

**SINGAPORE MEDICAL ASSOCIATION
(UEN: S61SS0168E)
AND ITS SUBSIDIARY**

**AUDITED FINANCIAL STATEMENTS AND
OTHER INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

**SINGAPORE MEDICAL ASSOCIATION
(UEN: S61SS0168E)
AND ITS SUBSIDIARY**

REGISTERED OFFICE

**166 Bukit Merah Central
#04-3531, Singapore 150166**

AUDITOR

Kreston David Yeung PAC

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**SINGAPORE MEDICAL ASSOCIATION
(UEN: S61SS0168E)
AND ITS SUBSIDIARY**

STATEMENT BY THE ASSOCIATION'S COUNCIL MEMBERS

The council members of Singapore Medical Association (the "association") are pleased to present the accompanying financial statements of the association and its subsidiary (the "group") for the financial year ended 31 December 2025.

In the opinion of the council members:-

- i) the accompanying consolidated financial statements of the group and the statement of financial position, statement of profit or loss and other comprehensive income and statement of changes in funds of the association are drawn up in accordance with the provisions of the Societies Act 1966 and Financial Reporting Standards in Singapore so as to present fairly, in all material respects, the consolidated financial position of the group and the financial position of the association as at 31 December 2025, and of the consolidated financial performance, consolidated changes in funds and consolidated cash flows of the group and the financial performance and changes in funds of the association for the year ended on that date; and
- ii) at the date of this statement, there are reasonable grounds to believe that the association will be able to pay its debts as and when they fall due.

The council members approved and authorised these financial statements for issue.

On behalf of the council members,

DR NG CHEE KWAN
President

DR BENNY LOO KAI GUO
Honorary Secretary

DR CHIE ZHI YING
Honorary Treasurer

6 April 2026



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE MEDICAL ASSOCIATION (UEN: S61SS0168E)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Singapore Medical Association (the “association”) and its subsidiary (collectively, the “group”), which comprise the statements of financial position of the group and the association as at 31 December 2025, the statements of profit or loss and other comprehensive income and statements of changes in funds of the group and the association and consolidated statement of cash flows of the group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the group, the statement of financial position, statement of profit or loss and other comprehensive income and statement of changes in funds of the association are properly drawn up in accordance with the provisions of the Societies Act 1966 (the “Act”) and Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material respects, the consolidated financial position of the group and the financial position of the association as at 31 December 2025 and of the consolidated financial performance, consolidated changes in funds and consolidated cash flows of the group and financial performance and changes in funds of the association for the year ended on that date.

Basis for Opinion

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

Other Information

The council members are responsible for the other information. The other information comprises the Statement by the Association's Council Members (set out on page 1).

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

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SINGAPORE MEDICAL ASSOCIATION (UEN: S61SS0168E) (Continued)**

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The association's council members are responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRS, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, the association's council members are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the association's council members either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

The association's council members' responsibilities include overseeing the group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SINGAPORE MEDICAL ASSOCIATION (UEN: S61SS0168E) (Continued)**

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

- Conclude on the appropriateness of the association's council members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on Other Legal and Regulatory Requirements

In our opinion:

- (a) the accounting and other records required by the Societies Regulations enacted under the Act to be kept by the association have been properly kept in accordance with those Regulations; and
- (b) the accounting and other records required to be kept by the subsidiary corporation incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Companies Act 1967.

KRESTON DAVID YEUNG PAC
Public Accountants and
Chartered Accountants

Singapore, 6 April 2026

KRESTON DAVID YEUNG PAC (UEN: 200717891W)

A public accounting corporation incorporated with limited liability and an independent member of the **Kreston Global** network
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**SINGAPORE MEDICAL ASSOCIATION
(UEN: S61SS0168E)
AND ITS SUBSIDIARY**

**STATEMENTS OF FINANCIAL POSITION
As at 31 December 2025**

		Group		Association	
		2025	2024	2025	2024
ASSETS	Note	S\$	S\$	S\$	S\$
Non-current assets					
Deferred tax assets	3	31,126	-	-	-
Intangible asset	4	36,667	54,667	36,667	54,667
Investment properties	5	6,145,130	-	-	-
Property, plant and equipment	6	66,041	58,838	66,041	58,838
Investment in subsidiary	7	-	-	3,314,000	3,314,000
Right-of-use assets	8	61,402	184,205	61,402	184,205
Total non-current assets		6,340,366	297,710	3,478,110	3,611,710
Current assets					
Investment in securities	9	-	2,086,426	-	-
Trade receivables	10	392,464	492,459	399,004	498,999
Subscription in arrears	11	152,951	149,127	152,951	149,127
Other receivables, deposits and prepayments	12	705,465	98,401	165,584	66,908
Cash and bank balances	13	7,636,962	8,336,007	4,456,973	3,627,735
Total current assets		8,887,842	11,162,420	5,174,512	4,342,769
Total assets		15,228,208	11,460,130	8,652,622	7,954,479
FUNDS AND LIABILITIES					
Accumulated funds		11,138,464	10,353,327	7,597,475	6,853,736
Total funds		11,138,464	10,353,327	7,597,475	6,853,736
Non-current liabilities					
Term loan	14	2,903,030	-	-	-
Lease liabilities	15	-	63,114	-	63,114
Total non-current liabilities		2,903,030	63,114	-	63,114
Current liabilities					
Other payables and accruals	16	910,357	833,344	862,142	827,284
Deferred capital grant	17	10,000	20,000	10,000	20,000
Term loan	14	83,352	-	-	-
Lease liabilities	15	63,114	122,782	63,114	122,782
Provision of taxation		119,891	67,563	119,891	67,563
Total current liabilities		1,186,714	1,043,689	1,055,147	1,037,629
Total liabilities		4,089,744	1,106,803	1,055,147	1,100,743
Total funds and liabilities		15,228,208	11,460,130	8,652,622	7,954,479

The notes set out on pages 10 to 36 form an integral part of and should be read in conjunction with this set of financial statements.

**SINGAPORE MEDICAL ASSOCIATION
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**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2025**

		Group		Association	
	Note	2025 S\$	2024 S\$	2025 S\$	2024 S\$
Income					
Amortisation of deferred capital grant		10,000	10,000	10,000	10,000
AST course fees		288,400	240,863	288,400	240,863
Centre for ME and professionalism income		501,162	342,061	501,162	342,061
Contributions		835,997	893,785	823,767	879,353
Government childcare leave		2,948	2,214	2,948	2,214
Healthcare course fees		7,800	-	-	-
Interest income on bank deposits		159,967	210,719	45,218	54,846
Interest income from investment securities		17,400	76,400	-	-
IRAS CPF Transition offset government payment		785	622	785	622
IRAS enabling employment credit		157	846	157	846
IRAS Progressive Wage Credit Scheme		524	4,114	524	4,114
IRAS SkillsFuture Enterprise Credit Govn payment		-	221	-	221
Management fee income		93,000	85,272	99,000	91,272
Medical Practice Management income		16,889	-	16,889	-
Medik Awas income		1,351	1,055	1,351	1,055
Members' welfare event income		50,481	8,376	50,481	8,376
Miscellaneous income		488	100	(75)	100
MSF - Government paid leave		-	25,530	-	25,530
Rebate income		61,063	64,630	61,063	64,630
Rental income		44,071	-	-	-
Senior employment credit		269	-	269	-
SMA Newsletter publication		545,541	579,060	545,541	579,060
SMA talks and seminars		3,200	2,156	3,200	2,156
SMA Dinner and Dance		58,323	58,427	58,323	58,427
SMA Football		(300)	-	(300)	-
SMA Golf		47,139	38,398	47,139	38,398
SMJ publication		61,608	24,635	61,608	24,635
Subscriptions		1,609,856	1,050,809	1,609,856	1,050,809
		4,418,119	3,720,293	4,227,306	3,479,588
Expenditure		(3,544,217)	(2,975,422)	(3,363,676)	(2,958,631)
Surplus before taxation		873,902	744,871	863,630	520,957
Taxation	18	(88,765)	(62,067)	(119,891)	(79,067)
Net surplus and total comprehensive income for the year		785,137	682,804	743,739	441,890

The notes set out on pages 10 to 36 form an integral part of and should be read in conjunction with this set of financial statements.

**SINGAPORE MEDICAL ASSOCIATION
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**STATEMENTS OF EXPENDITURE
For the year ended 31 December 2025**

	Group		Association	
	2025	2024	2025	2024
	S\$	S\$	S\$	S\$
Expenditure				
Advertisement	-	866	-	866
AST course expenses	87,506	75,012	87,506	75,012
Auditors' remuneration	12,340	12,049	8,500	8,500
Bank charges	43,302	28,954	39,356	20,519
Centre for ME and professionalism expenses	174,562	124,112	174,562	124,112
CPF and SDL	267,377	247,815	267,377	247,815
Depreciation of intangible asset	32,000	27,333	32,000	27,333
Depreciation of investment properties	125,411	-	-	-
Depreciation of property, plant and equipment	36,444	23,074	36,444	23,074
Depreciation of right-of-use assets	122,803	61,402	122,803	61,402
Entertainment	8,857	2,729	8,857	2,729
General expenses	235	138	235	138
Healthcare course expenses	4,650	(535)	-	-
Insurance	28,364	24,049	28,184	24,049
Interest	4,418	3,889	4,418	3,889
Inter-professional games	10,632	6,223	10,632	6,223
Legal fees	12,466	-	-	-
Loss on disposal of plant and equipment	-	2,567	-	2,567
Management fees	(540)	540	-	-
Masks, gloves and gowns	-	2,943	-	-
Medical expenses	14,077	11,512	14,077	11,512
Medical Practice Management expenses	7,974	-	7,974	-
Medik Awas expenses	250	546	250	546
Meeting expenses	2,920	1,301	2,920	1,301
Member's welfare	110,884	75,215	110,884	75,215
Net allowance for credit losses	42,850	75,520	42,850	75,520
Office refreshments	582	615	582	615
Postage and couriers	19,884	10,512	19,884	10,512
Printing and stationery	22,491	12,439	22,241	12,011
Professional fee	6,049	(12,541)	-	(12,541)
Property tax	3,539	-	-	-
Rental of equipment	960	1,200	960	1,200
Repairs and maintenance	32,332	130,803	32,332	130,803
Secretarial fees	764	600	-	-
Sinking fund	3,381	-	-	-
SMA Dinner expenses	75,909	55,149	75,909	55,149
SMA Football expenses	1,200	38,612	1,200	-
SMA Golf expenses	46,983	-	46,983	38,612
SMA Newsletter expenses	185,153	157,184	185,153	157,184
SMA talks and seminar expenses	1,005	2,893	1,005	2,893
SMJ publication expenses	63,208	59,751	63,208	59,751
Sponsorship	76,250	50,000	76,250	50,000
Staff salaries and bonuses	1,738,466	1,622,094	1,738,466	1,622,094
Staff training	16,496	1,559	16,496	1,559
Staff vacation pay	5,014	(14,084)	5,014	(14,084)
Staff welfare	10,491	6,995	10,491	6,995
Subscriptions	4,659	3,501	4,659	3,501
Tax fee	840	831	-	-
Telephone and fax	19,243	19,143	19,243	19,143
Term loan interest	15,710	-	-	-
Transportation	3,075	1,229	3,020	1,229
Travelling	24,879	8,709	24,879	8,709
Utilities	15,872	10,974	15,872	10,974
	<u>3,544,217</u>	<u>2,975,422</u>	<u>3,363,676</u>	<u>2,958,631</u>

The notes set out on pages 10 to 36 form an integral part of and should be read in conjunction with this set of financial statements.

**SINGAPORE MEDICAL ASSOCIATION
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**STATEMENTS OF CHANGES IN FUNDS
For the year ended 31 December 2025**

	Accumulated funds S\$
<u>GROUP</u>	
Balance as at 01.01.2024	9,670,523
Total comprehensive income for the year	<u>682,804</u>
Balance as at 31.12.2024 and 01.01.2025	10,353,327
Total comprehensive income for the year	<u>785,137</u>
Balance as at 31.12.2025	<u>11,138,464</u>
<u>ASSOCIATION</u>	
Balance as at 01.01.2024	6,411,846
Total comprehensive income for the year	<u>441,890</u>
Balance as at 31.12.2024 and 01.01.2025	6,853,736
Total comprehensive income for the year	<u>743,739</u>
Balance as at 31.12.2025	<u>7,597,475</u>

The notes set out on pages 10 to 36 form an integral part of and should be read in conjunction with this set of financial statements.

**SINGAPORE MEDICAL ASSOCIATION
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**CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2025**

	2025	2024
Note	S\$	S\$
Cash flows from operating activities		
Surplus before taxation	873,902	744,871
Adjustments for:-		
Depreciation of intangible asset	32,000	27,333
Depreciation of investment properties	125,411	-
Depreciation of property, plant and equipment	36,444	23,074
Depreciation of right-of-use assets	122,803	61,402
Loss on disposal of property, plant and equipment	-	2,567
Allowance for credit losses	42,850	75,520
Interest expense	20,128	3,889
Interest income	(177,367)	(287,119)
Amortisation of deferred capital grant	(10,000)	(10,000)
Operating cash flow before working capital changes:-	1,066,171	641,537
(Increase)/Decrease in trade and other receivables	(565,748)	7,164
Increase in other payables and accruals	75,827	97,265
Increase in deferred capital grant	-	30,000
Cash generated from operations	576,250	775,966
Income tax paid	(67,563)	(20,977)
Net cash generated from operating activities	508,687	754,989
Cash flows from investing activities		
Proceeds from disposal of investment	2,086,426	2,014,050
Purchase of investment securities	-	(4,064,026)
Purchase of investment properties	(3,270,541)	-
Purchase of plant and equipment	(43,647)	(78,195)
Acquisition of intangible asset	(14,000)	(82,000)
Fixed deposit pledged	(1,000,000)	-
Interest received	189,372	322,223
Net cash used in investing activities	(2,052,390)	(1,887,948)
Cash flows from financing activities		
Interest paid	(18,942)	(3,889)
Repayment of term loan	(13,618)	-
Payment of principal portion of lease liabilities	(122,782)	(59,711)
Net cash used in financing activities	(155,342)	(63,600)
Net decrease in cash and cash equivalents	(1,699,045)	(1,196,559)
Cash and cash equivalents at beginning of year	8,286,933	9,483,492
Cash and cash equivalents at end of year	13 6,587,888	8,286,933

The notes set out on pages 10 to 36 form an integral part of and should be read in conjunction with this set of financial statements.

**SINGAPORE MEDICAL ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

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

1. GENERAL

Singapore Medical Association (the “association”) is registered under the Societies Act in the Republic of Singapore. The registered office and principal place of business of the association is located at 166 Bukit Merah Central, #04-3531, Singapore 150166.

The principal activities of the association are to promote the medical and allied sciences in the Republic of Singapore and also to promote social, culture and professional activities among members of the association. The principal activities of its subsidiary is stated in Note 7 to the financial statements.

The financial statements for the year ended 31 December 2025 are authorised for issue by the Council of the association on 6 April 2026.

The financial statements are presented in Singapore dollar.

2. MATERIAL ACCOUNTING POLICY INFORMATION

a) Basis of Preparation

The financial statements have been prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with Singapore Financial Reporting Standards (“FRS”).

In the current financial year, the group has adopted all the new and amended FRS and Interpretations of FRS (“INT FRS”) that are relevant to its operations and effective for annual period beginning on or after 1 January 2025. The adoption of these new/amended FRSs and INT FRSs has no material effect on the financial statements.

The financial statements of the group have been prepared on the basis that it will continue to operate as a going concern.

b) Significant Accounting Estimates and Judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the group’s accounting policies, reported amounts of assets, liabilities, income and expense and disclosures made. Although these estimates are based on the management’s best knowledge of current events and actions, actual result may differ from those estimates.

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

b) Significant Accounting Estimates and Judgements (Continued)

The critical accounting estimates and assumptions used and areas involving a high degree of judgement are described below:-

Critical assumptions used and accounting estimates in applying accounting policies

Income tax

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the group provision for income tax. The group recognises liabilities for expected tax issues based on estimates of whether additional tax will be due. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Useful lives of property, plant and equipment

As described in Note 2(d), the group reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period. The estimated useful lives reflect the management's estimation of the periods that the group intends to derive future economic benefits from the use of the group's property, plant and equipment.

The carrying amounts of property, plant and equipment at the end of the reporting period are disclosed in Note 6 to the financial statements.

Allowance for expected credit losses

The group uses provision matrix to calculate the expected credit losses for financial assets. The amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics and with forward-looking information. At the end of each reporting period, historical loss information is updated and changes in the forward-looking estimates are analysed.

The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions. The group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

b) Significant Accounting Estimates and Judgements (Continued)

Critical judgements made in applying accounting policies

In the process of applying the accounting policies, management had made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Impairment of property, plant and equipment

The group assesses annually whether property, plant and equipment have any indication of impairment in accordance with the accounting policy. The recoverable amounts of property, plant and equipment have been determined based on value-in-use calculations. These calculations require the use of judgement and estimates.

Impairment of investment in subsidiary

When an investee is in net equity deficit and has suffered operating losses, a test is made whether the investment in the investee has suffered any impairment, in accordance with the stated accounting policy. This determination requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee.

c) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the association and the entity controlled by the association (its subsidiary) as at the end of reporting period. The financial statements of the subsidiary used in the preparation of the consolidated financial statements are prepared for the same reporting date as the association. Consistent accounting policies are applied to like transactions and events in similar circumstances.

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

Subsidiary is consolidated from the date of acquisition, being the date on which the group obtains control, and continue to be consolidated until the date that such control ceases.

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

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

c) Basis of Consolidation (Continued)

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

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

d) Property, Plant and Equipment and Depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line method so as to write off the costs over the estimated useful lives of the property, plant and equipment as follows:-

Computers	1 year
Computer software	3 years
Air conditioners	3 years
Equipment, furniture and fittings	3 - 10 years
Renovations	5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful lives and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

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2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

d) Property, Plant and Equipment and Depreciation (Continued)

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

e) Investment Properties

Investment properties are properties held either to earn rental income or capital appreciation or both. It does not include properties for sale in the ordinary course of business, used in the production or supply of goods or services, or for administrative purposes. Rental income from investment properties is accounted for in the manner described in Note 2 (q).

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and impairment losses, if any.

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

The estimated useful life is as follows:

Leasehold property	50 years
--------------------	----------

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

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

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

f) Intangible Asset

SMA website revamp, integrating membership portal and Digi-Tac programme costs are recognised as an asset to the extent that it's expected that such asset will generate future economic benefits. Such costs are subsequently amortised on a straight-line basis over their useful lives of 3 years. The amortisation period and amortisation method of intangible assets are reviewed at the end of each reporting period. The effects of any revision are recognised in the profit or loss when the changes arise.

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2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

g) Investment in Subsidiary

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

In the association's separate financial statements, investment in subsidiary is accounted for at cost less impairment losses.

h) Cash and Cash Equivalents

Cash and cash equivalents comprised cash in hand and at banks and unpledged fixed deposits which form part of the cash management that are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value.

i) Financial Assets

Initial recognition and measurement

Financial assets are recognised on the statement of financial position when, and only when, the group becomes a party to the contractual provisions of the financial instrument.

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 cost of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the group expects to be entitled in exchange for transferring promised goods and services to a customer, excluding amount collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investment in debt instrument

Subsequent measurement of debt instruments depends on the financial asset's contractual cash flow characteristics and the group's business model for managing them. The group only has debt instrument at amortised cost.

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2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

i) Financial Assets (Continued)

Subsequent measurement (Continued)

Investment in debt instrument (Continued)

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

Derecognition

A financial asset is derecognised where the contractual right to the cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

Impairment of financial assets

The group recognises an allowance for expected credit losses (“ECL”) on investments in debt instruments that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The group always recognises lifetime ECL for receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

j) Impairment of Non-Financial Assets

The group assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the group makes an estimate of the asset’s recoverable amount.

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

Impairment losses are recognised in the profit or loss.

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2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

j) Impairment of Non-Financial Assets (Continued)

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

k) Financial Liabilities

Initial recognition and measurement

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

Financial liabilities are recognised initially at fair value, plus, net of directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

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

l) Borrowings Costs

Borrowing costs are recognised in the profit or loss as incurred.

m) Provisions

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

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2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

m) Provisions (Continued)

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

n) Contingencies

A contingent liability is:-

- a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group; or
- b) a present obligation that arises from past events but is not recognised because:
 - i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group.

Contingent liabilities and assets are not recognised on the statement of financial position of the group.

o) Currency Translations

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 consolidated financial statements are presented in Singapore dollar, which is the association’s functional currency.

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

o) Currency Translations (Continued)

Transactions and balances

Transactions in a currency other than Singapore dollar (“foreign currency”) are translated into Singapore dollar using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, recorded foreign currency monetary items are adjusted to reflect the rate at end of reporting period. All realised and unrealised differences are taken to the profit or loss.

p) Leases

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

As lessee

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

Right-of-use asset

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

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

The group’s right-of-use assets is disclosed Note 8 to the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

p) **Leases (Continued)**

As lessee (Continued)

Lease liabilities

At the commencement date of the lease, the group recognises lease liability measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

The group's lease liability is disclosed in Note 15 to the financial statements.

q) **Revenue Recognition**

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

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

The specific recognition criteria described below must also be met before revenue recognised:-

Subscription fees from members are recognised over the period of membership.

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

q) Revenue Recognition (Continued)

Course fee income is recognised as revenue over the duration of the course.

Contributions are recognised when the right to receive payment is established.

Revenue from advertisements is recognised in the period in which the advertisement is published.

Rebates and miscellaneous income are recognised when due.

Interest income is recognised using the effective interest method.

Rental income from operating leases on investment properties is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

r) Government Grants

Grant income is recognised when there is reasonable assurance that the conditions attaching to it will be complied with and the grant will be received.

Grants for the purchase of depreciable assets are taken to the deferred grant account at their fair value. The deferred grant is recognised in the profit or loss over the years necessary to match the depreciation of assets purchased with the related grant. Grants for operating expenses are recognised in the profit or loss over the years necessary to match them on a systematic basis to the costs that they are intended to compensate.

s) Taxation

Income tax on the profit or loss for the period comprises current and deferred income taxes. Income tax is recognised in the profit or loss except to the extent that it relates to items recognised outside profit or loss, in which case it is recognised in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the end of the reporting period and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the liability method for temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

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2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

s) **Taxation (Continued)**

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

t) **Key Management Personnel**

Key management personnel of the group are those having authority and responsibility for planning, directing and controlling the activities of the group. The council members are considered as key management personnel.

u) **Employee Benefits**

As required by law, the group makes contributions to the state pension scheme, the Central Provident Fund (CPF). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contribution.

v) **Employee Leave Entitlement**

Employee entitlement to annual leave is recognised when it accrues to employees. A provision is made for the unconsumed leave as a result of services rendered by employees up to the end of the reporting period.

3. DEFERRED TAX ASSETS

	At beginning of the year S\$	Recognised in profit or loss S\$	Group At end of the year S\$
<u>2025</u>			
Unutilised tax losses	-	31,126	31,126

Unutilised tax losses

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The group has concluded that the deferred tax assets will be recoverable based on the estimated future taxable income of the group based on the forecast for the group.

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4. INTANGIBLE ASSET

	Group and Association Website and Digi-Tac Programme S\$
<u>Cost</u>	
At 01.01.2024	73,000
Addition during the year	<u>82,000</u>
At 31.12.2024/01.01.2025	155,000
Addition during the year	<u>14,000</u>
At 31.12.2025	<u>169,000</u>
<u>Accumulated depreciation</u>	
At 01.01.2024	73,000
Charge for the year	<u>27,333</u>
At 31.12.2024/01.01.2025	100,333
Charge for the year	<u>32,000</u>
At 31.12.2025	<u>132,333</u>
<u>Carrying amount</u>	
At 31.12.2025	36,667
At 31.12.2024	<u>54,667</u>

The acquisition of intangible asset during the year 2024 was partially funded by Singapore Business Federation's grant amounted to S\$30,000 (Note 17).

5. INVESTMENT PROPERTIES

	Group S\$
<u>Cost</u>	
At 01.01.2024/31.12.2024/01.01.2025	-
Addition	<u>6,270,541</u>
At 31.12.2025	<u>6,270,541</u>
<u>Accumulated depreciation</u>	
At 01.01.2024/31.12.2024/01.01.2025	-
Charge for the year	<u>125,411</u>
At 31.12.2025	<u>125,411</u>
<u>Carrying amount</u>	
At 31.12.2025	6,145,130
At 31.12.2024	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

5. INVESTMENT PROPERTIES (Continued)

During the financial year, the group acquired the properties of S\$6,270,541 by cash payment of S\$3,270,541 and term loan of S\$3,000,000.

The investment properties are leased to third party under operating lease.

	2025 S\$	2024 S\$
<u>Income</u>		
Rental income	44,071	-
<u>Direct operating expenses</u>		
Depreciation of investment properties	125,411	-
Fire insurance	180	-
Legal fees	12,466	-
Property tax	3,539	-
Sinking fund	3,381	-
Term loan interest	15,710	-

The details of the investment properties held by the group are as follow:-

<u>Description and Location</u>	<u>Floor area</u> <u>(square metres)</u>	<u>Tenure</u>
60 Paya Lebar Road, Paya Lebar Square, Singapore 409051		
#13-17	126	Leasehold
#13-18	123	Leasehold

The two office unit have been amalgamated into a single office unit

Based on the Management's estimation, the fair value of the investment properties at the end of the reporting period approximates S\$6,000,000 by reference to the valuation by an independent appraiser immediately before the conclusion of purchase on the investment properties, which using the direct comparison method adjusted for factors such as location, floor area and etc.

Investment properties are pledged as security for banking facilities (Note 14).

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6. PROPERTY, PLANT AND EQUIPMENT

<u>Group</u>	Computers S\$	Computer software S\$	Air Conditioners S\$	Equipment, furniture and fittings S\$	Renovations S\$	Total S\$
Cost						
At 01.01.2024	123,446	173,151	9,904	156,156	172,820	635,477
Additions	19,485	-	3,960	13,850	40,900	78,195
Disposal	(35,604)	-	(6,054)	(66,868)	(170,184)	(278,710)
At 31.12.2024/01.01.2025	107,327	173,151	7,810	103,138	43,536	434,962
Additions	16,207	-	-	27,440	-	43,647
Disposal	-	-	-	(33,678)	-	(33,678)
At 31.12.2025	123,534	173,151	7,810	96,900	43,536	444,931
Accumulated Depreciation						
At 01.01.2024	123,446	173,151	4,770	155,006	172,820	629,193
Charge for the year	6,495	-	2,603	5,796	8,180	23,074
Disposal	(35,604)	-	(3,487)	(66,868)	(170,184)	(276,143)
At 31.12.2024/01.01.2025	94,337	173,151	3,886	93,934	10,816	376,124
Charge for the year	11,897	-	2,604	13,763	8,180	36,444
Disposal	-	-	-	(33,678)	-	(33,678)
At 31.12.2025	106,234	173,151	6,490	74,019	18,996	378,890
Carrying Amount						
At 31.12.2025	17,300	-	1,320	22,881	24,540	66,041
At 31.12.2024	12,990	-	3,924	9,204	32,720	58,838
Association						
Cost						
At 01.01.2024	123,446	162,276	9,904	138,806	172,820	607,252
Additions	19,485	-	3,960	13,850	40,900	78,195
Disposal	(35,604)	-	(6,054)	(49,518)	(170,184)	(261,360)
At 31.12.2024/01.01.2025	107,327	162,276	7,810	103,138	43,536	424,087
Additions	16,207	-	-	27,440	-	43,647
Disposal	-	-	-	(33,678)	-	(33,678)
At 31.12.2025	123,534	162,276	7,810	96,900	43,536	434,056
Accumulated Depreciation						
At 01.01.2024	123,446	162,276	4,770	137,656	172,820	600,968
Charge for the year	6,495	-	2,603	5,796	8,180	23,074
Disposal	(35,604)	-	(3,487)	(49,518)	(170,184)	(258,793)
At 31.12.2024/01.01.2025	94,337	162,276	3,886	93,934	10,816	365,249
Charge for the year	11,897	-	2,604	13,763	8,180	36,444
Disposal	-	-	-	(33,678)	-	(33,678)
At 31.12.2025	106,234	162,276	6,490	74,019	18,996	368,015
Carrying Amount						
At 31.12.2025	17,300	-	1,320	22,881	24,540	66,041
At 31.12.2024	12,990	-	3,924	9,204	32,720	58,838

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7. INVESTMENT IN SUBSIDIARY

	Association	
	2025	2024
	S\$	S\$
<u>Unquoted equity shares, at cost</u>		
Balance at beginning of the year and end of the year	3,314,000	3,314,000

The association regards Singapore Medical Association Pte Ltd, a company registered in the Republic of Singapore, as its wholly owned subsidiary. The subsidiary's shares are registered and held in trust by three trustees, namely A/Prof Chew Suok Kai, Dr Chin Jing Jih and Dr Thirumorthy S/O Thamothersampillai, who were appointed by Singapore Medical Association.

The principal activities of the subsidiary are those of commission agents, course organisers and investment holding.

8. RIGHT-OF-USE ASSETS

	Group and Association	
	2025	2024
	S\$	S\$
Office premises		
Cost		
- Balance at beginning of the year	245,607	426,995
- Written off during the year	-	(426,995)
- Addition during the year	-	245,607
- Balance at end of the year	245,607	245,607
Less: Accumulated depreciation		
- Balance at beginning of the year	(61,402)	(426,995)
- Written off during the year	-	426,995
- Addition during the year	(122,803)	(61,402)
- Balance at end of the year	(184,205)	(61,402)
Carrying amount	61,402	184,205

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9. INVESTMENT IN SECURITIES

	2025	Group 2024
	S\$	S\$
<u>Carrying amount at amortised cost:-</u>		
Current:		
Singapore Treasury Bills, due on 21 January 2025	-	2,086,426
	<u> </u>	<u> </u>
<u>Fair value:-</u>		
Singapore Treasury Bills, due on 21 January 2025	-	2,086,426
	<u> </u>	<u> </u>

The securities earned fixed interest rate between 3.83% to 3.89% per annum.

10. TRADE RECEIVABLES

	2025	Group 2024	2025	Association 2024
	S\$	S\$	S\$	S\$
Trade receivables				
- Related party	106,992	94,219	106,992	94,219
- Subsidiary	-	-	6,540	6,540
- Third parties	285,472	398,240	285,472	398,240
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	392,464	492,459	399,004	498,999
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Trade receivables are non-interest bearing and are generally on 0-60 days (2024: 0-60 days) credit terms. They are recognised at their original invoiced amounts which represent their fair values on initial recognition. These receivables are unsecured and the analysis of their ageing at the end of the reporting period is as follows:-

	2025	Group 2024	2025	Association 2024
	S\$	S\$	S\$	S\$
Not past due	315,762	411,050	322,302	417,590
Past due 1 - 3 months	25,176	59,786	25,176	59,786
Past due 3 - 6 months	18,388	3,815	18,388	3,815
Over 6 months	33,138	17,808	33,138	17,808
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	392,464	492,459	399,004	498,999
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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11. SUBSCRIPTION IN ARREARS

	Group and Association	
	2025	2024
	S\$	S\$
Subscription in arrears	199,492	230,689
Less: Allowance for credit losses	<u>(46,541)</u>	<u>(81,562)</u>
	<u>152,951</u>	<u>149,127</u>
Movements of allowance for credit losses:-		
Balance at beginning of year	81,562	56,989
Addition during the year	46,541	81,562
Allowance written off	<u>(81,562)</u>	<u>(56,989)</u>
Balance at end of year	<u>46,541</u>	<u>81,562</u>

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Association	
	2025	2024	2025	2024
	S\$	S\$	S\$	S\$
Other receivables	965	17,250	965	250
Fixed deposit interest receivable	2,477	14,482	-	-
Deposits	131,479	28,676	131,479	28,676
Prepayments	33,140	37,982	33,140	37,982
GST receivable	537,404	11	-	-
	<u>705,465</u>	<u>98,401</u>	<u>165,584</u>	<u>66,908</u>

13. CASH AND BANK BALANCES

Cash and bank balances	3,239,655	2,109,769	2,746,568	1,962,548
Fixed deposits	<u>4,397,307</u>	<u>6,226,238</u>	<u>1,710,405</u>	<u>1,665,187</u>
	7,636,962	8,336,007	4,456,973	3,627,735
Less: Fixed deposit pledged	<u>(1,049,074)</u>	<u>(49,074)</u>	<u>(49,074)</u>	<u>(49,074)</u>
Cash and cash equivalents	<u>6,587,888</u>	<u>8,286,933</u>	<u>4,407,899</u>	<u>3,578,661</u>

The fixed deposits are pledged as security to the bank for bankers guarantee on corporate credit card (Association) and as collateral for banking facilities during the year (Note 14)

The fixed deposits bear interest rate at 0.7% to 1.4% (2024: 1.48% to 3.6%) per annum and mature within 182 days to 365 days (2024: 183 days to 367 days).

**SINGAPORE MEDICAL ASSOCIATION
(UEN: S61SS0168E)
AND ITS SUBSIDIARY**

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

14. TERM LOAN

	2025	Group 2024
	S\$	S\$
Repayable within 12 months	83,352	-
Repayable after 12 months	<u>2,903,030</u>	<u>-</u>
Repayable after 12 months	<u>2,986,382</u>	<u>-</u>

The loan is secured by legal mortgage of investment properties (Note 5), pledged of group's fixed deposit amounting to S\$1,000,000 and assignment of rental proceeds. The loan bears interest at 2.9% for first 3 years and SORA in-advance plus 3% ("Margin") per annum in subsequent years.

15. LEASES – Group and Association

The group as a lessee

The group has lease contracts for its leasehold office premises. The group's obligations under these leases are secured by the lessor's title to the leased assets. The group is restricted from assigning and subleasing its leased asset.

(a) Lease liabilities

The carrying amounts of lease liabilities and the movements during the year are as below:-

	1 January 2025	Additions	Cash flows	Non-cash changes of Interest	Reclassification	31 December 2025
	S\$	S\$	S\$	S\$	S\$	S\$
Lease liabilities:-						
- Current	122,782	-	(127,200)	4,418	63,114	63,114
- Non-current	63,114	-	-	-	(63,114)	-
	<u>185,896</u>	<u>-</u>	<u>(127,200)</u>	<u>4,418</u>	<u>-</u>	<u>63,114</u>

	1 January 2024	Additions	Cash flows	Non-cash changes of Interest	Reclassification	31 December 2024
	S\$	S\$	S\$	S\$	S\$	S\$
Lease liabilities:-						
- Current	-	245,607	(63,600)	3,889	(63,114)	122,782
- Non-current	-	-	-	-	63,114	63,114
	<u>-</u>	<u>245,607</u>	<u>(63,600)</u>	<u>3,889</u>	<u>-</u>	<u>185,896</u>

**SINGAPORE MEDICAL ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

15. LEASES – Group and Association (Continued)

The group as a lessee (Continued)

(b) Amount recognised in profit or loss

	2025	2024
	S\$	S\$
Depreciation of right-of-use assets	122,803	61,402
Interest expense on lease liabilities	4,418	3,889
Short-term lease	-	82,329
Total amount recognised in profit or loss	<u>127,221</u>	<u>147,620</u>

(c) Total cash outflows

The group had total cash outflows for leases of S\$127,200 (2024: S\$145,929).

(d) Lease options

The group's lease contract does not include extension options.

16. OTHER PAYABLES AND ACCRUALS

	Group		Association	
	2025	2024	2025	2024
	S\$	S\$	S\$	S\$
Other payables	98,452	64,889	98,452	64,889
Rental deposit	41,400	-	-	-
Interest payable	1,186	-	-	-
Accruals	115,329	108,890	109,700	104,390
Contract liabilities	<u>653,990</u>	<u>659,565</u>	<u>653,990</u>	<u>658,005</u>
	<u>910,357</u>	<u>833,344</u>	<u>862,142</u>	<u>827,284</u>

Contract liabilities

Revenue recognised in 2025 which was included in the contract liabilities balance at beginning of the year was S\$225,395 (2024: S\$181,905)

**SINGAPORE MEDICAL ASSOCIATION
(UEN: S61SS0168E)
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

16. OTHER PAYABLES AND ACCRUALS (Continued)

Contract liabilities (Continued)

The aggregate amount of transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2025 is S\$653,990 (2024: S\$659,565). The group expects to recognise revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as below:-

	Group		Association	
	2025	2024	2025	2024
	S\$	S\$	S\$	S\$
Within one year	198,374	226,955	198,374	225,395
Within two to five years	298,916	284,760	298,916	284,760
More than 5 years	156,700	147,850	156,700	147,850
	<u>653,990</u>	<u>659,565</u>	<u>653,990</u>	<u>658,005</u>

17. DEFERRED CAPITAL GRANT

	Group and Association	
	2025	2024
	S\$	S\$
Balance at beginning of year	20,000	-
Addition during the year (Note 4)	-	30,000
Less: Amortisation for the year	<u>(10,000)</u>	<u>(10,000)</u>
Balance at end of year	<u>10,000</u>	<u>20,000</u>

The deferred capital grants are related to grants provided by Enterprise Singapore and e2i for Digi-Tac Programme of the association. The deferred capital grants are amortised over 3 years to compensate depreciation of intangible asset.

18. TAXATION

	Group		Association	
	2025	2024	2025	2024
	S\$	S\$	S\$	S\$
<u>Income tax expense:-</u>				
- Current year	119,891	67,563	119,891	67,563
- (Over)/Under provision in prior year	-	(5,496)	-	11,504
- Transfer from deferred taxation (Note 3)	<u>(31,126)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>88,765</u>	<u>62,067</u>	<u>119,891</u>	<u>79,067</u>

**SINGAPORE MEDICAL ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

18. TAXATION (Continued)

The tax benefit on the results for the financial year varies from the amount of income tax determined by applying the Singapore standard rate of income tax to surplus before taxation due to the following factors:-

	Group		Association	
	2025	2024	2025	2024
	S\$	S\$	S\$	S\$
Surplus before taxation	873,902	744,871	863,630	520,957
Tax benefit calculated at a tax rate of 17%	148,563	126,628	146,817	88,563
Expenses not tax deductible	47,181	21,881	22,713	21,881
Singapore statutory stepped income exemption	(17,425)	(17,425)	(17,425)	(17,425)
Tax rebate		-		-
Tax incentive	(31,875)	(21,250)	(31,875)	(21,250)
Unrecognised deferred tax assets at beginning of year	(57,340)	(95,405)	-	-
Unrecognised deferred tax assets at end of year	-	57,340	-	-
(Over)/Under provision in prior year	-	(5,496)	-	11,504
Other	(339)	(4,206)	(339)	(4,206)
Tax expense	88,765	62,067	119,891	79,067

As at the end of the reporting period, the group had unutilised tax losses of S\$183,092(2024: S\$337,290) which available to be carried forward to offset against future taxable profits of the group subject to agreement with the Comptroller of Income Tax and compliance with the relevant provision of the Income Tax Act

19. RELATED PARTY TRANSACTIONS

The following transactions took place between the parties at mutually agreed terms during the financial year:-

	Group		Association	
	2025	2024	2024	2024
	S\$	S\$	S\$	S\$
Sponsorship	75,000	50,000	75,000	50,000
Management fee income	93,000	85,272	99,000	91,272

None of the council members received any emoluments in respect of their services for both of the financial years.

**SINGAPORE MEDICAL ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

20. CAPITAL MANAGEMENT

The association regards its surpluses as capital funds. The association's objectives when managing the capital funds are to safeguard the association's ability to continue as a going concern and to ensure that it has sufficient working capital to fund its activities and meet its obligations.

The group needs to ensure loan-to-value-ratio shall not at any time exceed 50% of the aggregate market value of property.

The group's overall strategy remains unchanged for both of the reporting periods.

21. FINANCIAL RISK MANAGEMENT

The group does not have written financial risk management policies and guidelines which set out its tolerance for risk and its general risk management philosophy but management may use natural hedges or closely monitor the group's business risk exposures in connection with its financial assets and financial liabilities and adopts the appropriate measures including the use of other financial instruments when considered necessary to reduce any potential financial risk exposures or losses.

Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The group exposure to credit risk arises primarily from trade and subscription in arrears. For other financial assets (including cash and cash equivalents), the group minimise credit risk by dealing exclusively with high credit rating counterparties.

The group considers available reasonable and supportive forward-looking information which includes the following indicators:-

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

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

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

**SINGAPORE MEDICAL ASSOCIATION
(UEN: S61SS0168E)
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

21. FINANCIAL RISK MANAGEMENT (Continued)

Credit Risk (Continued)

Trade receivables

For trade receivables, the group has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The group determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

Subscription in arrears

For subscription fees from members in arrears, the group presumes the credit risks increase significantly if a member is more than 2 years past due in making payment.

The maximum exposure to credit risk for each class of financial instrument is the carrying amount of that class of financial instruments presented on the statement of financial position.

Financial assets that are either past due and/or impaired

Information regarding financial assets that are past due but not impaired or impaired is disclosed in Note 9 and Note 10 to the financial statements.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are due from creditworthy debtors. Cash and bank balances that are neither past due nor impaired are placed with reputable banks with high credit ratings.

Liquidity Risk

The group monitors and maintains a level of cash and bank balances deemed adequate by the management to finance the group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the remaining contractual maturities at the end of the reporting period of the group's financial liabilities, which are based on contractual undiscounted cash flows and the earliest date that the group required to pay:-

	Group				
	2025				
Carrying amount S\$	Total contractual undiscounted cash flow S\$	Within 12 months or on demand S\$	Between 2 to 5 years S\$	More than 5 years S\$	
Other payables and accruals	256,367	256,367	256,367	-	-
Lease liabilities	63,114	63,600	63,600	-	-
Term loan	2,986,382	4,651,435	168,852	720,544	3,762,039
	<u>3,305,863</u>	<u>4,971,402</u>	<u>488,819</u>	<u>720,544</u>	<u>3,762,039</u>

**SINGAPORE MEDICAL ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

21. FINANCIAL RISK MANAGEMENT (Continued)

Liquidity Risk (Continued)

	Group			
	2024			
	Total	Within 12	Between	
Carrying amount	contractual undiscouted cash flow	months or on demand	2 to 5 years	S\$
S\$	S\$	S\$	S\$	S\$
Other payables and accruals	173,779	173,779	173,779	-
Lease liabilities	185,896	190,800	127,200	63,600
	<u>359,675</u>	<u>364,579</u>	<u>300,979</u>	<u>63,600</u>
	Association			
	2025			
	Total	Within 12	Between	
Carrying amount	contractual undiscouted cash flow	months or on demand	2 to 5 years	S\$
S\$	S\$	S\$	S\$	S\$
Other payables and accruals	208,152	208,152	208,152	-
Lease liabilities	63,114	63,600	63,600	-
	<u>271,266</u>	<u>271,752</u>	<u>271,752</u>	<u>-</u>
	2024			
	Total	Within 12	Between	
Carrying amount	contractual undiscouted cash flow	months or on demand	2 to 5 years	S\$
S\$	S\$	S\$	S\$	S\$
Other payables and accruals	169,279	169,279	169,279	-
Lease liabilities	185,896	190,800	127,200	63,600
	<u>355,175</u>	<u>360,079</u>	<u>296,479</u>	<u>63,600</u>

Interest Rate Risk

The group is exposed to interest rate risk through the impact of rate changes on interest bearing fixed deposits. The term loan bears fixed rate of interest for the first 3 years.

**SINGAPORE MEDICAL ASSOCIATION
(UEN: S61SS0168E)
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

21. FINANCIAL RISK MANAGEMENT (Continued)

Interest Rate Risk (Continued)

Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD fixed deposit interest rates had been 60 (2024: 60) basis points higher/lower with all other variables held constant, the group's surplus before tax would have been S\$26,384 (2024: S\$37,357) higher/lower.

22. FAIR VALUE

The carrying amounts of the financial assets and financial liabilities are recorded in the financial statements at their approximate fair values due to the short-term nature of these financial instruments, except for term loan and lease liabilities as disclosed in Note 14 and 15 respectively to the financial statements.

23. CATEGORIES OF FINANCIAL INSTRUMENTS

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

	2025	Group 2024	2025	Association 2024
	S\$	S\$	S\$	S\$
<u>Financial assets</u>				
Amortised cost:-				
Investment in securities	-	2,086,426	-	-
Trade receivables	392,464	492,459	399,004	498,999
Subscription in arrears	152,951	149,127	152,951	149,127
Other receivables and deposits	134,921	60,408	132,444	28,926
Cash and bank balances	<u>7,636,962</u>	<u>8,336,007</u>	<u>4,456,973</u>	<u>3,627,735</u>
Total financial assets	<u>8,317,298</u>	<u>11,124,427</u>	<u>5,141,372</u>	<u>4,304,787</u>
<u>Financial liabilities</u>				
Amortised cost:-				
Other payables and accruals	210,722	137,885	162,507	133,385
Lease liabilities	63,114	185,896	63,114	185,896
Term loan	<u>2,986,382</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total financial liabilities	<u>3,260,218</u>	<u>323,781</u>	<u>225,621</u>	<u>319,281</u>

24. NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 January 2026. The council members expect that adoption of these accounting standards or interpretations will have no material impact on financial statements.

SINGAPORE MEDICAL ASSOCIATION PTE LTD
(UEN: 20002170N)
(Incorporated in the Republic of Singapore)

AUDITED FINANCIAL STATEMENTS AND
OTHER INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

**SINGAPORE MEDICAL ASSOCIATION PTE LTD
(UEN: 200002170N)**

DIRECTORS' STATEMENT

The directors present their statement to the member together with the audited financial statements of Singapore Medical Association Pte Ltd (the "company") for the year ended 31 December 2025.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

- i) the financial statements of the company are drawn up so as to give a true and fair view of the financial position of the company as at 31 December 2025, and the financial performance, changes in equity and cash flows of the company for the year ended on that date; and
- ii) 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.

2. DIRECTORS

The directors in office at the date of this statement are:-

NG CHEW LIP
TAN SZE WEE
LOO KAI GUO, BENNY
NG CHEE KWAN
RAJ KUMAR MENON
TOH CHOON LAI
CHIE ZHI YING (Appointed on 17 June 2025)
LEE HSIEN CHIEH (Appointed on 17 June 2025)

3. ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

During and at the end of the financial year, the company was not a party to any arrangement the object of which was to enable the directors to acquire benefits through the acquisition of shares or debentures of the company or any other body corporate.

4. DIRECTORS' INTEREST IN SHARES OR DEBENTURES

According to the register required to be kept under Section 164 of the Singapore Companies Act 1967, none of the directors who held office at the end of the financial year had interest in the shares of the company.

**SINGAPORE MEDICAL ASSOCIATION PTE LTD
(UEN: 200002170N)**

DIRECTORS' STATEMENT

5. SHARE OPTIONS

During the financial year, there were:

- (a) no options granted by the company to any person to take up unissued shares of the company; and
- (b) no shares issued by virtue of the exercise of options to take up unissued shares of the company.

At the end of the financial year, there were no unissued shares of the company under option.

6. AUDITOR

The auditor, Kreston David Yeung PAC, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors,

TAN SZE WEE
Director

NG CHEW LIP
Director

6 April 2026



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
SINGAPORE MEDICAL ASSOCIATION PTE LTD (UEN: 200002170N)**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Singapore Medical Association Pte Ltd (the “company”), which comprise the statement of financial position of the company as at 31 December 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the company for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the company as at 31 December 2025 and of the financial performance, changes in equity and cash flows of the company for the year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement [set out on pages 1 to 2].

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

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
SINGAPORE MEDICAL ASSOCIATION PTE LTD (UEN: 200002170N) (Continued)**

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The directors' responsibilities include overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
SINGAPORE MEDICAL ASSOCIATION PTE LTD (UEN: 200002170N) (Continued)**

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

**KRESTON DAVID YEUNG PAC
Public Accountants and
Chartered Accountants**

Singapore, 6 April 2026

KRESTON DAVID YEUNG PAC (UEN: 200717891W)

A public accounting corporation incorporated with limited liability and an independent member of the **Kreston Global** network
128A Tanjong Pagar Road, Singapore 088535
Tel: 6223 7979 Fax: 6222 7979

SINGAPORE MEDICAL ASSOCIATION PTE LTD
(UEN: 200002170N)

STATEMENT OF FINANCIAL POSITION
As at 31 December 2025

	Note	2025 S\$	2024 S\$
ASSETS			
Non-current asset			
Deferred tax assets	4	31,126	-
Investment properties	5	<u>6,145,130</u>	<u>-</u>
Total non-current assets		6,176,256	-
Current assets			
Investment in securities	6	<u>-</u>	<u>2,086,426</u>
Other receivables	7	539,881	31,493
Bank balances	8	<u>3,179,989</u>	<u>4,708,272</u>
Total current assets		<u>3,719,870</u>	<u>6,826,191</u>
Total assets		<u>9,896,126</u>	<u>6,826,191</u>
EQUITY AND LIABILITIES			
Equity attributable to owner			
Share capital	9	3,314,000	3,314,000
Accumulated profits		<u>3,540,989</u>	<u>3,499,591</u>
Total equity		<u>6,854,989</u>	<u>6,813,591</u>
Non-current liability			
Term loan	10	2,903,030	-
Current liabilities			
Accruals and other payables	11	<u>54,755</u>	<u>11,040</u>
Contract liabilities	12	-	1,560
Term loan	10	<u>83,352</u>	<u>-</u>
Total current liabilities		<u>138,107</u>	<u>12,600</u>
Total liabilities		<u>3,041,137</u>	<u>12,600</u>
Total equity and liabilities		<u>9,896,126</u>	<u>6,826,191</u>

The notes set out on pages 10 to 26 form an integral part of and should be read in conjunction with this set of financial statements.

SINGAPORE MEDICAL ASSOCIATION PTE LTD
(UEN: 200002170N)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2025

	Note	2025 S\$	2024 S\$
Revenue	13	64,101	14,432
Other revenue	14	132,712	232,273
Finance costs	15	(15,710)	-
Operating expenses	16	<u>(170,831)</u>	<u>(22,791)</u>
Profit before taxation		10,272	223,914
Taxation	17	<u>31,126</u>	<u>17,000</u>
Net profit and total comprehensive income for the year		<u>41,398</u>	<u>240,914</u>

The notes set out on pages 10 to 26 form an integral part of and should be read in conjunction with this set of financial statements.

SINGAPORE MEDICAL ASSOCIATION PTE LTD
(UEN: 200002170N)

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2025

	Share Capital S\$	Accumulated Profits S\$	Total Equity S\$
Balance as at 01.01.2024	3,314,000	3,258,677	6,572,677
Total comprehensive income for the year	-	240,914	240,914
Balance as at 31.12.2024/01.01.2025	3,314,000	3,499,591	6,813,591
Total comprehensive income for the year	-	41,398	41,398
Balance as at 31.12.2025	3,314,000	3,540,989	6,854,989

The notes set out on pages 10 to 26 form an integral part of and should be read in conjunction with this set of financial statements.

SINGAPORE MEDICAL ASSOCIATION PTE LTD
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STATEMENT OF CASH FLOWS
For the year ended 31 December 2025

	2025	2024
	S\$	S\$
Cash flows from operating activities		
Profit before taxation	10,272	223,914
Adjustments for:-		
Depreciation of investment properties	125,411	-
Interest income	(132,149)	(232,273)
Term loan interest	15,710	-
	<u>19,244</u>	<u>(8,359)</u>
Operating cash flows before changes in working capital		
(Increase)/Decrease in other receivables	(520,393)	3,811
Increase/(Decrease) in other payables and accruals	42,529	(8,934)
(Decrease)/Increase in contract liabilities	(1,560)	1,560
	<u>(460,180)</u>	<u>(11,922)</u>
Cash generated used in operations		
Interest paid	(14,524)	-
	<u>(474,704)</u>	<u>(11,922)</u>
Net cash used in operating activities		
Cash flows from investing activity		
Fixed deposit pledged	(1,000,000)	-
Purchase of investment properties	(3,270,541)	-
Proceed from disposal of investment	2,086,426	2,014,050
Purchase of investment in securities	-	(4,064,026)
Interest received	144,154	267,377
	<u>(2,039,961)</u>	<u>(1,782,599)</u>
Net cash used in investing activity		
Cash flows from financing activity		
Repayment of term loans	(13,618)	-
	<u>(13,618)</u>	<u>-</u>
Net cash used in financing activity		
Net decrease in cash and cash equivalents	(2,528,283)	(1,794,521)
Cash and cash equivalents at beginning of year	4,708,272	6,502,793
Cash and cash equivalents at end of year (Note 8)	<u>2,179,989</u>	<u>4,708,272</u>

The notes set out on pages 10 to 26 form an integral part of and should be read in conjunction with this set of financial statements.

SINGAPORE MEDICAL ASSOCIATION PTE LTD
(UEN: 200002170N)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

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

1. GENERAL

Singapore Medical Association Pte Ltd (the “company”) is incorporated and domiciled in the Republic of Singapore. The registered office and principal place of business of the company is located at 166 Bukit Merah Central, #04-3531 Eagles Center, Singapore 150166.

The company regards Singapore Medical Association, an association registered in the Republic of Singapore, as its immediate and ultimate holding entity. The company’s shares are registered and held in trust by three trustees, namely A/Prof Chew Suok Kai, Dr Chin Jing Jih and Dr Thirumorthy S/O Thamothersampillai, who were appointed by Singapore Medical Association.

The principal activities of the company are those of commission agents, course organisers and investment holding.

The financial statements of the company for the year ended 31 December 2025 are authorised for issue in accordance with a resolution of the directors on 6 April 2026.

The financial statements of the company are presented in Singapore dollar.

2. MATERIAL ACCOUNTING POLICY INFORMATION

a) Basis of Preparation

The financial statements of the company have been prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the Singapore Financial Reporting Standards (“FRS”).

In the current financial year, the company has adopted all the new and amended FRS and Interpretations of FRS (“INT FRS”) that are relevant to its operations and effective for annual period beginning on or after 1 January 2025. The adoption of these new/amended FRSs and INT FRSs have no material effect on the company’s financial statements.

The financial statements of the company have been prepared on the basis that it will continue to operate as a going concern.

b) Significant Accounting Estimates and Judgements

Estimates, assumption concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the company’s accounting policies, reported amounts of assets, liabilities, income and expense and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

b) Significant Accounting Estimates and Judgements (Continued)

The critical accounting estimates and assumptions used are described below.

Critical assumptions and accounting estimates in applying accounting policies

Income tax

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the company provision for income tax. The company recognises liabilities for expected tax issues based on estimates of whether additional tax will be due. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

c) Plant and Equipment

All items of plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line method so as to write off the cost of the plant and equipment over the estimated useful lives as follows:-

Computer software	3 years
Equipment, furniture and fittings	3 to 10 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful lives and depreciation method are reviewed at each financial year-end and adjusted prospectively, if appropriate.

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

SINGAPORE MEDICAL ASSOCIATION PTE LTD
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

d) Investment Properties

Investment properties are properties held either to earn rental income or capital appreciation or both. It does not include properties for sale in the ordinary course of business, used in the production or supply of goods or services, or for administrative purposes. Rental income from investment properties is accounted for in the manner described in Note 2 (k).

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and impairment losses, if any.

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

The estimated useful life is as follows:

Leasehold property	50 years
--------------------	----------

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

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

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

e) Financial Assets

Initial recognition and measurement

Financial assets are recognised on the statement of financial position when, and only when, the company becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the company measures a financial asset at its fair value, plus, transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

Investment in debt instrument

Subsequent measurement of debt instruments depends on the financial asset's contractual cash flow characteristics and the company's business model for managing them. The company only has debt instrument at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

e) Financial Assets (Continued)

Subsequent measurement (Continued)

Investment in debt instrument (Continued)

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

Derecognition

A financial asset is derecognised where the contractual right to the cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses (“ECL”) on investments in debt instruments that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The company always recognises lifetime ECL for receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the company’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

f) Impairment of Non-Financial Assets

The company assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the company makes an estimate of the asset’s recoverable amount.

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

Impairment losses are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

f) Impairment of Non-Financial Assets (Continued)

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

g) Cash and Cash Equivalents

Cash and cash equivalents comprised cash at banks and fixed deposit which form part of the cash management that are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value.

h) Share Capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity.

i) Financial Liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value, plus, net of directly attributable transaction costs.

Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

j) Provisions

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

k) Revenue Recognition

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

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

The specific recognition criteria described below must also be met before revenue recognised:-

Course fee income is recognised as revenue over the duration of the course.

Contribution is recognised when the right to receive payment is established.

Interest income is recognised using the effective interest method.

Rental income from operating leases on investment properties is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

l) Government Grant

Government grant is recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

m) Contingencies

A contingent liability is:-

A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company; or

A present obligation that arises from past events but is not recognised because:

- i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company.

Contingent liabilities and assets are not recognised on the statement of financial position of the company.

n) Key Management Personnel

Key management personnel of the company are those persons having authority and responsibility for planning, directing and controlling the activities of the company. The directors are considered as key management personnel.

o) Taxation

Income tax on the profit or loss for the period comprises current and deferred income taxes. Income tax is recognised in the profit or loss except to the extent that it relates to items recognised outside profit or loss, in which case it is recognised in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the end of the reporting period and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the liability method for temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

SINGAPORE MEDICAL ASSOCIATION PTE LTD
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

p) **Currency Translation**

Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates (“functional currency”). The financial statements of the company are presented in Singapore dollar, which is the company’s functional currency.

Transactions and balances

Transactions in foreign currencies are measured and recorded in Singapore dollar at the exchange rates in effect at the date of transactions. At the end of each reporting period, recorded foreign currency monetary items are adjusted to reflect the rate at the end of the reporting period. All realised and unrealised differences are taken to the profit or loss.

q) **Borrowings Costs**

Borrowing costs are recognised in the profit or loss as incurred.

3. PLANT AND EQUIPMENT

	Computer Software S\$	Equipment, Furniture and Fittings S\$	Total S\$
Cost			
At 01.01.2024	10,875	17,350	28,225
Disposal	-	(17,350)	(17,350)
At 31.12.2024/01.01.2025/31.12.2025	10,875	-	10,875
Accumulated depreciation			
At 01.01.2024	10,875	17,350	28,225
Disposal	-	(17,350)	(17,350)
At 31.12.2024/01.01.2025/31.12.2025	10,875	-	10,875
Carrying amount			
At 31.12.2025	-	-	-
At 31.12.2024	-	-	-

SINGAPORE MEDICAL ASSOCIATION PTE LTD
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

4. DEFERRED TAX ASSETS

	At beginning of the year	Recognised in profit or loss	At end of the year
	S\$	S\$	S\$
<u>2025</u>			
Unutilised tax losses	-	31,126	31,126

Unutilised tax losses

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The company has concluded that the deferred tax assets will be recoverable based on the estimated future taxable income of the company based on the forecast for the company.

5. INVESTMENT PROPERTIES

	S\$
<u>Cost</u>	
At 01.01.2024/31.12.2024/01.01.2025	-
Addition	6,270,541
At 31.12.2025	6,270,541
<u>Accumulated depreciation</u>	
At 01.01.2024/31.12.2024/01.01.2025	-
Charge for the year	125,411
At 31.12.2025	125,411
<u>Carrying amount</u>	
At 31.12.2025	6,145,130
At 31.12.2024	-

During the financial year, the company acquired the properties of S\$6,270,541 by cash payment of S\$3,270,541 and term loan of S\$3,000,000.

The investment properties are leased to third party under operating lease.

	2025 S\$	2024 S\$
<u>Income</u>		
Rental income	44,071	-
<u>Direct operating expenses</u>		
Depreciation of investment properties	125,411	-
Fire insurance	180	-
Legal fees	12,466	-
Property tax	3,539	-
Sinking fund	3,381	-
Term loan interest	15,710	-

SINGAPORE MEDICAL ASSOCIATION PTE LTD
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

5. INVESTMENT PROPERTIES (Continued)

The details of the investment properties held by the company are as follow:-

<u>Description and Location</u>	<u>Floor area</u> <u>(square metres)</u>	<u>Tenure</u>
60 Paya Lebar Road, Paya Lebar Square, Singapore 409051		
#13-17	126	Leasehold
#13-18	123	Leasehold

The two office unit have been amalgamated into a single office unit.

Based on the Management’s estimation, the fair value of the investment properties at the end of the reporting period approximates S\$6,000,000 by reference to the valuation by an independent appraiser immediately before the conclusion of purchase on the investment properties, which using the direct comparison method adjusted for factors such as location, floor area and etc.

Investment properties are pledged as security for banking facilities (Note 10).

6. INVESTMENT IN SECURITIES

	2025	2024
	S\$	S\$
<u>Carrying amount at amortised cost:-</u>		
Current:		
Singapore Treasury Bills, due on 21 January 2025	-	2,086,426
<u>Fair value:-</u>		
Singapore Treasury Bills, due on 21 January 2025	-	2,086,426

The securities earned fixed interest rate between 3.83% to 3.89% per annum.

7. OTHER RECEIVABLES

	2025	2024
	S\$	S\$
Interest receivable	2,477	14,482
GST receivable	537,404	11
Tax refundable	-	17,000
	<u>539,881</u>	<u>31,493</u>

SINGAPORE MEDICAL ASSOCIATION PTE LTD
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

8. BANK BALANCES

	2025	2024
	S\$	S\$
Cash at bank	493,087	147,221
Fixed deposits	<u>2,686,902</u>	<u>4,561,051</u>
	3,179,989	4,708,272
Less: Fixed deposit pledged	<u>(1,000,000)</u>	<u>-</u>
Cash and cash equivalents per Statement of Cash Flows	<u>2,179,989</u>	<u>4,708,272</u>

Fixed deposits earned interest ranging from 0.7% to 1.3% (2024: 3.2%) per annum with the tenures of deposits up to 12 months (2024: up to 6 months).

A fixed deposit is pledged as collateral for banking facilities during the year (Note 10).

9. SHARE CAPITAL

	No. of Share	2025 S\$	No. of Share	2024 S\$
Balance at beginning of year/ end of year	<u>3,314,000</u>	<u>3,314,000</u>	<u>3,314,000</u>	<u>3,314,000</u>

The owner of ordinary shares is entitled to receive dividends as and when declared by the company. All ordinary shares have no par value and carry one vote per share without restrictions.

10. TERM LOAN

	2025	2024
	S\$	S\$
Repayable within 12 months	83,352	-
Repayable after 12 months	<u>2,903,030</u>	<u>-</u>
	<u>2,986,382</u>	<u>-</u>

The loan is secured by legal mortgage of investment properties (Note 5), pledged of company's fixed deposit amounting to S\$1,000,000 and assignment of rental proceeds. The loan bears interest at 2.9% for first 3 years and SORA in-advance plus 3% ("Margin") per annum in subsequent years.

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

11. ACCRUALS AND OTHER PAYABLES

	2024	2024
	S\$	S\$
Interest payable	1,186	-
Rental deposit	41,400	-
Accruals	5,629	4,500
Other payables	6,540	6,540
	<u>54,755</u>	<u>11,040</u>

Other payables represent amount due to immediate holding entity.

12. CONTRACT LIABILITIES

Contract liabilities relate to the company's obligation to conduct courses to customers for which the company has received advances from customers. Contract liabilities are recognised when the courses are conducted. The company expects to recognised revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligation within a year after end of the reporting period.

13. REVENUE

	2025	2024
	S\$	S\$
Healthcare course fees	7,800	-
Contribution	12,230	14,432
Rental income	44,071	-
	<u>64,101</u>	<u>14,432</u>

14. OTHER REVENUE

Interest income on bank deposits	114,749	155,873
Interest income from investment in securities	17,400	76,400
Other income	563	-
	<u>132,712</u>	<u>232,273</u>

SINGAPORE MEDICAL ASSOCIATION PTE LTD
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

15. FINANCE COSTS

	2025 S\$	2024 S\$
Term loan interest	<u>15,710</u>	<u>-</u>

16. OPERATING EXPENSES

Operating expenses included:-

Bank charges	3,946	8,435
Depreciation of investment properties	125,411	-
Healthcare course expenses	4,650	(535)
Management fees	5,460	6,540
Professional fees	6,049	-
Legal fees	<u>12,466</u>	<u>-</u>

17. TAXATION

Current income tax

- Over provision in prior year	-	(17,000)
- Transfer from deferred taxation (Note 4)	<u>(31,126)</u>	<u>-</u>
	<u>(31,126)</u>	<u>(17,000)</u>

The tax expense on the results for the financial year varies from the amount of income tax determined by applying the Singapore standard rate of income tax to profit before taxation due to the following factors:-

	2025 S\$	2024 S\$
Profit before taxation	<u>10,272</u>	<u>223,914</u>
Tax expense calculated at a tax rate of 17%	1,746	38,065
Over provision in prior year	-	(17,000)
Expenses not deductible for tax purposes	24,467	-
Unrecognised deferred tax assets at beginning of year	(57,339)	(95,404)
Unrecognised deferred tax assets at end of year	<u>-</u>	<u>57,339</u>
Tax benefit	<u>(31,126)</u>	<u>(17,000)</u>

As at the end of the reporting period, the company had unabsorbed tax losses amounting to S\$183,092 (2024: S\$337,290) available for off-setting against future taxable profit of the company subject to the compliance with the relevant sections of the Singapore Income Tax Act and agreement with the tax authorities.

SINGAPORE MEDICAL ASSOCIATION PTE LTD
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

18. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	2025	2024
	S\$	S\$
<u>With holding entity</u>		
Management fee expenses	6,000	6,540
Overcharged of management fee expenses in prior year	<u>(540)</u>	<u>-</u>

19. OPERATING LEASE COMMITMENTS

(a) Operating lease commitments – as a lessor

The company leases out its leasehold properties under a non-cancellable operating lease agreement. Rental income was S\$44,071 (2024: S\$NIL) for the financial year. Future minimum lease receivables under non-cancellable operating lease contracted for as at the end of the reporting period but not recognised as receivables, are as follows:-

	2025	2024
	S\$	S\$
Within one year	<u>165,600</u>	<u>-</u>

20. CATEGORIES OF FINANCIAL INSTRUMENTS

The following table sets out the categories of the company's financial assets and financial liabilities as at end of the reporting period:-

	2025	2024
	S\$	S\$
<u>Financial assets</u>		
Amortised cost:-		
Investment in securities	-	2,086,426
Other receivables	2,477	31,482
Bank balances	<u>3,179,989</u>	<u>4,708,272</u>
Total financial assets	<u>3,182,466</u>	<u>6,826,180</u>
<u>Financial liabilities</u>		
Amortised cost:-		
Accruals and other payables	54,755	11,040
Term loans	<u>2,986,382</u>	<u>-</u>
Total financial liabilities	<u>3,041,137</u>	<u>11,040</u>

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

21. CAPITAL MANAGEMENT

The company manages its capital to ensure that it will be able to continue as a going concern while maximising the returns to shareholder through the optimisation of the debt and equity balance.

The management reviews the capital structure regularly to achieve an appropriate capital structure. As part of this review, the management considers the cost of capital and the risks associated with each class of capital and makes adjustments to the capital structure, where appropriate, in light of changes in economic conditions and the risk characteristics of the underlying assets.

The company needs to ensure loan-to-value-ratio shall not at any time exceed 50% of the aggregate market value of property.

The company's overall strategy remains unchanged for both of the reporting periods

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company does not have written financial risk management policies and guidelines which set out its tolerance for risk and its general risk management philosophy but management may use natural hedges or closely monitor the company's business risk exposures in connection with its financial assets and financial liabilities and adopts the appropriate measures including the use of other financial instruments when considered necessary to reduce any potential financial risk exposures or losses.

Credit Risk

The company has no concentration of credit risk.

Bank balances are deposited in financial institutions with high credit ratings.

The carrying amount of financial assets recorded in the financial statements, net of any provision for losses, represents the company's maximum exposure to credit risk without taking into account of the value of any collateral or other security obtained.

Liquidity Risk

The company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the company's operations and mitigate the effects of fluctuations in cash flows.

SINGAPORE MEDICAL ASSOCIATION PTE LTD
(UEN: 200002170N)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity Risk (Continued)

The following table details the remaining contractual maturities at the end of the reporting period of the company's financial liabilities, which are based on contractual undiscounted cash flows and the earliest date that the company required to pay:-

	2025				
	Carrying amount	Total contractual undiscounted cash flow	Within 12 months or on demand	Between 2 to 5 years	More than 5 years
	S\$	S\$	S\$	S\$	S\$
Other payables and accruals	54,755	54,755	54,755	-	-
Term loan	2,986,382	4,651,435	168,852	720,544	3,762,039
	3,041,137	4,706,190	223,607	720,544	3,762,039

	2024				
	Carrying amount	Total contractual undiscounted cash flow	Within 12 months or on demand	Between 2 to 5 years	More than 5 years
	S\$	S\$	S\$	S\$	S\$
Other payables and accruals	11,040	11,040	11,040	-	-

Interest Rate Risk

The company is exposed to interest rate risk through the impact of rate changes on interest bearing fixed deposits. The term loan bears fixed rate of interest for the first 3 years.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD fixed deposit interest rates had been 60 (2024: 60) basis points higher/lower with all other variables held constant, the company's net profit would have been S\$16,121 (2024: S\$27,366) higher/lower.

Foreign Currency Risk

The company is not exposed to foreign currency risk as all its transactions are denominated in Singapore dollar.

**SINGAPORE MEDICAL ASSOCIATION PTE LTD
(UEN: 200002170N)**

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

23. FAIR VALUE

The carrying amounts of financial assets and financial liabilities reasonably approximate their fair values, due to the relatively short-term nature of these financial instruments, except for term loan as disclosed in Note 10 to the financial statements.

24. NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 January 2026. The directors does not expect that adoption of these accounting standards or interpretations will have a material impact on the company's financial statements.

SINGAPORE MEDICAL ASSOCIATION PTE LTD
(UEN: 200002170N)

DETAILED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2025

	2025	2024
	S\$	S\$
Income		
Healthcare course fees	7,800	-
Interest income on bank deposits	114,749	155,873
Interest income from investment in securities	17,400	76,400
Rental income	44,071	-
Contribution	12,230	14,432
Other income	563	-
	<u>196,813</u>	<u>246,705</u>
Less: Expenditure		
Auditors' remuneration	3,840	3,549
Bank charges	3,946	8,435
Depreciation of investment properties	125,411	-
Fire insurance	180	-
Healthcare course expenses	4,650	(535)
Management fees	5,460	6,540
Mask, gloves and gowns	-	2,943
Printing and stationery	250	428
Property tax	3,539	-
Professional fees	6,049	-
Legal fees	12,466	-
Secretarial fees	764	600
Sinking fund	3,381	-
Tax fee	840	831
Term loan interest	15,710	-
Transportation	55	-
	<u>(186,541)</u>	<u>(22,791)</u>
Profit before taxation	<u>10,272</u>	<u>223,914</u>

This schedule does not form part of the statutory audited financial statements.

SINGAPORE MEDICAL ASSOCIATION TRUST FUND
(Registered in the Republic of Singapore)

AUDITED FINANCIAL STATEMENTS AND
OTHER INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

SINGAPORE MEDICAL ASSOCIATION TRUST FUND

TRUSTEE COMMITTEE

DR LEE PHENG SOON

CHAIRMAN

DR CHONG YEH WOEI

SECRETARY

DR TAN KENG NEE @ TAN KOK SOO

TREASURER

PROF LOW CHENG HOCK

MEMBER

SINGAPORE MEDICAL ASSOCIATION TRUST FUND

STATEMENT BY TRUSTEES

In the opinion of the trustees,

- (a) the financial statements as set out on pages 5 to 12 are drawn up in accordance with the Singapore Financial Reporting Standards so as to present fairly, in all material respects, the financial position of Singapore Medical Association Trust Fund (“The Fund”) as at 31 December 2025 and the results, changes in fund and cash flows of The Fund for the year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that The Fund will be able to pay its debts as and when they fall due.

The trustees have, on the date of this statement, authorised these financial statements for issue.

On behalf of the trustees,

.....
DR LEE PHENG SOON
Chairman

.....
DR CHONG YEH WOEI
Secretary

.....
DR TAN KENG NEE @ TAN KOK SOO
Treasurer

6 April 2026



INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF SINGAPORE MEDICAL ASSOCIATION TRUST FUND

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Singapore Medical Association Trust Fund (“The Fund”), which comprise the statement of financial position of The Fund as at 31 December 2025, the statement of profit or loss and other comprehensive income, statement of changes in fund and statement of cash flows of The Fund for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material respects, the state of affair of The Fund as at 31 December 2025 and the results, changes in fund and cash flows of The Fund for the year ended on that date.

Basis for Opinion

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

Other Information

Trustees are responsible for the other information. The other information comprises the Statement by Trustees [set out on page 1].

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

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE MEDICAL ASSOCIATION TRUST FUND (Continued)

Responsibilities of Trustees for the Financial Statements

Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the FRSs, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, trustees are responsible for assessing The Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless trustees either intend to liquidate The Fund or to cease operations, or have no realistic alternative but to do so.

The trustees' responsibilities include overseeing The Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SINGAPORE MEDICAL ASSOCIATION TRUST FUND (Continued)**

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

- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on The Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause The Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

KRESTON DAVID YEUNG PAC
Public Accountants and
Chartered Accountants

Singapore, 6 April 2026

SINGAPORE MEDICAL ASSOCIATION TRUST FUND

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Note	2025 S\$	2024 S\$
ASSET			
Current asset			
Cash and cash equivalents	3	<u>20,209</u>	<u>20,209</u>
Total asset		<u>20,209</u>	<u>20,209</u>
FUND			
Capital fund		21,513	21,513
Accumulated deficits		<u>(1,304)</u>	<u>(1,304)</u>
Total funds		<u>20,209</u>	<u>20,209</u>

The notes set out on pages 9 to 12 form an integral part of and should be read in conjunction with this set of financial statements.

SINGAPORE MEDICAL ASSOCIATION TRUST FUND

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	2025 S\$	2024 S\$
Revenue	-	-
Less: Expenditure	<u>-</u>	<u>-</u>
Deficit before taxation	-	-
Less: Taxation	<u>-</u>	<u>-</u>
Net deficit and total comprehensive loss for the year	<u>-</u>	<u>-</u>

The operating expenses of The Fund were absorbed by Singapore Medical Association.

The notes set out on pages 9 to 12 form an integral part of and should be read in conjunction with this set of financial statements.

SINGAPORE MEDICAL ASSOCIATION TRUST FUND

STATEMENT OF CHANGES IN FUND

For the year ended 31 December 2025

	Capital fund S\$	Accumulated deficits S\$	Total funds S\$
Balance as at 01.01.2024	21,513	(1,304)	20,209
Total comprehensive loss for the year	-	-	-
Balance as at 31.12.2024/01.01.2025	21,513	(1,304)	20,209
Total comprehensive loss for the year	-	-	-
Balance as at 31.12.2025	21,513	(1,304)	20,209

The notes set out on pages 9 to 12 form an integral part of and should be read in conjunction with this set of financial statements.

SINGAPORE MEDICAL ASSOCIATION TRUST FUND

STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	2025 S\$	2024 S\$
Cash flows from operating activities		
Deficit before taxation	-	-
Operating cash flows before changes in working capital	-	-
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	20,209	20,209
Cash and cash equivalents at end of year	20,209	20,209

The notes set out on pages 9 to 12 form an integral part of and should be read in conjunction with this set of financial statements.

SINGAPORE MEDICAL ASSOCIATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

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

1. GENERAL

The registered office of Singapore Medical Association Trust Fund (“The Fund”) is located at 166 Bukit Merah Central, #04-3531, Singapore 150166.

The objectives of The Fund are to relieve the distress, poverty and suffering among members of the public and in particular members of the medical profession in Singapore and also to provide scholarship, financial assistance and awards for students pursuing studies in medical courses.

The financial statements of The Fund are expressed in Singapore dollar.

2. MATERIAL ACCOUNTING POLICY INFORMATION

a) Basis of Preparation

The financial statements of The Fund have been prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the Singapore Financial Reporting Standards (“FRS”).

In the current financial year, The Fund has adopted all the new and amended FRS and Interpretations of FRS (“INT FRS”) that are relevant to its operations and effective for annual period beginning on or after 1 January 2025. The adoption of these new/amended FRSs and INT FRSs has no material effect on the financial statements.

The financial statements of The Fund have been prepared on the basis that it will continue to operate as a going concern.

b) Significant Accounting Estimates and Judgements

Estimates, assumption concerning the future and judgements are made in the preparation of the financial statements. They affect the application of The Fund’s accounting policies, reported amounts of assets, liabilities, income and expense and disclosures made. Although these estimates are based on trustees best knowledge of current events and actions, trustees are of the opinion that there are no critical judgements involves that have a significant effect on the amounts recognised in the financial statements.

c) Cash and Cash Equivalents

Cash and cash equivalents comprised cash at bank which are subject to an insignificant risk of changes in value.

SINGAPORE MEDICAL ASSOCIATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

d) **Financial Assets**

Initial recognition and measurement

Financial assets are recognised on the statement of financial position when, and only when, The Fund becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

Amortised cost

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

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

e) **Currency Translations**

Functional and presentation currency

Items included in the financial statements of The Fund are measured using the currency of the primary economic environment in which The Fund operates (“functional currency”). The financial statements of The Fund are presented in Singapore dollar, which is The Fund’s functional currency.

Transactions and balances

Transactions in a currency other than Singapore dollar (“foreign currency”) are translated into Singapore dollar using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, recorded foreign currency monetary items are adjusted to reflect the rate at end of reporting period. All realised and unrealised differences are taken to the profit or loss.

SINGAPORE MEDICAL ASSOCIATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

f) Financial Liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value, plus, net of directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

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

3. CASH AND CASH EQUIVALENTS

	2025	2024
	S\$	S\$
Cash at bank	20,209	20,209

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund does not have written financial risk management policies and guidelines which set out its tolerance for risk and its general risk management philosophy but the trustees may use natural hedges or closely monitor The Fund's business risk exposures in connection with its financial assets and financial liabilities and adopts the appropriate measures including the use of other financial instruments when considered necessary to reduce any potential financial risk exposures or losses.

Credit Risk

The Fund has no significant concentrations of credit risk. Cash is placed with established financial institution. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

SINGAPORE MEDICAL ASSOCIATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2025

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity Risk

The trustees monitor and maintain a level of cash and cash equivalents deemed adequate by The Fund to finance The Fund's operations and mitigate the effects of fluctuations in cash flows. The Fund will be funded by Singapore Medical Association if necessary.

5. CATEGORIES OF FINANCIAL INSTRUMENTS

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

	2025	2024
	S\$	S\$
Asset:		
<u>Financial asset</u>		
At amortised cost:-		
Cash and cash equivalents	20,209	20,209
Total financial asset	<u>20,209</u>	<u>20,209</u>

6. FAIR VALUES

The carrying amounts of financial assets recorded in the financial statements approximate their respective fair values due to the short-term nature of these financial instruments.

7. NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 January 2026. The trustees expect that the adoption of these standards will have no material impact on the financial statements in the period of initial application.