB. The objective of the hedges is to minimise the volatility of the Group's currency cost of highly probable transactions and firm commitments. In order to achieve these objectives, the Group entered into cash flow hedges and fair value hedges for highly probable purchase transactions and revenue contracts respectively. The foreign exchange forwards are denominated in the same currency as the highly probable purchase transactions and revenue firm commitments, therefore the hedge ratio is 1:1.

SFRS(I) 7  
(22B(b), (c))

Hedge ineffectiveness has occurred due to:

SFRS(I) 7  
(22B(c))

- changes in timing of the forecasted transaction from what was originally planned; and
- changes in the credit risk of the derivative counterparty or the Group.

The Group is exposed to currency translation risk on the net assets in foreign operations. Currency exposure to the net assets of the Group's foreign operations in the People's Republic of China are managed primarily through borrowings denominated in Chinese RMB designated as a net investment hedge in foreign operations. The Group establishes the hedge ratio of 1:1 by matching the net assets exposure to borrowings designated as hedging instrument.

SFRS(I) 7  
(22A(a), (b))

There was no ineffectiveness during 2024 in relation to the net investment hedge.

SFRS(I) 7  
(22B)



**Notes to the Financial Statements**

For the financial year ended 31 December 2024

**42. Financial risk management (continued)**SFRS(I) 7  
(31, 33)

## (a) Market risk (continued)

## (i) Currency risk (continued)

The Group's currency exposure based on the information provided to key management<sup>2</sup> is as follows:

SFRS(I) 7  
(31, 34(a), (c))

| <u>Group</u>  | <u>SGD</u> | <u>USD</u> | <u>RMB</u> |    |
|---|------------|------------|------------|----|
| At 31 December 2024   | \$'000     | \$'000     | \$'000     |    |
| <b>Financial assets</b>   |            |            |            |    |
| Cash and bank balances  | 61,266     | 20,756     | 12,755     |    |
| Trade and other receivables   | 16,301     | 9,712      | 5,890      |    |
| Intra-group receivables <sup>8</sup>  | 13,850     | 4,177      | 3,675      |    |
| Financial assets, at FVPL   | 11,385     | 3,365      | -          |    |
| Financial assets, at FVOCI  | 2,425      | 2,300      | -          |    |
| Other investments at amortised cost   | 3,497      | -          | -          |    |
|   | 108,724    | 40,310     | 22,320     |    |
| <b>Financial liabilities</b>  |            |            |            |    |
| Borrowings  | (116,369)  | (14,712)   | (11,976)   |    |
| Intra-group payables <sup>8</sup>   | (13,850)   | (4,177)    | (3,675)    |    |
| Trade and other payables  | (10,468)   | (4,628)    | (3,014)    |    |
|   | (140,687)  | (23,517)   | (18,665)   |    |
| <b>Net financial (liabilities)/assets</b>   | (31,963)   | 16,793     | 3,655      |    |
| Add: Net non-financial assets of foreign subsidiaries   | 142,571    | 36,544     | 21,037     | DV |
| Add: Contract assets  | -          | 2,939      | -          | DV |
| Add: Firm commitments and highly probable forecast transactions in foreign currencies <sup>3</sup>                                  | 12,000     | 28,000     | 18,000     | DV |
| Less: Currency forwards <sup>3</sup>  | -          | (25,000)   | (15,000)   |    |
|   | 122,608    | 59,276     | 27,692     |    |
| <b>Currency profile including non-financial assets and liabilities<sup>3</sup></b>  | 122,608    | 59,276     | 27,692     |    |
| <b>Currency exposure of financial assets net of those denominated in the respective entities' functional currencies<sup>3</sup></b> | 2,375      | 23,774     | 11,567     |    |



**Notes to the Financial Statements**

For the financial year ended 31 December 2024

SFRS(I) 7  
(31, 33)**42. Financial risk management (continued)**

## (a) Market risk (continued)

## (i) Currency risk (continued)

| <u>Group</u>  | <u>SGD</u><br>\$'000 | <u>USD</u><br>\$'000 | <u>RMB</u><br>\$'000 |    |
|---|----------------------|----------------------|----------------------|----|
| <u>At 31 December 2023</u>  |                      |                      |                      |    |
| <b>Financial assets</b>   |                      |                      |                      |    |
| Cash and bank balances  | 17,713               | 9,173                | 4,284                |    |
| Trade and other receivables   | 26,925               | 4,716                | 4,214                |    |
| Intra-group receivables <sup>8</sup>  | 15,507               | 5,351                | 2,310                |    |
| Financial assets, at FVPL   | 10,535               | 3,065                | -                    |    |
| Financial assets, at FVOCI  | 11,438               | 2,014                | -                    |    |
| Other investments at amortised cost   | 2,403                | -                    | -                    |    |
|   | 84,521               | 24,319               | 10,808               |    |
| <b>Financial liabilities</b>  |                      |                      |                      |    |
| Borrowings  | (117,185)            | (17,245)             | (9,142)              |    |
| Intra-group payables <sup>8</sup>   | (15,507)             | (5,351)              | (2,310)              |    |
| Trade and other payables <sup>9</sup>   | (12,169)             | (2,313)              | (1,411)              |    |
|   | (144,861)            | (24,909)             | (12,863)             |    |
| <b>Net financial liabilities</b>  | (60,340)             | (590)                | (2,055)              |    |
| Add: Net non-financial assets of foreign subsidiaries   | 124,345              | 24,344               | 13,523               | DV |
| Add: Contract assets  | 2,471                | -                    | -                    | DV |
| Add: Firm commitments and highly probable forecast transactions in foreign currencies <sup>3</sup>                                  | 6,000                | 10,123               | 2,444                | DV |
| Less: Currency forwards <sup>3</sup>  | (4,000)              | (10,040)             | (2,540)              |    |
|   | 68,476               | 23,837               | 11,372               |    |
| <b>Currency profile including non-financial assets and liabilities<sup>3</sup></b>  | 68,476               | 23,837               | 11,372               |    |
| <b>Currency exposure of financial assets net of those denominated in the respective entities' functional currencies<sup>3</sup></b> | 1,095                | 10,517               | 5,094                |    |



## Notes to the Financial Statements

For the financial year ended 31 December 2024

### 42. Financial risk management (continued)

#### (a) Market risk (continued)

##### (i) Currency risk (continued)

The Company's currency exposure based on the information provided to key management is as follows:

SFRS(I) 7  
(31, 34(a), (c))

| Company  | 31 December<br>2024 |               | 31 December<br>2023 |               |
|--|---------------------|---------------|---------------------|---------------|
|  | SGD<br>\$'000       | USD<br>\$'000 | SGD<br>\$'000       | USD<br>\$'000 |
| <b>Financial assets</b>  |                     |               |                     |               |
| Cash and bank balances   | 17,216              | 2,130         | 15,446              | 1,400         |
| Trade and other receivables  | 10,561              | -             | 8,953               | -             |
| Financial assets, at FVOCI   | 1,615               | -             | 1,600               | -             |
|  | <b>29,392</b>       | <b>2,130</b>  | <b>25,999</b>       | <b>1,400</b>  |
| <b>Financial liabilities</b>   |                     |               |                     |               |
| Borrowings   | (80,816)            | -             | (80,426)            | -             |
| Trade and other payables   | (831)               | (120)         | (728)               | (120)         |
|  | <b>(81,647)</b>     | <b>(120)</b>  | <b>(81,154)</b>     | <b>(120)</b>  |
| <b>Net financial<br/>(liabilities)/assets</b>                                  | <b>(52,255)</b>     | <b>2,010</b>  | <b>(55,155)</b>     | <b>1,280</b>  |
| Add: Net non-financial assets  | 104,520             | 9,517         | 100,070             | 3,790         |
| Add: Firm commitments  | -                   | -             | -                   | 3,100         |
| Less: Currency forwards  | -                   | -             | -                   | (2,100)       |
|  |                     |               |                     | DV            |
| <b>Currency profile including<br/>non-financial assets and<br/>liabilities</b> | <b>52,265</b>       | <b>11,527</b> | <b>44,915</b>       | <b>6,070</b>  |
| <b>Currency exposure of<br/>financial assets</b>                               | <b>-</b>            | <b>2,010</b>  | <b>-</b>            | <b>2,280</b>  |



## Notes to the Financial Statements

For the financial year ended 31 December 2024

### 42. Financial risk management (continued)

#### (a) Market risk (continued)

##### (i) Currency risk (continued)

If the USD and RMB change against the SGD by 4% (2023: 6%) and 3% (2023: 6%)<sup>5-7</sup> respectively with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset (excluding equity instruments) that are exposed to currency risk will be as follows<sup>4</sup>:

SFRS(I) 7  
(40, B24)

|                 | ← Increase/(Decrease) → |                                       |                        |                                       |
|-----------------|-------------------------|---------------------------------------|------------------------|---------------------------------------|
|                 | 31 December<br>2024     |                                       | 31 December<br>2023    |                                       |
|                 | Profit<br>after<br>tax  | Other<br>Compre-<br>hensive<br>Income | Profit<br>after<br>tax | Other<br>Compre-<br>hensive<br>Income |
|                 | \$'000                  | \$'000                                | \$'000                 | \$'000                                |
| <u>Group</u>    |                         |                                       |                        |                                       |
| USD against SGD |                         |                                       |                        |                                       |
| - Strengthened  | 789                     | 253                                   | 616                    | 83                                    |
| - Weakened      | <u>(789)</u>            | <u>(253)</u>                          | <u>(616)</u>           | <u>(83)</u>                           |
| RMB against SGD |                         |                                       |                        |                                       |
| - Strengthened  | 288                     | 170                                   | 77                     | 34                                    |
| - Weakened      | <u>(288)</u>            | <u>(170)</u>                          | <u>(77)</u>            | <u>(34)</u>                           |
| <u>Company</u>  |                         |                                       |                        |                                       |
| USD against SGD |                         |                                       |                        |                                       |
| - Strengthened  | 67                      | -                                     | 113                    | -                                     |
| - Weakened      | <u>(67)</u>             | <u>-</u>                              | <u>(113)</u>           | <u>-</u>                              |



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Financial risk management – currency risk

#### Qualitative disclosures on currency risk

- 1 The publication illustrates some disclosures that may be required for financial risk management. The matters and level of detail to be disclosed depend on the circumstances and the extent of financial risks faced by the entity.

SFRS(I) 7 (7)

#### Quantitative disclosures on currency risk – based on management information

- 2 A reporting entity shall disclose summary quantitative data about its exposure to currency risk at the reporting date. This disclosure shall be based on the information provided internally to key management personnel.

SFRS(I) 7  
(34(a))

#### Quantitative disclosures on currency risk – factors considered

- 3 SFRS(I) 7 is not prescriptive in the presentation format of these quantitative disclosures. This publication illustrates the disclosure where management has monitored the entity's currency risk exposure, taking into consideration (a) financial assets/liabilities denominated in the respective entities' functional currencies; (b) firm commitments and highly probable forecast transactions in foreign currencies; (c) the effects of currency forwards used for hedges and held for trading; (d) net non-financial assets of foreign subsidiaries; and (e) contract assets recognised in accordance with SFRS(I) 15. These are summed up in the line item "Currency profile including non-financial assets and liabilities". If management monitors the entity's currency risk exposure using other basis, line items should be replaced as appropriate.

The line item "Currency exposure of financial assets/(liabilities) net of those denominated in the respective entities' functional currencies" measures the currency exposure under the scope of SFRS(I) 7 and is used as a basis for computing the currency sensitivity analysis required by SFRS(I) 7. The line item excludes equity investments denominated in foreign currencies. Financial risk on these instruments, including the foreign currency element is combined in the price risk of the instrument. This may not coincide with the currency exposure monitored by management. Disclosure of this line item is not mandated by SFRS(I) 7.

SFRS(I) 7  
(B23)

#### Sensitivity analysis for currency risk

- 4 An entity shall provide sensitivity analysis for the whole of its business but may provide different types of sensitivity analysis for different classes of financial instruments. A sensitivity analysis shall be disclosed for each currency to which an entity has significant exposure. In this publication, the entity has significant exposure to two major currencies, namely USD and RMB.

SFRS(I) 7  
(B21)





# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Financial risk management – currency risk (continued)

#### Sensitivity analysis – reasonably possible change

5 In determining what a reasonably possible change in the relevant risk variables is, an entity shall consider:

SFRS(I) 7  
(B19)

- (a) the economic environments in which it operates. This shall not include remote or "worst case" scenarios or "stress test"; and
- (b) the effects of changes reasonably possible over the period until the entity next presents these disclosures (usually the next annual reporting period).

#### Sensitivity analysis – prior year disclosures

6 In the event that the reasonably possible change in the risk variables changes, the prior year disclosures should not be restated. However, the entity can present as additional information the sensitivity information for the comparative financial year using the new percentage for the current financial year.

SFRS(I) 7  
(IG36)

#### Sensitivity analysis – narrative text or tabular format

7 Instead of using a tabular format, the entity may use a narrative description as follows:

##### Currency risk – Sensitivity analysis

At 31 December 2024, if the USD had strengthened/weakened by [ ]% (2023: [ ]%) against the SGD with all other variables including tax rate being held constant, the other comprehensive income of the Group and the Company would have been higher/lower by \$[ ] (2023: \$[ ]) and \$[ ] (2023: \$[ ]) respectively as a result of currency translation gains/losses on securities classified as FVOCI. The profit after tax of the Group and the Company would have been higher/lower by \$[ ] (2023: \$[ ]) and \$[ ] (2023: \$[ ]), as a result of currency translation gains/losses on the remaining USD denominated financial instruments.....”

Where the impact to profit after tax and/or other comprehensive income is different even though the exchange rates may have strengthened or weakened by the same percentage, the tabular format disclosure will likely be more useful. If the reporting entity holds option-based financial instruments, the upside and downside impacts may also be different.



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Financial risk management – currency risk (continued)

#### Foreign currency intercompany receivables and payables

- 8 Foreign currency intercompany receivables and payables that do not form part of the net investment in a foreign operation should be included in the sensitivity analysis for foreign exchange risk. This is because even though intercompany receivables and payables are eliminated in the consolidated balance sheet, the effect on the profit or loss from their foreign currency translation under SFRS(I) 1-21 is not fully eliminated.

#### Accruals and provisions

- 9 Accruals that represent a right to receive cash or an obligation to deliver cash are included in the scope of SFRS(I) 7. An example is an accrual for services obtained, but for which an invoice has not been received.

SFRS(I) 1-32  
AG4

Similarly, a prepaid expense or an advance payment received for which the future economic benefit is the receipt of goods and services and is not a financial instrument would be excluded from the scope of SFRS(I) 7.

SFRS(I) 1-32  
AG11

#### Disclosures at reporting date need to be representative for the period

- 10 If the quantitative data disclosed as at the reporting date is unrepresentative of an entity's exposure to risk during the period, an entity shall provide further information that is representative. For example, if an entity typically has a large exposure to a particular currency, but at year-end unwinds the position, the entity might disclose a graph that shows the exposure at various times during the period, or disclose the highest, lowest and average exposures.

SFRS(I) 7  
(35, IG20)

Similarly, when the sensitivity analyses disclosed are unrepresentative of a risk inherent in a financial instrument (e.g. because the year-end exposure does not reflect the exposure during the year), the entity shall disclose that fact and the reason it believes the sensitivity analyses are unrepresentative.

SFRS(I) 7 (42)  
SFRS(I) 7  
(IG37-40)

#### Changes in financial risk management/exposure from the previous period

- 11 An entity needs to disclose if there are changes in the following from the previous period:
- the exposures to risk and how they arise;
  - the entity's objectives, policies and processes for managing the risk and the methods used to measure the risk.

SFRS(I) 7 (33)

For instance, if there has been a change in the entity's hedging policy, this should be disclosed accordingly.



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 42. Financial risk management (continued)

### (a) Market risk (continued)

#### (ii) Equity price risk

The Group is exposed to equity securities price risk arising from the investments held by the Group which are classified either as financial assets, at FVOCI or at FVPL. These securities are listed in Singapore and the United States. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

SFRS(I) 7  
(33(a), (b))

If prices for equity securities listed in Singapore and the United States had changed by 12% (2023: 15%) and 10% (2023: 14%) respectively with all other variables including tax rate being held constant, the effects on profit after tax and other comprehensive income would have been:

SFRS(I) 7  
(40, B25-28)

|                             | ← Increase/(Decrease) <sup>1</sup> → |   |                             |   |
|-----------------------------|--------------------------------------|---|-----------------------------|---|
|                             | 31 December 2024                     |   | 31 December 2023            |   |
|                             | <u>Profit<br/>after tax</u>          | <u>Other<br/>compre-<br/>hensive<br/>income</u> | <u>Profit<br/>after tax</u> | <u>Other<br/>compre-<br/>hensive<br/>income</u> |
|                             | \$'000                               | \$'000  | \$'000                      | \$'000  |
| <u>Group</u>                |                                      |   |                             |   |
| Listed in Singapore         |                                      |   |                             |   |
| - increased by              | 840                                  | 189   | 1,296                       | 903   |
| - decreased by              | (840)                                | (189)   | (1,296)                     | (903)   |
| Listed in the United States |                                      |   |                             |   |
| - increased by              | 335                                  | 229   | 367                         | 235   |
| - decreased by              | (335)                                | (229)   | (367)                       | (235)   |
| <u>Company</u>              |                                      |   |                             |   |
| Listed in Singapore         |                                      |   |                             |   |
| - increased by              | -                                    | 161   | -                           | 168   |
| - decreased by              | -                                    | (161)   | -                           | (168)   |



## Notes to the Financial Statements

For the financial year ended 31 December 2024

### 42. Financial risk management (continued)

#### (a) Market risk (continued)

##### (iii) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income is substantially independent of changes in market interest rates.

SFRS(I) 7  
(33(a))

The Group's policy is to maintain 80 – 90% of its borrowings in fixed-rate instruments. The Group's exposure to cash flow interest rate risks arises mainly from non-current variable-rate borrowings. The Company's exposure to cash flow interest rate risks arises mainly from non-current borrowings and loans to subsidiaries at variable rates. The Group manages these cash flow interest rate risks using floating-to-fixed interest rate swaps.

SFRS(I) 7  
(33(b))

The Group enters into interest rate swaps with the same critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding amount of the borrowings. The Group establishes the hedging ratio by matching the notional of interest rate swap with the principal of borrowings being hedged. As all critical terms matched during the year, the economic relationship was 100% effective.

SFRS(I) 7  
(22A, 22B)

#### Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedging relationship, and through periodic prospective effective assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness. Hedge ineffectiveness have occurred due to changes in the critical terms of either the interest rate swaps or the borrowings.

SFRS(I) 7  
(22B(b), (c))



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Financial risk management (continued)

### (a) Market risk (continued)

#### (iii) Cash flow and fair value interest rate risk (continued)

The Group's and the Company's borrowings at variable rates on which effective hedges have not been entered into are denominated mainly in SGD. If the SGD interest rates had been higher/lower by 0.50% (2023: 0.50%) with all other variables including tax rate being held constant, the profit after tax would have been lower/higher by \$185,000 (2023: \$230,000) as a result of higher/lower interest expense on these borrowings. Other comprehensive income would have been higher/lower by \$97,000 (2023: \$152,000) mainly as a result of higher/lower fair value of interest rate swaps designated as cash flow hedges of variable rate borrowings.

SFRS(I) 7 (40)

## Guidance notes

### Financial risk management – price risk

#### Sensitivity analysis for equity price risk – unquoted equity investments

- 1 Sensitivity analysis for equity price risk is applicable even if the equity investment is not quoted.
- 2 PwC Holdings Ltd is not affected by the interest rate benchmark reforms. However, entities will need to explain the impact of interest rate benchmark reforms their accounting policies and provide the new disclosures arising from the adoption of the amendments made to SFRS(I) 9 or SFRS(I) 1-39 and SFRS(I) 7 where they have exposure to interest rates such as:
  - (i) The interest rates are dependent on interbank offered rates ("IBORs"), and
  - (ii) These IBORs are subject to interest rate benchmark reforms.

Appendix 2: IBOR Reform disclosures shows the hedge accounting disclosures an entity would have to add if it has a hedge relationship that is impacted by IBOR reform.

- 3 This area could be impacted by rising inflation rates and other global economic uncertainties. For considerations and disclosure relating to rising inflation, please refer to [Note 2 - Basis of preparation, Guidance Note 5](#).



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 42. Financial risk management (continued)

### (b) Credit risk<sup>1,2</sup>

SFRS(I) 7  
(33(a), (b))  
SFRS(I) 7  
(35B(a))

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group adopts the policy of dealing only with:

- customers of appropriate credit standing and history, and obtaining sufficient collateral or buying credit insurance where appropriate to mitigate credit risk; and
- high credit quality counterparties of at least an 'A' rating by external credit rating companies.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the Head of Credit Control based on ongoing credit evaluation. The counterparty's payment pattern and credit exposure are continuously monitored at the entity level by the respective management and at the Group level by the Head of Credit Control.

Sales to retail customers are required to be settled in cash or using major credit cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

For derivative financial instruments, management has established limits so that, at any time, less than 10% of the fair value of favourable contracts outstanding are with any individual counterparty.

The credit ratings of the investments are monitored for credit deterioration.

For lease receivables, management has performed credit evaluation before entering into the sublease of the office space to the tenant. The Group adopts the policy of dealing only with reputable companies with high credit quality.

As the Group and the Company do not hold collateral<sup>3,4</sup>, the maximum exposure to credit risk to each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except as follows:

SFRS(I) 7  
(35K(a),36)

|   | <u>Company</u> |        |
|---|----------------|--------|
|   | 31 December    |        |
|   | 2024           | 2023   |
|   | \$'000         | \$'000 |
| Corporate guarantees provided to banks on subsidiaries' loans | <b>16,000</b>  | 16,000 |



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 42. Financial risk management (continued)

### (b) Credit risk (continued)

The movements in credit loss allowance are as follows:

| Group   | Trade receivables<br>\$'000 | Contract assets<br>\$'000 | Other investments at<br>amortised cost |                   |                   | Debt instruments<br>at FVOCI<br>Stage 1<br>\$'000 | Total<br>\$'000 |                          |
|---|-----------------------------|---------------------------|--|-------------------|-------------------|---|-----------------|--------------------------|
|   |                             |                           | Stage 1<br>\$'000                      | Stage 2<br>\$'000 | Stage 3<br>\$'000 |   |                 |                          |
| <b>2024</b>   |                             |                           |  |                   |                   |   |                 |                          |
| <b>Balance at 1</b>   |                             |                           |  |                   |                   |   |                 |                          |
| <b>January 2024</b>   | 735                         | 29                        | 30                                     | -                 | -                 | 8   | 802             |                          |
| Transfer to Stage 2   | -                           | -                         | (15)                                   | 15                | -                 | -   | -               | SFRS(I)<br>7             |
| Transfer to Stage 3   | -                           | -                         | (5)                                    | -                 | 5                 | -   | -               | (35I)(d)                 |
| Loss allowance recognised in profit or loss during the year on: |                             |                           |  |                   |                   |   |                 |                          |
| - Asset acquired/originated                                     | 1,037                       | 41                        | 52                                     | -                 | -                 | 5   | 1,135           | SFRS(I)<br>7             |
| - Reversal of unutilised amount                                 | (647)                       | (31)                      | -                                      | -                 | -                 | (8)   | (686)           | (35I)(a)                 |
| - Changes in credit risk  | -                           | -                         | -                                      | 286               | 115               | -   | 401             |                          |
|   | 390                         | 10                        | 52                                     | 286               | 115               | (3)   | 850             |                          |
| Written off <sup>#</sup>  | (231)                       | -                         | -                                      | -                 | (30)              | -   | (261)           | SFRS(I)<br>7<br>(35I)(c) |
| <b>Balance at 31</b>  |                             |                           |  |                   |                   |   |                 |                          |
| <b>December 2024</b>  | 894                         | 39                        | 62                                     | 301               | 90                | 5   | 1,391           |                          |
| <b>2023</b>   |                             |                           |  |                   |                   |   |                 |                          |
| <b>Balance at 1</b>   |                             |                           |  |                   |                   |   |                 |                          |
| <b>January 2023</b>   | 733                         | 24                        | 7                                      | -                 | -                 | *   | 764             |                          |
| Loss allowance recognised in profit or loss during the year on: |                             |                           |  |                   |                   |   |                 |                          |
| - Asset acquired/originated                                     | 745                         | 29                        | 2                                      | -                 | -                 | -   | 776             | SFRS(I)<br>7             |
| - Reversal of unutilised amount                                 | (515)                       | (24)                      | (2)                                    | -                 | -                 | -   | (541)           | (35I)(a)                 |
| - Changes in credit risk  | -                           | -                         | 23                                     | -                 | -                 | 8   | 31              |                          |
|   | 230                         | 5                         | 23                                     | -                 | -                 | 8   | 266             |                          |
| Written off <sup>#</sup>  | (228)                       | -                         | -                                      | -                 | -                 | -   | (228)           | SFRS(I)<br>7<br>(35I)(c) |
| <b>Balance 31</b>   |                             |                           |  |                   |                   |   |                 |                          |
| <b>December 2023</b>  | 735                         | 29                        | 30                                     | -                 | -                 | 8   | 802             |                          |

\* Amount less than \$1,000

<sup>#</sup> Trade receivables with a contractual amount of \$150,000 (2023: \$180,000) written off during the period are still subject to enforcement activities.

SFRS(I) 7  
(35L)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 42. Financial risk management (continued)

### (b) Credit risk (continued)

| <b>Company</b>  | <b>Trade<br/>receivables</b> |              |
|---|------------------------------|--------------|
| <b>2024</b>   | <b>\$'000</b>                |              |
| <b>Balances at 1 January 2024</b>                               | 266                          |              |
| Loss allowance recognised in profit or loss during the year on: |                              |              |
| - Asset acquired/originated                                     | 321                          | SFRS(I) 7    |
| - Reversal of unutilised amount                                 | (290)                        | (35I(a),(c)) |
|   | 31                           |              |
| <b>Balances at 31 December 2024</b>                             | 297                          |              |
| <br>  |                              |              |
| <b>2023</b>   |                              |              |
| <b>Balance at 1 January 2023</b>                                | 311                          |              |
| Loss allowance recognised in profit or loss during the year on: |                              |              |
| - Asset acquired/originated                                     | 266                          | SFRS(I) 7    |
| - Reversal of unutilised amount                                 | (311)                        | (35I(a),(c)) |
|   | (45)                         |              |
| <b>Balance at 31 December 2023</b>                              | 266                          |              |





# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 42. Financial risk management (continued)

### (b) Credit risk (continued)

#### (i) Trade receivables and contract assets

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables and contract assets.

SFRS(I) 9  
(B5.5.35)

In measuring the expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and days past due. The contract assets relate to unbilled work in progress, which have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

SFRS(I) 7  
(35F(c))

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the gross domestic product (GDP) and the unemployment rate of the countries in which it sells goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

SFRS(I) 7  
(35G)

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group considers a financial asset as default if the counterparty fails to make contractual payments within 90 days when they fall due, and writes off the financial asset when a debtor fails to make contractual payments greater than 120 days past due. Where receivables are written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

SFRS(I) 7  
(35F(b))  
SFRS(I) 7  
(35F(e))

As at 31 December 2024, management has identified a group of debtors from wholesale of furniture and electronic equipment to be credit impaired as they experienced significant financial difficulties. Hence, management has assessed the recoverability of the outstanding balances separately from the provision matrix above.

SFRS(I) 7  
(35M(b)(iii))

| Group                            | 2024<br>\$'000 |
|----------------------------------|----------------|
| Gross carrying amount            | 128            |
| Less: loss allowance             | (128)          |
| Carrying amount net of allowance | <u>-</u>       |



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 42. Financial risk management (continued)

### (b) Credit risk (continued)

#### (i) Trade receivables and contract assets (continued)

The Group's and the Company's credit risk exposure<sup>5,6</sup> in relation to trade receivables and contract assets under SFRS(I) 9 as at 31 December 2024 are set out in the provision matrix as follows:

SFRS(I) 7  
(35M(b)(iii),  
35N)

| <u>Group</u>   | Current<br>\$'000 | ← Past due →                |                            |                            |                                | Total<br>\$'000 | SFRS(I) 7<br>(35N)<br>SFRS(I) 7<br>(IG20D) |
|--|-------------------|-----------------------------|----------------------------|----------------------------|--------------------------------|-----------------|--|
|  |                   | Within<br>30 days<br>\$'000 | 30 to 60<br>days<br>\$'000 | 60 to<br>90 days<br>\$'000 | More than<br>90 days<br>\$'000 |                 |  |
| <b>Wholesale of furniture and electronic equipment</b> |                   |                             |                            |                            |                                |                 |  |
| Expected loss rate                                     | 0.53%             | 2.27%                       | 6.34%                      | 14.64%                     | 16.53%                         |                 |  |
| Trade receivables                                      | 3,918             | 2,226                       | 1,308                      | 1,194                      | 247                            | 8,893           |  |
| Loss allowance   | 21                | 51                          | 83                         | 175                        | 41                             | 371             |  |
| <b>Construction of specialised equipment</b>           |                   |                             |                            |                            |                                |                 |  |
| Expected loss rate                                     | 1.31%             | 2.32%                       | 4.70%                      | 8.20%                      | 15.10%                         |                 |  |
| Contract assets  | 2,978             | -                           | -                          | -                          | -                              | 2,978           |  |
| Trade receivables                                      | 2,677             | 2,279                       | 1,452                      | 893                        | 517                            | 7,818           |  |
| Loss allowance   | 74                | 53                          | 68                         | 73                         | 78                             | 346             |  |
| <b>Logistics services</b>                              |                   |                             |                            |                            |                                |                 |  |
| Expected loss rate                                     | 2.40%             | 4.70%                       | 7.12%                      | 11.00%                     | 15.00%                         |                 |  |
| Trade receivables                                      | 862               | 478                         | 311                        | 110                        | 72                             | 1,833           |  |
| Loss allowance   | 21                | 22                          | 22                         | 12                         | 11                             | 88              |  |
| <b>Company</b>   |                   |                             |                            |                            |                                |                 |  |
| <b>Wholesale of furniture and electronic equipment</b> |                   |                             |                            |                            |                                |                 |  |
| Expected loss rate                                     | 0.70%             | 2.10%                       | 4.80%                      | 9.20%                      | 12.40%                         |                 |  |
| Trade receivables                                      | 1,117             | 1,649                       | 1,447                      | 1,291                      | 533                            | 6,037           |  |
| Loss allowance   | 8                 | 35                          | 69                         | 119                        | 66                             | 297             |  |



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 42. Financial risk management (continued)

### (b) Credit risk (continued)

#### (i) Trade receivables and contract assets (continued)

The Group's and the Company's credit risk exposure<sup>5</sup> in relation to trade receivables and contract assets under SFRS(I) 9 as at 31 December 2023 are set out in the provision matrix as follows:

SFRS(I) 7  
(35M(b)(iii)  
35N)

| <u>Group</u>   | ← Past due →   |                       |                      |                      |                          | <u>Total</u> | <u>\$'000</u> | SFRS(I) 7<br>(35N)<br>SFRS(I) 7<br>(IG20D) |
|--|----------------|-----------------------|----------------------|----------------------|--------------------------|--------------|---------------|--|
|  | <u>Current</u> | <u>Within 30 days</u> | <u>30 to 60 days</u> | <u>60 to 90 days</u> | <u>More than 90 days</u> |              |               |  |
| <b>Wholesale of furniture and electronic equipment</b> |                |                       |                      |                      |                          |              |               |  |
| Expected loss rate                                     | 0.30%          | 2.00%                 | 6.00%                | 15.00%               | 16.96%                   |              |               |  |
| Trade receivables                                      | 12,942         | 2,015                 | 1,351                | 1,356                | 678                      | 18,342       |               |  |
| Loss allowance   | 39             | 40                    | 81                   | 203                  | 115                      | 478          |               |  |
| <b>Construction of specialised equipment</b>           |                |                       |                      |                      |                          |              |               |  |
| Expected loss rate                                     | 1.15%          | 2.00%                 | 4.00%                | 6.00%                | 12.00%                   |              |               |  |
| Contract assets  | 2,500          | -                     | -                    | -                    | -                        | 2,500        |               |  |
| Trade receivables                                      | 2,352          | 1,850                 | 1,023                | 689                  | 356                      | 6,270        |               |  |
| Loss allowance   | 56             | 37                    | 41                   | 41                   | 43                       | 218          |               |  |
| <b>Logistics services</b>                              |                |                       |                      |                      |                          |              |               |  |
| Expected loss rate                                     | 2.30%          | 4.60%                 | 6.90%                | 10.40%               | 15.00%                   |              |               |  |
| Trade receivables                                      | 687            | 417                   | 315                  | 102                  | -                        | 1,521        |               |  |
| Loss allowance   | 16             | 19                    | 22                   | 11                   | -                        | 68           |               |  |
| <b>Company</b>   |                |                       |                      |                      |                          |              |               |  |
| <b>Wholesale of furniture and electronic equipment</b> |                |                       |                      |                      |                          |              |               |  |
| Expected loss rate                                     | 0.40%          | 1.50%                 | 4.50%                | 8.50%                | 10.80%                   |              |               |  |
| Trade receivables                                      | 1,270          | 1,524                 | 1,372                | 1,029                | 824                      | 6,019        |               |  |
| Loss allowance   | 5              | 23                    | 62                   | 87                   | 89                       | 266          |               |  |

#### (ii) Lease receivables

Lease receivables of \$10,511,000 (2023: \$7,544,000) are subject to immaterial credit loss as the Group entered into lease arrangements with reputable companies with high credit ratings and there is no history of default.

SFRS(I) 7  
(35F)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 42. Financial risk management (continued)

### (b) Credit risk (continued)

#### (iii) Debt instruments at FVOCI and other investments at amortised cost<sup>7</sup>

Debt instruments at FVOCI and other investments at amortised cost amounting to \$530,000 (2023: \$4,102,000) and \$1,500,000 (2023: \$783,000) respectively are considered as “low credit risk” because:

SFRS(I) 7  
(35F(a)(i))

- Listed notes are of investment grade credit rating with at least one major rating agency.
- Unlisted notes have low risk of default as the issuer has a strong capacity to meet the contractual cash flow obligations in the near term.

Hence, the loss allowance recognised on these assets are measured at the 12-month expected credit losses.

#### Credit risk exposure and significant credit risk concentration

SFRS(I) 7  
(35M,35N)

The Group and Company uses the following categories of internal credit risk rating for its investment in unlisted notes. The internal credit ratings have been mapped to external credit ratings determined by credit rating agencies such as Standard & Poor, Moody's and Fitch, so as to determine the appropriate expected credit loss rates.

| Category of internal credit rating           | Performing  | Under-performing   | Non-performing  | Write-off   |
|--|---|--|---|---|
| Definition of category                       | Issuers have a low risk of default and a strong capacity to meet contractual cash flows | Issuers for which there is a significant increase in credit risk; significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due | Interest and/or principal payments are 90 days past due | Interest and/or principal repayments are 120 days past due and there is no reasonable expectation of recovery |
| Basis of recognition of expected credit loss | 12-month expected credit losses (Stage 1)   | Lifetime expected credit losses (Stage 2)  | Lifetime expected credit losses (Stage 3)               | Asset is written off  |

SFRS(I) 7  
(35F(b), (d), (e), 35G(a))



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 42. Financial risk management (continued)

### (b) Credit risk (continued)

#### (iii) Debt instruments at FVOCI and other investments at amortised cost (continued)

The gross carrying amount of debt instruments at FVOCI and other investments at amortised cost by credit rating are disclosed in the table below:

SFRS(I) 7  
(35M)

| <u>Group</u><br>2024 | Debt instruments at FVOCI | Other investments at amortised cost |                          |                          |
|----------------------|---------------------------|-------------------------------------|--------------------------|--------------------------|
|                      | <u>Stage 1</u><br>\$'000  | <u>Stage 1</u><br>\$'000            | <u>Stage 2</u><br>\$'000 | <u>Stage 3</u><br>\$'000 |
| Credit rating        |                           |                                     |                          |                          |
| AAA                  | 530                       | -                                   | -                        | -                        |
| AA                   | -                         | 1,500                               | -                        | -                        |
| BB                   | -                         | -                                   | 982                      | -                        |
| B                    | -                         | -                                   | 821                      | -                        |
| D                    | -                         | -                                   | -                        | 647                      |
| <b>Total</b>         | <b>530</b>                | <b>1,500</b>                        | <b>1,803</b>             | <b>647</b>               |

| <u>Group</u><br>2023 | Debt instruments at FVOCI | Other investments at amortised cost |                          |                          |
|----------------------|---------------------------|-------------------------------------|--------------------------|--------------------------|
|                      | <u>Stage 1</u><br>\$'000  | <u>Stage 1</u><br>\$'000            | <u>Stage 2</u><br>\$'000 | <u>Stage 3</u><br>\$'000 |
| Credit rating        |                           |                                     |                          |                          |
| AAA                  | 4,102                     | -                                   | -                        | -                        |
| AA                   | -                         | 783                                 | -                        | -                        |
| A                    | -                         | 1,650                               | -                        | -                        |
| <b>Total</b>         | <b>4,102</b>              | <b>2,433</b>                        | <b>-</b>                 | <b>-</b>                 |



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 42. Financial risk management (continued)

### (b) Credit risk (continued)

#### (iv) Cash and bank balances

The Group and the Company held cash and bank balances of \$94,777,000 and \$19,346,000 respectively (2023: \$31,170,000 and \$17,278,000) with banks which are rated AAA and AA+ based on Standard & Poor and are considered to have low credit risk. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

#### (v) Loan to associates

The Group monitors the credit risk of the associates based on past due information to assess if there is any significant increase in credit risk. The associates have made interest payments on a timely basis and considered to have low risk of default. The loan balances of \$2,456,000 (2023: \$1,440,000) are measured on 12-month expected credit losses. The credit loss is immaterial.

SFRS(I) 7  
(35F)

#### (vi) Loan to subsidiaries

The Company has assessed that its subsidiaries have strong financial capacity to meet the contractual obligation of \$4,693,000 (2023: \$3,032,000) and considered to have low credit risk. The loans are measured on 12-month expected credit losses and subject to immaterial credit loss.

SFRS(I) 7  
(35F)

#### (vii) Financial guarantee contracts

The Company has issued financial guarantees to banks for borrowings of certain subsidiaries amounting to \$16,000,000 (2023: \$16,000,000). These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiaries have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

SFRS(I) 7  
(35F)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Financial risk management – credit risk

#### Class versus category of financial instrument

- 1 An entity is required to make certain credit risk disclosures by class of financial instruments. A 'class' of financial instruments is not the same as a 'category' of financial instruments.

SFRS(I) 7(6)

Categories are defined in SFRS(I) 9 as:

- (a) financial assets, at FVPL
- (b) financial liabilities at FVPL
- (c) financial assets, at amortised cost
- (d) financial liabilities, at amortised cost
- (e) financial assets, at FVOCI

Classes are expected to be determined at a level that is lower than the categories in SFRS(I) 9, and reconciled to the balance sheet as required under SFRS(I) 7 paragraph 6. However, the level of detail for each class shall be determined on an entity-specific basis. Items are treated as one class when they share similar characteristics.

#### Level of detail and selection of assumptions – information through the eyes of management

- 2 The disclosures in relation to the financial risk management of an entity should reflect the information provided internally to key management personnel. As such, the disclosures that will be provided by an entity, their level of detail and the underlying assumptions used will vary greatly from entity to entity. The disclosures in these illustrative financial statements are only one example of the kind of information that may be disclosed. Entities should consider carefully what may be appropriate in its individual circumstances when drafting these disclosures.

SFRS(I) 7  
(35D)

#### Collateral and other credit enhancements

- 3 An entity shall disclose by class of financial instrument a description of collateral held as security and of other credit enhancements, and their financial effect (e.g., a quantification of the extent to which collateral and other credit enhancements mitigate credit risk) in respect of the amount that best represents the maximum exposure to credit.

SFRS(I) 7  
(35K(b))



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Financial risk management – credit risk (continued)

#### Collateral and other credit enhancements (continued)

When an entity holds collateral against a financial asset, the maximum exposure to credit risk in respect of that financial asset is likely to be lower than the carrying amount.

When an entity obtains financial or non-financial assets during the period by taking possession of collateral it holds as security or calling on other credit enhancements, and such assets meet the recognition criteria in other Standards, the following disclosure for such assets held at the reporting date can be considered:

SFRS(I) 7 (38)

“As at xxx, the Group obtained assets by taking possession of collateral held as security as follows:

| <u>Nature of assets</u>       | <u>Carrying amount (\$'000)</u> |
|-------------------------------|---------------------------------|
| Inventories                   | 50                              |
| Property, plant and equipment | 1,350                           |

Repossessed items are sold as soon as practicable, with the proceeds used to reduce outstanding receivables. They are presented within “other current assets” on the balance sheet.”

- 4 If the entity holds collateral (of financial or non-financial assets) which can be sold or repledged, it shall disclose the fair value of collateral held, the fair value of collateral sold or repledged and whether the entity has the obligation to return it, and the terms and conditions associated with its use of the collateral.

SFRS(I) 7 (15)





# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Financial risk management – credit risk (continued)

#### Credit risk exposure and significant credit risk concentrations

- 5 An entity is required to disclose, by credit risk rating grades, the gross carrying amounts of financial assets and the exposure to credit risk of loan commitments and financial guarantee contracts. Entities which elect the practical expedient under paragraph 5.5.15 of SFRS(I) 9 to measure the loss allowance of trade receivables, contract assets or lease receivables using a provision matrix may provide the above disclosure based on the provision matrix.
- 6 The number of credit risk rating grades used to disclose the information in guidance note 5 above shall be consistent with the number that the entity uses to report internally to key management personnel for internal credit risk management purposes. However, if information about credit risk rating grades is not available without undue cost or effort and an entity uses past due information to assess whether credit risk has increased significantly since initial recognition, an entity shall provide an analysis by past due status for those financial assets.

SFRS(I) 7  
(35N)

SFRS(I) 7  
(IG20C)

#### Disclosure of key assumptions and sensitivity analysis

- 7 The determination of expected credit loss may involve the use of probability weighted scenarios or assumptions of future uncertainties. To provide a clear understanding on the inputs, assumptions and estimation techniques used in determining expected credit loss, entities might disclose how the future uncertainties are incorporated in the inputs used such as the scenarios, probability weight assigned to each scenario, probabilities of default, loss given default and forward looking information. Disclosures on the sensitivity of carrying amounts to the methods, assumptions and estimates, including the reasons for the sensitivity shall be made if the uncertainties have a significant risk of resulting in a material adjustment within the next financial year.

SFRS(I) 7  
(35N), SFRS(I)  
1-1 (125, 129)

#### Disclosures not illustrated

- 8 The following have not been illustrated in this publication.

| Item   | Relevant disclosure requirements            |
|--|---|
| Financial assets with modifications to their contractual cash flows. | SFRS(I) 7 paragraphs 35F(f), 35I(b) and 35J |
| Purchased or originated financial assets, which are credit impaired. | SFRS(I) 7 paragraphs 35H(c) and 35I         |

- 9 This area could be impacted by rising inflation rates and other global economic uncertainties. For considerations and disclosure relating to rising inflation, please refer to [Note 2 - Basis of preparation, Guidance Note 5](#).



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 42. Financial risk management (continued)

### (c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities (Note 31(c)) to meet obligations when due and the ability to close out market positions at a short notice. At the balance sheet date, assets held by the Group and the Company for managing liquidity risk included cash and short-term deposits as disclosed in Note 13.

SFRS(I) 7 (33,  
39(c), B11E)

As disclosed in note 30(a), the group has entered into a supplier finance arrangement with a finance provider on 1 January 2022 which ends on 31 December 2025. This has improved the group's working capital. The finance provider is in good financial condition and the group has no significant concentration of liquidity risk with this finance provider.

Management monitors rolling forecasts of the liquidity reserve (comprises undrawn borrowing facility (Note 31(c)) and cash and bank balances (Note 13)) of the Group and the Company on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Group in accordance with the practice and limits set by the Group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these obligations, monitoring liquidity ratios and maintaining debt financing plans.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows<sup>1</sup>. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

SFRS(I) 7  
(39(a), (b),  
B11D)



**Notes to the Financial Statements**

For the financial year ended 31 December 2024

**42. Financial risk management (continued)**

(c) Liquidity risk (continued)

| <u>Group</u>                                | <u>Less than<br/>1 year<sup>7</sup></u><br>\$'000 | <u>Between 1<br/>and 2 years<sup>7</sup></u><br>\$'000 | <u>Between 2<br/>and 5 years<sup>7</sup></u><br>\$'000 | <u>Over<br/>5 years<sup>7</sup></u><br>\$'000 |                 |
|---|---|--|--|---|-----------------|
| <b>At 31 December 2024</b>                  |   |  |  |   |                 |
| Trade and other payables                    | (17,090)  | (500)  | -  | -   |                 |
| Payables under supplier finance arrangement | (520)   | -  | -  | -   |                 |
| Lease liabilities                           | (13,145)  | (13,350)   | (18,551)   | (1,200)                                       | SFRS(I) 16 (58) |
| Borrowings (excluding lease liabilities)    | (15,418)  | (57,915)   | (56,085)   | -   |                 |
| <b>At 31 December 2023</b>                  |   |  |  |   |                 |
| Trade and other payables                    | (15,203)  | (350)  | -  | -   |                 |
| Payables under supplier finance arrangement | (340)   | -  | -  | -   |                 |
| Lease liabilities                           | (16,302)  | (12,523)   | (20,391)   | (2,100)                                       | SFRS(I) 16 (58) |
| Borrowings (excluding lease liabilities)    | (14,028)  | (9,967)  | (96,361)   | (10,543)                                      |                 |



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 42. Financial risk management (continued)

### (c) Liquidity risk (continued)

| Company                        | Less than<br><u>1 year</u> <sup>7</sup><br>\$'000 | Between 1<br>and 2<br><u>years</u> <sup>7</sup><br>\$'000 | Between 2<br>and 5<br><u>years</u> <sup>7</sup><br>\$'000 | Over 5<br><u>years</u> <sup>7</sup><br>\$'000 |                        |
|--------------------------------|---|---|---|---|------------------------|
| <b>At 31 December<br/>2024</b> |   |   |   |   |                        |
| Trade and other payables       | (951)   | -   | -   | -   |                        |
| Borrowings                     | (8,682)   | (56,950)  | (33,900)  | -   |                        |
| Financial guarantee contracts  | (16,000)  | -   | -   | -   | SFRS(I) 7<br>(B11C(c)) |
| <b>At 31 December<br/>2023</b> |   |   |   |   |                        |
| Trade and other payables       | (848)   | -   | -   | -   |                        |
| Borrowings                     | (6,377)   | (4,450)   | (84,450)  | -   |                        |
| Financial guarantee contracts  | (16,000)  | -   | -   | -   | SFRS(I) 7<br>(B11C(c)) |

The Group intends to repay \$1,200,000 in the first quarter of 2025 for borrowings that are contractually repayable between two to five years<sup>6</sup>.

SFRS(I) 7  
(B10A(a))

The table below analyses the derivative financial instruments of the Group and the Company for which contractual maturities are essential for an understanding of the timing of the cash flows into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

SFRS(I) 7  
(39(b))

## Notes to the Financial Statements

For the financial year ended 31 December 2024

### 42. Financial risk management (continued)

#### (c) Liquidity risk (continued)

| <u>Group</u>   | Less than<br><u>1 year</u> <sup>7</sup><br>\$'000 | Between<br><u>1 and</u><br><u>2 years</u> <sup>7</sup><br>\$'000 | Between<br><u>2 and</u><br><u>5 years</u> <sup>7</sup><br>\$'000 | Over<br><u>5 years</u> <sup>7</sup><br>\$'000 |
|--|---|--|--|---|
| <b>At 31 December 2024</b>   |   |  |  |   |
| Net-settled interest rate swaps – cash flow hedges <sup>5</sup>          |   |  |  |   |
| - Net cash outflows  | 162   | 213  | -  | -   |
| Gross-settled currency forwards – cash flow hedges and fair value hedges |   |  |  |   |
| - Receipts   | 25,000  | -  | -  | -   |
| - Payments   | (23,520)  | -  | -  | -   |
| <b>At 31 December 2023</b>   |   |  |  |   |
| Net-settled interest rate swaps – cash flow hedges <sup>5</sup>          |   |  |  |   |
| - Net cash outflows  | 124   | 236  | -  | -   |
| Gross-settled currency forwards – cash flow hedges and fair value hedges |   |  |  |   |
| - Receipts   | 10,110  | -  | -  | -   |
| - Payments   | (8,713)   | -  | -  | -   |
| <u>Company</u>   |   |  |  |   |
| <b>At 31 December 2023</b>   |   |  |  |   |
| Gross-settled currency forwards – fair value hedges                      |   |  |  |   |
| - Receipts   | 1,320   | -  | -  | -   |
| - Payments   | (1,090)   | -  | -  | -   |

The Company does not hold derivatives for hedging in 2024.



**Notes to the Financial Statements**

For the financial year ended 31 December 2024

**42. Financial risk management (continued)**

## (c) Liquidity risk (continued)

The table below analyses the cash flows of derivative financial instruments that are not essential for an understanding of the timing of the cash flows. The cash flows of the instruments are grouped into relevant maturity groupings based on the expected settlement date of the cash flows from the balance sheet date.

SFRS(I) 7  
(39)(b)

| <u>Group</u>                  | Less than<br><u>1 year</u> <sup>7</sup> | Between<br>1 and<br><u>2 years</u> <sup>7</sup> | Between<br>2 and<br><u>5 years</u> <sup>7</sup> | Over<br><u>5 years</u> <sup>7</sup> |
|-------------------------------|---|---|---|-------------------------------------|
| <b>At 31 December 2024</b>    |   |   |   |                                     |
| Net settled currency forwards |   |   |   |                                     |
| - Held for trading            | (2,079)                                 | -   | -   | -                                   |
| <b>At 31 December 2023</b>    |   |   |   |                                     |
| Net settled currency forwards |   |   |   |                                     |
| - Held for trading            | (610)                                   | -   | -   | -                                   |
| <u>Company</u>                |   |   |   |                                     |
| <b>At 31 December 2024</b>    |   |   |   |                                     |
| Net settled currency forwards |   |   |   |                                     |
| - Held for trading            | 150                                     | -   | -   | -                                   |

The Company does not hold derivatives for trading in 2023.



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Financial risk management – liquidity risk

#### Contractual undiscounted cash flows

- 1 Irrespective of whether they are reported to key management, a maturity analysis should be disclosed for:
- (b) the non-derivative financial liabilities (including issued financial guarantee contracts) that show the remaining contractual maturities; and
  - (c) derivative financial liabilities that include the remaining contractual maturities for those derivative financial liabilities for which contractual maturities are essential for an understanding of the timing of the cash flows.

SFRS(I) 7  
(39(a), (b))

For derivative financial liabilities, it is judgemental as to whether the remaining contractual maturities would be essential for an understanding of the timing of the cash flows. SFRS(I) 7 specifies that contractual maturities would be essential in the following situations:

SFRS(I) 7  
(B11B)

- (a) an interest rate swap with a remaining maturity of five years in a cash flow hedge of a variable rate financial asset or liability; and
- (b) all loan commitments.

It should be noted that some derivatives may entail a series of periodic payments, and some of these payments may be due within 12 months, although the entire derivative may be classified as non-current on the balance sheet as the final maturity of the derivative instrument exceeds 12 months.

- 2 The amounts disclosed in the maturity analysis are contractual undiscounted cash flows of financial liabilities only, e.g.:
- (a) gross lease liabilities (before deducting finance charges);
  - (b) prices specified in forward agreements to purchase financial assets for cash;
  - (c) net amounts for pay-floating/receive-fixed (or vice versa) interest rate swaps for which net cash flows are exchanged;
  - (d) contractual amounts to be exchanged in a derivative financial instrument (e.g., a currency swap) for which gross cash flows are exchanged; and
  - (e) gross loan commitments.

SFRS(I) 7  
(B11D)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Financial risk management – liquidity risk (continued)

#### Contractual undiscounted cash flows (continued)

- 3 Contractual cash flows are undiscounted and therefore differ from the carrying amount on the balance sheet by the amount of interest accruing between the balance sheet date and the maturity date. This difference is not expected to be material for balances due within 12 months given the short period of interest accrual. Entities can choose to add a column with the carrying amount that ties into the balance sheet and a reconciling amount column if they so wish, but this is not mandatory.
- 4 All financial liabilities must be included in the maturity analysis. The analysis should generally be based on contractual maturities. However, for derivative financial liabilities the standard provides entities with a choice to base the maturity grouping on expected rather than contractual maturities, provided the contractual maturities are not essential for an understanding of the timing of the cash flows.

SFRS(I) 7  
(B11B)

#### Variable amount payable

- 5 When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the reporting date. For example, when the amount payable varies with changes in an index, the amount disclosed may be based on the level of the index at the reporting date.

SFRS(I) 7  
(B11D)

#### Expected maturity dates

- 6 An entity should disclose summary quantitative data about its exposure to liquidity risk based on the information provided internally to key management personnel. If the outflows of cash (or another financial asset) included in that data could occur significantly earlier than indicated in the data or be significantly different in the data disclosed above, the entity should state this fact and provide quantitative information that enables this risk to be assessed.

SFRS(I) 7  
(B10A)

#### Time buckets

- 7 In preparing the maturity analysis, an entity uses its judgement to determine an appropriate number of time buckets. SFRS(I) 7 prescribes that:
- When a counterparty has a choice of when an amount is to be paid, the liability is included on the basis of the earliest date on which the reporting entity can be required to pay.
  - When an entity is committed to make amounts available in instalments, each instalment is allocated to the earliest period in which the entity can be required to pay.
  - For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee can be called.

SFRS(I) 7  
(B11, B11C)





## Notes to the Financial Statements

For the financial year ended 31 December 2024

### 42. Financial risk management (continued)

#### (d) Capital risk

The Group's objectives when managing capital<sup>3</sup> are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payments, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

SFRS(I) 1-1  
(134 – 136)

Management monitors capital based on a gearing ratio<sup>1</sup>. The Group and the Company are also required under the terms of its major borrowing facilities to maintain a gearing ratio of not exceeding 70% (2023: 70%). The Group's and the Company's strategies, which were unchanged from 2023, are to maintain gearing ratios within 20% to 50% and 50% to 70% respectively.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and bank balances. Total capital is calculated as total equity plus net debt.

|                      | <u>Group</u>       |         | <u>Company</u>     |         |
|----------------------|--------------------|---------|--------------------|---------|
|                      | <b>31 December</b> |         | <b>31 December</b> |         |
|                      | <b>2024</b>        | 2023    | <b>2024</b>        | 2023    |
|                      | <b>\$'000</b>      | \$'000  | <b>\$'000</b>      | \$'000  |
| Net debt             | <b>66,390</b>      | 128,295 | <b>62,421</b>      | 63,996  |
| Total equity         | <b>208,786</b>     | 166,154 | <b>59,772</b>      | 44,915  |
| Total capital        | <b>275,176</b>     | 294,449 | <b>122,193</b>     | 108,911 |
| <b>Gearing ratio</b> | <b>24%</b>         | 44%     | <b>51%</b>         | 59%     |

The Group and the Company are in compliance with all externally imposed capital requirements<sup>2</sup> for the financial years ended 31 December 2023 and 2024.

SFRS(I) 1-1  
(135(d))



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Financial risk management – Capital risk

- 1 This publication illustrates the capital risk disclosure for a reporting entity that monitors its capital using a gearing ratio. Other entities may use different and/or more complex methods to monitor capital. An entity decides, in the light of its circumstances, which measures are more suitable to monitor its capital and how much detail it should disclose. For instance, some entities may monitor capital based on Return on Capital Employed, Economic Value Added, or dividend payout ratio.
- 2 An entity may be subject to a number of different capital requirements. For example, a conglomerate may include entities that undertake insurance activities and banking activities and those entities may also operate in several jurisdictions. When an aggregate disclosure will not provide useful information, the entity shall disclose separate information for each capital requirement to which the entity is subject.
- 3 The word “capital” denotes the company’s overall funding; it does not mean “equity capital”. Entities must describe what they manage as capital based on the type of information that is provided internally to the key management personnel.
- 4 An entity is required to disclose any changes from the previous period relating to:
  - (a) qualitative information about its objectives, policies and process for managing capital; and
  - (b) summary quantitative data about what it manages as capital.

SFRS(I) 1-1  
IG10

SFRS(I) 1-1  
(136)

SFRS(I) 1-1  
(135)

SFRS(I) 1-1  
(135(c))



**Notes to the Financial Statements**

For the financial year ended 31 December 2024

**42. Financial risk management (continued)****(e) Fair value measurements**

The table below presents assets and liabilities recognised and measured at fair value and classified by level of the following fair value measurement hierarchy:

- |  |                    |
|--|--------------------|
| (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);  | SFRS(I) 13<br>(76) |
| (b) 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 2); and | SFRS(I) 13<br>(81) |
| (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).  | SFRS(I) 13<br>(86) |

Fair value measurement disclosure of other assets that are recognised or measured at fair value, can be found at Note 11, Note 25 and Note 26.

| <u>Group</u>                     | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> | SFRS(I) 13<br>(93(b)) |
|----------------------------------|----------------|----------------|----------------|--------------|-----------------------|
|                                  | \$'000         | \$'000         | \$'000         | \$'000       |                       |
| <b>31 December 2024</b>          |                |                |                |              |                       |
| <b>Assets</b>                    |                |                |                |              |                       |
| Financial assets, at FVPL        | 11,800         | 600            | 2,350          | 14,750       |                       |
| Derivative financial instruments | -              | 2,798          | 158            | 2,956        |                       |
| Financial assets, at FVOCI       | 4,200          | -              | 525            | 4,725        |                       |
| <hr/>                            |                |                |                |              |                       |
| <b>Liabilities</b>               |                |                |                |              |                       |
| Contingent consideration payable | -              | -              | 500            | 500          |                       |
| Derivative financial instruments | -              | 3,090          | -              | 3,090        |                       |
| <hr/>                            |                |                |                |              |                       |

## Notes to the Financial Statements

For the financial year ended 31 December 2024

### 42. Financial risk management (continued)

#### (e) Fair value measurements (continued)

| <u>Group</u>                      | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> | SFRS(I) 13<br>(93(b)) |
|-----------------------------------|----------------|----------------|----------------|--------------|-----------------------|
|                                   | \$'000         | \$'000         | \$'000         | \$'000       |                       |
| <b>31 December 2023</b>           |                |                |                |              |                       |
| <b>Assets</b>                     |                |                |                |              |                       |
| Financial assets, at FVPL         | 11,300         | -              | 2,300          | 13,600       |                       |
| Derivative financial instruments  | -              | 2,045          | 117            | 2,162        |                       |
| Financial assets, at FVOCI        | 9,358          | -              | 4,094          | 13,452       |                       |
| <b>Liabilities</b>                |                |                |                |              |                       |
| Contingent consideration payable  | -              | -              | 350            | 350          |                       |
| Derivative financial instruments  | -              | 1,376          | -              | 1,376        |                       |
| <b>31 December 2024</b>           |                |                |                |              |                       |
| <u>Company</u>                    | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |                       |
|                                   | \$'000         | \$'000         | \$'000         | \$'000       |                       |
| <b>Assets</b>                     |                |                |                |              |                       |
| Derivatives financial instruments | -              | 150            | -              | 150          |                       |
| Financial assets, at FVOCI        | 1,615          | -              | -              | 1,615        |                       |
| <b>31 December 2023</b>           |                |                |                |              |                       |
| <b>Assets</b>                     |                |                |                |              |                       |
| Derivatives financial instruments | -              | 211            | -              | 211          |                       |
| Financial assets, at FVOCI        | 1,600          | -              | -              | 1,600        |                       |

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of the reporting period.

SFRS(I) 13  
(95)

There were no transfers between Levels 1 and 2 during the year.

SFRS(I) 13  
(93(c))

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

SFRS(I) 13  
(91(a), (93(d)))

# Notes to the Financial Statements

For the financial year ended 31 December 2024

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## 42. Financial risk management (continued)

### (e) Fair value measurements (continued)

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long-term debt for disclosure purposes. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves. The fair value of forward foreign exchange contracts is determined using quoted forward currency rates at the balance sheet date. These investments are classified as Level 2 and comprise debt investments and derivative financial instruments. In infrequent circumstances, where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3.

SFRS(I) 13  
(93(d))

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

SFRS(I) 7  
(29(a))



**Notes to the Financial Statements**

For the financial year ended 31 December 2024

**42. Financial risk management (continued)**

## (e) Fair value measurements (continued)

The following table presents the changes in Level 3 instruments:

SFRS(I) 13  
(93(e))

|   | Interest rate<br><u>swaps</u> | Unlisted<br>debt<br><u>instruments</u> | Mandatorily<br>redeemable<br>preference<br><u>shares</u> | Contingent<br>consideration<br><u>payable</u> |                             |
|---|-------------------------------|--|--|---|-----------------------------|
| <b>2024</b>   | \$'000                        | \$'000                                 | \$'000   | \$'000  |                             |
| Beginning of financial year   | 117                           | 4,094                                  | 2,300  | (350)   |                             |
| Purchases   | -                             | 500                                    | -  | -   | SFRS (I) 13<br>(93(e)(iii)) |
| Disposal  | -                             | (4,633)                                | -  | -   | SFRS (I) 13<br>(93(e)(iii)) |
| Fair value gain/(losses) recognised in  |                               |  |  |   |                             |
| - other comprehensive income (line item: fair value gains/losses – debt instruments)  | -                             | 564                                    | -  | -   | SFRS (I) 13<br>(93(e)(ii))  |
| - profit or loss (line item: other gains and losses)  | 41                            | -                                      | 50   | (150)   | SFRS (I) 13<br>(93(e)(i))   |
| End of financial year   | 158                           | 525                                    | 2,350  | (500)   |                             |
| Total unrealised gains/(losses) for the period included in profit or loss for assets and liabilities held at the end of the financial year <sup>(a)</sup> | 20                            | -                                      | 50   | (150)   | SFRS(I) 13<br>(93(f))       |



**Notes to the Financial Statements**

For the financial year ended 31 December 2024

**42. Financial risk management (continued)**

## (e) Fair value measurements (continued)

|   | Interest rate<br>swaps<br>\$'000 | Unlisted<br>debt<br>instruments<br>\$'000 | Mandatorily<br>redeemable<br>preference<br>shares<br>\$'000 | Contingent<br>consideration<br>payable<br>\$'000 |                            |
|---|----------------------------------|---|---|--|----------------------------|
| <b>2023</b>   |                                  |   |   |  |                            |
| Beginning of financial year   | 41                               | 4,237                                     | 1,110   | (350)  |                            |
| Transfer from level 2   | 70                               | -   | -   | -  | SFRS(I) 13<br>(93(e)(iv))  |
| Fair value (losses)/gains recognised in   |                                  |   |   |  |                            |
| - other comprehensive income (line item: fair value losses – debt instruments)  | -                                | (143)                                     | -   | -  | SFRS (I) 13<br>(93(e)(ii)) |
| - profit or loss (line item: other gains and losses)  | 6                                | -   | 1,190   | -  | SFRS (I) 13<br>(93(e)(i))  |
| End of financial year   | 117                              | 4,094                                     | 2,300   | (350)  |                            |
| Total unrealised gains recognised in profit or loss for assets and liabilities held at the end of the financial year <sup>(a)</sup> | 4                                | -   | 1,190   | -  | SFRS(I) 13<br>(93(f))      |

<sup>(a)</sup> The unrealised gains/losses are presented in “other gains/losses” in the statement of comprehensive income.



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 42. Financial risk management (continued)

### (e) Fair value measurements (continued)

#### Valuation techniques and inputs used in Level 3 fair value measurements

SFRS(I) 13  
(93(d), 99)

| Description                              | Fair value at<br>31 December<br>2024<br>(\$'000) | Unobservable<br>inputs <sup>(a)</sup> | Range of unobservable<br>inputs                                  | Relationship of<br>unobservable inputs<br>to fair value                    |
|--|--|---------------------------------------|--|--|
| Interest rate swaps                      | 158<br>(2023: 117)                               | Credit default rate                   | 24%<br>(2023: 25%)   | The higher the credit default rate, the lower the fair value.              |
| Unlisted debt instruments                | 525<br>(2023: 4,094)                             | Credit default rate                   | 14%<br>(2023: 15%)   | The higher the credit default rate, the lower the fair value.              |
|  |  | Risk-adjusted discount rate           | 10% - 11%<br>(2023: 9% - 11%)                                    | The higher the discount rate, the lower the fair value.                    |
| Mandatorily redeemable preference shares | 2,350<br>(2023: 2,300)                           | Risk-adjusted discount rate           | 9% - 12%<br>(2023: 10% - 13%)                                    | The higher the discount rate, the lower the fair value.                    |
| Contingent consideration payable         | 500<br>(2023: 350)                               | Risk-adjusted discount rate           | 13%<br>(2023: 14%)   | The higher the discount rate, the lower the fair value.                    |
|  |  | Estimated cumulative net profit       | \$5,250,000 to \$6,500,000<br>(2023: \$5,000,000 to \$6,250,000) | The higher the estimated cumulative net profit, the higher the fair value. |

<sup>(a)</sup> There were no significant inter-relationships between unobservable inputs.

The Level 3 financial instruments were valued using discounted cash flow analysis.

There were no transfers between Levels 2 and 3 during the year. During the financial year ended 31 December 2023, the Group transferred a forward foreign exchange contract from Level 2 to Level 3. The counterparty encountered significant financial difficulties, which resulted in an increase in the credit risk specific to the counterparty.

SFRS(I) 13  
(93(e)(iv))





# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Financial risk management – Fair value measurements

#### Classes of assets and liabilities

- 1 The disclosures in SFRS(I) 13 must be made separately for each class of assets and liabilities. Entities shall determine appropriate classes of assets and liabilities by considering:
  - (a) the nature, characteristics and risks of the asset or liability, and
  - (b) the level of the fair value hierarchy within which the fair value measurement is categorised.
- 2 A class of assets and liabilities will often require greater disaggregation than the line items presented in the balance sheet. The number of classes may also need to be greater for fair value measurements categorised within level 3 of the hierarchy, as those measurements have a greater degree of uncertainty and subjectivity. Entities shall disclose sufficient information to allow a reconciliation back to the line items disclosed in the balance sheet.

SFRS(I) 13  
(94)

SFRS(I) 13  
(94)

#### Sensitivity analysis

- 3 For fair value measurements in Level 3, if changing one or more of the unobservable inputs to reflect reasonably possible alternative assumptions would change fair value significantly, that fact shall be stated and the effect of these changes disclosed. Significance shall be judged with respect to profit or loss, total assets or liabilities or total equity.

SFRS(I) 13  
(93(h)(iii))

#### Equity instruments categorised within Level 3 of fair value hierarchy

- 4 For fair value measurements categorised within Level 3 of the fair value hierarchy, quantitative information about the significant unobservable inputs used in the fair value measurement should be provided. An entity is not required to create quantitative information, to comply with this disclosure requirement, if quantitative unobservable inputs are not developed by the entity when measuring fair value (for example, when an entity uses prices from prior transactions or third-party pricing information without adjustment). However, when providing this disclosure, an entity cannot ignore quantitative unobservable inputs that are significant to the fair value measurement and are reasonably available to the entity.

SFRS(I) 13  
(93(d))

This needs to be presented in addition to the sensitivity analysis.

- 5 A narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs if a change in those inputs to a different amount might result in a significantly higher or lower fair value measurement.

SFRS(I) 13  
(93(h))



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Financial risk management – Fair value measurements (continued)

#### Equity instruments categorised within Level 3 of fair value hierarchy (continued)

- 6 If there are interrelationships between those inputs and other unobservable inputs used in the fair value measurement, a description of those interrelationships and of how they might magnify or mitigate the effect of changes in the unobservable inputs on the fair value measurement.
- 7 An entity with material equity investments in that are categorised within Level 3 of the fair value hierarchy could use the following illustrative disclosure:

| Description              | Fair value at 31 Dec 2024 | Valuation Technique              | Unobservable inputs                                   | Range of inputs                   | Reasonable possible shift +/- (absolute value) | Change in valuation +/- |
|--------------------------|---------------------------|----------------------------------|---|-----------------------------------|--|-------------------------|
| Equity securities        |                           |                                  |   |                                   |  |                         |
| Singapore Consumer goods | [ ]                       | Comparable trading multiples     | EBITDA multiple<br>Discount for lack of marketability | [ ] – [ ]<br>times<br>[ ]% - [ ]% | [ ] times<br>[ ]%                              | [ ] / [ ]<br>[ ] / [ ]  |
| Financial Services       | [ ]                       | Comparable trading multiples     | EBITDA multiple<br>Discount for lack of marketability | [ ] – [ ]<br>times<br>[ ]% - [ ]% | [ ] times<br>[ ]%                              | [ ] / [ ]<br>[ ] / [ ]  |
| [Industry]               | [ ]                       | [Applicable valuation technique] | [Applicable input]<br>[Applicable input]              | [ ] – [ ]<br>times<br>[ ]% - [ ]% | [ ] times<br>[ ]%                              | [ ] / [ ]<br>[ ] / [ ]  |

SFRS(I) 13  
(93(h))

#### Financial instruments carried at other than fair value

- 8 An entity should disclose the fair value for each class of financial assets and financial liabilities (per SFRS(I) 7(6)) in a way that permits it to be compared with its carrying amount. Fair values do not need to be disclosed for the following:
- (c) when the carrying amount is a reasonable approximation of fair value for example, for financial instruments such as short-term trade receivables and payables;
  - (d) a contract containing a discretionary participation feature (as described in SFRS(I) 17, 'Insurance contracts') if the fair value of that feature cannot be measured reliably; or
  - (e) for lease liabilities.

SFRS(I) 7  
(25), (29)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Financial risk management – Fair value measurements (continued)

#### Financial instruments carried at other than fair value (continued)

- 9 A statement that the carrying amount of financial assets or financial liabilities is a reasonable approximation of their fair value should only be made if it can be substantiated. That is, entities must have made a formal assessment of the carrying amounts of their financial assets and liabilities in comparison to their fair values and documented this assessment. If the fair values are not a reasonable approximation of the carrying amounts, the fair values must be disclosed.
- 10 The information about the fair values can be provided either in a combined financial instruments note or in the individual notes. However, fair values should be separately disclosed for each class of financial instrument, which means that each line item in the table would have to be broken down into individual classes.
- 11 For each class of assets and liabilities not measured at fair value in the balance sheet but for which fair value is disclosed, an entity shall disclose the information required as follows:
- the level of the fair value hierarchy within the fair value measurements are categorised in their entirety level (Level 1, 2 or 3);
  - for recurring and non-recurring fair value measurements categorised within Level 2 and Level 3 of the fair value hierarchy, a description of the valuation technique(s) and the inputs used in the fair value measurement. If there has been a change in valuation technique (e.g. changing from a market approach to an income approach or the use of an additional valuation technique), the entity shall disclose that change and the reason(s) for making it; and
  - for recurring and non-recurring fair value measurements of non-financial assets, if the highest and best use differs from its current use, an entity shall disclose that fact and why the non-financial asset is being used in a manner that differs from its highest and best use.

SFRS(I) 13  
(97)

SFRS(I) 13  
(93(b))

SFRS(I) 13  
(93(d))

SFRS(I) 13  
(93(ii))

#### Rising inflation

- 12 This area could be impacted by rising inflation rates and other global economic uncertainties. For considerations and disclosure relating to rising inflation, please refer to [Note 2 - Basis of preparation, Guidance Note 5](#).



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 42. Financial risk management (continued)

### (f) Financial instruments by category<sup>1</sup>

SFRS(I) 7 (8)

The carrying amount of the different categories of financial instruments are as follows:

|   | Group       |         | Company     |        |
|---|-------------|---------|-------------|--------|
|   | 31 December |         | 31 December |        |
|   | 2024        | 2023    | 2024        | 2023   |
|   | \$'000      | \$'000  | \$'000      | \$'000 |
| <b>31 December 2024</b>                               |             |         |             |        |
| Financial assets, at FVPL                             | 17,706      | 15,762  | 150         | 211    |
| Financial liabilities, at FVPL                        | 3,590       | 1,726   | -           | -      |
| Financial assets, at FVOCI                            | 4,725       | 13,452  | 1,615       | 1,600  |
| Financial assets, at amortised cost                   | 129,521     | 68,983  | 29,907      | 26,231 |
| Financial liabilities, at amortised cost <sup>2</sup> | 160,517     | 158,615 | 81,687      | 81,174 |

### Guidance notes

#### Financial assets and liabilities

- 1 Financial instruments arise from contractual rights or obligations that will or may be settled in cash or another financial instrument.

It does not include assets and liabilities that are not settled through cash or another financial instrument, such as prepayments or deferred income.

Financial instruments also exclude assets and liabilities arising from statutory rights and obligations such as income tax or value-added taxes payable to tax authorities.

#### Volume discount and refund liabilities classification

- 2 Volume discount and refund liabilities are considered as financial liabilities as they require payments to the customers. PwC Holdings Ltd has determined this to be the case.

However, these should be excluded from financial liabilities if the arrangement is executory.



**Notes to the Financial Statements**

For the financial year ended 31 December 2024

**42. Financial risk management (continued)**

## (g) Offsetting financial assets and financial liabilities

SFRS(I) 7  
(13C)

The Group has the following financial instruments subject to enforceable master netting arrangements or other similar agreements as follows:

|  | Related amounts<br>set off in the balance sheet |   |  | Related amounts not<br>set off in the balance<br>sheet <sup>1</sup> |                                     | Net<br>amount |
|--|---|---|--|---|-------------------------------------|---------------|
|  | Gross<br>amounts<br>–<br>financial<br>assets    | Gross<br>amounts<br>–<br>financial<br>liabilities | Net<br>amounts –<br>presented<br>in balance<br>sheet | Financial<br>assets/<br>(liabilities)                               | Financial<br>collateral<br>received |               |
| <u>Group</u>                           | \$'000  | \$'000  | \$'000   | \$'000  | \$'000                              | \$'000        |
| <b>At 31<br/>December<br/>2024</b>     |   |   |  |   |                                     |               |
| Derivative<br>financial<br>assets      | 3,372   | (416)   | 2,956  | (622)   | -                                   | 2,334         |
| Trade<br>receivables                   | 8,114   | (1,988)   | 6,126  | -   | -                                   | 6,126         |
|  | <u>11,486</u>                                   | <u>(2,404)</u>                                    | <u>9,082</u>   | <u>(622)</u>  | <u>-</u>                            | <u>8,460</u>  |
| Derivative<br>financial<br>liabilities | 3,506   | (416)   | 3,090  | (622)   | -                                   | 2,468         |
| Trade<br>payables                      | 1,988   | (1,988)   | -  | -   | -                                   | -             |
|  | <u>5,494</u>                                    | <u>(2,404)</u>                                    | <u>3,090</u>   | <u>(622)</u>  | <u>-</u>                            | <u>2,468</u>  |



**Notes to the Financial Statements**

For the financial year ended 31 December 2024

**42. Financial risk management (continued)**

## (g) Offsetting financial assets and financial liabilities (continued)

SFRS(I) 7  
(13C)

|  | Related amounts<br>set off in the balance sheet |   |  | Related amounts not<br>set off in the balance<br>sheet <sup>1</sup> |                                     |               |
|--|---|---|--|---|-------------------------------------|---------------|
|  | Gross<br>amounts<br>–<br>financial<br>assets    | Gross<br>amounts<br>–<br>financial<br>liabilities | Net<br>amounts –<br>presented<br>in balance<br>sheet | Financial<br>assets/<br>(liabilities)                               | Financial<br>collateral<br>received | Net<br>amount |
| <u>Group</u>                           | \$'000  | \$'000  | \$'000   | \$'000  | \$'000                              | \$'000        |
| <b>At 31<br/>December<br/>2023</b>     |   |   |  |   |                                     |               |
| Derivative<br>financial<br>assets      | 2,756   | (594)   | 2,162  | (275)   | -                                   | 1,887         |
| Trade<br>receivables                   | 8,214   | (2,549)   | 5,665  | -   | -                                   | 5,665         |
|  | <u>10,970</u>                                   | <u>(3,143)</u>                                    | <u>7,827</u>   | <u>(275)</u>  | <u>-</u>                            | <u>7,552</u>  |
| Derivative<br>financial<br>liabilities | 1,970   | (594)   | 1,376  | (275)   | -                                   | 1,101         |
| Trade<br>payables                      | 2,549   | (2,549)   | -  | -   | -                                   | -             |
|  | <u>4,519</u>                                    | <u>(3,143)</u>                                    | <u>1,376</u>   | <u>(275)</u>  | <u>-</u>                            | <u>1,101</u>  |



**Notes to the Financial Statements**

For the financial year ended 31 December 2024

**42. Financial risk management (continued)**

## (g) Offsetting financial assets and financial liabilities (continued)

SFRS(I) 7  
(13C)

| <u>Company</u>                         | Related amounts<br>set off in the balance sheet |   |  | Related amounts not<br>set off in the balance<br>sheet <sup>†</sup> |                                     | Net<br>amount |
|--|---|---|--|---|-------------------------------------|---------------|
|  | Gross<br>amounts<br>–<br>financial<br>assets    | Gross<br>amounts<br>–<br>financial<br>liabilities | Net<br>amounts –<br>presented<br>in balance<br>sheet | Financial<br>assets/<br>(liabilities)                               | Financial<br>collateral<br>received |               |
|  | \$'000  | \$'000  | \$'000   | \$'000  | \$'000                              | \$'000        |
| <b>At 31<br/>December<br/>2024</b>     |   |   |  |   |                                     |               |
| Derivative<br>financial<br>assets      | 200   | (50)  | 150  | -   | -                                   | 150           |
| Derivative<br>financial<br>liabilities | 50  | (50)  | -  | -   | -                                   | -             |
| <b>At 31<br/>December<br/>2023</b>     |   |   |  |   |                                     |               |
| Derivative<br>financial<br>assets      | 345   | (134)   | 211  | -   | -                                   | 211           |
| Derivative<br>financial<br>liabilities | 134   | (134)   | -  | -   | -                                   | -             |



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 42. Financial risk management (continued)

### (g) Offsetting financial assets and financial liabilities (continued)

Agreements with derivative counterparties are based on an International Swap Derivatives Association ("ISDA") Master Agreement. Under the terms of these arrangements, only upon the occurrence of certain credit events (such as default), the net position owing/receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As the Group does not presently have a legally enforceable right to set-off, these amounts have not been offset in the balance sheet, but have been presented separately in the table above.

SFRS(I) 7  
(13E, B50)

### Guidance notes

#### Offsetting of financial assets and financial liabilities

- These amounts are not set off in the balance sheet as the agreements do not meet some or all of the offsetting criteria in SFRS(I) 1-32.
- Alternatively, the offsetting information may be presented in the following format:

SFRS(I) 7  
(13C)

| <b>31 December 2024</b><br><b>(\$'000)</b>           | Derivative<br>financial<br><u>assets</u> | Derivative<br>financial<br><u>liabilities</u> | Trade<br><u>receivables</u> | Trade<br><u>payables</u> |
|--|--|---|-----------------------------|--------------------------|
| Gross amount   | 3,372                                    | 3,506   | 8,114                       | 1,988                    |
| Less: Gross amount set<br>off in balance sheet       | (416)                                    | (416)   | (1,988)                     | (1,988)                  |
| Net amount presented in<br>balance sheet             | 2,956                                    | 3,090   | 6,126                       | -                        |
| Less: related amount not<br>set off in balance sheet | (622)                                    | (622)   | -                           | -                        |
| Less: financial collateral<br>received/pledged       | -  | -   | -                           | -                        |
| Net amount   | 2,334                                    | 2,468   | 6,126                       | -                        |





# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 43. Immediate and ultimate holding corporations

The Company's immediate holding corporation is PwC Corporate Limited, incorporated in Singapore. The ultimate holding corporation is PwC Global Limited, incorporated in the United Kingdom.

SFRS(I) 1-1  
(138(c))  
SFRS(I) 1-24  
(13)  
CA 201(11)

### Guidance notes

#### Immediate and ultimate holding corporation

#### Ultimate controlling party

- 1 An entity shall disclose the name of the entity's parent and if different, the name of the ultimate controlling party, which can be an individual person or an entity that is not an incorporated entity.

SFRS(I) 1-24  
(13)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 44. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

### (a) Transactions with related parties

|  | <u>Group</u> |        |                         |
|--|--------------|--------|-------------------------|
|  | 31 December  |        |                         |
|  | 2024         | 2023   |                         |
|  | \$'000       | \$'000 |                         |
| Sales of goods and/or services to  |              |        |                         |
| - associates   | 2,354        | 1,792  | SFRS(I) 1-24<br>(19(d)) |
| - other related parties  | 1,043        | 658    | SFRS(I) 1-24<br>(19(g)) |
| Purchases of materials from  |              |        |                         |
| - associates   | 17,232       | 15,235 | SFRS(I) 1-24<br>(19(d)) |
| - fellow subsidiaries  | 89,023       | 72,789 | SFRS(I) 1-24<br>(19(g)) |
| Purchase of plant and equipment from<br>other related parties                  | 800          | 500    | SFRS(I) 1-24<br>(19(g)) |
| Payments made on behalf and reimbursed<br>by the immediate holding corporation | 328          | 144    | SFRS(I) 1-24<br>(19(a)) |
| Professional fees received from other<br>related parties                       | 128          | 200    | SFRS(I) 1-24<br>(19(g)) |
| Technical fees received from other related<br>parties                          | 12           | 8      | SFRS(I) 1-24<br>(19(g)) |
| Purchase commitments from other related<br>parties                             | 350          | 250    | SFRS(I) 1-24<br>(18)    |

Other related parties comprise mainly companies which are controlled by the Group's key management personnel and their close family members.

SFRS(I) 1-24  
(9)

Outstanding balances at 31 December 2024, arising from sale/purchase of goods and services, are unsecured and receivable/payable within 12 months from balance sheet date and are disclosed in Notes 18 and 30 respectively.

SFRS(I) 1-24  
(18(b)(i))



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 44. Related party transactions (continued)

### (b) Key management personnel compensation<sup>2</sup>

SFRS(I) 1-24  
(17)

Key management personnel compensation is as follows:

|   | <u>Group</u> |              |                         |
|---|--------------|--------------|-------------------------|
|   | 2024         | 2023         |                         |
|   | \$'000       | \$'000       |                         |
| Wages and salaries  | 4,827        | 3,998        | SFRS(I) 1-24<br>(17(a)) |
| Employer's contribution to defined contribution plans, including Central Provident Fund | 398          | 220          | SFRS(I) 1-24<br>(17(b)) |
| Termination benefits  | 120          | -            | SFRS(I) 1-24<br>(17(d)) |
| Other long-term benefits  | 85           | 40           | SFRS(I) 1-24<br>(17(c)) |
| Share option expense  | 420          | 350          | SFRS(I) 1-24<br>(17(e)) |
|   | <u>5,850</u> | <u>4,608</u> |                         |

The wages and salaries disclosed above include \$250,000 (2023: \$200,000) of bonuses payable which were unpaid as at year end and are included in other payables.<sup>5,6</sup>

SFRS(I) 1-24  
(18(b))

## Guidance notes

### Related party transactions

#### Commitments

1 If an entity has had related party transactions during the period, it shall disclose the nature of the related party relationships as well as information about these transactions and outstanding balances, including commitments.

SFRS(I) 1-24  
(18)

An entity shall disclose commitments to do something if a particular event occurs or does not occur in the future, including recognised and unrecognised executory contracts.

The following are examples of commitments which could require disclosure of the amounts as at the balance sheet date, and the related terms and conditions:

- Long-term incentive schemes for key management personnel.
- Agreements with members of key management personnel to pay certain benefits in the event of termination of employment ("golden parachutes").
- Agreements (including options) between the entity and a related party to purchase or sell assets.
- Agreements (including options) to provide services to or receive services from a related party.
- Commitments under lease agreements with related parties.

The above list is not exhaustive.



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Related party transactions (continued)

#### Key management personnel services provided by separate management entity

- 2 If an entity incurred amounts for the provision of key management personnel services that are provided by a separate management entity, these amounts must be disclosed.

SFRS(I) 1-24  
(18A)

#### Investment entities

- 3 An investment entity is exempt from consolidating certain subsidiaries and measures them at fair value through profit or loss instead. Investment entities must disclose any transactions and outstanding balances with those subsidiaries, as they are not eliminated on consolidation.

#### Rising inflation

- 4 This area could be impacted by rising inflation rates and other global economic uncertainties. For considerations and disclosure relating to rising inflation, please refer to [Note 2 - Basis of preparation, Guidance Note 5](#).

#### Key management personnel (“KMP”) compensation

- 5 While the disclosures under paragraph 17 of SFRS(I) 1-24 are subject to materiality, this must be determined based on both quantitative and qualitative factors. In our view, it will not be appropriate to omit the aggregate compensation disclosures based on materiality.
- 6 Whether it is necessary to disclose additional information about KMP compensation and amounts such as outstanding leave balances, unpaid salaries, bonuses or pension obligations to satisfy the requirements in paragraph 18 of SFRS(I) 1-24 will depend on the individual circumstances and on the materiality of the amounts involved – from both a quantitative and a qualitative point of view. Disclosure will more likely be required if there are unusual circumstances associated with those payments and balances, such as special bonuses provided to KMPs only, unusual payment terms or unusually large unpaid amounts.

## 45. Segment information

The Executive Committee (“Exco”) is the Group’s chief operating decision-maker. The Exco comprises the Chief Executive Officer, the Chief Financial Officer, and the heads of each business within each primary geographic segment. Management has determined the operating segments based on the reports reviewed by the Exco that are used to make strategic decisions, allocate resources and assess performance.

SFRS(I) 8  
(22(a))



## Notes to the Financial Statements

For the financial year ended 31 December 2024

### 45. Segment information (continued)

The Exco considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in the three primary geographic areas namely, Singapore, the People's Republic of China and the Philippines. From a business segment perspective, management separately considers the manufacture, sale, and construction activities in these geographic areas. All the geographic areas are engaged in the manufacture and sale of electronic component parts.

SFRS(I) 8  
(22(b))

In addition, the Singapore geographic area derives revenue from construction of specialised equipment, while the People's Republic of China and the Philippines geographic areas derive revenues from the sale of household and office furniture.

Although the Exco receives separate reports for the furniture retail and wholesale businesses, they have been aggregated into one reportable segment as they have similar economic growth rates.

SFRS(I) 8  
(22(aa))

Other segments included the sale of furniture in Vietnam and Malaysia and investment holding and provision of logistic services in Singapore and the People's Republic of China. These are not included within the reportable operating segments as they are not separately reported to the Exco. The results of these operations are included in the "all other segments" column. The manufacture and sale of electronic component parts in Thailand was previously under the "component parts" reportable segment of Group. However, the entire results from this segment was presented separately on the statement of comprehensive income as "Discontinued operations" for the year ended 31 December 2024 (Note 11).

SFRS(I) 8 (16)

SFRS(I) 5  
(41(d))

The Exco assesses the performance of the operating segments based on a measure of earnings before interest, tax, depreciation and amortisation ("Adjusted EBITDA") for continuing operations. This measurement basis excludes the effects of expenditure from the operating segments such as restructuring costs and impairment loss that are not expected to recur regularly in every period which are separately analysed. Interest income and finance expenses are not allocated to segments, because financing and cash management activities are the responsibility of the group's central treasury function..

SFRS(I) 8  
(27(b))

Sales between segments are carried out at market terms. The revenue from external parties reported to the Exco is measured in a manner consistent with that in the statement of comprehensive income.

SFRS(I) 8  
(27(a))



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 45. Segment information (continued)

The segment information provided to the Exco for the reportable segments are as follows:

|   | ← Singapore →   |                | People's Republic of China |                | ← Philippines → |                | All other segments | Total for continuing operations |                          |
|---|-----------------|----------------|----------------------------|----------------|-----------------|----------------|--------------------|---------------------------------|--------------------------|
|   | Component Parts | Construction   | Component Parts            | Furniture      | Component Parts | Furniture      |                    |                                 |                          |
|   | \$'000          | \$'000         | \$'000                     | \$'000         | \$'000          | \$'000         | \$'000             | \$'000                          |                          |
| <b>2024</b>   |                 |                |                            |                |                 |                |                    |                                 |                          |
| <b>Sales</b>  |                 |                |                            |                |                 |                |                    |                                 |                          |
| Total segment sales                                 | 103,785         | 29,824         | 73,337                     | 43,857         | 2,758           | 29,485         | 5,870              | 288,916                         |                          |
| Inter-segment sales                                 | (23,857)        | -              | (11,835)                   | (4,869)        | (780)           | (1,929)        | -                  | (43,270)                        | SFRS(I) 8 (23(b))        |
| Sales to external parties                           | 79,928          | 29,824         | 61,502                     | 38,988         | 1,978           | 27,556         | 5,870              | 245,646                         | SFRS(I) 8 (23(a), 33(a)) |
| <b>Expenses</b>                                     |                 |                |                            |                |                 |                |                    |                                 |                          |
| Purchases of inventories and construction materials | (21,079)        | (8,915)        | (16,662)                   | (10,426)       | (1,414)         | (9,252)        | (2,084)            | (69,832)                        | SFRS(I) 8 (23(f))        |
| Employee compensation                               | (14,098)        | (5,402)        | (11,054)                   | (6,622)        | (587)           | (5,547)        | (1,517)            | (44,827)                        | SFRS(I) 8 (23(f))        |
| <b>Adjusted EBITDA<sup>1,2,3</sup></b>              | <b>31,699</b>   | <b>23,069</b>  | <b>12,026</b>              | <b>13,781</b>  | <b>955</b>      | <b>8,435</b>   | <b>509</b>         | <b>90,474</b>                   |                          |
| Depreciation  | (8,319)         | (4,773)        | (1,928)                    | (2,319)        | (1,754)         | (1,546)        | (514)              | (21,153)                        | SFRS(I) 8 (23(e))        |
| Amortisation  | (1,019)         | -              | (135)                      | (64)           | (123)           | (42)           | (60)               | (1,443)                         | SFRS(I) 8 (23(e))        |
| Goodwill impairment                                 | -               | -              | -                          | (500)          | -               | -              | -                  | (500)                           | SFRS(I) 8 (23(i))        |
| Share of profit of associates and joint venture     | -               | -              | 387                        | -              | -               | -              | 374                | 761                             | SFRS(I) 8 (23(g))        |
| <b>Segment assets</b>                               | <b>74,259</b>   | <b>52,353</b>  | <b>113,396</b>             | <b>54,963</b>  | <b>3,680</b>    | <b>37,522</b>  | <b>13,073</b>      | <b>349,246</b>                  |                          |
| Segment assets includes:                            |                 |                |                            |                |                 |                |                    |                                 |                          |
| Investment in associates and joint venture          | -               | -              | -                          | -              | -               | -              | 10,121             | 10,121                          | SFRS(I) 8 (24(a))        |
| Additions to: <sup>4</sup>                          |                 |                |                            |                |                 |                |                    |                                 |                          |
| - property, plant and equipment                     | 322             | 451            | 750                        | 357            | 681             | -              | -                  | 2,561                           | SFRS(I) 8 (24(b))        |
| - investment property                               | 735             | -              | -                          | -              | -               | -              | -                  | 735                             | SFRS(I) 8 (24(b))        |
| - intangible assets                                 | 758             | -              | 2,188                      | -              | 256             | -              | 883                | 4,085                           | SFRS(I) 8 (24(b))        |
| <b>Segment liabilities</b>                          | <b>(15,947)</b> | <b>(9,366)</b> | <b>(24,325)</b>            | <b>(8,165)</b> | <b>(266)</b>    | <b>(2,776)</b> | <b>(1,136)</b>     | <b>(61,981)</b>                 |                          |



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 45. Segment information (continued)

|   | ← Singapore →   |                 | ← People's Republic of China → |                | ← Philippines → |                | All other segments | Total for continuing operations |                          |
|---|-----------------|-----------------|--------------------------------|----------------|-----------------|----------------|--------------------|---------------------------------|--------------------------|
|   | Component Parts | Construction    | Component Parts                | Furniture      | Component Parts | Furniture      |                    |                                 |                          |
|   | \$'000          | \$'000          | \$'000                         | \$'000         | \$'000          | \$'000         | \$'000             | \$'000                          |                          |
| <b>2023</b>   |                 |                 |                                |                |                 |                |                    |                                 |                          |
| <b>Sales</b>  |                 |                 |                                |                |                 |                |                    |                                 |                          |
| Total segment sales                                 | 86,464          | 29,015          | 54,001                         | 34,225         | 3,152           | 28,453         | 5,460              | 240,770                         |                          |
| Inter-segment sales                                 | (22,158)        | -               | (11,552)                       | (4,580)        | (742)           | (2,840)        | -                  | (41,872)                        | SFRS(I) 8 (23(b))        |
| Sales to external parties                           | 64,306          | 29,015          | 42,449                         | 29,645         | 2,410           | 25,613         | 5,460              | 198,898                         | SFRS(I) 8 (23(a), 33(a)) |
| <b>Expenses</b>                                     |                 |                 |                                |                |                 |                |                    |                                 |                          |
| Purchases of inventories and construction materials | (18,731)        | (6,207)         | (15,149)                       | (9,260)        | (801)           | (6,140)        | (1,423)            | (57,711)                        | SFRS(I) 8 (23(f))        |
| Employee compensation                               | (13,412)        | (4,679)         | (11,390)                       | (7,013)        | (660)           | (4,628)        | (1,121)            | (42,903)                        | SFRS(I) 8 (23(f))        |
| <b>Adjusted EBITDA</b>                              | <b>23,709</b>   | <b>18,829</b>   | <b>9,574</b>                   | <b>10,971</b>  | <b>760</b>      | <b>6,715</b>   | <b>373</b>         | <b>70,931</b>                   |                          |
| Depreciation  | (5,059)         | (2,877)         | (1,162)                        | (1,398)        | (1,057)         | (932)          | (265)              | (12,750)                        | SFRS(I) 8 (23(e))        |
| Amortisation  | (674)           | -               | (89)                           | (42)           | (81)            | (28)           | (40)               | (954)                           | SFRS(I) 8 (23(e))        |
| Goodwill impairment                                 | -               | -               | (1,081)                        | -              | -               | -              | -                  | (1,081)                         | SFRS(I) 8 (23(i))        |
| Share of profit of associates and joint venture     | -               | -               | -                              | -              | -               | -              | 340                | 340                             | SFRS(I) 8 (23(g))        |
| <b>Segment assets</b>                               | <b>76,823</b>   | <b>62,169</b>   | <b>77,230</b>                  | <b>41,596</b>  | <b>2,785</b>    | <b>28,397</b>  | <b>9,578</b>       | <b>298,578</b>                  |                          |
| Segment assets includes:                            |                 |                 |                                |                |                 |                |                    |                                 |                          |
| Investment in associates and joint venture          | -               | -               | -                              | -              | -               | -              | 9,063              | 9,063                           | SFRS(I) 8 (24(a))        |
| Additions to:                                       |                 |                 |                                |                |                 |                |                    |                                 |                          |
| - property, plant and equipment                     | 378             | 530             | 882                            | 420            | 801             | -              | -                  | 3,011                           | SFRS(I) 8 (24(b))        |
| - investment property                               | 246             | -               | -                              | -              | -               | -              | -                  | 246                             | SFRS(I) 8 (24(b))        |
| - intangible assets                                 | 1,191           | -               | 151                            | -              | 138             | -              | 12                 | 1,492                           | SFRS(I) 8 (24(b))        |
| <b>Segment liabilities</b>                          | <b>(25,975)</b> | <b>(16,800)</b> | <b>(3,427)</b>                 | <b>(3,300)</b> | <b>(211)</b>    | <b>(2,200)</b> | <b>(818)</b>       | <b>(52,731)</b>                 |                          |

## Notes to the Financial Statements

For the financial year ended 31 December 2024

### 45. Segment information (continued)

#### (a) Reconciliations

##### (i) Segment profits

A reconciliation of adjusted EBITDA to profit before tax and discontinued operations is as follows:

SFRS(I)  
8 (28(b))

|  | 2024<br>\$'000       | 2023<br>\$'000 |
|--|----------------------|----------------|
| Adjusted EBITDA for reportable segments              | 89,965               | 70,558         |
| Adjusted EBITDA for other segments                   | 509                  | 373            |
| Total adjusted EBITDA                                | <u>90,474</u>        | 70,931         |
| Depreciation   | (21,153)             | (12,750)       |
| Amortisation   | (1,443)              | (954)          |
| Impairment loss on goodwill                          | (500)                | (1,081)        |
| Finance expense                                      | (9,739)              | (7,213)        |
| Interest income                                      | <u>2,939</u>         | 2,144          |
| <b>Profit before tax and discontinued operations</b> | <u><b>60,578</b></u> | <u>51,077</u>  |

##### (ii) Segment assets

The amounts reported to the Exco with respect to total assets are measured in a manner consistent with that of the financial statements. All assets are allocated to reportable segments other than assets associated with disposal group, deferred income tax assets, short-term bank deposits, derivative financial instruments, financial assets at FVPL, financial assets, at FVOCI and other investments at amortised cost.

SFRS(I)  
8 (27(c))





**Notes to the Financial Statements**

For the financial year ended 31 December 2024

**45. Segment information (continued)**

## (a) Reconciliations (continued)

## (ii) Segment assets (continued)

Segment assets are reconciled to total assets as follows:

SFRS(I) 8  
(28(c))

|  | <b>2024</b>    | 2023    |
|--|----------------|---------|
|  | <b>\$'000</b>  | \$'000  |
| Segment assets for reportable segments   | <b>336,173</b> | 289,000 |
| Other segment assets   | <b>13,073</b>  | 9,578   |
| Total segment assets   | <b>349,246</b> | 298,578 |
| Unallocated:   |                |         |
| Assets associated with disposal group  | <b>2,818</b>   | -       |
| Deferred income tax assets   | <b>2,784</b>   | 2,541   |
| Short-term bank deposits   | <b>13,487</b>  | 11,963  |
| Derivative financial instruments   | <b>2,956</b>   | 2,162   |
| Financial assets, at FVPL and at FVOCI and other investments at amortised cost | <b>22,972</b>  | 29,455  |
| Total assets   | <b>394,263</b> | 344,699 |



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 45. Segment information (continued)

### (a) Reconciliations (continued)

#### (iii) Segment liabilities

The amounts provided to the Exco with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. All liabilities are allocated to the reportable segments other than liabilities associated with disposal group, income tax liabilities, borrowings (excluding lease liabilities) and derivative financial instruments. SFRS(I) 8  
(27(d))

Segment liabilities are reconciled to total liabilities as follows:

SFRS(I) 8  
(28(d))

|   | 2024<br>\$'000 | 2023<br>\$'000 |
|---|----------------|----------------|
| Segment liabilities for reportable segments | 60,845         | 51,913         |
| Other segment liabilities                   | 1,136          | 818            |
| Total segment liabilities                   | <u>61,981</u>  | <u>52,731</u>  |
| Unallocated:                                |                |                |
| Liabilities associated with disposal group  | 287            | -              |
| Current income tax liabilities              | 800            | 1,700          |
| Deferred income tax liabilities             | 13,587         | 12,360         |
| Borrowings                                  | 105,732        | 110,378        |
| Derivative financial instruments            | 3,090          | 1,376          |
| Total liabilities                           | <u>185,477</u> | <u>178,545</u> |



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 45. Segment information (continued)

### (b) Revenue from major products and services

Revenues from external customers are derived mainly from the sale of electronic parts, sale of household and office furniture and construction of specialised equipment. Investment holding and provision of logistics services are included in "Others". The breakdown of the Group's revenue by products and services is provided under Note 4(a).

SFRS(I) 8 (32)

Revenues of \$21,797,500 (2023: \$21,675,300) are derived from a single external customer. These revenues are attributable to the Singapore manufacture and sale of component parts segment.

SFRS(I) 8 (34)

The Group's three business segments operate in four main geographical areas:

- Singapore – the Company is headquartered and has operations in Singapore. The operations in this area are principally the manufacture and sale of electronic component parts, construction of specialised equipment, provision of logistics services and investment holding;
- People's Republic of China – the operations in this area are principally the sale of furniture, manufacture and sale of electronic component parts and provision of logistics services;
- The Philippines – the operations in this area are principally the manufacture and sale of electronic component parts and sale of furniture; and
- Other countries – the operations include the sale of furniture in Vietnam and Malaysia.

|                            | <u>Non-current assets</u> |                | SFRS(I) 8<br>(33(b)) |
|----------------------------|---------------------------|----------------|----------------------|
|                            | 2024                      | 2023           |                      |
|                            | \$'000                    | \$'000         |                      |
| Singapore                  | 92,771                    | 80,656         |                      |
| People's Republic of China | 97,921                    | 85,134         |                      |
| The Philippines            | 23,462                    | 20,398         |                      |
| Other countries            | 492                       | 428            |                      |
|                            | <b>214,646</b>            | <b>186,616</b> |                      |

The Group's revenue by geographical areas is disclosed under Note 4(a).

SFRS(I) 8  
(33(a))



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Segment information

#### EBITDA

- 1 The measure of profit that is reported here depends on what the Chief Operating Decision Maker ("CODM") reviews. EBITDA should not be used if it is not the measure of profit that the CODM reviews. An entity shall also disclose the following about each reportable segment if the specified amounts are included in the measure of segment profit or loss reviewed by the CODM, or are otherwise regularly provided to the CODM, even if not included in that measure of segment profit or loss:
- revenues from external customers;
  - revenues from transactions with other operating segments of the same entity;
  - interest revenue;
  - interest expense;
  - depreciation and amortisation;
  - material items of income and expense disclosed in accordance with paragraph 97 of SFRS(I) 1-1 *Presentation of Financial Statements*;
  - the entity's interest in the profit or loss of associates and joint ventures accounted for by the equity method;
  - income tax expense or income; and
  - material non-cash items other than depreciation and amortisation.

SFRS(I) 8  
(23)

#### Disclosures on measure of profit or loss for each reportable segment

- 2 In July 2024 the IFRIC released an agenda decision related to SFRS(I) 8. The IFRIS concluded that entities should disclose each specified item if the amounts are either regularly provided to the CODM or are included in arriving at the segment profit measure reviewed by the CODM. This is regardless of whether they are provided to the CODM separately.

The IFRIC observed that paragraph 23(f) does not require an entity to disclose by reportable segment each item of income and expense presented in its statement of profit or loss or disclosed in the notes.

Entities should:

- assess whether an item of income and expense is material in the context of paragraph 7 of SFRS(I) 1-1;
- consider the appropriateness of any aggregation of income and expense under the requirements under paragraphs 30 and 31 of SFRS(I) 1-1;
- consider the qualitative or quantitative factors in assessing whether information about an item of income and expense is material; and
- consider circumstances including, but not limited to, those in paragraph 98 of SFRS(I) 1-1.



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Interest revenue and interest expense

- 3 For the purpose of this publication, the measure of segment profit or loss reviewed by the CODM is EBITDA, and it is assumed that interest revenue and interest expense are not regularly provided to the CODM. An entity shall disclose interest revenue and interest expense if those form part of segment profit or loss reviewed by the CODM (i.e. profit before tax) or are regularly provided to the CODM.

SFRS(I) 8  
(23(c)),  
(23(d))

### Description of segments

- 4 Entities shall disclose factors used to identify its reportable segments, including the basis of organisation, and types of products and services from which each reportable segment derives its revenues. Entities must also disclose the judgements made by management in applying the aggregation criteria of the standard, including a description of the aggregated segments and the economic indicators that have been assessed in determining that the aggregated segments share similar economic characteristics.

SFRS(I) 8  
(22(a)),  
(22(aa))

### Additions to non-current assets

- 5 An entity shall disclose the amount of additions to the non-current assets for each reportable segment, including the additions to ROU assets. For the purpose of this publication, the ROU assets are classified within 'property, plant and equipment' and therefore, the additions to ROU assets are not separately disclosed in segment information.

SFRS(I) 8  
(24(b))

### Rising inflation

- 6 This area could be impacted by rising inflation rates and other global economic uncertainties. For considerations and disclosure relating to rising inflation, please refer to [Note 2 - Basis of preparation, Guidance Note 5](#).



## Notes to the Financial Statements

For the financial year ended 31 December 2024

### 46. Business combinations

On 1 June 2024, the Group acquired a 95% equity interest in AB Components Co., Ltd (now known as PwC Components (Dalian) Co., Ltd (“PwC Components Dalian”). The principal activity of PwC Components (Dalian) is that of manufacturing and trading of component parts in the People’s Republic of China. As a result of the acquisition, the Group is expected to increase its presence in the People’s Republic of China. It also expects to reduce costs through economies of scale.

SFRS(I) 3  
(B64(a-d))

Details of the consideration paid, the assets acquired and liabilities assumed, the non-controlling interest recognised and the effects on the cash flows of the Group, at the acquisition date, are as follows:

|   |               |                                       |
|---|---------------|---------------------------------------|
|   | \$'000        |                                       |
| (a) Purchase consideration                          |               |                                       |
| Cash paid   | 10,452        | SFRS(I) 3<br>(B64(f)(i))              |
| Contingent consideration (Note (e) below)           | 500           | SFRS(I) 3<br>(B64(f)(iii),<br>(g)(i)) |
| Total purchase consideration                        | 10,952        | SFRS(I) 3<br>(B64(f))                 |
| Less: Indemnification asset (Note (i) below)        | (400)         | SFRS(I) 3<br>(B64(g)(ii))             |
| <b>Consideration transferred for the business</b>   | <b>10,552</b> |                                       |
| <br>  |               |                                       |
| (b) Effect on cash flows of the Group               |               |                                       |
| Cash paid (as above)                                | 10,452        | SFRS(I) 1-7<br>(40)(b)                |
| Less: Cash and bank balances in subsidiary acquired | (3,374)       | SFRS(I) 1-7<br>(40)(c)                |
| <b>Cash outflow on acquisition</b>                  | <b>7,078</b>  | SFRS(I) 1-7<br>(40)(a)                |



**Notes to the Financial Statements**

For the financial year ended 31 December 2024

**46. Business combinations (continued)**

|   |                |                           |
|---|----------------|---------------------------|
| (c) Identifiable assets acquired and liabilities assumed                          | At fair value  | SFRS(I) 3<br>(B64(i))     |
|   | \$'000         |                           |
|   |                | SFRS(I) 1-7<br>(40(d))    |
| Cash and bank balances  | 3,374          |                           |
| Property, plant and equipment (Note 26)   | 7,240          |                           |
| Trademarks and licences (included in intangibles) (Note 29(b) and Note (g) below) | 535            |                           |
| Inventories   | 3,210          |                           |
| Trade and other receivables (Note (f) below)                                      | 4,356          |                           |
| <b>Total assets</b>   | <b>18,715</b>  |                           |
| Trade and other payables  | (4,350)        |                           |
| Borrowings  | (2,500)        |                           |
| Contingent liability (included in provisions) (Note 34(c) and Note (h) below)     | (500)          |                           |
| Current tax liabilities (Note 10(b))  | (310)          |                           |
| Deferred tax liabilities (Note 35)  | (985)          |                           |
| <b>Total liabilities</b>  | <b>(8,645)</b> |                           |
| <b>Total identifiable net assets</b>  | <b>10,070</b>  |                           |
| Less: Non-controlling interest at fair value                                      | (768)          | SFRS(I) 3<br>(B64(o)(ii)) |
| Add: Goodwill (Note 29(a) and Note (k) below)                                     | 1,250          |                           |
| <b>Consideration transferred for the business</b>                                 | <b>10,552</b>  |                           |



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 46. Business combinations (continued)

### (d) Acquisition-related costs

SFRS(I) 3  
(B64(m))

Acquisition-related costs of \$250,000 are included in "administrative expenses" in the consolidated statement of comprehensive income and in operating cash flows in the consolidated statement of cash flows.

### (e) Contingent consideration

The Group is required to pay the former owners of PwC Components (Dalian) \$800,000 in cash if PwC Components (Dalian) achieves a cumulative net profit of \$13,000,000 or more for the period from 1 June 2024 to 31 May 2026.

SFRS(I) 3  
(B64(f)(iii),  
(g))

The fair value of the contingent consideration as at the acquisition date was estimated to amount to \$500,000 based on the income approach. This fair value was based on an estimated cumulative net profit of PwC Components (Dalian) ranging from \$12,000,000 to \$13,500,000 for the relevant period, discounted at 7% per annum. This is a Level 3 fair value measurement.

### (f) Acquired receivables

The fair value of trade and other receivables is \$4,356,000 and includes trade receivables with a fair value of \$4,250,000. The gross contractual amount for trade receivables due is \$4,350,000, of which \$100,000 is expected to be uncollectible.

SFRS(I) 3  
(B64(h))

### (g) Fair values

The fair value of the acquired identifiable intangible assets of \$535,000 (trademarks and licences) was finalised during the year. No adjustments were required to be recognised.

SFRS(I) 3 (45)

### (h) Contingent liability

A contingent liability of \$500,000 has been recognised for a pending lawsuit in which the entity is a defendant. The claim has arisen from a customer alleging defective products. It is expected that a decision on this case will be reached by the relevant court of law by the end of 2026. The potential undiscounted amount of all future payments that the Group could be required to make is estimated to be between \$400,000 and \$600,000 if an adverse decision is made. As at 31 December 2024, there has been no change in the amount recognised for the liability since the acquisition date, as there has been no change in the range of outcomes or assumptions used to develop the estimates.

SFRS(I) 3  
(B64(j)),  
SFRS(I) 3  
(B67(c))  
SFRS(I) 1-37  
(84,85)





# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 46. Business combinations (continued)

### (i) Indemnification asset

The seller of PwC Components (Dalian) has contractually agreed to indemnify the Group for the claim that may become payable in respect of the lawsuit disclosed in (h) above, up to a maximum amount of \$400,000. As is the case with the indemnified liability, there has been no change in the amount recognised for the indemnification asset since the acquisition date.

SFRS(I) 3  
(27.57)  
SFRS(I) 3  
(B64(g))

### (j) Non-controlling interests

The Group has chosen to recognise the 5% non-controlling interest at its fair value of \$768,000. The fair value was estimated by applying an income approach. This is a Level 3 fair value measurement. The fair value estimates are based on:

SFRS(I) 3  
(B64(o))

- an assumed discount rate of 7% per annum;
- an assumed terminal value based on a range of terminal EBITDA multiples between three and five times;
- long-term sustainable growth rate of 2%;
- assumed financial multiples of companies deemed to be similar to PwC Components (Dalian); and
- assumed adjustments because of the lack of control or lack of marketability that market participants would consider.

### (k) Goodwill

The goodwill of \$1,250,000 arising from the acquisition is attributable to the distribution network in the People's Republic of China and the synergies expected to arise from the economies of scale in combining the operations of the Group with those of PwC Components (Dalian). It is not deductible for tax purposes.

SFRS(I) 3  
(B64(e)),  
(B64(k))



## Notes to the Financial Statements

For the financial year ended 31 December 2024

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### 46. Business combinations (continued)

(l) Revenue and profit contribution

The acquired business contributed revenue of \$24,950,000 and net profit of \$3,250,000 to the Group from the period from 1 June 2024 to 31 December 2024.

SFRS(l) 3  
(B64(q))

Had PwC Components (Dalian) been acquired from 1 January 2024, consolidated revenue and consolidated profit for the year ended 31 December 2024 would have been \$49,950,000 and \$6,620,000 respectively.



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Business combinations

#### Comparative disclosures for business combinations in prior year

- Under SFRS(I) 1-1, comparative information must be given for all numerical information reported in the financial statements, including narratives. However, SFRS(I) 3 does not separately require comparative information in respect of business combinations. In our view, the SFRS(I) 3 disclosures are required only for business combinations occurring during the period. This means that in the period following the combination, the disclosures required in paragraph B64 of SFRS(I) 3 do not need to be repeated. However, if the initial accounting for a business combination in the prior year was incomplete, the disclosures that are required in relation to a prior business combination in paragraph B67 of SFRS(I) 3 must be made.

SFRS(I) 1-1  
(38)

#### Equity interests issued as purchase consideration

- When equity interests are issued or issuable as part of the cost of acquisition, the entity shall disclose the number of instruments or interests issued or issuable and the method of determining their fair value.

SFRS(I) 3  
(B64(f)(iv))

#### Business combination achieved in stages

- Where the business combination was achieved in stages, the fair value of the previously held interest immediately before the acquisition date shall form part of the total purchase consideration. That acquisition-date fair value shall be disclosed together with the amount of any gain or loss recognised as a result of remeasuring to fair value the previously held interest, and the line item in the statement of comprehensive income where that gain or loss is included.

SFRS(I) 3  
(B64(p))

#### Indemnification assets

- When the seller agrees to contractually indemnify the acquirer for the outcome of a contingency or uncertainty related to a specific asset or liability, the acquirer recognises an indemnification asset with an equivalent amount deducted from the consideration transferred for the business combination. The amount recognised, a description of the arrangement and an estimate of the range of outcomes shall be disclosed.

SFRS(I) 3 (27)  
SFRS(I) 3  
(B64(g))

#### Provisional fair values and subsequent adjustments during the measurement period

- If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the acquirer shall report in its financial statements the provisional amounts for the items for which the accounting is incomplete and the reason why the initial accounting is incomplete.

SFRS(I) 3  
(B67)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Business combinations (continued)

#### Provisional fair values and subsequent adjustments during the measurement period (continued)

- 6 During the measurement period, the acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. The acquirer shall disclose information that enables users of financial statements to evaluate the financial effects of adjustments recognised.

SFRS(I) 3  
(B67)

#### Rising inflation

- 7 This area could be impacted by rising inflation rates and other global economic uncertainties. For considerations and disclosure relating to rising inflation, please refer to [Note 2 - Basis of preparation](#), [Guidance Note 5](#).



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 47. Changes in accounting policies

As a result of the adoption of the amendments to SFRS(I) 1-1, the Group changed its accounting policy for the classification of borrowings as disclosed in note 2.15.

This new policy did not result in a change in the classification of PwC Holdings Ltd's borrowings. The Group did not make retrospective adjustments as a result of adopting the amendments to SFRS(I) 1-1.

## 48. Events occurring after balance sheet date

On 24 February 2025, the Group issued \$4,300,000 6.5% Singapore Dollar bonds to finance the purchase of an additional 40% interest in an associate, PwC A Property (Hong Kong) Limited ("PwC Hong Kong") and new equipment in the construction segment. The bonds are repayable on 25 February 2029.

On 1 March 2025, the Group acquired a 100% interest in PwC Philippines Logistics Pte Ltd ("PwC Philippines"), a company incorporated in Philippines which is engaged in provision of logistics services, for a cash consideration of \$12,500,000. The fair value of the Group's share of the identifiable net assets of PwC Philippines at the date of acquisition has been provisionally determined at \$11,200,000. Acquisition-related costs of \$360,000 have been incurred and will be included in administrative expenses in the statement of comprehensive income for the year ending 31 December 2025. Details of the assets acquired and liabilities assumed, non-controlling interest that will be recognised, revenue and profit contribution of PwC Philippines and the effect on the cash flows for the Group are not disclosed, as the accounting for this acquisition is still incomplete at the time these financial statements have been authorised for issue. PwC Philippines will be consolidated with effect from 1 March 2025.

SFRS(I) 1-10  
(21)

SFRS(I) 1-10  
(21)  
SFRS(I) 1-10  
(22(a))  
SFRS(I) 3  
(B66)

## Guidance notes

### Business combinations occurring after balance sheet date but before the financial statements are authorised for issue

- 1 SFRS(I) 3 requires an acquirer to disclose the same information for business combinations occurring after balance sheet date but before the financial statements are authorised for issue as what is disclosed for business combinations occurring during the reporting period. The only exception is if the accounting for such business combination is incomplete at the time the financial statements are authorised for issue, in which case the acquirer shall describe which disclosures could not be made and the reasons why.

SFRS(I) 3  
(B66)

### Rising inflation rates

- 2 This area could be impacted by rising inflation rates and other global economic uncertainties. For considerations and disclosure relating to rising inflation, please refer to [Note 2 - Basis of preparation, Guidance Note 5](#).



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 49. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published and are relevant for the Group's accounting periods beginning on or after 1 January 2025 and which the Group has not early adopted.

**Amendments to SFRS(I) 1-21 - Lack of Exchangeability** (effective for annual periods beginning on or after 1 January 2025)

SFRS(I) 1-21 is amended to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, SFRS(I) 1-21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.

**Amendments to SFRS(I) 9 and SFRS(I) 7 - Amendments to the Classification and Measurement of Financial Instruments** (effective for annual reporting periods beginning on or after 1 January 2026)

SFRS(I) 9 and SFRS(I) 7 are amended to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

SFRS(I) 1-8 (30), (31)



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 49. New or revised accounting standards and interpretations (continued)

**SFRS(I) 18** - Presentation and Disclosure in Financial Statements (effective for annual reporting periods beginning on or after 1 January 2027)

SFRS(I) 18 replaces SFRS(I) 1-1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance (comprising of the statement of profit or loss and other comprehensive income) and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of SFRS(I) 18 will have no impact on the group's net profit, the group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the group has performed, the following items might potentially impact operating profit:
  - Foreign exchange differences currently aggregated in the line item 'other income and other gains/(losses) – net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
  - SFRS(I) 18 has specific requirements on the category in which derivative gains or losses are recognised – which is the same category as the income and expenses affected by the risk that the derivative is used to manage. Although the group currently recognises some gains or losses in operating profit and others in finance costs, there might be a change to where these gains or losses are recognised, and the group is currently evaluating the need for change.
- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the group will disaggregate goodwill and other intangible assets and present them separately in the statement of financial position.



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 49. New or revised accounting standards and interpretations (continued)

**SFRS(I) 18** - Presentation and Disclosure in Financial Statements (effective for annual reporting periods beginning on or after 1 January 2027) (continued)

- The group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
  - management-defined performance measures;
  - a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
  - for the first annual period of application of SFRS(I) 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying SFRS(I) 18 and the amounts previously presented applying SFRS(I) 1-1.
- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with SFRS(I) 18.





# Notes to the Financial Statements

For the financial year ended 31 December 2024

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## 49. New or revised accounting standards and interpretations (continued)

**SFRS(I) 19** - Subsidiaries without Public Accountability: Disclosures (effective for annual reporting periods beginning on or after 1 January 2027)

SFRS(I) 19 allows for certain eligible subsidiaries of parent entities that report under SFRS(I) Accounting Standards to apply reduced disclosure requirements. This new standard works alongside other SFRS(I). An eligible subsidiary applies the requirements in other SFRS(I) except for the disclosure requirements; and it applies instead the reduced disclosure requirements in SFRS(I) 19.

SFRS(I) 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with SFRS(I) Accounting Standards.

The Group does not expect this standard to have an impact on its operations or financial statements.



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### New or revised accounting standards and interpretations

- 1 Entities must explain if there are any accounting standards and interpretations which are not yet applied but are expected to have a material effect on the entity in the current period and on foreseeable future transactions. Where a pronouncement introduces a new accounting option that was not previously available, the entity should explain whether and/or how it expects to use the option in the future.
- 2 It is not required to list all SFRS(I)s, INT SFRS(I)s and amendments to SFRS(I)s that have been issued but are not effective at date of authorisation of financial statements. Only those relevant to the entity's operations should be indicated.

SFRS(I) 1-8  
(30)

### Annual Improvements to SFRS(I)s – Volume 11

- 3 In 2024, the eleventh volume of annual improvements to SFRS(I)s was issued to address a collection of minor amendments to SFRS(I)s. Such amendments are limited to changes that either clarify the wording in a standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in SFRS(I)s. Sections that are amended are as follows:

| SFRS(I)                            | Subject of amendments   |
|------------------------------------|---|
| SFRS(I) 1                          | Hedge accounting by a first-time adopter  |
| SFRS(I) 7                          | Gain or loss on derecognition   |
| Guidance on implementing SFRS(I) 7 | <ul style="list-style-type: none"> <li>• Introduction</li> <li>• Disclosure of deferred difference between fair value and transaction price</li> <li>• Credit risk disclosures</li> </ul> |
| SFRS(I) 9                          | <ul style="list-style-type: none"> <li>• Derecognition of lease liabilities</li> <li>• Transaction price</li> </ul>   |
| SFRS(I) 10                         | Determination of a 'de facto agent'   |
| SFRS(I) 1-7                        | Cost method   |

The annual improvements are effective for annual reporting periods beginning on or after 1 January 2026.

## 50. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of PwC Holdings Ltd on 20 March 2025.

SFRS(I) 1-10  
(17)



**Notes to the Financial Statements**

For the financial year ended 31 December 2024

**51. Listing of significant companies in the Group**

SGX 715-718

| <u>Name of companies</u>                               | <u>Principal Activities</u>           | <u>Country of business/ incorporation</u> | <u>Equity holding</u> |      |
|--|---------------------------------------|---|-----------------------|------|
|  |                                       |   | 31 December 2024      | 2023 |
|  |                                       |   | %                     | %    |
| <u>Significant subsidiaries</u>                        |                                       |   |                       |      |
| PwC Construction Pte Ltd <sup>(a)</sup>                | Construction of specialised equipment | Singapore                                 | 100                   | 100  |
| PwC Property (Singapore) Pte Ltd <sup>(a)</sup>        | Investment holding                    | Singapore                                 | 100                   | 100  |
| PwC Furniture (PRC) Co., Ltd <sup>(d)</sup>            | Sale of furniture                     | People's Republic of China                | 85                    | 85   |
| PwC Components (Singapore) Pte Ltd <sup>(a), (g)</sup> | Manufacture of component parts        | Singapore                                 | 45                    | 45   |
| PwC Components (PRC) Co., Ltd <sup>(d)</sup>           | Manufacture of component parts        | People's Republic of China                | 80                    | 80   |
| PwC Components (China) Pte Ltd <sup>(d)</sup>          | Manufacture of component parts        | People's Republic of China                | 70                    | 70   |
| PwC Furniture (Philippines) Pte Ltd <sup>(b)</sup>     | Sale of furniture                     | The Philippines                           | 70                    | 70   |
| PwC Components (Dalian) Co., Ltd <sup>(d)</sup>        | Manufacture of component parts        | People's Republic of China                | 95                    | -    |
| <u>Significant joint venture</u>                       |                                       |   |                       |      |
| PwC JV Logistics (PRC) Co., Ltd <sup>(d), (f)</sup>    | Provision of logistics services       | People's Republic of China                | 60                    | 60   |
| <u>Significant associates</u>                          |                                       |   |                       |      |
| PwC A Property (Hong Kong) Limited <sup>(e)</sup>      | Investment holding                    | Hong Kong                                 | 35                    | 35   |
| PwC A Furniture Sdn Bhd <sup>(c)</sup>                 | Sale of furniture                     | Malaysia                                  | 25                    | 25   |

(a) Audited by PricewaterhouseCoopers LLP, Singapore

(b) Audited by Isla Lipana &amp; Co, Philippines

(c) Audited by Tan &amp; Co., Malaysia

(d) Audited by Great Wall CPA Company Limited, People's Republic of China

(e) Not required to be audited under the laws of the country of incorporation

(f) Not consolidated as the entity is not controlled by the Group and deemed to be a joint venture as the Group shares the control of the entity

(g) Deemed to be a subsidiary as the Group has the ability to nominate a majority of the directors of the subsidiary.

(h) In accordance to Rule 716 of The Singapore Exchange Securities Trading Limited – Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiaries and significant associates would not compromise the standard and effectiveness of the audit of the Company.

SFRS(I) 12

(9(a))

SFRS(I) 12

(9(b))



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## Guidance notes

### Listing of significant companies in the Group

- 1 The term "significant" is not defined in SFRS(I). However, in the SGX-ST Listing Manual, a subsidiary or associate is considered significant if its net tangible assets represent 20% or more of the issuer's consolidated net tangible assets, or its pre-tax profits account for 20% or more of the issuer's consolidated pre-tax profits. In the absence of a formal definition in SFRS(I), it is preferable to adopt this definition set out in the SGX-ST Listing Manual. SGX 718
  
- 2 Companies listed on the SGX are also required to disclose the name(s) of the auditing firm(s) of their significant subsidiaries and associates. It is a good practice for listed companies to inform the auditing firm(s) that their name(s) will be disclosed in the financial statements. SGX 717
  
- 3 It shall be noted that under the SGX-ST Listing Manual, an issuer may appoint different auditors for its subsidiaries or significant associates provided that: SGX 716
  - (a) the issuer's board and audit committee are satisfied that the appointment would not compromise the standard and effectiveness of the audit of the issuer; or
  - (b) the issuer's subsidiary or associate, is listed on a stock exchange.



# Other Disclosures

## Additional Disclosure Requirements

- Additional requirements of Singapore Exchange Securities Trading Listing Manual
- Shareholders' information as at 13 March 2025

## Additional Illustrative Disclosures

- Appendix 1
- Appendix 2
- Appendix 3

## Additional Disclosure Requirements

For the financial year ended 31 December 2024

### Additional requirements of Singapore Exchange Securities Trading Listing Manual

#### Corporate information

##### Company secretary

S.M. Barker

SGX 1207 (1)

##### Registered office

350 Harbour Street  
#30-00 PwC Centre  
Singapore 049929

Telephone number : (65) 6226 5066

Facsimile number : (65) 6226 5788

Website : [http://www.pwcholdings.com.sg]

SGX 1207 (2)

##### Share registrar

Independent Registry Firm  
10 Collyer Quay #19-00  
Ocean Building Singapore 049315

SGX 1207 (3)

##### Auditor

PricewaterhouseCoopers LLP  
7 Straits View, Marina One,  
East Tower, Level 12,  
Singapore 018936  
Audit Partner: Ken Wang  
Year of appointment: 2019

SGX 713

#### Material contracts<sup>1</sup>

SGX 1207 (8)

In 2023, the Company entered into a two-year contract with ABAS Consultancy Pte Ltd, which is a firm owned by the wife of Mr Ang Boon Chew, a director of the Company. The firm provided professional services to the Company amounting to \$212,000 (2023: \$149,000) during the financial year. Based on the long-term contract, the Company was able to obtain professional services slightly below the normal price. As an average, services were charged at 5% below the normal price in 2024 (2023: 4% below the normal price).

#### Directors' remuneration<sup>2</sup>

Please refer to information disclosed in Section (B) of the Corporate Governance Report.



## Additional Disclosure Requirements

For the financial year ended 31 December 2024

### Additional requirements of Singapore Exchange Securities Trading Listing Manual (continued)

#### Appointment of auditors

The Group has complied with Rules 712 and Rule 715 or 716 of the Listing Manual issued by Singapore Exchange Securities Trading Limited in relation to its auditors.

SGX 1207  
(6(c))

#### Review of the provision of non-audit services by the auditors<sup>5</sup>

The Audit Committee has undertaken a review of non-audit services provided by the auditor<sup>5</sup> and they would not, in the Audit Committee's opinion, affect their independence.

SGX 1207  
(6(b))

#### Internal controls<sup>6</sup>

Please refer to information disclosed in Section (CG.9) of the Corporate Governance Report.

SGX 1207  
(10)

#### Properties of the Group

SGX 1207  
(11(a))

##### Major properties held for development

| <u>Location</u>    | <u>Description</u> | <u>Intended Use</u> | <u>Stage of completion</u> | <u>Expected date of completion</u> | <u>Site area (sq m)</u> | <u>Gross floor area (sq m)</u> | <u>Group's Effective interest in the property</u> |
|--------------------|--------------------|---------------------|----------------------------|------------------------------------|-------------------------|--------------------------------|---|
| Upper Thomson Road | 3-storey building  | Commercial          | 20%                        | June 2026                          | 400                     | 1,122                          | 100%  |

##### Major properties held for investment

SGX 1207  
(11(b))

| <u>Location</u>        | <u>Description</u>      | <u>Existing Use</u> | <u>Tenure</u> | <u>Unexpired term of lease</u> |
|------------------------|-------------------------|---------------------|---------------|--------------------------------|
| Cairnhill, Singapore   | Apartment Unit          | Residential         | Freehold      | -                              |
| Jurong East, Singapore | 2-storey apartment unit | Residential         | Leasehold     | 95                             |
| Tampines, Singapore    | 5-storey building       | Commercial          | Leasehold     | 70                             |



**Additional Disclosure Requirements**

For the financial year ended 31 December 2024

## Interested person transactions

SGX 1207 (17)  
SGX 907

Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 each)

| Name of interested person           | Transactions not conducted under shareholders' mandate pursuant to Rule 920 |                | Transactions conducted under shareholders' mandate pursuant to Rule 920 |                |
|-------------------------------------|---|----------------|---|----------------|
|                                     | 2024<br>\$'000  | 2023<br>\$'000 | 2024<br>\$'000  | 2023<br>\$'000 |
| Abacus Subsidiary Pte Ltd:          |   |                |   |                |
| - sale of goods                     | -   | -              | 470   | 729            |
| Sandoz Family Business Pte Ltd:     |   |                |   |                |
| - sale of plant and equipment       | 600   | -              | -   | -              |
| ABAS Consultancy Pte Ltd:           |   |                |   |                |
| - purchase of professional services | -   | 361            | -   | -              |





# Additional Disclosure Requirements

For the financial year ended 31 December 2024

## Guidance notes

### Additional requirements of Singapore Exchange Securities Trading Listing Manual

#### Material contracts

- 1 Disclosure is required of material contracts of the company and its subsidiaries involving the interests of the chief executive officer, each director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year. Where no material contract has been entered into, the following negative statement can be considered:

SGX 1207 (8)

“There are no material contracts entered into by the Company or any of its subsidiaries involving the interest of the chief executive officer, any director or controlling shareholder, either still subsisting at the end of the year or entered into since the end of the previous financial year.”

#### Directors' remuneration

- 2 A listed entity should make disclosure as recommended in the Code of Corporate Governance. If not, it should disclose and explain any deviation from the recommendation.
- 3 A public company shall undertake a review of the fees, expenses and emoluments of its auditor to determine whether the independence of the auditor has been compromised under prescribed conditions, and the outcome of the review shall be sent to all persons entitled to receive notice of general meetings of the company. This outcome is normally communicated through the Directors' statement or the Corporate Governance Report.

SGX 1207  
(6(b))  
CA 206 (1A)

This review shall be undertaken if the total amount of the fees paid to the auditor for non-audit services in any financial year of the company exceeds 50% of the total amount of fees paid to the auditor in that financial year.

- 4 The Audit Committee shall also provide a confirmation in the annual report that it has undertaken a review of non-audit services provided by the auditor and they would not, in the Audit Committee's opinion, affect the independence of the auditor.

SGX 1207  
(6(b))

#### Internal controls

- 5 The Board, with the concurrence of the Audit Committee, shall provide an opinion on the adequacy and effectiveness of the internal controls, addressing financial, operational, compliance and information technology risks.

SGX 1207  
(10)



## Additional Disclosure Requirements

For the financial year ended 31 December 2024

### Shareholders' information as at 13 March 2025<sup>1</sup>

#### Preference shareholdings

SGX 1207  
(9(a))

|                            |                     |
|----------------------------|---------------------|
| Issued and Paid-Up Capital | : \$30,000,000      |
| Class of Shares            | : Preference shares |
| Voting Rights              | : No voting rights  |

The preference shares are held entirely by PwC Corporate Limited, the immediate holding corporation of the Company.

SGX 1207  
(9(b))

#### Ordinary shareholdings

SGX1207  
(9(a))

|                            |                      |
|----------------------------|----------------------|
| Issued and Paid-Up Capital | : \$49,509,000       |
| Class of Shares            | : Ordinary shares    |
| Voting Rights              | : One vote per share |

SGX.1207  
(9(b))

| No. of ordinary shares held | No. of<br>shareholders | %             | No. of<br>Ordinary<br>Shares | %             |
|-----------------------------|------------------------|---------------|------------------------------|---------------|
| 1 – 99                      | 1,035                  | 17.67         | 88,585                       | 0.32          |
| 100 – 1,000                 | 3,401                  | 58.08         | 3,050,765                    | 10.95         |
| 1,001 – 10,000              | 1,402                  | 23.94         | 5,143,526                    | 18.47         |
| 10,001 – 1,000,000          | 14                     | 0.24          | 446,489                      | 1.60          |
| 1,000,001 and above         | 4                      | 0.07          | 19,120,635                   | 68.66         |
|                             | <u>5,856</u>           | <u>100.00</u> | <u>27,850,000</u>            | <u>100.00</u> |

#### Substantial shareholders

SGX.1207  
(9(c))

As shown in the Register of Substantial Shareholders:

|                        | Number of ordinary shares  |                            |                                |
|------------------------|----------------------------|----------------------------|--------------------------------|
|                        | Direct<br><u>Interests</u> | Deemed<br><u>Interests</u> | Beneficial<br><u>Interests</u> |
| PwC Corporate Limited  | 9,130,825                  | -                          | 9,130,825                      |
| Mr David Grey          | 1,770,000                  | 1,500,000                  | 3,270,000                      |
| Mr Sandoz Wood         | 4,109,905                  | -                          | 4,109,905                      |
| Sun Holdings (Pte) Ltd | 4,109,905                  | -                          | 4,109,905                      |

Mr David Grey is deemed to have an interest in 1,500,000 ordinary shares in PwC Holdings Ltd via his holdings of 1,000,000 ordinary shares in PwC Global Limited, which in turn holds 10,000,000 ordinary shares in PwC Corporate Limited.



**Additional Disclosure Requirements**

For the financial year ended 31 December 2024

**Shareholders' information as at 13 March 2025<sup>1</sup> (continued)****Twenty largest ordinary shareholders**

As shown in the Register of Members and Depository Register:

|                                | No. of<br>ordinary shares | %     |
|--------------------------------|---------------------------|-------|
| PwC Corporate Limited          | 9,130,825                 | 32.79 |
| Mr Sandoz Wood                 | 4,109,905                 | 14.76 |
| Sun Holdings (Pte) Ltd         | 4,109,905                 | 14.76 |
| Mr David Grey                  | 3,270,000                 | 11.74 |
| MacPherson Investments Pte Ltd | 103,415                   | 0.37  |
| Mr Ang Boon Chew               | 97,000                    | 0.35  |
| Sembawang Private Ltd          | 36,075                    | 0.13  |
| Mr Soh Koh Hong                | 26,455                    | 0.09  |
| Sommerset Holdings Pte Ltd     | 26,455                    | 0.09  |
| Geylang Investments Co Pte Ltd | 24,050                    | 0.09  |
| Tanglin Halt (Pte) Ltd         | 21,645                    | 0.08  |
| Changi Holdings Pte Ltd        | 14,430                    | 0.05  |
| Ms Tham Lee Keng               | 14,430                    | 0.05  |
| Padang Consolidated Ltd        | 14,430                    | 0.05  |
| Whitley Investments Ltd        | 14,430                    | 0.05  |
| Cairnhill Co Pte Ltd           | 14,430                    | 0.05  |
| Bukit Timah Haulage Co Ltd     | 11,875                    | 0.04  |
| Bedok Nominees Ltd             | 12,025                    | 0.04  |
| Madam Ng Pin                   | 9,620                     | 0.03  |
| Kranji Equity Ltd              | 9,620                     | 0.03  |
|                                | 21,071,020                | 75.66 |

SGX 1207  
(9(d))

Based on the information available to the Company as at 13 March 2025, approximately 22.11% of the issued ordinary shares of the Company are held by the public and therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited has been complied with.

SGX 1207  
(9(e))**Treasury shares and subsidiary holdings**

|   |           |                    |
|---|-----------|--------------------|
| Number of treasury shares:  | 1,557,000 | SGX 1207<br>(9(f)) |
| Number of subsidiary holdings:  | nil       | SGX 1207<br>(9(g)) |
| Percentage of treasury shares against the total number of issued ordinary shares:     | 5.6%      | SGX 1207<br>(9(h)) |
| Percentage of subsidiary holdings against the total number of issued ordinary shares: | 0%        | SGX 1207<br>(9(h)) |



# Additional Disclosure Requirements

For the financial year ended 31 December 2024

## Guidance notes

### Shareholders' information

- 1 Shareholders' information shall be made up to a date not earlier than one month from the date of notice of the annual general meeting or summary financial statements, whichever is earlier.

### Issuers with dual class share structures

- 2 Entities with dual class share structures must prominently include: (i) a statement on the cover page that the entity is a company with a dual class share structure; and (ii) the following details for each holder of multiple voting shares:

SGX 1207  
(9(i))

| Name of shareholder | Number of multiple voting shares | Total voting rights of multiple voting shares | Number of ordinary voting shares | Total voting rights of ordinary voting shares | Total voting rights of both multiple voting shares and ordinary voting shares |
|---------------------|----------------------------------|---|----------------------------------|---|---|
|                     |                                  |   |                                  |   |   |



## Additional Illustrative Disclosures

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### Appendix 1 Areas not relevant to PwC Holdings Ltd Group

1. Alternative presentations for statement of comprehensive income
2. Provision for dismantlement, removal and restoration
3. Post-employment benefits – pension and medical benefits
4. Defaults and breaches of loans payable
5. Foreign currency convertible bonds – equity conversion option classified as derivative liability
6. Related party disclosures for government-related entities

### Appendix 2 Interest Rate Benchmark (IBOR) Reform Disclosures

### Appendix 3 Impact of insurance contracts on the non-insurer



## Additional Disclosure Requirements

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

### Example 1: Alternative presentations for statement of comprehensive income

Scenario 1: One-statement presentation of statement of comprehensive income based on a classification of expenses by nature

|   | Note  | 2024<br>\$'000 | 2023<br>\$'000 | SFRS(I) 1-1<br>(10(b),10A)<br>SGX 1207<br>(5(a)) |
|---|-------|----------------|----------------|--|
| <b>Continuing operations</b>                              |       |                |                |  |
| Revenue   | 4     | 245,646        | 198,898        | SFRS(I) 1-1<br>(82(a))                           |
| Other income  |       |                |                |  |
| - Interest  | 7     | 2,939          | 2,144          | SFRS(I) 1-1<br>(102)                             |
| - Others  | 7     | 4,645          | 3,623          | SFRS(I) 1-1<br>(102)                             |
| Other gains and losses                                    |       |                |                |  |
| - Impairment loss on financial assets and contract assets |       | (850)          | (266)          | SFRS(I) 1-1<br>(82(ba))                          |
| - Others  | 8     | (1,990)        | (30)           |  |
| Expenses  |       |                |                |  |
| - Purchases of inventories and construction materials     |       | (69,832)       | (57,711)       | SFRS(I) 1-1<br>(102)                             |
| - Amortisation and depreciation                           | 5     | (22,596)       | (13,704)       | SFRS(I) 1-1<br>(102)                             |
| - Impairment loss on goodwill                             | 5     | (500)          | (1,081)        | SFRS(I) 1-1<br>(102)                             |
| - Employee compensation                                   | 6     | (44,827)       | (42,903)       | SFRS(I) 1-1<br>(102)                             |
| - Sub-contractors charges                                 |       | (13,238)       | (12,610)       |  |
| - Advertising   |       | (11,938)       | (9,304)        |  |
| - Rental expenses   |       | (5,586)        | (10,673)       |  |
| - Research  |       | (785)          | (645)          | SFRS(I) 1-38<br>(126)                            |
| - Transportation  |       | (5,245)        | (4,713)        |  |
| - Reversal of inventory write-down                        |       | 380            | -              | SFRS(I) 1-2<br>(36(e)), (36(f))                  |
| - Finance   | 9     | (9,739)        | (7,213)        | SFRS(I) 1-1<br>(82(b))                           |
| - Other   |       | (1,705)        | (1,292)        |  |
| - Changes in inventories                                  |       | (4,962)        | 8,217          |  |
| Total expenses  |       | (190,573)      | (153,632)      | SFRS(I) 1-1<br>(102)                             |
| Share of profit of associates and joint venture           | 22,23 | 761            | 340            | SFRS(I) 1-1<br>(82(c))                           |
| Profit before income tax                                  |       | 60,578         | 51,077         |  |
| Income tax expense  | 10(a) | (15,893)       | (14,567)       | SFRS(I) 1-1<br>(82(d))                           |
| <b>Profit from continuing operations</b>                  |       | <b>44,685</b>  | <b>36,510</b>  |  |
| <b>Discontinued operations</b>                            |       |                |                | SFRS(I) 1-1<br>(82(ea))                          |
| Profit from discontinued operations                       | 11    | 422            | 1,310          | SFRS(I) 5<br>(33(a))                             |
| <b>Total profit</b>                                       |       | <b>45,107</b>  | <b>37,820</b>  |  |



**Additional Disclosure Requirements**

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

**Example 1: Alternative presentations for statement of comprehensive income**  
(continued)Scenario 1: One-statement presentation of statement of comprehensive income based on a classification of expenses by nature (continued)

|   | Note  | 2024<br>\$'000 | 2023<br>\$'000 | SFRS(I) 1-1<br>(10(b), 10A)<br>SGX 1207<br>(5(a)) |
|---|-------|----------------|----------------|---|
| <b>Other comprehensive income</b>                                   |       |                |                |   |
| Items that may be reclassified subsequently to profit or loss:      |       |                |                |   |
| Financial assets, at FVOCI  |       |                |                | SFRS(I) 1-1<br>(82A)                              |
| - Fair value gains/(losses) – debt instruments                      |       | 571            | (105)          |   |
| - Reclassification  |       | (145)          | -              |   |
| Cash flow hedges  |       |                |                |   |
| - Fair value gains/(losses)   |       | 173            | (500)          |   |
| - Reclassification  |       | 625            | 523            |   |
| Share of other comprehensive income of associates                   | 22    | 68             | 35             |   |
| Currency translation differences arising from consolidation         |       |                |                |   |
| - Gains   |       | 851            | 1,008          |   |
| - Reclassification  |       | -              | 19             |   |
|   |       | <u>2,143</u>   | <u>980</u>     |   |
| Items that will not be reclassified subsequently to profit or loss: |       |                |                |   |
| Revaluation gains on property, plant and equipment                  |       | 540            | 457            |   |
| Financial assets, at FVOCI  |       |                |                |   |
| - Fair value gains/(losses) - equity investments                    |       | 885            | (1,085)        |   |
| <b>Other comprehensive income, net of tax</b>                       | 10(c) | <u>3,568</u>   | <u>352</u>     |   |
| <b>Total comprehensive income</b>                                   |       | <u>48,675</u>  | <u>38,172</u>  |   |
| <b>Profits attributable to:</b>                                     |       |                |                |   |
| Equity holders of the Company                                       |       | 41,483         | 34,416         | SFRS(I) 1-1<br>(81B(a))                           |
| Non-controlling interests   |       | 3,624          | 3,404          |   |
|   |       | <u>45,107</u>  | <u>37,820</u>  |   |



**Additional Disclosure Requirements**

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

**Example 1: Alternative presentations for statement of comprehensive income**  
(continued)Scenario 1: One-statement presentation of statement of comprehensive income based on a classification of expenses by nature (continued)

|   | Note  | 2024<br>\$'000 | 2023<br>\$'000 | SFRS(I) 1-1<br>(10(b),10A)<br>SGX 1207<br>(5(a)) |
|---|-------|----------------|----------------|--|
| <b>Profit attributable to equity holders of the Company relates to:</b>   |       |                |                | SFRS(I) 5<br>(33(d))                             |
| Profit from continuing operations   |       | 41,124         | 33,302         |  |
| Profit from discontinued operations   |       | 359            | 1,114          |  |
|   |       | <b>41,483</b>  | <b>34,416</b>  |  |
| <b>Total comprehensive income attributable to:</b>  |       |                |                | SFRS(I) 1-1<br>(81B(b))                          |
| Equity holders of the Company   |       | 44,684         | 34,355         |  |
| Non-controlling interests   |       | 3,991          | 3,817          |  |
|   |       | <b>48,675</b>  | <b>38,172</b>  |  |
| <b>Earnings per share (“EPS”) for profit from continuing and discontinued operations attributable to equity holders of the Company (\$ per share)</b> |       |                |                |  |
| <b>Basic EPS</b>  |       |                |                | SFRS(I) 1-33<br>(66)                             |
| - From continuing operations  | 12(a) | 1.53           | 1.38           |  |
| - From discontinued operations  | 12(a) | 0.01           | 0.05           | SFRS(I) 1-33<br>(68)                             |
| <b>Diluted EPS</b>  |       |                |                | SFRS(I) 1-33<br>(66)                             |
| - From continuing operations  | 12(b) | 1.41           | 1.25           |  |
| - From discontinued operations  | 12(b) | 0.01           | 0.04           | SFRS(I) 1-33<br>(68)                             |





**Additional Disclosure Requirements**

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

**Example 1: Alternative presentations for statement of comprehensive income**  
(continued)Scenario 2: Two-statement presentation of statement of comprehensive income based on a classification of expenses by function**Consolidated income statement**

|   | Note  | 2024<br>\$'000 | 2023<br>\$'000 |                         |
|---|-------|----------------|----------------|-------------------------|
| <b>Continuing operations</b>                              |       |                |                |                         |
| Revenue   | 4     | 245,646        | 198,898        | SFRS(I) 1-1<br>(82(a))  |
| Cost of sales   | 5     | (87,701)       | (71,511)       | SFRS(I) 1-1<br>(103)    |
| Gross profit  |       | 157,945        | 127,387        | SFRS(I) 1-1<br>(103)    |
| Other income  |       |                |                | SFRS(I) 1-1<br>(103)    |
| - Interest  | 7     | 2,939          | 2,144          |                         |
| - Others  | 7     | 4,645          | 3,623          |                         |
| Other gains and losses                                    |       |                |                |                         |
| - Impairment loss on financial assets and contract assets |       | (850)          | (266)          |                         |
| - Others  | 8     | (1,990)        | (30)           |                         |
| Expenses  |       |                |                |                         |
| - Distribution and marketing                              | 5     | (55,872)       | (47,571)       | SFRS(I) 1-1<br>(103)    |
| - Administrative  | 5     | (37,261)       | (27,337)       | SFRS(I) 1-1<br>(103)    |
| - Finance   | 9     | (9,739)        | (7,213)        | SFRS(I) 1-1<br>(82(b))  |
| Share of profit of associates and joint venture           | 22,23 | 761            | 340            | SFRS(I) 1-1<br>(82(c))  |
| Profit before income tax                                  |       | 60,578         | 51,077         |                         |
| Income tax expense  | 10(a) | (15,893)       | (14,567)       | SFRS(I) 1-1<br>(82(d))  |
| <b>Profit from continuing operations</b>                  |       | <b>44,685</b>  | <b>36,510</b>  |                         |
| <b>Discontinued operations</b>                            |       |                |                | SFRS(I) 1-1<br>(82(ea)) |
| Profit from discontinued operations                       | 11    | 422            | 1,310          | SFRS(I) 5<br>(33(a))    |
| <b>Total profit</b>                                       |       | <b>45,107</b>  | <b>37,820</b>  |                         |



## Additional Disclosure Requirements

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

### Example 1: Alternative presentations for statement of comprehensive income (continued)

Scenario 2: Two-statement presentation of statement of comprehensive income based on a classification of expenses by function (continued)

#### Consolidated income statement (continued)

|   | Note  | 2024<br>\$'000 | 2023<br>\$'000 |                         |
|---|-------|----------------|----------------|-------------------------|
| <b>Attributable to:</b>   |       |                |                |                         |
| Equity holders of the Company   |       | 41,483         | 34,416         | SFRS(I) 1-1<br>(81B(a)) |
| Non-controlling interests   |       | 3,624          | 3,404          |                         |
|   |       | <u>45,107</u>  | <u>37,820</u>  |                         |
| <b>Earnings per share (“EPS”) for profit from continuing and discontinued operations attributable to equity holders of the Company (\$ per share)</b> |       |                |                |                         |
| <b>Basic EPS</b>  |       |                |                |                         |
| - From continuing operations  | 12(a) | 1.53           | 1.38           | SFRS(I) 1-33<br>(66)    |
| - From discontinued operations  | 12(a) | 0.01           | 0.05           | SFRS(I) 1-33<br>(68)    |
| <b>Diluted EPS</b>  |       |                |                |                         |
| - From continuing operations  | 12(b) | 1.41           | 1.25           | SFRS(I) 1-33<br>(66)    |
| - From discontinued operations  | 12(b) | 0.01           | 0.04           | SFRS(I) 1-33<br>(68)    |



## Additional Disclosure Requirements

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

### Example 1: Alternative presentations for statement of comprehensive income (continued)

Scenario 2: Two-statement presentation of statement of comprehensive income based on a classification of expenses by function (continued)

#### Consolidated statement of comprehensive income

|   | Note  | 2024<br>\$'000 | 2023<br>\$'000       |
|---|-------|----------------|----------------------|
| <b>Profit for the year</b>  |       | <b>45,107</b>  | 37,820               |
| <b>Other comprehensive income:</b>                                  |       |                |                      |
| Items that may be reclassified subsequently to profit or loss:      |       |                |                      |
|   |       |                | SFRS(I) 1-1<br>(82A) |
| Financial assets, at FVOCI  |       |                |                      |
| - Fair value gains/(losses) – debt instruments                      |       | 571            | (105)                |
| - Reclassification  |       | (145)          | -                    |
| Cash flow hedges  |       |                |                      |
| - Fair value gains/(losses)   |       | 173            | (500)                |
| - Reclassification  |       | 625            | 523                  |
| Share of other comprehensive income of associates                   | 22    | 68             | 35                   |
| Currency translation differences arising from consolidation         |       |                |                      |
| - Gains   |       | 489            | 600                  |
| - Reclassification  |       | -              | 19                   |
|   |       | <u>1,781</u>   | <u>572</u>           |
| Items that will not be reclassified subsequently to profit or loss: |       |                |                      |
| Revaluation gains on property, plant and equipment                  |       | 540            | 457                  |
| Financial assets, at FVOCI  |       |                |                      |
| - Fair value gains/(losses) - equity investments                    |       | 1,247          | (677)                |
| <b>Other comprehensive income, net of tax</b>                       | 10(c) | <u>3,568</u>   | 352                  |
| <b>Total comprehensive income</b>                                   |       | <u>48,675</u>  | <u>38,172</u>        |



## Additional Disclosure Requirements

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

### Example 1: Alternative presentations for statement of comprehensive income (continued)

Scenario 2: Two-statement presentation of statement of comprehensive income based on a classification of expenses by function (continued)

#### Consolidated statement of comprehensive income (continued)

|  | Note | 2024<br>\$'000 | 2023<br>\$'000 |                         |
|--|------|----------------|----------------|-------------------------|
| <b>Total comprehensive income attributed to:</b> |      |                |                |                         |
| Equity holders of the Company                    |      | 44,684         | 34,355         | SFRS(I) 1-1<br>(81B(b)) |
| Non-controlling interest                         |      | 3,991          | 3,817          |                         |
|  |      | <b>48,675</b>  | <b>38,172</b>  |                         |



## Additional Disclosure Requirements

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

### Example 1: Alternative presentations for statement of comprehensive income (continued)

Scenario 3: Two-statement presentation of the statement of comprehensive income based on a classification of expenses by nature

#### Consolidated income statement

|   | Note  | 2024<br>\$'000 | 2023<br>\$'000 |   |
|---|-------|----------------|----------------|---|
| <b>Continuing operations</b>                              |       |                |                |   |
| Revenue   | 4     | 245,646        | 198,898        | SFRS(I) 1-1<br>(82(a))                          |
| Other income  |       |                |                |   |
| - Interest  | 7     | 2,939          | 2,144          | SFRS(I) 1-1<br>(102)                            |
| - Others  | 7     | 4,645          | 3,623          | SFRS(I) 1-1<br>(102)                            |
| Other gains and losses                                    |       |                |                |   |
| - Impairment loss on financial assets and contract assets |       | (850)          | (266)          | SFRS(I) 1-1<br>(82(ba))                         |
| - Others  | 8     | (1,990)        | (30)           |   |
| Expenses  |       |                |                |   |
| - Purchases of inventories                                |       | (69,832)       | (57,711)       | SFRS(I) 1-1<br>(102)                            |
| - Amortisation and depreciation                           | 5     | (22,596)       | (13,704)       | SFRS(I) 1-1<br>(102)                            |
| - Impairment loss on goodwill                             | 5     | (500)          | (1,081)        | SFRS(I) 1-1<br>(102)                            |
| - Employee compensation                                   | 6     | (44,827)       | (42,903)       | SFRS(I) 1-1<br>(102)                            |
| - Sub-contractors charges                                 |       | (13,238)       | (12,610)       |   |
| - Advertising   |       | (11,938)       | (9,304)        |   |
| - Rental expenses   |       | (5,586)        | (10,673)       |   |
| - Research  |       | (785)          | (645)          | SFRS(I) 1-38<br>(126)                           |
| - Transportation  |       | (5,245)        | (4,713)        |   |
| - Reversal of inventory write-down                        |       | 380            | -              | SFRS(I) 1-2<br>(36(e)), (36(f))                 |
| - Finance   | 9     | (9,739)        | (7,213)        | SFRS(I) 1-1<br>(82(b))                          |
| - Other   |       | (1,705)        | (1,292)        |   |
| Changes in inventories                                    |       | (4,962)        | 8,217          |   |
| Total expenses  |       | (190,573)      | (153,632)      | SFRS(I) 1-1<br>(102)                            |
| Share of profit of associates and joint ventures          | 22,23 | 761            | 340            | SFRS(I) 1-1<br>(82(c))                          |
| Profit before income tax                                  |       | 60,578         | 51,077         |   |
| Income tax expense  | 10(a) | (15,893)       | (14,567)       | SFRS(I) 1-1<br>(82(d))                          |
| <b>Profit from continuing operations</b>                  |       | <b>44,685</b>  | <b>36,510</b>  |   |
| <b>Discontinued operations</b>                            |       |                |                |   |
| Profit from discontinued operations                       | 11    | 422            | 1,310          | SFRS(I) 1-1<br>(82(ea))<br>SFRS(I) 5<br>(33(a)) |
| <b>Total profit</b>                                       |       | <b>45,107</b>  | <b>37,820</b>  |   |



**Additional Disclosure Requirements**

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

**Example 1: Alternative presentations for statement of comprehensive income (continued)**Scenario 3: Two-statement presentation of the statement of comprehensive income based on a classification of expenses by nature (continued)**Consolidated income statement (continued)**

|   | Note  | 2024<br>\$'000 | 2023<br>\$'000 |                         |
|---|-------|----------------|----------------|-------------------------|
| <b>Attributable to</b>  |       |                |                |                         |
| Equity holders of the Company   |       | 41,483         | 34,416         | SFRS(I) 1-1<br>(81B(a)) |
| Non-controlling interests   |       | 3,624          | 3,404          |                         |
|   |       | <u>45,107</u>  | <u>37,820</u>  |                         |
| <b>Earnings per share (“EPS”) for profit from continuing and discontinued operations attributable to equity holders of the Company (\$ per share)</b> |       |                |                |                         |
| <b>Basic EPS</b>  |       |                |                |                         |
| - From continuing operations  | 12(a) | 1.53           | 1.38           | SFRS(I) 1-33<br>(66)    |
| - From discontinued operations  | 12(a) | 0.01           | 0.05           | SFRS(I) 1-33<br>(68)    |
| <b>Diluted EPS</b>  |       |                |                |                         |
| - From continuing operations  | 12(b) | 1.41           | 1.25           | SFRS(I) 1-33<br>(66)    |
| - From discontinued operations  | 12(b) | 0.01           | 0.04           | SFRS(I) 1-33<br>(68)    |



## Additional Disclosure Requirements

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

### Example 1: Alternative presentations for statement of comprehensive income (continued)

Scenario 3: Two-statement presentation of the statement of comprehensive income based on a classification of expenses by nature (continued)

#### Consolidated statement of comprehensive income

|   | Note  | 2024<br>\$'000 | 2023<br>\$'000       |
|---|-------|----------------|----------------------|
| <b>Profit for the year</b>  |       | <b>45,107</b>  | 37,820               |
| <b>Other comprehensive income:</b>                                  |       |                |                      |
| Items that may be reclassified subsequently to profit or loss:      |       |                | SFRS(I) 1-1<br>(82A) |
| Financial assets, at FVOCI  |       |                |                      |
| - Fair value gains/(losses) – debt instruments                      |       | 571            | (105)                |
| - Reclassification  |       | (145)          | -                    |
| Cash flow hedges  |       |                |                      |
| - Fair value gains/(losses)   |       | 173            | (500)                |
| - Reclassification  |       | 625            | 523                  |
| Share of other comprehensive income of associates                   | 22    | 68             | 35                   |
| Currency translation differences arising from consolidation         |       |                |                      |
| - Gains   |       | 489            | 600                  |
| - Reclassification  |       | -              | 19                   |
|   |       | <u>1,781</u>   | <u>572</u>           |
| Items that will not be reclassified subsequently to profit or loss: |       |                |                      |
| Revaluation gains on property, plant and equipment                  |       | 540            | 457                  |
| Financial assets, at FVOCI  |       |                |                      |
| - Fair value gains/(losses) - equity investments                    |       | <u>1,247</u>   | <u>(677)</u>         |
| <b>Other comprehensive income, net of tax</b>                       | 10(c) | <b>3,568</b>   | 352                  |
| <b>Total comprehensive income</b>                                   |       | <b>48,675</b>  | 38,172               |



# Additional Disclosure Requirements

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

## Example 1: Alternative presentations for statement of comprehensive income (continued)

Scenario 3: Two-statement presentation of the statement of comprehensive income based on a classification of expenses by nature (continued)

### Consolidated statement of comprehensive income (continued)

|  | Note | 2024<br>\$'000 | 2023<br>\$'000 |                         |
|--|------|----------------|----------------|-------------------------|
| <b>Total comprehensive income attributed to:</b> |      |                |                |                         |
| Equity holders of the Company                    |      | 44,684         | 34,355         | SFRS(I) 1-1<br>(81B(b)) |
| Non-controlling interests                        |      | 3,991          | 3,817          |                         |
|  |      | <u>48,675</u>  | <u>38,172</u>  |                         |





## Additional Disclosure Requirements

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

### Example 2: Provision for dismantlement, removal and restoration

Extracts of material accounting policies:

#### Property, plant and equipment<sup>1</sup>

Measurement  
Components of costs

“... .. The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of either acquiring the asset or using the asset for purpose other than to produce inventories.”

SFRS(I) 1-16  
(16(c))

#### Provisions

Provisions for asset dismantlement, removal or restoration are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amounts have been reliably estimated.

SFRS(I) 1-37  
(14)

The Group recognises the estimated costs of dismantlement, removal or restoration of items of property, plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value of money.

SFRS(I) 1-37  
(36), (45)

Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs are adjusted against the cost of the related property, plant and equipment, unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in profit or loss immediately.

SFRS(I) Int 1  
(5)

Extracts of notes to the financial statements:

#### Dismantlement, removal or restoration of property, plant and equipment

The Group uses various chemicals in the manufacture of component parts. A provision is recognised for the present value of costs to be incurred for the restoration of the manufacturing sites. It is expected that \$[ ] will be used during 2023 and \$[ ] during 2024.

SFRS(I) 1-37  
(85(a))

Total expected costs to be incurred are \$[ ] (2023: \$[ ]).



# Additional Disclosure Requirements

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

## Example 2: Provision for dismantlement, removal and restoration (continued)

Movement in this provision is as follows:

|                             | Group          |                | Company        |                |                         |
|-----------------------------|----------------|----------------|----------------|----------------|-------------------------|
|                             | 2024<br>\$'000 | 2023<br>\$'000 | 2024<br>\$'000 | 2023<br>\$'000 |                         |
| Beginning of financial year | [ ]            | [ ]            | [ ]            | [ ]            | SFRS(I) 1-37<br>(84(a)) |
| Provision made              | [ ]            | [ ]            | [ ]            | [ ]            | SFRS(I) 1-37<br>(84(b)) |
| Provision utilised          | [ ]            | [ ]            | [ ]            | [ ]            | SFRS(I) 1-37<br>(84(c)) |
| Amortisation of discount    | [ ]            | [ ]            | [ ]            | [ ]            | SFRS(I) 1-37<br>(84(e)) |
| End of financial year       | [ ]            | [ ]            | [ ]            | [ ]            | SFRS(I) 1-37<br>(84(a)) |

### Guidance notes

#### Costs of dismantlement, removal or restoration costs in respect of right-of-use assets

- The cost of the right-of-use assets includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Accordingly, such costs should be included in the carrying amount of the ROU assets and this set of accounting policies should be disclosed under Note 2.17 if the leased asset is separately presented on the balance sheet as right-of-use assets.

SFRS(I) 16  
(24(d))



## Additional Disclosure Requirements

### Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

#### Example 3: Post-employment benefits – pension and medical benefits

Extracts of material accounting policy information:

#### Employee compensation

##### (a) Pension benefits

The Group operates both defined benefit and defined contribution post-employment benefit plans.

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

SFRS(I) 1-19  
(8)

The Group's contributions are recognised as employee compensation expense when they are due.

Defined benefit plans are post-employment benefit pension plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation.

SFRS(I) 1-19  
(8)

The liability recognised in the balance sheet in respect of a defined benefit pension plan is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and have tenures approximating to that of the related post-employment benefit obligations.

SFRS(I) 1-19  
(57)  
SFRS(I) 1-19  
(67)  
SFRS(I) 1-19  
(83)

Actuarial gains and losses<sup>1</sup> arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period when they arise. The experience adjustments are not to be reclassified to profit or loss in a subsequent period<sup>2</sup>. Past service costs are recognised immediately in profit or loss.

SFRS(I) 1-19  
(120(c), 122,  
127, 128)



## Additional Disclosure Requirements

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

### Example 3: Post-employment benefits – pension and medical benefits (continued)

Extracts of material accounting policy information (continued):

#### Employee compensation (continued)

##### (a) Pension benefits (continued)

Some Group companies provide post-employment healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit plans. Actuarial gains and losses<sup>1</sup> arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period when they arise. These obligations are valued annually by independent qualified actuaries.

SFRS(I) 1-19  
(72)  
SFRS(I) 1-19  
(120(c))

#### Guidance notes

##### Post-employment benefits

- 1 When an entity has more than one defined benefit plan, disclosures may be made in total, separately for each plan, or in such groupings considered to be more useful. It may be useful to distinguish groupings by criteria such as follows:
  - (a) the geographical location of the plans, e.g. by distinguishing domestic plans from foreign plans; or
  - (b) the characteristics of the plans, e.g. by distinguishing flat salary pension plans from final salary pension plans and from post-employment medical plans.

SFRS(I) 1-19  
(138)

When an entity provides disclosures in total for a grouping of plans, such disclosures are provided in the form of weighted averages or of relatively narrow ranges.

SFRS(I) 1-19  
(144)

- 2 The entity may however elect to transfer remeasurements gains or losses arising from experience adjustments recognised in other comprehensive income within equity.

SFRS(I) 1-19  
(122)



**Additional Disclosure Requirements**

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

**Example 3: Post-employment benefits – pension and medical benefits**  
(continued)

Extracts of notes to the financial statements:

|  | Group        |              |
|--|--------------|--------------|
|  | 2024         | 2023         |
|  | \$'000       | \$'000       |
| Obligations recognised in the balance sheet for:             |              |              |
| Defined pension benefits                                     | 3,684        | 1,900        |
| Post-employment medical benefits                             | 1,410        | 701          |
|  | <u>5,094</u> | <u>2,601</u> |
| Expenses charged to profit or loss:                          |              |              |
| Defined pension benefits                                     | 948          | 561          |
| Post-employment medical benefits                             | 184          | 119          |
|  | <u>1,132</u> | <u>680</u>   |
| Remeasurements recognised in other comprehensive income for: |              |              |
| Defined pension benefits                                     | (84)         | 717          |
| Post-employment medical benefits                             | (35)         | 193          |

|   | Group        |              |                          |
|---|--------------|--------------|--------------------------|
|   | 2024         | 2023         |                          |
|   | \$'000       | \$'000       |                          |
| The amount recognised in the balance sheet relates to funded and unfunded plans as follows: |              |              | SFRS(I) 1-19<br>(138(e)) |
| Present value of funded obligations   | 6,165        | 2,943        |                          |
| Fair value of plan assets   | (5,221)      | (2,797)      |                          |
| Deficit of funded plans   | 944          | 146          |                          |
| Present value of unfunded obligations   | 2,426        | 1,549        |                          |
| Total deficit of defined benefit pension plans  | 3,370        | 1,695        |                          |
| Impact of minimum funding requirement/asset ceiling   | 314          | 205          |                          |
| Liability recognised in the balance sheet   | <u>3,684</u> | <u>1,900</u> |                          |



**Additional Disclosure Requirements**

## Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

**Example 3: Post-employment benefits – pension and medical benefits**  
(continued)

## (a) Pension benefits (continued)

The movement in the defined benefit obligation is as follows:

| <u>Group</u>   | Present<br>value of<br>obligation<br>\$'000 | Fair value<br>of plan<br>assets<br>\$'000 | Total<br>\$'000 | Impact of<br>minimum funding<br>requirement/<br>asset ceiling<br>\$'000 | Total<br>\$'000 |                          |
|--|---|---|-----------------|---|-----------------|--------------------------|
| <b>At 1 January 2023</b>   | <b>3,155</b>                                | <b>(2,242)</b>                            | <b>913</b>      | <b>120</b>  | <b>1,033</b>    |                          |
| Current service cost   | 498   | -   | 498             | -   | 498             | SFRS(I) 1-19<br>(141(a)) |
| Interest expense/(income)  | 214   | (156)                                     | 58              | 5   | 63              | SFRS(I) 1-19<br>(141(b)) |
|  | <b>712</b>                                  | <b>(156)</b>                              | <b>556</b>      | <b>5</b>  | <b>561</b>      |                          |
| Remeasurements:  |   |   |                 |   |                 |                          |
| - Return on plan assets,<br>excluding amounts included<br>in interest income   | -   | (85)                                      | (85)            | -   | (85)            | SFRS(I) 1-19<br>(141(c)) |
| - Loss from change in<br>demographic assumptions                               | 20  | -   | 20              | -   | 20              |                          |
| - Loss from change in<br>financial assumptions                                 | 61  | -   | 61              | -   | 61              |                          |
| - Experience losses  | 641   | -   | 641             | -   | 641             |                          |
| - Change in asset ceiling<br>excluding amounts included<br>in interest expense | -   | -   | -               | 80  | 80              |                          |
|  | <b>722</b>                                  | <b>(85)</b>                               | <b>637</b>      | <b>80</b>   | <b>717</b>      |                          |
| Exchange differences   | -   | -   | -               | -   | -               | SFRS(I) 1-19<br>(141(e)) |
| Contributions:   |   |   |                 |   |                 |                          |
| - Employers  | -   | (411)                                     | (411)           | -   | (411)           | SFRS(I) 1-19<br>(141(f)) |
| - Plan participants  | 30  | (30)                                      | -               | -   | -               |                          |
| Payment from plans:  |   |   |                 |   |                 |                          |
| - Benefits payments  | (127)                                       | 127                                       | -               | -   | -               | SFRS(I) 1-19<br>(141(g)) |
| <b>At 31 December 2023</b>   | <b>4,492</b>                                | <b>(2,797)</b>                            | <b>1,695</b>    | <b>205</b>  | <b>1,900</b>    |                          |



**Additional Disclosure Requirements**

## Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

**Example 3: Post-employment benefits – pension and medical benefits**  
(continued)

## (a) Pension benefits (continued)

| Group  | Present value of obligation \$'000 | Fair value of plan assets \$'000 | Total \$'000 | Impact of minimum funding requirement/asset ceiling \$'000 | Total \$'000 |                       |
|--|------------------------------------|----------------------------------|--------------|--|--------------|-----------------------|
| <b>At 1 January 2024</b>   | <b>4,492</b>                       | <b>(2,797)</b>                   | <b>1,695</b> | <b>205</b>   | <b>1,900</b> |                       |
| Current service cost   | 751                                | -                                | 751          | -  | 751          | SFRS(I) 1-19 (141(a)) |
| Interest expense/(income)  | 431                                | (308)                            | 123          | 9  | 132          | SFRS(I) 1-19 (141(b)) |
| Past service cost and gains and losses on settlements                    | 65                                 | -                                | 65           | -  | 65           | SFRS(I) 1-19 (141(d)) |
|  | <b>1,247</b>                       | <b>(308)</b>                     | <b>939</b>   | <b>9</b>   | <b>948</b>   |                       |
| Remeasurements:  |                                    |                                  |              |  |              |                       |
| - Return on plan assets, excluding amounts included in interest income   | -                                  | (187)                            | (187)        | -  | (187)        | SFRS(I) 1-19 (141(c)) |
| - Loss from change in demographic assumptions                            | 32                                 | -                                | 32           | -  | 32           |                       |
| - Loss from change in financial assumptions                              | 121                                | -                                | 121          | -  | 121          |                       |
| - Experience losses  | (150)                              | -                                | (150)        | -  | (150)        |                       |
| - Change in asset ceiling excluding amounts included in interest expense | -                                  | -                                | -            | 100  | 100          |                       |
|  | <b>3</b>                           | <b>(187)</b>                     | <b>(184)</b> | <b>100</b>   | <b>(84)</b>  |                       |
| Exchange differences   | (61)                               | (25)                             | (86)         | -  | (86)         | SFRS(I) 1-19 (141(e)) |
| Contributions:   |                                    |                                  |              |  |              |                       |
| - Employers  | -                                  | (908)                            | (908)        | -  | (908)        | SFRS(I) 1-19 (141(f)) |
| - Plan participants  | 55                                 | (55)                             | -            | -  | -            |                       |
| Payment from plans:  |                                    |                                  |              |  |              |                       |
| - Benefits payments  | (556)                              | 556                              | -            | -  | -            | SFRS(I) 1-19 (141(g)) |
| - Settlements  | (280)                              | 280                              | -            | -  | -            |                       |
| Acquired in a business combination                                       | 3,691                              | (1,777)                          | 1,914        | -  | 1,914        | SFRS(I) 1-19 (141(h)) |
| <b>At 31 December 2024</b>   | <b>8,591</b>                       | <b>(5,221)</b>                   | <b>3,370</b> | <b>314</b>   | <b>3,684</b> |                       |



## Additional Disclosure Requirements

### Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

#### Example 3: Post-employment benefits – pension and medical benefits (continued)

##### (a) Pension benefits (continued)

One of the plans has a surplus that is not recognised on the basis that future economic benefits are not available to the entity in the form of a reduction in future contributions or a cash refund.

SFRS(I)  
1-19 (141)

In connection with the closure of a factory, a curtailment loss was incurred and a settlement arrangement agreed with the plan trustees, effective 31 December 2024, which settled all retirement benefit plan obligations relating to the employees of that factory.

SFRS(I)  
1-19 (139(c))

##### Group

SFRS(I) 1-19  
(138(a))

|   | 2024         |              |                  |                 | 2023         |              |                  |                 |
|---|--------------|--------------|------------------|-----------------|--------------|--------------|------------------|-----------------|
|   | UK<br>\$'000 | US<br>\$'000 | Others<br>\$'000 | Total<br>\$'000 | UK<br>\$'000 | US<br>\$'000 | Others<br>\$'000 | Total<br>\$'000 |
| Present value of obligation                         | 3,843        | 4,215        | 523              | 8,591           | 2,962        | 1,050        | 480              | 4,492           |
| Fair value of plan assets                           | (2,674)      | (2,102)      | (435)            | (5,221)         | (2,018)      | (394)        | (385)            | (2,797)         |
|   | 1,169        | 2,113        | 88               | 3,370           | 944          | 656          | 95               | 1,695           |
| Impact of minimum funding requirement/asset ceiling | -            | -            | 314              | 314             | -            | -            | 205              | 205             |
| <b>Total</b>  | <b>1,169</b> | <b>2,113</b> | <b>402</b>       | <b>3,684</b>    | <b>944</b>   | <b>656</b>   | <b>300</b>       | <b>1,900</b>    |

The significant actuarial assumptions used were as follows:

SFRS(I)  
1-19 (144)

| Group               | 2024 |      | 2023 |      |
|---------------------|------|------|------|------|
|                     | UK   | US   | UK   | US   |
| Discount rate       | 5.1% | 5.2% | 5.5% | 5.6% |
| Salary growth rate  | 4.0% | 4.5% | 4.5% | 4.0% |
| Pension growth rate | 3.0% | 2.8% | 3.1% | 2.7% |

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in each territory. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 65:





## Additional Disclosure Requirements

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

### Example 3: Post-employment benefits – pension and medical benefits (continued)

(a) Pension benefits (continued)

| Group   | 2024 |    | 2023 |    |
|---|------|----|------|----|
|   | UK   | US | UK   | US |
| Retiring at the end of the reporting period             |      |    |      |    |
| - Male  | 22   | 20 | 22   | 20 |
| - Female  | 25   | 24 | 25   | 24 |
| Retiring 20 years after the end of the reporting period |      |    |      |    |
| - Male  | 24   | 23 | 24   | 23 |
| - Female  | 27   | 26 | 27   | 26 |

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

SFRS(I)  
1-19 (145(a))

| Group               | Impact on defined benefit obligation    |   |                        |
|---------------------|---|---|------------------------|
|                     | Change in assumption                    | Increase in assumption                  | Decrease in assumption |
| Discount rate       | 0.50%                                   | Decrease by 8.2%                        | Increase by 9.0%       |
| Salary growth rate  | 0.50%                                   | Increase by 1.8%                        | Decrease by 1.7%       |
| Pension growth rate | 0.50%                                   | Increase by 4.7%                        | Decrease by 4.4%       |
|                     | <b>Increase by 1 year in assumption</b> | <b>Decrease by 1 year in assumption</b> |                        |
| Life expectancy     | Increase by 2.8%                        | Decrease by 2.9%                        |                        |

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the pension liability recognised within the statement of financial position.

SFRS(I) 1-19  
(145(b))

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

SFRS(I) 1-19  
(145(c))



## Additional Disclosure Requirements

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

### Example 3: Post-employment benefits – pension and medical benefits (continued)

#### (b) Post-employment medical benefits

The Group operates a number of post-employment medical benefit schemes, principally in the US. The majority of these plans are unfunded. The method of accounting, significant assumptions and the frequency of valuations are similar to those used for defined benefit pension schemes set out above with the addition of actuarial assumptions relating to the long-term increase in healthcare costs of 8.0% a year (2023: 7.6%) and claim rates of 6% (2023: 5.2%).

SFRS(I) 1-19  
(139(a))  
SFRS(I) 1-19  
(144)

The amount recognised in the balance sheet relates to funded and unfunded plan is as follows:

SFRS(I) 1-19  
(138(e))

|   | <b>2024</b>   | 2023   |
|---|---------------|--------|
|   | <b>\$'000</b> | \$'000 |
| <u>Group</u>                              |               |        |
| Present value of funded obligations       | <b>690</b>    | 340    |
| Fair value of plan assets                 | <b>(605)</b>  | (294)  |
| Deficit of the funded plans               | <b>85</b>     | 46     |
| Present value of unfunded obligations     | <b>1,325</b>  | 655    |
| Liability recognised in the balance sheet | <b>1,410</b>  | 701    |



**Additional Disclosure Requirements**

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

**Example 3: Post-employment benefits – pension and medical benefits**  
(continued)

(b) Post-employment medical benefits (continued)

The movement in the net defined benefit obligation over the year is as follows:

SFRS(I) 1-19  
(140(a), 141)

| <u>Group</u>   | <b>Present value<br/>of obligation<br/>\$'000</b> | <b>Fair value of<br/>plan assets<br/>\$'000</b> | <b>Total<br/>\$'000</b> |  |
|--|---|---|-------------------------|--|
| <b>At 1 January 2023</b>   | <b>708</b>  | <b>(207)</b>                                    | <b>501</b>              |  |
| Current service cost   | 107   | –   | 107                     | SFRS(I) 1-19 (141(a))                          |
| Interest expense/(income)  | 25  | (13)  | 12                      | SFRS(I) 1-19 (141(b))                          |
|  | <b>132</b>  | <b>(13)</b>                                     | <b>119</b>              |  |
| Remeasurements:  |   |   |                         |  |
| - Return on plan assets, excluding amounts included in interest income | –   | (11)  | (11)                    | SFRS(I) 1-19 (141(c))                          |
| - Loss from change in demographic assumptions                          | 3   | –   | 3                       |  |
| - Loss from change in financial assumptions                            | 7   | –   | 7                       |  |
| - Experience losses  | 194   | –   | 194                     |  |
|  | <b>204</b>  | <b>(11)</b>                                     | <b>193</b>              |  |
| Exchange differences   | (31)  | 2   | (29)                    | SFRS(I) 1-19 (141(e))<br>SFRS(I) 1-19 (141(f)) |
| Contributions:   |   |   |                         |  |
| - Employers  | (10)  | (73)  | (83)                    | SFRS(I) 1-19 (141(f))                          |
| Payments from plans:   |   |   |                         |  |
| - Benefit payments   | (8)   | 8   | –                       | SFRS(I) 1-19 (141(g))                          |
| <b>At 31 December 2023</b>   | <b>995</b>  | <b>(294)</b>                                    | <b>701</b>              |  |



**Additional Disclosure Requirements**

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

**Example 3: Post-employment benefits – pension and medical benefits**  
(continued)

(b) Post-employment medical benefits (continued)

| <u>Group</u>   | <b>Present value<br/>of obligation<br/>\$'000</b> | <b>Fair value of<br/>plan assets<br/>\$'000</b> | <b>Total<br/>\$'000</b> |                       |
|--|---|---|-------------------------|-----------------------|
| <b>At 1 January 2024</b>   | <b>995</b>  | <b>(294)</b>                                    | <b>701</b>              |                       |
| Current service cost   | 153   | –   | 153                     | SFRS(I) 1-19 (141(a)) |
| Interest expense/(income)  | 49  | (18)  | 31                      | SFRS(I) 1-19 (141(b)) |
|  | <b>202</b>  | <b>(18)</b>                                     | <b>184</b>              |                       |
| Remeasurements:  |   |   |                         | SFRS(I) 1-19 (141(c)) |
| - Return on plan assets, excluding amounts included in interest income | –   | (33)  | (33)                    |                       |
| - Loss from change in demographic assumptions                          | 4   | –   | 4                       |                       |
| - Loss from change in financial assumptions                            | 10  | –   | 10                      |                       |
| - Experience gains   | (16)  | –   | (16)                    |                       |
|  | <b>(2)</b>  | <b>(33)</b>                                     | <b>(35)</b>             |                       |
| Exchange differences   | 37  | (5)   | 32                      | SFRS(I) 1-19 (141(e)) |
| Contributions:   |   |   |                         | SFRS(I) 1-19 (141(f)) |
| - Employers  | (12)  | (185)   | (197)                   |                       |
| Payments from plans:   |   |   |                         | SFRS(I) 1-19 (141(g)) |
| - Benefit payments   | (7)   | 7   | –                       |                       |
| Acquired in a business combination                                     | 802   | (77)  | 725                     | SFRS(I) 1-19 (141(h)) |
| <b>At 31 December 2024</b>   | <b>2,015</b>                                      | <b>(605)</b>                                    | <b>1,410</b>            |                       |



**Additional Disclosure Requirements**

## Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

**Example 3: Post-employment benefits – pension and medical benefits**  
(continued)

## (c) Post-employment benefits (pension and medical)

SFRS(I)  
1-19 (142)

Plan assets are comprised as follows:

| Group   | 2024             |                         |                 | In %        | 2023             |                         |                 | In %        |
|---|------------------|-------------------------|-----------------|-------------|------------------|-------------------------|-----------------|-------------|
|   | Quoted<br>\$'000 | Un-<br>quoted<br>\$'000 | Total<br>\$'000 |             | Quoted<br>\$'000 | Un-<br>quoted<br>\$'000 | Total<br>\$'000 |             |
| Equity instruments                            |                  |                         | <b>1,824</b>    | <b>31%</b>  |                  |                         | 1,216           | 51%         |
| Information technology                        | 502              | –                       | 502             |             | 994              | –                       | 994             |             |
| Energy  | 557              | –                       | 557             |             | –                | –                       | –               |             |
| Manufacturing                                 | 746              | –                       | 746             |             | 194              | –                       | 194             |             |
| Other   | –                | 19                      | 19              |             | –                | 28                      | 28              |             |
| Debt instruments                              |                  |                         | <b>2,186</b>    | <b>37%</b>  |                  |                         | 571             | 24%         |
| Government Corporate bonds (Investment grade) | 941              | –                       | 941             |             | 321              | –                       | 321             |             |
| Corporate bonds (Non-investment grade)        | 900              | –                       | 900             |             | 99               | –                       | 99              |             |
| Property                                      | 68               | 277                     | 345             |             | 41               | 110                     | 151             |             |
| In US   | –                | 800                     | 800             |             | –                | –                       | –               |             |
| In UK   | –                | 247                     | 247             |             | –                | 246                     | 246             |             |
| Qualifying insurance policies                 | –                | 496                     | <b>496</b>      | <b>9%</b>   | –                | 190                     | 190             | 8%          |
| Cash and cash equivalents                     | 177              | –                       | <b>177</b>      | <b>3%</b>   | 94               | –                       | 94              | 4%          |
| Investment funds                              | 111              | –                       | <b>111</b>      | <b>2%</b>   | 77               | –                       | 77              | 3%          |
| <b>Total</b>                                  | <b>4,002</b>     | <b>1,839</b>            | <b>5,841</b>    | <b>100%</b> | <b>1,820</b>     | <b>574</b>              | <b>2,394</b>    | <b>100%</b> |

Pension and medical plan assets include the Company's ordinary shares with a fair value of \$136,000 (2023: \$126,000) and US real estate occupied by the Group with a fair value of \$612,000 (2023: \$609,000).

SFRS(I)  
1-19 (143)

## Additional Disclosure Requirements

### Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

#### Example 3: Post-employment benefits – pension and medical benefits (continued)

##### Risk exposure

Through its defined benefit pension plans and post-employment medical plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

|                        |   |
|------------------------|---|
| Asset volatility       | <p>The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit. Both the UK and US plans hold a significant proportion of equities, which are expected to outperform corporate bonds in the long-term while providing volatility and risk in the short-term.</p> <p>As the plans mature, the Group intends to reduce the level of investment risk by investing more in assets that better match the liabilities. The first stage of this process was completed in FY2018 with the sale of a number of equity holdings and purchase of a mixture of government and corporate bonds. The government bonds represent investments in UK and US government securities only. The corporate bonds are global securities with an emphasis on the UK and US.</p> <p>However, the Group believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity investment is an appropriate element of the Group's long-term strategy to manage the plans efficiently. See below for more details on the Group's asset-liability matching strategy.</p> |
| Changes in bond yields | <p>A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.</p>  |
| Inflation risk         | <p>The majority of the plans' benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The majority of the plan's assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit.</p> <p>In the US plans, the pensions in payment are not linked to inflation, so this is a less material risk.</p>   |
| Life expectancy        | <p>The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant in the UK plan, where inflationary increases result in higher sensitivity to changes in life expectancy.</p>   |



## Additional Disclosure Requirements

### Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

#### Example 3: Post-employment benefits – pension and medical benefits (continued)

In case of the funded plans, the Group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the pension schemes. Within this framework, the Group's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

SFRS(I) 1-19  
(146)

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligations. The Group has not changed the processes used to manage its risks from previous periods. The Group does not use derivatives to manage its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets in FY2024 consists of equities and bonds, although the Group also invests in property, bonds, cash and investment (hedge) funds. The Group believes that equities offer the best returns over the long term with an acceptable level of risk. The majority of equities are in a globally diversified portfolio of international blue chip entities, with a target of 60% of equities held in the UK and Europe, 30% in the US and the remainder in emerging markets.

SFRS(I) 1-19  
(147(a))

The Group has agreed that it will aim to eliminate the pension plan deficit over the next nine years. Funding levels are monitored on an annual basis and the current agreed contribution rate is 14% of pensionable salaries in the UK and 12% in the US. The next triennial valuation is due to be completed as at 31 December 2024. The Group considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

SFRS(I) 1-19  
(147(b))

Expected contributions to post-employment benefit plans for the year ending 31 December 2024 are \$1,150,000.

SFRS(I) 1-19  
(147(b))

The weighted average duration of the defined benefit obligation is 25.2 years.

SFRS(I) 1-19  
(147(c))



**Additional Disclosure Requirements**

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

**Example 3: Post-employment benefits – pension and medical benefits**  
(continued)

Expected maturity analysis of undiscounted pension and post-employment medical benefits:

Group

| <b>At 31 December<br/>2024</b>              | <b>Less than<br/>1 year<br/>\$'000</b> | <b>Between<br/>1-2 years<br/>\$'000</b> | <b>Between<br/>2-5 years<br/>\$'000</b> | <b>Over 5<br/>years<br/>\$'000</b> | <b>Total<br/>\$'000</b> |
|---|--|---|---|------------------------------------|-------------------------|
| Pension benefits                            | 628                                    | 927                                     | 2,004                                   | 21,947                             | 25,506                  |
| Post-employment<br>medical benefits         | 127                                    | 174                                     | 714                                     | 4,975                              | 5,990                   |
| <b>Total as at<br/>31 December<br/>2024</b> | <b>755</b>                             | <b>1,101</b>                            | <b>2,718</b>                            | <b>26,922</b>                      | <b>31,496</b>           |





## Additional Disclosure Requirements

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

### Example 4: Defaults and breaches of loans payable

#### Defaults of loan payments

Extracts of notes to the financial statements on borrowings:

##### Scenario 1:

##### Defaults of loan payments – classification of loan as “current” at reporting date

SFRS(I) 7 (18)

The Company has experienced a temporary shortage of funding because cash outflows in the second quarter for business expansion in [countries] were higher than anticipated. As a result, interest payables of \$[ ] on the Company’s loan with Bank A due by [date] remained unpaid as at 31 December 2024. The carrying amount of the loan payable in default as at 31 December 2024 is \$[ ].

SFRS(I) 7  
(18(a), (b))

In January 2025, the Company obtained a new loan with Bank B having a maturity of three years to settle its existing debt with Bank A. The loan with Bank A was settled on 27 January 2025.

SFRS(I) 7  
(18(c))  
SFRS(I) 1-1  
(73), (76)

The loan with Bank A is presented as current liability as at 31 December 2024.

##### Scenario 2:

##### Defaults of loan payments – classification of loan as “non-current” at reporting date

The Company has bank borrowings with a carrying amount of \$[ ] which are due in 2026. Interest payments of \$[ ] on these borrowings was overdue as at 30 September 2024. The Company experienced a temporary shortage of funding because cash outflows in the second and third quarters for business expansion in [countries] were higher than anticipated. As a result, interest payables of \$[ ] due by [date] remained unpaid and the Bank served the Company a default notice on 1 November 2024.

SFRS(I) 1-1  
(73)  
SFRS(I) 7  
(18(a), (b))

The Company has paid all overdue amounts (including additional interest and penalties for the late payment) before 31 December 2024 and the Bank has agreed that the remaining borrowings continue to be due in 2026.

SFRS(I) 1-1  
(73), (74)  
SFRS(I) 7  
(18(c))

Management expects that the Company will be able to meet all contractual obligations from borrowings on a timely basis going forward.



## Additional Disclosure Requirements

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

### Example 4: Defaults and breaches of loans payable (continued)

#### Breaches of loan covenants

Extracts of notes to the financial statements on borrowings:

##### Scenario 1: Breaches of loan covenants – classification of loan as “current” at reporting date

SFRS(I) 7 (19)

Some of the Company’s loan agreements (classified as non-current during the year) are subjected to covenant clauses, whereby the Company is required to meet certain key financial ratios. The Company did not fulfil the debt/equity ratio as required in the contract for a credit line of \$[ ], of which the Company has currently drawn an amount of \$[ ].

SFRS(I) 1-1  
(73), (74),  
(135(e))

Due to this breach of the covenant clause, the bank is contractually entitled to request for immediate repayment of the outstanding loan amount of \$[ ]. Accordingly, the outstanding balance is presented as a current liability as at 31 December 2024. The bank had not requested early repayment of the loan as of the date when these financial statements were approved by the Board of Directors. Management is in the process of renegotiating the terms of the loan agreement with the bank and expects that a revised loan agreement will be in place in the second quarter of 2025.

##### Scenario 2: Breaches of loan covenants – classification of loan as “non-current” at reporting date<sup>1</sup>

SFRS(I) 7 (19)

Some of the Company’s loan agreements are subject to covenant clauses, whereby the Company is required to meet certain key financial ratios. The Company did not fulfil the debt/equity ratio as required in the contract for a credit line of \$[ ], of which the Company has currently drawn an amount of \$[ ].

Due to this breach of the covenant clause, the bank is contractually entitled to request for immediate repayment of the outstanding loan amount of \$[ ].

However, prior to the end of the financial year, the bank has agreed to a 12-month period of grace ending on 31 December 2025.

SFRS(I) 1-1  
(75), (135(e))

The outstanding balance is presented as a non-current liability as at 31 December 2024.

#### Guidance notes

##### Non-current classification

- If the breach occurs after the end of the reporting period, then the liability would still be shown as non-current, unless the breach was so serious that the financial statements could not be presented on a going concern basis.



## Additional Disclosure Requirements

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

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### Example 4: Defaults and breaches of loans payable (continued)

#### Difficulties complying with covenants

Extracts of notes to the financial statements on borrowings:

#### **Difficulties to comply with loan covenants – non-current loan which might become repayable within 12 months after reporting date**

The Group temporarily expects rising costs for some of its business operations in the coming months due to recent unexpected supply chain disruptions in some jurisdictions in which it operates. The Group does not consider it realistic or have the practical ability to pass additional costs arising from alternative supply sources to its customers through price increases in the short term. As a result, the Group expects to experience a temporary decrease in adjusted EBITDA and there is a risk that the Group will not comply with applicable debt covenants for its major bank loan at the next compliance date (that is, 30 June 2025), in which case the bank loan will become immediately repayable. The Group is currently in negotiations with the lender to revise the covenants related to adjusted EBITDA of this bank loan, which has a carrying amount of \$[ ].

SFRS(I) 1-1  
(76ZA)(b)



## Additional Disclosure Requirements

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

### Example 5: Foreign currency convertible bonds – equity conversion option classified as derivative liability

Extracts of material accounting policy information:

#### Foreign currency convertible bonds

On issuance of the foreign currency convertible bonds, the proceeds are allocated between the embedded equity conversion option and the liability component. The embedded option is recognised at its fair value. The liability component is recognised as the difference between total proceeds and the fair value of the equity conversion option.

SFRS(I) 9  
(4.3.3)

The equity conversion option is subsequently carried at its fair value with fair value changes recognised in profit or loss. The foreign currency-denominated liability component is carried at amortised cost until the liability is extinguished on conversion or redemption.

When an equity conversion option is exercised, the carrying amounts of the liability component and the equity conversion option are derecognised with a corresponding recognition of share capital.

SFRS(I)  
1-32  
(AG32)

Extracts of notes to the financial statements:

#### Other gains and losses

|   | <u>Group</u><br>2023<br>\$'000 | 2022<br>\$'000 |                         |
|---|--------------------------------|----------------|-------------------------|
| Fair value gains on equity conversion option in convertible bonds | <u>4,083</u>                   | -              | SFRS(I) 7<br>(20(a)(v)) |

#### Finance expenses

|                                     | <u>Group</u><br>2023<br>\$'000 | 2022<br>\$'000 |                      |
|-------------------------------------|--------------------------------|----------------|----------------------|
| Interest expense: Convertible bonds | <u>16,966</u>                  | -              | SFRS(I) 7<br>(20(b)) |



## Additional Disclosure Requirements

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

### Example 5: Foreign currency convertible bonds – equity conversion option classified as derivative liability (continued)

Extracts of notes to the financial statements on borrowings:

On 1 October 2024, the Group issued zero coupon convertible bonds at a nominal value of US\$500 million (equivalent to \$700 million) due on 4 October 2027. The bonds may be redeemed on 4 October 2026 at their nominal value or can be converted into shares of the Company (the “conversion option”) at the holder’s option at a conversion price of US\$2.20 per share at any time on and after 14 November 2024 up to the close of business on 24 September 2027 if not called for redemption.

On full conversion, up to 320,000,000 conversion shares are issued and allotted to the holders of the bonds, if the full carrying amount of bonds is converted into shares instead of being redeemed.

The convertible bonds recognised in the balance sheet are analysed as follows:

| <b>Group</b>   | <b>2024</b>           |
|--|-----------------------|
|  | \$'000                |
| Face value of convertible bonds issued, net of transaction costs | 700,000               |
| Embedded equity conversion option                                | (4,083)               |
| Liability component at initial recognition                       | <u>695,917</u>        |
|  | \$'000                |
| Accumulated amortisation of interest expense                     | 16,966                |
| Currency translation differences                                 | (5,898)               |
| Liability component at end of financial year                     | <u><u>706,985</u></u> |

The fair value of the liability component of the convertible bonds at 31 December 2024 is \$707,545,000. The fair value is calculated using cash flows discounted at a borrowing rate of 6.48%.

SFRS(I) 7 (25)  
SFRS(I) 13  
(93(d))



## Additional Disclosure Requirements

Appendix 1 – Areas not relevant to PwC Holdings Ltd Group

### Example 6: Related party disclosures for government-related entities

Extracts of notes to the financial statements on related party transactions:

Government S, indirectly, owns 75% of the Company's outstanding shares. In addition to the related party information and transactions disclosed elsewhere in the financial statements, the Company's significant transactions with Government S and other entities controlled, jointly controlled or significantly influenced by Government S include the purchase of approximately 90% of the Company's/Group's power supply from [...], a government controlled entity.

SFRS(I) 1-24  
(26)

In addition, during the year ended 31 December 2024, Government S sold a piece of land to the Company for a total consideration of \$400,000, settled partly in cash and partly on credit terms.

A loan of \$[ ] from Government S is repayable in quarterly instalments over the next two years. Interest is charged on the loan at a rate of [ ]%, which is comparable to that charged on the Company's bank loans.

#### Guidance notes

##### Related party disclosures for government-related entities

1 The disclosure is relevant for transactions among government-related entities and the Government. Specifically, a reporting entity is exempt from the general disclosure requirements of SFRS(I) 1-24 in relation to related party transactions and outstanding balances (including commitments) with the government and other government-related entities. However, where a reporting entity is exempt from the general disclosure requirements above, the revised SFRS(I) 1-24 requires the reporting entity to disclose the following information about the transactions and related outstanding balances:

SFRS(I) 1-24  
(25), (26)

- the name of the government and the nature of its relationship with the reporting entity (i.e. control, joint control or significant influence);
- the following information in sufficient detail about:
  - the nature and amount of each individually significant transaction; and
  - for other transactions that are collectively, but not individually, significant, a qualitative or quantitative indication of their extent.



# Additional Illustrative Disclosures

## Appendix 2 – IBOR Reform Disclosures

### Background

In preparing the illustrative financial statements in the main body of this publication, we have assumed that PwC Holdings Ltd will not be affected by the inter-bank offer rate (“IBOR”) reforms. While most entities should have transitioned away from interbank offered rates (IBORs) by 31 December 2024, there are still a few contracts and jurisdiction rates which remain subject to transition. Some entities may still in the process of negotiating a replacement rate for IBOR legacy contracts with rates that ceased.

Entities with hedging relationships and entities that have exposure to interest rates where (i) the interest rates are dependent on IBORs, and (ii) these IBORs are still subject to the IBOR transition should consider to what extent they may need to update the information previously provided about their exposure to IBOR reform and their progress in transitioning to alternative benchmark rates<sup>1-4</sup>.

This appendix shows the disclosures an entity would have to add if it has the following transaction:

- a SGD borrowing with a variable interest rate based on 1-month SIBOR and a cash flow hedge in the form of a floating-to-fixed rate interest rate swap that is referenced to 1-month SIBOR that has transitioned to SORA during the financial year

The disclosures assume that the entity has adopted the hedge accounting requirements of SFRS(I) 9<sup>2-4</sup>. Depending on when the entity amends its IBOR-linked contracts and the relevant IBOR cessation dates, Phase 1 reliefs may still be applicable for certain hedging relationships where the uncertainty in terms of timing and amount of IBOR transition still exist.

SFRS(I) 9  
(7.1.8),  
SFRS(I) 7  
(44DE)

The examples below illustrate the disclosure requirements arising from the Phase 2 amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 16 and SFRS(I) 7 due to IBOR reform which are applicable for annual reporting periods beginning on or after 1 January 2021. Disclosures relating to the Phase 1 amendments were illustrated in past editions of this publication and below, where applicable.

SFRS(I) 9  
(7.1.10),  
SFRS(I) 7  
(44GG)

While we are primarily illustrating the disclosures required by the amendments made to SFRS(I) 7 and other hedge accounting disclosures affected by IBOR reform, we have included extracts of the other disclosures from the main body of the publication, to provide some context for the additional disclosures.

The illustrative disclosures presented are not exhaustive.



For further guidance and illustrations, entities may refer to our guidance below:

[Practical guide to Phase 1 amendments for IBOR reform](#)

[Practical guide to Phase 2 amendments for IBOR reform](#)



## Additional Illustrative Disclosures

### Appendix 2 – IBOR Reform Disclosures

Extracts of notes to the financial statements:

#### Note [ ] Basis of preparation (extracts)

##### Interest Rate Benchmark Reform – Phase 2

SFRS(I) 1-8  
(28)  
SFRS(I) 9  
(7.2.46)

In the financial year ended 31 December 2021, the Group has adopted the amendments to SFRS(I) 9, SFRS(I) 7 and SFRS(I) 16 *Interest Rate Benchmark Reform – Phase 2* effective 1 January 2021. In accordance with the transition provisions, the amendments were applied retrospectively to hedging relationships and financial instruments. Comparative amounts have not been restated, and there was no impact on the prior period opening reserves amounts on adoption.

#### Hedge relationships

The Phase 2 amendments address issues arising during interest rate benchmark reform ("IBOR reform"), including specifying when hedge designations and documentation should be updated, and when amounts accumulated in cash flow hedge reserve should be recognised in profit or loss.

Note [ ] provides further information about the reliefs applied by the Group and the hedging relationships for which the Group has applied the reliefs. No changes were required to any of the amounts recognised in the current or prior period as a result of these amendments, except for hedge ineffectiveness which is disclosed in Note [ ].





## Additional Illustrative Disclosures

### Appendix 2 – IBOR Reform Disclosures

Extracts of notes to the financial statements (continued):

#### Note [ ] Basis of preparation (extracts) (continued)

##### Interest Rate Benchmark Reform – Phase 2 (continued)

In the current year, the Group has continued to apply the following hedge accounting reliefs provided by the 'Phase 2' amendments<sup>11</sup> to existing cash flow hedges (notional amount of S\$[ ]) that have transited to alternative benchmark rates required by IBOR reform:

- **Hedge designation:** When the 'Phase 1' amendments cease to apply, the Group will amend its hedge designation to reflect changes which are required by IBOR reform. These amendments to the hedge documentation do not require the Group to discontinue its hedge relationships.
- **Amounts accumulated in the cash flow hedge reserve:** When the interest rate benchmark on which the hedged future cash flows were based is changed as required by IBOR reform, the accumulated amount outstanding in the cash flow hedge reserve is deemed to be based on the alternative benchmark rate

#### Financial instruments measured at amortised cost and lease liabilities

Phase 2 of the amendments requires that, for financial instruments measured using amortised cost measurement, changes to the basis for determining the contractual cash flows required by IBOR reform are reflected by adjusting their effective interest rate. No immediate gain or loss is recognised. A similar practical expedient exists for lease liabilities (see below).

These expedients are only applicable to changes that are required by IBOR reform, which is the case if, and only if, the change is necessary as a direct consequence of IBOR reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change<sup>9</sup>.

SFRS(I) 9  
(7.2.46)  
SFRS(I) 16  
(C1B)

For lease liabilities where there is a change to the basis for determining the contractual cash flows, as a practical expedient the lease liability is remeasured by discounting the revised lease payments using a discount rate that reflects the change in the interest rate where the change is required by IBOR reform. If lease modifications are made in addition to those required by IBOR reform, the Group applies the relevant SFRS(I) 16 requirements to account for the entire lease modification, including those changes required by IBOR reform.



## Additional Illustrative Disclosures

### Appendix 2 – IBOR Reform Disclosures

Extracts of notes to the financial statements (continued):

#### Note [ ] Basis of preparation (extracts) (continued)

##### Interest Rate Benchmark Reform – Phase 2 (continued)

For the year ended 31 December 2024, the Group has applied the practical expedients provided under Phase 2 to amendments to \$[ ] of its long-term debt, as disclosed in Note [ ].

#### Effect of IBOR reform

Following the global financial crisis, the reform and replacement inter-bank offered rates ("IBOR") has become a priority for global regulators. The Group's risk exposure that is directly affected by the IBOR reform predominantly comprises its variable rate borrowings that are linked to the Singapore Interbank Offered Rate ("SIBOR"). These floating rate borrowings are hedged using interest rate swaps, which have been designated as cash flow hedges.

SFRS(I) 7  
(24H, 24I, 24J)

1-month SIBOR loses its representativeness after 31 December 2024. The Group has amended all its 1-month SIBOR linked borrowing and interest rate swaps to reference to the SORA, and the Group has applied the Phase 2 amendments for amortised cost measurement and hedge accounting. Difference in the timings of transition of the borrowing and swaps gave rise to hedge ineffectiveness in the current year, as disclosed in Note [ ]. The transition from 1-month SIBOR to SORA had no material effect on the amounts reported for the current and prior financial year.



**Additional Illustrative Disclosures**

## Appendix 2 – IBOR Reform Disclosures

Extracts of notes to the financial statements (continued):

**Note [ ] Critical judgements in applying the entity's accounting policies**

In calculating the change in fair value attributable to the variability of SOR in the hedged SGD borrowing, the Group assumes that:

SFRS(I) 7  
(24H(d))

- The borrowing will move to SORA at the same time as the interest rate swap (hedging instrument) with a similar adjustment spread computed on the same basis;
- No other changes to the terms of the borrowing and interest rate swap are anticipated; and
- The interest rate swap will not be derecognised.

SFRS(I) 9  
(6.9.2)

Given that the critical terms are assumed to continue to match, the change in fair value of the hedged risk is the same as the change in fair value of the hedging instrument. Therefore, no hedge ineffectiveness is recognised as a result of the expected transition of the cash flow hedges from SOR to SORA.



# Additional Illustrative Disclosures

## Appendix 2 – IBOR Reform Disclosures

Extracts of notes to the financial statements (continued):

### Note [ ] Derivative financial instruments (extracts)

|                                   | ← Group →                          |                 |                     | →<br>Notional amount directly impacted by IBOR reform | SFRS(I) 7<br>(24H(e)) |
|-----------------------------------|------------------------------------|-----------------|---------------------|---|-----------------------|
|                                   | Contract notional amount<br>\$'000 | Fair value      |                     |   |                       |
|                                   |                                    | Asset<br>\$'000 | Liability<br>\$'000 |   |                       |
| <b>31 December 2024</b>           |                                    |                 |                     |   |                       |
| Derivatives held for hedging:     |                                    |                 |                     |   |                       |
| Cash-flow hedges                  |                                    |                 |                     |   |                       |
| - Interest rate swaps             | [ ]                                | [ ]             | [ ]                 | [ ]   |                       |
| - Currency forwards               | [ ]                                | [ ]             | [ ]                 |   |                       |
| Fair value hedge                  |                                    |                 |                     |   |                       |
| - Currency forwards               | [ ]                                | [ ]             | [ ]                 |   |                       |
| Derivatives not held for hedging: |                                    |                 |                     |   |                       |
| - Currency forwards               | [ ]                                | [ ]             | [ ]                 |   |                       |
| <b>Total</b>                      |                                    | <u>[ ]</u>      | <u>[ ]</u>          |   |                       |
|                                   |                                    |                 |                     |   |                       |
| - Current                         |                                    | [ ]             | [ ]                 |   |                       |
| - Non-current                     |                                    | [ ]             | [ ]                 |   |                       |
| <b>Total</b>                      |                                    | <u>[ ]</u>      | <u>[ ]</u>          |   |                       |



## Additional Illustrative Disclosures

### Appendix 2 – IBOR Reform Disclosures

Extracts of notes to the financial statements (continued):

#### Note [ ] Financial risk management (extracts)

(a) Market risk

SFRS(I) 7 (33)

(iii) Cash flow and fair value interest rate risk

SFRS(I) 7  
(21C)

The Group is exposed mainly to the Singapore Overnight Rate Average (“SORA”). The Group’s treasury function completed the Group’s Singapore Inter-bank Offer Rate (“SIBOR”) transition to SORA during the year.

SFRS(I) 7  
(22A, 24H)

#### Hedging relationships for which ‘Phase 2’ amendments apply

The Group has judged that IBOR uncertainty is no longer present<sup>7</sup> with respect to its cash flow hedges of its SOR and SIBOR-linked borrowings.

In the current year, the Group has applied the following hedge accounting reliefs provided by the Phase 2 amendments for its hedging relationships that have already transitioned to from SIBOR to SORA, and also those from SOR to fallback reference rates:

- **Hedge designation**<sup>8</sup>: When the Phase 1 amendments cease to apply, the Group has amended its hedge designation to reflect the following changes which are required by IBOR reform:
  - designating SORA and the fallback rate as a hedged risk;
  - the contractual benchmark rate of the hedged SGD borrowing has been amended from SIBOR to SORA plus an adjustment spread; and/or
  - the variable rate of the hedging interest rate swap has been amended from SIBOR to SORA with an adjustment spread added to the fixed rate.

These amendments to the hedge documentation do not require the Group to discontinue its hedge relationships.

Amounts accumulated in the cash flow hedge reserve<sup>8</sup>: When the Group amended its hedge designation for changes to its borrowings that is required by IBOR reform, the accumulated amount outstanding in the cash flow hedge reserve was deemed to be based on SORA. The amount is reclassified to profit or loss in the same periods during which the hedged SORA cash flows affect profit or loss.



## Additional Illustrative Disclosures

### Appendix 2 – IBOR Reform Disclosures

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Extracts of notes to the financial statements (continued):

**Note [ ] Financial risk management** (extracts) (continued)

(a) Market risk (continued)

SFRS(I) 7 (33)

**(iii) Cash flow and fair value interest rate risk (continued)**

SFRS(I) 7  
(21C)

Hedge effectiveness (extracts)

SFRS(I) 7  
(22B(c), 23D)

Hedge ineffectiveness for interest rate swaps may occur due to:

- ...
- Transiting the hedged item and the hedging instrument to alternative benchmark rates at different time, which may result in temporary mismatch in benchmark interest rates or permanent difference in adjustment spreads.

Ineffectiveness of \$[ ] has been recognised in relation to the interest rate swaps in other gains or losses in profit or loss for 2024 (2023: \$[ ]). The significant increase in ineffectiveness in the current year was caused by the transition of the interest rate swap and the hedged debt from SIBOR to SORA<sup>1</sup> at different dates during the year.



## Additional Illustrative Disclosures

### Appendix 2 – IBOR Reform Disclosures

#### Guidance notes

##### Interest rate benchmark reform

- 1 Entities should consider whether further disclosure of the impending replacement of IBORs should be provided in other parts of the annual report, for example in management’s discussion and analysis.

##### Adaptation of disclosures and assumptions made

- 2 In compiling these illustrative disclosures, we have assumed that the Group has contracts that are linked to 1-month SIBOR only. The disclosure should be repeated for each significant interest rate benchmark to which the entity is exposed.
- 3 Disclosures will need to be updated to reflect the latest information specifically relating to the Group and its transition process, as the Group advances through its transition process.
- 4 The disclosures will further need to be expanded to include entity-specific disclosures of all other IBOR-related risk exposures that are managed by the entity, including how the entity is managing the transition process. In addition to debt instruments and derivatives, these might include leases and other contracts with payments linked to an IBOR.

SFRS(I) 7 (24I)

SFRS(I) 7  
(24H)

##### Uncertainties from interest rate benchmark reforms no longer present

- 5 The relief provided by the Phase 1 amendments for hedge accounting ceases to apply prospectively when the uncertainties arising from the interest rate benchmark reform are no longer present, e.g. because the hedged item and the hedging instrument have been moved to an alternative benchmark rate.
- 6 Additional amendments to IFRS 9, IAS 39 and IFRS 7 (“Phase 2 Amendments”) have been issued by the IASB which addresses the accounting effects of that arise on an entity’s financial statements when an interest rate benchmark used to calculate interest on a financial asset is replaced with an alternate benchmark date. The Phase 2 Amendments are effective for annual periods beginning on or after 1 January 2021, with earlier application permitted.
- 7 Entities may need to apply judgement in determining if the uncertainties arising from IBOR reform have ceased. Specific facts and circumstances will need to be considered, and significant judgements should be disclosed.

SFRS(I) 9  
(6.8.9 – 6.8.12)SFRS(I) 9  
(7.1.10)

##### Tailoring of disclosures applicable to the entity

- 8 Certain disclosures have been illustrated in this appendix for completeness. The entity will need to assess if these disclosures should be included in its financial statements based on the entity’s facts and circumstances.



**Additional Illustrative Disclosures**

## Appendix 2 – IBOR Reform Disclosures

**Guidance notes****Changes to contractual cash flows**

- 9 The practical expedient allowed for financial instruments measured using amortised cost measurement is only applicable to changes to contractual cash flows that are a direct consequence of IBOR reform, and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change.

SFRS(I) 9  
(5.4.7)

Where some or all of a change in the basis for determining the contractual cash flows of a financial asset and liability does not meet the above criteria, the above practical expedient is first applied to the changes required by IBOR reform, including updating the instrument's effective interest rate. Any additional changes are assessed for modification or derecognition in accordance with SFRS(I) 9, with the resulting modification gain or loss recognised immediately in profit or loss where the instrument is not derecognised.

SFRS(I) 9  
(5.4.9)**Disclosure of instruments that have not yet transitioned to an alternative benchmark rate**

- 10 Entities are required to disclose the financial instruments that have yet to transition to an alternative benchmark rate as at the end of the reporting period, disaggregating this disclosure by the various significant interest rate benchmarks subject to IBOR reform, showing separately:

SFRS(I) 7  
(24J(b))

- (a) Non-derivative financial assets;
- (b) Non-derivative financial liabilities; and
- (c) Derivatives.

The amounts within the two columns may not be equivalent if the entity has a portion of financial instruments that have already transitioned to an alternative benchmark rate.





## Additional Illustrative Disclosures

### Appendix 2 – IBOR Reform Disclosures

#### Guidance notes

#### Hedge of risk components – IBOR reform Phase 2 relief

- 11 SFRS(I) 9 permits an entity to designate a risk component as the hedged item provided that the risk component is separately identifiable and reliably measurable.

In the early stage of the IBOR reform, alternative benchmark rates may not be separately identifiable. For instance, the market may not be pricing fixed-rate debt instruments directly in response to changes in the alternative benchmark rate. In such a case, an alternative benchmark rate cannot be designated as a hedged risk component of a fixed rate debt instrument as it is not yet separately identifiable and reliably measurable.

The Phase 2 amendments temporary hedge accounting relief provides that an alternative benchmark rate designated as a non-contractually specified risk component that is not separately identifiable, at the date when it is designated, will be deemed to have met the requirements at that date if the entity reasonably expects that it will meet the requirements within a period of 24 months.

If, at a later date, the entity reasonably expects that the alternative benchmark rate will not be separately identifiable within the 24-month period, it will cease to apply the temporary exception and prospectively discontinue hedge accounting from the date of that reassessment.

If an entity has designated a risk component as the hedged item and has applied the above practical expedient, the following disclosure can be considered:

**“Risk Components:** The Group is permitted to designate an alternative benchmark rate as a non-contractually specified risk component, even if it is not separately identifiable at the date when it is designated, provided that the Group reasonably expects that it will meet the requirements within 24 months of the first designation and the risk component is reliably measurable. The 24-month period applies separately to each alternative benchmark rate which the Group might designate.”

SFRS(I) 9  
(6.3.7)

SFRS(I) 9  
(6.9.11)

SFRS(I) 9  
(6.9.12)



For additional guidance on the hedging of risk components and the related impact of IBOR Reform Phase 2 amendments, refer to:

- Section 46.66 – 46.71 of [PwC’s Manual of Accounting on Viewpoint](#); or
- Section 5.6 of [PwC’s Practical guide to Phase 2 amendments for IBOR reform](#).



## Additional Illustrative Disclosures

### Appendix 3 – Impact of insurance contracts on the non-insurer

#### Background

In preparing the illustrative financial statements in the main body of this publication, we have assumed that PwC Holdings Ltd will not be affected by the adoption of SFRS(I) 17 *Insurance Contracts*. All entities, including those that are not insurers, will need to consider whether they have entered into any contracts that meet the definition of insurance contracts and hence could be affected. Where this is the case, users may expect to see some information about the entity's assessments, even if the entity has concluded that the impact was not material.

The entity illustrated in this appendix has these following contracts:

- 1-year minimum profit margin guarantees given by the Company to its distributors to compensate for declines in revenue arising from the sale of the Company's products below specific levels.
- Annual fixed fee property maintenance contracts entered into between a subsidiary with commercial building owners. This contract covers all repairs and maintenance required to maintain customer's properties to an agreed standard. Since the Group priced the contract based on an assessment of the risk associated with the customers' properties, this contract is not eligible for the fixed-fee contract scope exemption, and is within the scope of IFRS 17

The disclosures assume that the above contracts are in scope of SFRS(I) 17, and have met the criteria to measure the above contracts using the Premium Allocation Approach (PAA)<sup>1</sup>. Not all profit margin guarantees and maintenance service contracts are necessarily in scope of SFRS(I) 17, and an entity would have to make an assessment based on their contractual terms. For insurance contracts that do not meet the criteria to apply PAA, an entity shall apply SFRS(I) 17 paragraphs 30 to 52 when measuring insurance contracts, unless they are reinsurance contracts, or groups of investment contracts with discretionary participation features.

SFRS(I) 17 (8)

SFRS(I) 17  
(53)(a)(b)

While we are primarily illustrating the disclosures from the adoption of SFRS(I) 17, we have included extracts of the other disclosures from the main body of the publication, to provide some context for the additional disclosures. The appendix illustrates disclosure requirements relevant to non-insurers, but it is recommended to consider how material the contracts are when deciding the extent of disclosures to be made in respective financial statements.

The illustrative disclosures presented are not exhaustive.



For additional guidance on how to assess whether a contract is in scope of SFRS(I) 17, please refer to PwC In-Depth 'IFRS 17 for non-insurers key reminders' at [link](#).

**Additional Illustrative Disclosures**

## Appendix 3 – Impact of insurance contracts on the non-insurer

Extract of statement of comprehensive income:

|  | Note | 2024<br>\$'000 | 2023<br>\$'000 | SFRS(I) 1-1<br>(10(b),10A)<br>SGX 1207<br>(5(a))           |
|--|------|----------------|----------------|--|
| <b>Continuing operations</b>                                     |      |                |                |  |
| Revenue  | [ ]  | [ ]            | [ ]            | SFRS(I) 1-1<br>(82(a))                                     |
| Cost of sales  | [ ]  | [ ]            | [ ]            | SFRS(I) 1-1<br>(103)                                       |
| Gross profit   |      | [ ]            | [ ]            | SFRS(I) 1-1<br>(103)                                       |
| Insurance service result   |      |                |                |  |
| - Insurance revenue <sup>3</sup>                                 | 5    | [ ]            | [ ]            | SFRS(I) 1-1<br>(82(a)(i))<br>SFRS(I) 17<br>(80(a), 83, 85) |
| - Insurance service expenses <sup>3</sup>                        | 5    | [ ]            | [ ]            | SFRS(I) 1-1<br>(82(ab))<br>SFRS(I) 17<br>(80(a), 84, 85)   |
| Other income   |      |                |                |  |
| - Interest   | [ ]  | [ ]            | [ ]            | SFRS(I) 1-1<br>(82(a))                                     |
| - Others   | [ ]  | [ ]            | [ ]            |  |
| Other gains and losses   |      |                |                |  |
| - Impairment loss on financial assets and contract assets        | [ ]  | [ ]            | [ ]            | SFRS(I) 1-1<br>(82(ba))                                    |
| - Others   | [ ]  | [ ]            | [ ]            |  |
| Expenses   |      |                |                |  |
| - Distribution and marketing                                     | [ ]  | [ ]            | [ ]            | SFRS(I) 1-1<br>(103)                                       |
| - Administrative   | [ ]  | [ ]            | [ ]            | SFRS(I) 1-1<br>(103)                                       |
| - Finance expenses from insurance contracts issued               |      | [ ]            | [ ]            | SFRS(I) 1-1<br>(82(ba))<br>SFRS(I) 17<br>(80(b))           |
| - Finance  | [ ]  | [ ]            | [ ]            | SFRS(I) 1-1<br>(82(b))                                     |
| Share of profit from investments in associates and joint venture | [ ]  | [ ]            | [ ]            | SFRS(I) 1-1<br>(82(c))                                     |
| Profit before income tax   |      | [ ]            | [ ]            |  |
| Income tax expense   | [ ]  | [ ]            | [ ]            | SFRS(I) 1-1<br>(82(d))                                     |
| <b>Profit from continuing operations</b>                         |      | [ ]            | [ ]            |  |
| <b>Discontinued operations</b>                                   |      |                |                |  |
| Profit from discontinued operations                              | [ ]  | [ ]            | [ ]            | SFRS(I) 1-1<br>(82(ea))<br>SFRS(I) 5<br>(33(a))            |
| <b>Total profit</b>  |      | [ ]            | [ ]            |  |



**Additional Illustrative Disclosures**

## Appendix 3 – Impact of insurance contracts on the non-insurer

Extract of statement of Balance Sheet - Group:

|  | Note | 2024<br>\$'000 | 2023<br>\$'000 |                         |
|--|------|----------------|----------------|-------------------------|
| <b>LIABILITIES</b>   |      |                |                | SFRS(I) 1-1<br>(60,69)  |
| <b>Current liabilities</b>   |      |                |                |                         |
| Trade and other payables   | [ ]  | [ ]            | [ ]            | SFRS(I) 1-1<br>(54(k))  |
| Insurance contract liabilities   | 31   | [ ]            | [ ]            | SFRS(I) 1-1<br>(54(ma)) |
| Contract liabilities   | [ ]  | [ ]            | [ ]            | SFRS(I) 17<br>(78(b))   |
| Current income tax liabilities   | [ ]  | [ ]            | [ ]            | SFRS(I) 1-1<br>(54(n))  |
| Derivative financial instruments   | [ ]  | [ ]            | [ ]            | SFRS(I) 1-1<br>(54(m))  |
| Borrowings   | [ ]  | [ ]            | [ ]            | SFRS(I) 1-1<br>(54(m))  |
| Provisions   | [ ]  | [ ]            | [ ]            | SFRS(I) 1-1<br>(54(l))  |
| Liabilities directly associated with disposal group<br>classified as held-for-sale | [ ]  | [ ]            | [ ]            | SFRS(I) 1-1<br>(54(p))  |
| <b>Non-current liabilities</b>   |      |                |                | SFRS(I) 1-1<br>(60,69)  |
| Trade and other payables   | [ ]  | [ ]            | [ ]            | SFRS(I) 1-1<br>(54(k))  |
| Derivative financial instruments   | [ ]  | [ ]            | [ ]            | SFRS(I) 1-1<br>(54(m))  |
| Borrowings   | [ ]  | [ ]            | [ ]            | SFRS(I) 1-1<br>(54(m))  |
| Deferred income tax liabilities  | [ ]  | [ ]            | [ ]            | SFRS(I) 1-1<br>(54(o))  |
| Provisions   | [ ]  | [ ]            | [ ]            | SFRS(I) 1-1<br>(54(l))  |
| <b>Total liabilities</b>   |      | [ ]            | [ ]            |                         |
| <b>NET ASSETS</b>  |      | [ ]            | [ ]            |                         |



## Additional Illustrative Disclosures

### Appendix 3 – Impact of insurance contracts on the non-insurer

Extracts of notes to the financial statements (continued):

#### Note [ ] Summary of material accounting policy information for insurance contracts

##### (a) Definition and classification

Insurance contracts are contracts under which the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Group uses judgement to assess whether a contract transfers insurance risk (that is, if there is a scenario with commercial substance in which the Group has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant.

SFRS(I) 17  
(2, App A, B2-  
B25)

The Group has issued the following insurance contracts:

- 1-year minimum profit margin guarantees provided by the Company to third party distributors to compensate for declines in revenue arising from the sale of the Company's products below specific levels; and
- Annual fixed fee property maintenance contracts entered between a subsidiary in Korea with third party commercial building owners. This contract covers all repairs and maintenance required to maintain customer's properties to an agreed standard.

The Group accounts for these contracts under SFRS(I) 17. At the inception of these contracts, the Group has adopted the premium allocation approach (PAA) as a simplified measurement approach. The profit margin guarantees and the maintenance service contracts are eligible for PAA as the coverage period for those contracts is one year or less.

SFRS(I) 17  
(53)

##### (b) Unit of account <sup>4</sup>

The Group identifies portfolios of insurance contract. A portfolio comprises contracts subject to similar risks and managed together. Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) and are: (i) contracts that are onerous at initial recognition; (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or (iii) a group of remaining contracts. These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. Such groups are not subsequently reconsidered.

SFRS(I) 17  
(14, 16, 22)

Extracts of notes to the financial statements (continued):



**Additional Illustrative Disclosures**

## Appendix 3 – Impact of insurance contracts on the non-insurer

**Note [ ] Summary of material accounting policy information for insurance contracts-(continued)****(b) Unit of account** (continued)

When the Group applies the PAA, the Group assumes that no such contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise. If facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones. For non-onerous contracts, the Group assesses the likelihood of changes in the applicable facts and circumstances in the subsequent periods in determining whether contracts have a significant possibility of becoming onerous.

Before the Group accounts for an insurance contract based on the guidance in SFRS(I) 17, it analyses whether the contract contains components that should be separated. SFRS(I) 17 distinguishes three categories of components that have to be accounted for separately:

SFRS(I) 17  
(18)

- cash flows relating to embedded derivatives that are required to be separated;
- cash flows relating to distinct investment components; and
- promises to transfer distinct goods or distinct services other than insurance contract services.

SFRS(I) 17  
(10-13, B31-  
B35)

The Group applies SFRS(I) 17 to all remaining components of the contract. The Group does not have any contracts that require further separation or combination of insurance contracts.

**(c) Recognition, derecognition, modification**Recognition

Groups of insurance contracts issued are initially recognised from the earliest of the following:

SFRS(I) 17  
(25)

- the beginning of the coverage period;
- the date when the first payment from the policyholder is due or actually received, if there is no due date; and
- when the Group determines that a group of contracts becomes onerous.

Extracts of notes to the financial statements (continued):



**Additional Illustrative Disclosures**

## Appendix 3 – Impact of insurance contracts on the non-insurer

**Note [ ] Summary of material accounting policy information for insurance contracts-(continued)****(c) Recognition, derecognition, modification (continued)**Derecognition and modification

An insurance contract is derecognised when it is:

- extinguished (that is, when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- the contract is modified and additional criteria discussed below are met.

SFRS(I) 17  
(28F)

When an insurance contract is modified by the Group as a result of an agreement with the counterparties or due to a change in regulations, the Group treats changes in cash flows caused by the modification as changes in estimates of fulfilment cash flow, unless the conditions for the derecognition of the original contract are met. The Group derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

SFRS(I) 17  
(74)

- (a) if the modified terms had been included at contract inception and the Group would have concluded that the modified contract:

- (i) is not within the scope of SFRS(I) 17;
- (ii) results in different separable components;
- (iii) results in a different contract boundary; or
- (iv) belongs to a different group of contracts;

SFRS(I) 17  
(72, 73)

- (b) the original contract was accounted for under the PAA, but the modification means that the contract no longer meets the eligibility criteria for that approach.



## Additional Illustrative Disclosures

### Appendix 3 – Impact of insurance contracts on the non-insurer

Extracts of notes to the financial statements (continued):

#### Note [ ] Summary of material accounting policy information for insurance contracts-(continued)

##### (c) Recognition, derecognition, modification (continued)

When a new contract is required to be recognised as a result of modification and it is within the scope of SFRS(I) 17, the new contract is recognised from the date of modification and is assessed for, amongst other things, contract classification, component separation requirements and contract aggregation requirements.

When an insurance contract accounted for under the PAA is derecognised, adjustments to remove related rights and obligations to account for the effect of the derecognition result in the following amounts being charged immediately to profit or loss:

- (a) if the contract is extinguished, any net difference between the derecognised part of the liability for remaining coverage of the original contract and any other cash flows arising from extinguishment;
- (b) if the contract is transferred to a third party, any net difference between the derecognised part of the liability for remaining coverage of the original contract and the premium charged by the third party; or
- (c) if the original contract is modified resulting in its derecognition, any net difference between the derecognised part of the liability for remaining coverage and the hypothetical premium that the entity would have charged if it had entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

SFRS(I) 17  
(76, 77)

##### Insurance acquisition costs

The Group defines acquisition cash flows as cash flows that arise from costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) and that are directly attributable to the portfolio of insurance contracts to which the group belongs. Insurance acquisition cash flows are allocated to groups of insurance contracts on a systematic and rational basis.

SFRS(I) 17  
(App A)





**Additional Illustrative Disclosures**

## Appendix 3 – Impact of insurance contracts on the non-insurer

Extracts of notes to the financial statements (continued):

**Note [ ] Summary of material accounting policy information for insurance contracts-**(continued)**(c) Recognition, derecognition, modification** (continued)Insurance acquisition costs (continued)

Insurance acquisition cash flows that are directly attributable to a group of insurance contracts are allocated:

SFRS(I) 17  
(28A, B35A))

- (a) to that group; and
- (b) to group that will include insurance contracts that are expected to arise from renewals of the insurance contracts in that group.

Before a group of insurance contracts is recognised, the Group could pay (or recognise a liability, applying a standard other than SFRS(I) 17) for directly attributable acquisition costs to originate them. Such balances are recognised as insurance acquisition cash flows assets within the carrying amount of insurance contracts issued and are subsequently derecognised (in full or to the extent that insurance contracts expected to be in the group have been recognised at that date) when respective groups of insurance contracts are recognised and the insurance acquisition cash flows are included in the group's measurement.

SFRS(I) 17  
(28A-28C)

At the end of each reporting period, the Group shall assess the recoverability of an asset for insurance acquisition cash flows if facts and circumstances indicate the asset may be impaired. If the Group identifies an impairment loss, the entity shall adjust the carrying amount of the asset and recognise the impairment loss in profit or loss.

SFRS(I) 17  
(28E)

The Group shall recognise in profit or loss a reversal of some or all of an impairment loss previously recognised and increase the carrying amount of the asset, to the extent that the impairment conditions no longer exist or have improved.



**Additional Illustrative Disclosures**

## Appendix 3 – Impact of insurance contracts on the non-insurer

Extracts of notes to the financial statements (continued):

**Note [ ] Summary of material accounting policy information for insurance contracts**-(continued)

**(d) Measurement**

Initial measurement

The Group has adopted the PAA as a simplified approach to the general measurement model.

On initial recognition, the Group measures the liability for remaining coverage as:

- (a) the premiums, if any, received at initial recognition;
- (b) minus any insurance acquisition cash flows at that date, with the exception of contracts which are one year or less where this is expensed; SFRS(I) 17  
(53)
- (c) plus or minus any amount arising from the derecognition at that date of the asset recognised for insurance acquisition cash flows and;
- (d) any other asset or liability previously recognised for cash flows related to the group of contracts that the Group pays or receives before the group of insurance contracts is recognised. SFRS(I) 17  
(55(a))

The liability for remaining coverage is discounted to reflect the time value of money and the effect of financial risk. SFRS(I) 17  
(56, 97(b))



**Additional Illustrative Disclosures**

## Appendix 3 – Impact of insurance contracts on the non-insurer

Extracts of notes to the financial statements (continued):

**Note [ ] Summary of material accounting policy information for insurance contracts-**(continued)

**(d) Measurement** (continued)

Subsequent measurement

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

SFRS(I) 17  
(55(b))

- (a) plus the premiums received in the period;
- (b) minus insurance acquisition cash flows, with the exception of contract which are one year or less where this is expensed;
- (c) plus any amounts relating to the amortisation of insurance acquisition cash flows recognised as an expense in the reporting period
- (d) plus any adjustment to the financing component;
- (e) minus the amount recognised as insurance revenue for services provided in the period; and
- (f) minus any investment component paid or transferred to the liability for incurred claims.

SFRS(I) 17  
(59(b), 97(b))

SFRS(I) 17  
(57, 58)

The Group measures the liability for incurred claims for the group of insurance contracts at the fulfilment cash flows relating to incurred claims. The Group does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred.

If at any time during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows.



## Additional Illustrative Disclosures

### Appendix 3 – Impact of insurance contracts on the non-insurer

Extracts of notes to the financial statements (continued):

#### Note [ ] Summary of material accounting policy information for insurance contracts-(continued)

##### (d) Measurement (continued)

##### Subsequent measurement (continued)

##### Contract boundary

The Group uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts.

SFRS(I) 17  
(B61)

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation ends when:

SFRS(I) 17  
(34)

- (a) the Group has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or
- (b) both of the following criteria are satisfied:
  - (i) the Group has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
  - (ii) the pricing of premiums up to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

SFRS(I) 17  
(B126)

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

SFRS(I) 17  
(B127)



**Additional Illustrative Disclosures**

## Appendix 3 – Impact of insurance contracts on the non-insurer

Extracts of notes to the financial statements (continued):

**Note [ ] Summary of material accounting policy information for insurance contracts-**(continued)

**(d) Measurement** (continued)

Insurance revenue

Under the PAA, insurance revenue for the period is the amount of expected premium receipts allocated to the period. The Group allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time, but if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then on the basis of the expected timing of incurred insurance service expenses.

SFRS(I) 17  
87

The Group changes the basis of allocation between the two methods above as necessary, if facts and circumstances change.

SFRS(I) 17  
(84-85, 103(b),  
B123A)

For the periods presented, all revenue has been recognised on the basis of the passage of time.

Insurance service expenses

Insurance service expenses include the following:

- (a) incurred claims and other directly attributable expenses;
- (b) changes to liabilities for incurred claims;
- (c) losses on onerous contracts and reversal of those losses; and
- (d) insurance acquisition cash flows amortisation.

For contracts measured under the PAA, amortisation of insurance acquisition cash flows is based on the passage of time.



## Additional Illustrative Disclosures

### Appendix 3 – Impact of insurance contracts on the non-insurer

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Extracts of notes to the financial statements (continued):

#### **Note [ ] Summary of material accounting policy information for insurance contracts-**(continued)

##### **(d) Measurement** (continued)

##### Insurance finance income and expense

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

SFRS(I) 17  
88

- Interests accreted on liabilities for insured claims for the effect of time value of money; and
- the effect of changes in interest rates and other financial assumptions.

The Group includes all insurance finance income or expenses for the period in profit or loss.



## Additional Illustrative Disclosures

### Appendix 3 – Impact of insurance contracts on the non-insurer

Extracts of notes to the financial statements (continued):

#### Note [ ] Significant accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### [ ] Critical accounting estimates and assumptions

##### (a) Liability for incurred claims

In applying the PAA, the Group shall measure the liability for incurred claims for the group of contracts at the fulfilment cash flows relating to incurred claims. The estimates of these cash flows are based on probability-weighted expected future cash flows. The Group estimates which cash flows are expected and the probability that they will occur as at the measurement date.

SFRS(I) 17  
(33-37, B36-  
B92)

In making these expectations, the Group uses information about past events, current conditions and forecasts of future conditions. The Group's estimate of future cash flows is the mean of a range of scenarios that reflect the full range of possible outcomes. Each scenario specifies the amount, timing and probability of cash flows. The probability-weighted average of the future cash flows is calculated using a deterministic scenario representing the probability-weighted mean of a range of scenarios.

##### (b) Discount rate

The Group adjusts the carrying amount of the liability for remaining coverage to reflect the time value of money and the effect of financial risk using discount rates that reflect the characteristics of the cash flows of the group of insurance contracts at initial recognition. The discount rate is determined as the risk-free yield, adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an 'illiquidity premium'). The risk-free was derived using swap rates available in the market denominated in the same currency as the product being measured. When swap rates are not available, highly liquid sovereign bonds with a AAA credit rating were used. Management uses judgement to assess liquidity characteristics of the liability cash flows.



## Additional Illustrative Disclosures

### Appendix 3 – Impact of insurance contracts on the non-insurer

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Extracts of notes to the financial statements (continued):

**Note [ ] Significant accounting estimates, assumptions and judgements**  
(continued)

**[ ] Critical judgements in applying the entity's accounting policies**

(a) Liability for remaining coverage

*Onerous groups*

Management judgement is applied to further disaggregate portfolios of insurance contract into groups of contract that are issued within a calendar year (annual cohorts) and are (i) contracts that are onerous at initial recognition; (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or (iii) a group of remaining contract.

SFRS(I) 17  
(14, 16, 22)

Furthermore, using the PAA, management has also applied judgement to assess whether facts and circumstances indicate that a group of contracts has become onerous at any time during the coverage period.

SFRS(I) 17  
(57)

There are no such onerous contracts.





**Additional Illustrative Disclosures**

## Appendix 3 – Impact of insurance contracts on the non-insurer

Extracts of notes to the financial statements (continued):

**Note 5 Insurance service result**

An analysis of insurance revenue and insurance service expenses for 2024 and 2023 is included in the following table:

|  | Profit margin<br>guarantee<br>\$'000 | Maintenance<br>service<br>contract<br>\$'000 | <b>Total</b> DV<br>\$'000 |
|--|--------------------------------------|--|---------------------------|
| <b>2024</b>  |                                      |  |                           |
| Insurance revenue  | [ ]                                  | [ ]  | [ ]                       |
| Insurance service expenses:                                |                                      |  |                           |
| - Incurred claims and other directly attributable expenses | [ ]                                  | [ ]  | [ ]                       |
| - Changes to liabilities for incurred claims               | [ ]                                  | [ ]  | [ ]                       |
| - Losses on onerous contracts and reversal of those losses | [ ]                                  | [ ]  | [ ]                       |
| - Insurance acquisition cash flows amortisation            | [ ]                                  | [ ]  | [ ]                       |
|  | [ ]                                  | [ ]  | [ ]                       |
| <b>Total insurance service result</b>                      | [ ]                                  | [ ]  | [ ]                       |
| <b>2023</b>  |                                      |  |                           |
| Insurance revenue  | [ ]                                  | [ ]  | [ ]                       |
| Insurance service expenses:                                |                                      |  |                           |
| - Incurred claims and other directly attributable expenses | [ ]                                  | [ ]  | [ ]                       |
| - Changes to liabilities for incurred claims               | [ ]                                  | [ ]  | [ ]                       |
| - Losses on onerous contracts and reversal of those losses | [ ]                                  | [ ]  | [ ]                       |
| - Insurance acquisition cash flows amortisation            | [ ]                                  | [ ]  | [ ]                       |
|  | [ ]                                  | [ ]  | [ ]                       |
| <b>Total insurance service result</b>                      | [ ]                                  | [ ]  | [ ]                       |



**Additional Illustrative Disclosures**

## Appendix 3 – Impact of insurance contracts on the non-insurer

Extracts of notes to the financial statements (continued):

**Note 31 Insurance contract liabilities**

The breakdown of insurance contracts issued is set out in the table below.

|                                | 2024<br>\$'000 | 2023<br>\$'000 |
|--------------------------------|----------------|----------------|
| Current <sup>5</sup>           |                |                |
| Profit margin guarantees       | [ ]            | [ ]            |
| Property maintenance contracts | [ ]            | [ ]            |
| <b>Total</b>                   | <b>[ ]</b>     | <b>[ ]</b>     |

SFRS(I) 17  
(95, 96(a))



**Additional Illustrative Disclosures**

## Appendix 3 – Impact of insurance contracts on the non-insurer

Extracts of notes to the financial statements (continued):

**Note 31 Insurance contract liabilities** (continued)

An analysis of the amounts presented on the consolidated balance sheet for insurance contracts is included in the table below.

## (a) Profit margin guarantees

|   | Remaining coverage             |                   | Incurred claims  |                                   | Total<br>\$'000 | SFRS(I) 17<br>(98, 99(a),<br>100(b)-(c)) |
|---|--------------------------------|-------------------|--|-----------------------------------|-----------------|--|
|   | Excluding<br>loss<br>component | Loss<br>component | Present<br>value of<br>future<br>cash<br>flows<br>\$'000 | Risk<br>adjust-<br>ment<br>\$'000 |                 |  |
| Insurance contract liabilities as<br>at 1 January 2024                | [ ]                            | [ ]               | [ ]  | [ ]                               | [ ]             | SFRS(I) 17<br>(99(b))                    |
| Insurance revenue   | [ ]                            | -                 | -  | -                                 | [ ]             | SFRS(I) 17<br>(103(a))                   |
| Insurance service expenses:   |                                |                   |  |                                   |                 |  |
| - Incurred claims and other<br>directly attributable<br>expenses      | -                              | [ ]               | [ ]  | [ ]                               | [ ]             | SFRS(I) 17<br>(103(b)(i))                |
| - Changes to liabilities for<br>incurred claims                       | -                              | -                 | [ ]  | [ ]                               | [ ]             | SFRS(I) 17<br>(103(b)(iii))              |
| - Losses on onerous contracts<br>and reversal of those losses         | -                              | [ ]               | -  | -                                 | [ ]             | SFRS(I) 17<br>(103(b)(iv))               |
| - Amortisation of insurance<br>acquisition cash flows                 | [ ]                            | -                 | -  | -                                 | [ ]             | SFRS(I) 17<br>(103(b)(ii))               |
| <b>Total changes in the<br/>statement of<br/>comprehensive income</b> | <b>[ ]</b>                     | <b>[ ]</b>        | <b>[ ]</b>   | <b>[ ]</b>                        | <b>[ ]</b>      |  |
| Cash flows:   |                                |                   |  |                                   |                 |  |
| - Premiums received<br>[Insurance acquisition cash<br>flows]          | [ ]                            | -                 | -  | -                                 | [ ]             | SFRS(I) 17<br>(105(a)(i))                |
| - Claims and other expenses<br>paid                                   | -                              | -                 | [ ]  | -                                 | [ ]             | SFRS(I) 17<br>(105(a)(iii))              |
| <b>Total cash flows</b>   | <b>[ ]</b>                     | <b>[ ]</b>        | <b>[ ]</b>   | <b>[ ]</b>                        | <b>[ ]</b>      |  |
| <b>Insurance contract liabilities<br/>as at 31 December 2024</b>      | <b>[ ]</b>                     | <b>[ ]</b>        | <b>[ ]</b>   | <b>[ ]</b>                        | <b>[ ]</b>      |  |



**Additional Illustrative Disclosures**

## Appendix 3 – Impact of insurance contracts on the non-insurer

Extracts of notes to the financial statements (continued):

**Note 31 Insurance contract liabilities** (continued)

## (a) Profit margin guarantees (continued)

|   | Remaining coverage             |                   | Incurred claims  |                                   | Total<br>\$'000 | SFRS(I) 17<br>(98, 99(a),<br>100(b)-(c)) |
|---|--------------------------------|-------------------|--|-----------------------------------|-----------------|--|
|   | Excluding<br>loss<br>component | Loss<br>component | Present<br>value of<br>future<br>cash<br>flows<br>\$'000 | Risk<br>adjust-<br>ment<br>\$'000 |                 |  |
| Insurance contract liabilities as<br>at 1 January 2023                | [ ]                            | [ ]               | [ ]  | [ ]                               | [ ]             | SFRS(I) 17<br>(99(b))                    |
| Insurance revenue   | [ ]                            | -                 | -  | -                                 | [ ]             | SFRS(I) 17<br>(103(a))                   |
| Insurance service expenses:   |                                |                   |  |                                   |                 |  |
| - Incurred claims and other<br>directly attributable<br>expenses      | -                              | [ ]               | [ ]  | [ ]                               | [ ]             | SFRS(I) 17<br>(103(b)(ii))               |
| - Changes to liabilities for<br>incurred claims                       | -                              | -                 | [ ]  | [ ]                               | [ ]             | SFRS(I) 17<br>(103(b)(iii))              |
| - Losses on onerous contracts<br>and reversal of those losses         | -                              | [ ]               | -  | -                                 | [ ]             | SFRS(I) 17<br>(103(b)(iv))               |
| - Amortisation of insurance<br>acquisition cash flows                 | [ ]                            | -                 | -  | -                                 | [ ]             | SFRS(I) 17<br>(103(b)(ii))               |
| <b>Total changes in the<br/>statement of<br/>comprehensive income</b> | <b>[ ]</b>                     | <b>[ ]</b>        | <b>[ ]</b>   | <b>[ ]</b>                        | <b>[ ]</b>      |  |
| Cash flows:   |                                |                   |  |                                   |                 |  |
| - Premiums received   | [ ]                            | -                 | -  | -                                 | [ ]             | SFRS(I) 17<br>(105(a)(i))                |
| - Claims and other expenses<br>paid                                   | -                              | -                 | [ ]  | -                                 | [ ]             | SFRS(I) 17<br>(105(a)(iii))              |
| <b>Total cash flows</b>   | <b>[ ]</b>                     | <b>[ ]</b>        | <b>[ ]</b>   | <b>[ ]</b>                        | <b>[ ]</b>      |  |
| <b>Insurance contract liabilities<br/>as at 31 December 2023</b>      | <b>[ ]</b>                     | <b>[ ]</b>        | <b>[ ]</b>   | <b>[ ]</b>                        | <b>[ ]</b>      |  |



**Additional Illustrative Disclosures**

## Appendix 3 – Impact of insurance contracts on the non-insurer

Extracts of notes to the financial statements (continued):

**Note 31 Insurance contract liabilities** (continued)

## (b) Property maintenance contracts

|   | Remaining coverage             |                   | Incurred claims  |                                   | Total<br>\$'000 | SFRS(I) 17<br>(98, 99(a),<br>100(b)-(c)) |
|---|--------------------------------|-------------------|--|-----------------------------------|-----------------|--|
|   | Excluding<br>loss<br>component | Loss<br>component | Present<br>value of<br>future<br>cash<br>flows<br>\$'000 | Risk<br>adjust-<br>ment<br>\$'000 |                 |  |
| Insurance contract liabilities as<br>at 1 January 2024                | [ ]                            | [ ]               | [ ]  | [ ]                               | [ ]             | SFRS(I) 17<br>(99(b))                    |
| Insurance revenue   | [ ]                            | -                 | -  | -                                 | [ ]             | SFRS(I) 17<br>(103(a))                   |
| Insurance service expenses:   |                                |                   |  |                                   |                 |  |
| - Incurred claims and other<br>directly attributable<br>expenses      | -                              | [ ]               | [ ]  | [ ]                               | [ ]             | SFRS(I) 17<br>(103(b)(ii))               |
| - Changes to liabilities for<br>incurred claims                       | -                              | -                 | [ ]  | [ ]                               | [ ]             | SFRS(I) 17<br>(103(b)(iii))              |
| - Losses on onerous contracts<br>and reversal of those losses         | -                              | [ ]               | -  | -                                 | [ ]             | SFRS(I) 17<br>(103(b)(iv))               |
| - Amortisation of insurance<br>acquisition cash flows                 | [ ]                            | -                 | -  | -                                 | [ ]             | SFRS(I) 17<br>(103(b)(ii))               |
| <b>Total changes in the<br/>statement of<br/>comprehensive income</b> | <b>[ ]</b>                     | <b>[ ]</b>        | <b>[ ]</b>   | <b>[ ]</b>                        | <b>[ ]</b>      |  |
| Cash flows:   |                                |                   |  |                                   |                 |  |
| - Premiums received   | [ ]                            | -                 | -  | -                                 | [ ]             | SFRS(I) 17<br>(105(a)(i))                |
| - Claims and other expenses<br>paid                                   | -                              | -                 | [ ]  | -                                 | [ ]             | SFRS(I) 17<br>(105(a)(iii))              |
| <b>Total cash flows</b>   | <b>[ ]</b>                     | <b>[ ]</b>        | <b>[ ]</b>   | <b>[ ]</b>                        | <b>[ ]</b>      |  |
| <b>Insurance contract liabilities<br/>as at 31 December 2024</b>      | <b>[ ]</b>                     | <b>[ ]</b>        | <b>[ ]</b>   | <b>[ ]</b>                        | <b>[ ]</b>      |  |



**Additional Illustrative Disclosures**

## Appendix 3 – Impact of insurance contracts on the non-insurer

Extracts of notes to the financial statements (continued):

**Note 31 Insurance contract liabilities** (continued)

## (b) Property maintenance contracts (continued)

|   | Remaining coverage             |                   | Incurred claims  |                                   | Total<br>\$'000 | SFRS(I) 17<br>(98, 99(a),<br>100(b)-(c)) |
|---|--------------------------------|-------------------|--|-----------------------------------|-----------------|--|
|   | Excluding<br>loss<br>component | Loss<br>component | Present<br>value of<br>future<br>cash<br>flows<br>\$'000 | Risk<br>adjust-<br>ment<br>\$'000 |                 |  |
| Insurance contract liabilities as<br>at 1 January 2023                | [ ]                            | [ ]               | [ ]  | [ ]                               | [ ]             | SFRS(I) 17<br>(99(b))                    |
| Insurance revenue   | [ ]                            | -                 | -  | -                                 | [ ]             | SFRS(I) 17<br>(103(a))                   |
| Insurance service expenses:   |                                |                   |  |                                   |                 |  |
| - Incurred claims and other<br>directly attributable<br>expenses      | -                              | [ ]               | [ ]  | [ ]                               | [ ]             | SFRS(I) 17<br>(103(b)(ii))               |
| - Changes to liabilities for<br>incurred claims                       | -                              | -                 | [ ]  | [ ]                               | [ ]             | SFRS(I) 17<br>(103(b)(iii))              |
| - Losses on onerous contracts<br>and reversal of those losses         | -                              | [ ]               | -  | -                                 | [ ]             | SFRS(I) 17<br>(103(b)(iv))               |
| - Amortisation of insurance<br>acquisition cash flows                 | [ ]                            | -                 | -  | -                                 | [ ]             | SFRS(I) 17<br>(103(b)(ii))               |
| <b>Total changes in the<br/>statement of<br/>comprehensive income</b> | <b>[ ]</b>                     | <b>[ ]</b>        | <b>[ ]</b>   | <b>[ ]</b>                        | <b>[ ]</b>      |  |
| Cash flows:   |                                |                   |  |                                   |                 |  |
| - Premiums received   | [ ]                            | -                 | -  | -                                 | [ ]             | SFRS(I) 17<br>(105(a)(i))                |
| - Claims and other expenses<br>paid                                   | -                              | -                 | [ ]  | -                                 | [ ]             | SFRS(I) 17<br>(105(a)(iii))              |
| <b>Total cash flows</b>   | <b>[ ]</b>                     | <b>[ ]</b>        | <b>[ ]</b>   | <b>[ ]</b>                        | <b>[ ]</b>      |  |
| <b>Insurance contract liabilities<br/>as at 31 December 2023</b>      | <b>[ ]</b>                     | <b>[ ]</b>        | <b>[ ]</b>   | <b>[ ]</b>                        | <b>[ ]</b>      |  |



**Additional Illustrative Disclosures**

## Appendix 3 – Impact of insurance contracts on the non-insurer

Extracts of notes to the financial statements (continued):

**Note [ ] Insurance<sup>6</sup> and financial risk management (extracts)**

( ) Insurance risk

SFRS(I) 17  
(121)

Insurance contracts issued by the Group are as follows:

- 1-year minimum profit margin guarantees provided by the Company to third party distributors to compensate for declines in revenue arising from the sale of the Company's products below specific levels; and
- Annual fixed fee property maintenance contracts entered between a subsidiary in Korea with third party commercial building owners. This contract covers all repairs and maintenance required to maintain customer's properties to an agreed standard.

The most significant risks arising from the profit margin guarantees are the decline in profit margins from the sale of company's products. As the guarantee extends to more than a year, there is also inflation risk.

SFRS(I) 17  
(122, 124(a))

Significant risks arising from the maintenance service agreement would include natural disasters, malicious intent, and workplace accidents.

SFRS(I) 17  
(124(b))

The Group's risk management strategy seeks to ensure there is sufficient capital to meet the obligations associated with the insurance contracts. The central treasury department ("Group Treasury") would consider possible cash out flows arising from insurance contracts as part of its financial risk management to ensure prompt settlement of claims.

The Group has assessed its concentration of insurance risk by geographical area. The geographical area of the risk exposure is determined based on the country where the insurance contract was written. The geographical concentration of the Group's exposure to insurance risk are as follows:

SFRS(I) 17  
(125(a), 127)

|                                | Singapore<br>\$'000 | Korea<br>\$'000 | Total<br>\$'000 |
|--------------------------------|---------------------|-----------------|-----------------|
| <b>31 December 2024</b>        |                     |                 |                 |
| Profit margin guarantees       | [ ]                 | -               | [ ]             |
| Property maintenance contracts | -                   | [ ]             | [ ]             |
| <b>Total</b>                   | <b>[ ]</b>          | <b>[ ]</b>      | <b>[ ]</b>      |
| <b>31 December 2023</b>        |                     |                 |                 |
| Profit margin guarantees       | [ ]                 | -               | [ ]             |
| Property maintenance contracts | -                   | [ ]             | [ ]             |
| <b>Total</b>                   | <b>[ ]</b>          | <b>[ ]</b>      | <b>[ ]</b>      |



**Additional Illustrative Disclosures**

## Appendix 3 – Impact of insurance contracts on the non-insurer

Extracts of notes to the financial statements (continued):

**Note [ ] Insurance and financial risk management** (extracts) (continued)

## ( ) Insurance risk (continued)

Sensitivity Analysis

The Group has performed sensitivity analysis<sup>7</sup> to assess the impact to insurance contract liabilities and profit before tax are affected by changes in risk variables that were reasonably possible at the end of the financial period. Insurance contract liability arising from the profit margin guarantee is sensitive to expected loss and inflation rates, while that of the maintenance service contract is sensitive to expected loss. The methods and assumptions used in preparing the sensitivity analysis did not change from the previous period.

SFRS(I) 17  
(128(a)(i),(b),  
(c))

## (a) Profit margin guarantees

If expected loss and inflation rate had changed by 10% (2023: 10%) and 1% (2023: 1%) respectively with all other variables held constant, the effects would have been:

|  | ← Increase/(Decrease) →                |   |  |   |
|--|--|---|--|---|
|  | 2024                                   |   | 2023                                   |   |
|  | <u>Profit<br/>before tax</u><br>\$'000 | <u>Insurance<br/>contract<br/>liabilities</u><br>\$'000 | <u>Profit<br/>before tax</u><br>\$'000 | <u>Insurance<br/>contract<br/>liabilities</u><br>\$'000 |
| <u>Expected loss in profit margins</u> |  |   |  |   |
| - increased by                         | [ ]                                    | [ ]   | [ ]                                    | [ ]   |
| - decreased by                         | [ ]                                    | [ ]   | [ ]                                    | [ ]   |
| <u>Inflation rate</u>                  |  |   |  |   |
| - increased by                         | [ ]                                    | [ ]   | [ ]                                    | [ ]   |
| - decreased by                         | [ ]                                    | [ ]   | [ ]                                    | [ ]   |





**Additional Illustrative Disclosures**

Appendix 3 – Impact of insurance contracts on the non-insurer

Extracts of notes to the financial statements (continued):

**Note [ ] Insurance and financial risk management** (extracts) (continued)

( ) Insurance risk (continued)

Sensitivity Analysis (continued)

(b) Property maintenance contracts

If expected loss had changed by 10% (2023: 10%) with all other variables held constant, the effects would have been:

|   | ← Increase/(Decrease) →                |   |  |   |
|---|--|---|--|---|
|   | 2024                                   |   | 2023                                   |   |
|   | <u>Profit<br/>before tax</u><br>\$'000 | <u>Insurance<br/>contract<br/>liabilities</u><br>\$'000 | <u>Profit<br/>before tax</u><br>\$'000 | <u>Insurance<br/>contract<br/>liabilities</u><br>\$'000 |
| <u>Expected loss<br/>arising from<br/>maintenance</u> |  |   |  |   |
| - increased by  | [ ]                                    | [ ]   | [ ]                                    | [ ]   |
| - decreased by  | [ ]                                    | [ ]   | [ ]                                    | [ ]   |

( ) Market risk (extracts)

( ) Currency risk (extracts)

SFRS(I) 17  
(128(a)(ii))

The Group is exposed to currency translation risk on its financial instruments and maintenance service contract.

( ) Liquidity risk (extracts)

| Group                          | Less than<br><u>1 year</u><br>\$'000 | Between 1<br>and<br><u>2 years</u><br>\$'000 | Between 2<br>and<br><u>5 years</u><br>\$'000 | Over<br><u>5 years</u><br>\$'000 | SFRS(I) 17<br>(132(a)) |
|--------------------------------|--------------------------------------|--|--|----------------------------------|------------------------|
|                                | <b>At 31 December 2024</b>           |  |  |                                  |                        |
| Trade and other payables       | [ ]                                  | [ ]  | -  | -                                |                        |
| Insurance contract liabilities | [ ]                                  | -  | -  | -                                |                        |
| <b>At 31 December 2023</b>     |                                      |  |  |                                  |                        |
| Trade and other payables       | [ ]                                  | [ ]  | -  | -                                |                        |
| Insurance contract liabilities | [ ]                                  | -  | -  | -                                |                        |



## Additional Illustrative Disclosures

### Appendix 3 – Impact of insurance contracts on the non-insurer

#### Guidance notes

##### Premium Allocation Approach (PAA)

- 1 A group is eligible for the premium allocation approach if, at inception:
- each contract in the group has a coverage period (that is, the period in which the entity provides insurance contract services) of one year or less; or
  - the measurement of the liability for remaining coverage for the group using the premium allocation approach is reasonably expected to produce a measurement which is not materially different from using the general model or the variable fee approach.

Insurance contracts that have coverage periods beyond 1 year would have to assess if the measurement of the liability using the premium allocation approach is not materially different from the general model or variable fee approaches. While the most straightforward way to do so is through quantitative methods, there are limited circumstances where a qualitative assessment might satisfy the 'not materially different' requirement. Examples of qualitative factors to consider would be:

- whether the contracts are issued in a stable interest-rate environment where the time value of money is not expected to have a material impact;
- if the type of coverage provided is predictable (high-frequency, low value insurance) in which claims are not expected to change significantly in the short-term; and
- if the pattern of claims and risk expiration are spread evenly in a straight-line over the contractual term.

SFRS(I) 17  
(53)

##### Acquisition costs in the PAA

- 2 Paragraph 59(a) of SFRS(I) 17 allows an accounting policy choice of either expensing the insurance acquisition cash flows when incurred or amortising them over the contract's coverage period, provided that the coverage period of each contract in the group at initial recognition is no more than one year.

##### Presentation of insurance revenue and expenses

- 3 SFRS(I) 1-1 *Presentation of Financial Statements* are amended to require separate presentation of insurance revenue and insurance service expenses on the statement of profit or loss. Revenue and expenses arising from insurance contracts cannot be aggregated with other revenue and cost of sales. Subject to materiality, the insurance service result that comprise of insurance revenue and insurance service expenses can be presented as part of other income and other expense.

SFRS(I) 1-1  
(82(a)(i), (ab))  
SFRS(I) 17  
(80(a), 83, 84,  
85)



## Additional Illustrative Disclosures

### Appendix 3 – Impact of insurance contracts on the non-insurer

#### Guidance notes

##### Unit of account

- 4 What an entity considers to be 'similar risks' will depend on the nature and extent of risks in the entity's insurance contracts and may require an application of judgment. Paragraph 14 of SFRS(I) 17 does not specify any particular type of risk when it refers to 'similar risks'.

The IFRS IC agenda decision issued in October 2022 confirmed that an entity is required to consider all risks arising under an insurance contract when identifying portfolios of insurance contracts. This includes both non-financial and financial risks transferred from the policyholder, as well as risks otherwise arising under the contract (for example, expense risk and lapse risk).

'Similar risks' does not mean 'identical risks'. Contracts in different product lines would not be expected to have similar risks. However, for example, contracts that are in the same product line but that have cash flows in different currencies (that is, they are subject to different currency exchange rate risks) could be considered to be 'subject to similar risks' when considering the nature and the extent of all risks of the contracts.

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the annual cohorts restriction. Composition of the groups is not reassessed in subsequent periods.

SFRS(I) 17  
(24, 28)

##### Classification of insurance contract liabilities as current or non-current

- 5 SFRS(I) 1-1 and SFRS(I) 17 have indicated that insurance contracts are presented as portfolios of contracts that are assets or liabilities on the statement of financial position. Portfolios of insurance should be classified as a whole as either current or non-current, and need not disaggregate portions expected to be realised within 12 months as current for the purpose of presentation.

##### Insurance risk presentation

- 6 Insurance risk is defined as risk, other than financial risk, transferred from the holder of a contract to the issuer. This is a separate risk category that should be clearly segregated from disclosures relating to the entity's financial risks.

SFRS(I) 17  
(App A)



## Additional Illustrative Disclosures

### Appendix 3 – Impact of insurance contracts on the non-insurer

#### Guidance notes

##### Sensitivity analysis

- 7 Entities are required to disclose a sensitivity analysis to demonstrate the impact of reasonably possible changes in risk variables at the end of the reporting period on profit or loss and equity. For insurance risk, the standard requires demonstrating the impact of changes in risk variables before and after risk mitigation by reinsurance contracts held.

SFRS(I) 17  
(129)

This disclosure is also required by SFRS(I) 7 *Financial Instruments: Disclosures*. Entities can provide a sensitivity analysis to risk variables different from those described above, provided that entities use such analysis for their risk management purposes. Additional disclosures are required if entities choose to provide an alternative sensitivity analysis.

Insurance contract liabilities included in the sensitivity analysis exclude insurance acquisition cash flows assets and other pre-recognition cash flows, because they are not sensitive to the underwriting risk variables.

##### Claims development

- 8 An entity is required to disclose actual claims compared to previous estimates of the undiscounted amounts of the claims. The objective of the disclosure is to provide information about the development of claims for which there is uncertainty about their payment amount and/or timing. This disclosure requirement is not new for insurance contracts and not significantly changed by SFRS(I) 17.

SFRS(I) 17  
(130)

The disclosure is required for all periods starting from when the earliest material claims arose and for which there is still uncertainty about the amount and timing of payment. However, showing information for more than ten years prior to the end of the reporting period is not required.



**Additional Illustrative Disclosures**

## Appendix 3 – Impact of insurance contracts on the non-insurer

**Guidance notes**

An entity is required to demonstrate how the disclosure of claims development reconciles to incurred claims disclosed in accordance with the requirements of paragraph 100(c). Though not explicitly required by paragraph 130 of IFRS 17, it is expected that expenses directly attributable to claims.

Inclusion of claims development disclosures are not required where uncertainty about the timing and amount of claim payments is expected to be resolved within one year. Consequently, the illustrative example does not provide disclosure for its insurance contracts because the claims are expected to be settled shortly after the insured event occurs. Suggested disclosures in relation to claims development are as below:

Claims development

Actual claims payments are compared with previous estimates of the Group's undiscounted amounts of the claims as at 31 December 2024.

## (a) Profit margin guarantees

| <b>Claim Year</b>   | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>Total</u> |
|---|-------------|-------------|-------------|--------------|
|   | \$'000      | \$'000      | \$'000      | \$'000       |
| Year of claim   | [ ]         | [ ]         | [ ]         | [ ]          |
| 1 year later  | [ ]         | [ ]         | -           | [ ]          |
| 2 years later   | [ ]         | -           | -           | [ ]          |
| Cumulative gross claims and other directly attributable expenses paid | [ ]         | [ ]         | [ ]         | [ ]          |
| Gross cumulative claims liabilities                                   | [ ]         | [ ]         | [ ]         | [ ]          |
| Effect of discounting   |             |             |             | [ ]          |
| Effect of risk adjustment margin for non-financial risk               |             |             |             | [ ]          |
| Liability insured claims balance as at 31 December 2024               |             |             |             | [ ]          |



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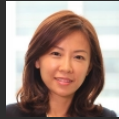
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