



AUTOMOBILE ASSOCIATION
OF SINGAPORE

SHAPING SUCCESS AROUND YOU

ANNUAL
REPORT 2024

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VISION

To be the partner in motoring and to excel as the leader in quality vehicle recovery and motoring services in Singapore.

MISSION

To represent our Members' interest and satisfy their needs for value and peace of mind.

To be the voice of motorists and serve as a bridge between the motoring public and relevant agencies.

To excel in our products, services and people.

VALUE

We seek to provide value to our Members to achieve total customer satisfaction.

ADVANCED

We seek to be advanced, advocating continuous improvement and innovation.

LOYAL

We believe in building loyal and trusted relationships.

UNITED

We foster a united workplace that encourages teamwork and dedication to advance our common business objectives.

ETHICAL

We believe in acting with integrity by practising the highest ethical standards and honouring our commitments.

PRESIDENT'S MESSAGE

“Year 2024 has been another important chapter for AA Singapore as we continue to build on our foundation of service, road safety, and community. We have made steady progress in enhancing the experience for our AA Members and expanding our reach. As we look back on the past year, I am pleased to share the milestones and achievements that have shaped our collective efforts.”

Keepings members at heart

Our AA Members remain at the heart of all that we do. To continue fostering stronger engagement, we focused on creating more touchpoints. In 2024, we successfully organised the AA Bazaar, with the support of over 20 partners, providing Members with the opportunity to shop and engage directly with brands, and strengthen their connection with the Association. Furthermore, in partnership with the Sim Racing Association of Singapore, we hosted an Open House event at AA Centre, where Members had the unique opportunity to experience the excitement of racing rigs.

Aligned with our commitment to providing comprehensive value, AA Singapore expanded our network of fuel partners by collaborating with SPC, further enhancing the benefits available to our Members. This partnership offers AA Members with savings and rewards on fuels, and greater convenience in their everyday lives. Beyond fuel, Members also enjoy exclusive perks such as attractive discounts on Royal Albatross experiences, hotel accommodations, and more. These benefits extend beyond travel to include motoring and lifestyle perks, ensuring Members receive value across various aspects of their lives. Additionally, Members enjoy international discounts and rewards at popular travel destinations worldwide, along with access to reciprocal services, further enhancing their AA experience both locally and abroad.



PRESIDENT'S MESSAGE



We are excited to share our new PetCare Insurance, which now includes the newly added Ultipaw and Pawsh plans. These plans come with higher insured limits, providing even more comprehensive coverage for wellness care, medical expenses, and final expenses, for beloved pets. With these new offerings, Members can ensure their pets receive the best possible care, while benefiting from peace of mind and enhanced protection.

We also recognised the importance of promoting a healthy, active lifestyle in line with Singapore's vision of

becoming a more cycling-friendly city. To keep up with evolving trends, we launched a cycling interest group. This initiative encourages a healthier, more active lifestyle, and includes virtual cycling events designed to engage our Members. As part of our cycling challenge, participants who cycled a minimum of 100km were rewarded with a goodie bag, and the top 20 participants received special recognition for their dedication. We would like to congratulate our top winner, Mr. Raymond Ho Chee Kiang, along with all the other winners, for their outstanding achievements in the challenge.

Motoring Services

We introduced exclusive discounts on a variety of motoring services, including car detailing, repairs, and roadside assistance. With the opening of our new 2KC workshop at level 3, Members now have access to our maintenance and repair services at competitive rates. This new facility has been designed to be a one-stop station, offering comprehensive solutions for all your motoring needs, ensuring that we provide a seamless and convenient experience. In addition to that, with our partnership with Halo Collective at AA Centre, Members will also benefit from exclusive discounts on car detailing services. This signifies our resolve to place the Association as a solution stop for our Members with a comprehensive range of services, products, and experiences.

We also expanded our collaboration with Europcar, offering preferential rates on car rentals, making travel more convenient and affordable for our Members. Whether for business or leisure, AA Members can enjoy easier travel options at great rates. I am happy to announce that in our first year since acquiring the Europcar Singapore Franchise, we have seen a significant uptick in Member's engagement, utilising and benefiting from our favourable rates and services with popular destinations such as Australia, Malaysia, Great Britain, Germany, and Italy.



PRESIDENT'S MESSAGE



AUTOVENTURE

Our focus on providing comprehensive Member benefits extends beyond motoring services. We also offer exclusive access to various events, both local and international, such as the AUTOVENTURE trips, where our Members can participate in unique travel experiences. Through these events and activities, we continue to build a vibrant community where our Members can enjoy unforgettable experiences and create lasting connections.

In 2024, to create unforgettable experiences while attracting the participation of a wider spectrum of Members, AUTOVENTURE curated a range of new and dynamic adventures, enriching our inclusive and exciting portfolio.

In March, the AV team organised a Fly-Drive trip to South Korea, spending 14 days cruising through the sceneries across cities. I am pleased to announce that we partnered with Hyundai Motors for the trip. Our Members were given the chance to experience driving an eco-friendly Electric Vehicle, immersing themselves first-hand in the future of sustainable and innovative automotive technology.

We organised a 58-Day AA AUTOVENTURE Expedition Drive to Tibet, Everest Base Camp, Xinjiang & Beijing in September. This trip brought the Members from Singapore to Beijing, witnessing one of the most sacred mountains of Tibetan Buddhism and the Everest Basecamp.

As an Association, we took the opportunity to visit the Federation of Automobile and Motorcycle Sports of China, where we engaged in meaningful conversations on future club collaboration. This encourages us to foster continuous learning and improvements in the future through global strategic alliances with clubs, delivering lasting benefits to all Members.

Educating the Public

AA Singapore constantly strives to be at the forefront of road safety advocacy with a goal in to reduce both the frequency and severity of road accidents. By actively participating in various campaigns and events, such as Singapore Road Safety Month, to raise awareness and promote safe driving practices year-round, we aim to encourage individuals to make informed decisions on the road, creating safer road environments for all motorists and pedestrians alike.

The Association also co-organised the Singapore Road Safety Awards & Road Safety Seminar 2024 (SRSA) with the Singapore Road Safety Council (SRSC) and supported by the Traffic Police, Land Transport Authority and Workplace Safety and Health Institute. The SRSA were presented to companies and individual drivers/riders who showed exemplary road safety. In conjunction to the SRSA, a Road Safety Seminar was held to enhance road safety initiatives, showcasing the latest developments in road safety and bringing together heavy vehicle fleet owners to collaborate and share knowledge.

We were honoured to host Mr Luca Pascotto, Head of Road Safety and Global Advocacy at the Federation Internationale de l'Automobile (FIA), who presented the FIA Road Safety Index at the SRSA. The index provides companies and organisations with a methodology to assess their road safety performance and calculate their safety footprint. In addition, the Association organised a dinner presentation to share the Safety Index with key stakeholders from various logistics, transport, and fleet organisations in Singapore. By participating in this initiative, businesses can not only improve their own safety standards but also contribute to the wider goal of reducing road accidents and creating safer roads for all users.

As part of our collaboration with the SRSC and the Traffic Police, we also supported the Singapore Traffic Games. We understand how vital it is for young children to be well-

PRESIDENT'S MESSAGE



equipped in navigating Singapore roads safely. This initiative, aimed at primary school children in Singapore, aims to instil good road safety habits among young road users, fostering responsible road habits.

Our partnership with the Singapore Road Safety Council also extended to their annual Gala Dinner and fundraising initiatives. These events promote road safety education programs in Singapore, encouraging patience and consideration on the roads to foster a culture of road safety across the country.

Supporting Business Success through Education

At the forefront of road safety practices, AAS Academy has always continuously prioritised training and expanding our course offerings for organisations, enhancing safety training for all. As the attention on road safety has been placed at the forefront globally, through strategic partnership expansions, we were given the opportunity to lead our trainings programs overseas, allowing for a greater global exposure on our exemplary road safety standards and practices.

The number of fatal accidents has been increasing since COVID-19, escalating the need for motorists to exercise due diligence in maintaining safe driving practices. With that purpose in mind, we partnered with the Nanyang Polytechnic to conduct the "Drive in The Moment" survey, with the aim to reduce distracted driving in all motorists. This initiative seeks to raise awareness about the dangers of distractions while driving and encourages safer, more focused driving habits to prevent accidents and protect lives on the road.

Strengthening Global Partnerships in Automotive Industry

In 2024, the Association hosted a delegation meeting from Shenzhen at AA Singapore, aimed at deepening and strengthening the connection and collaboration between Singapore and Shenzhen in the Electric Vehicle (EV) field.

This visit is part of our ongoing efforts to engage with global leaders in emerging automotive technology and ensure that our Members are kept at the forefront of innovative trends in the motoring industry.

Safeguarding Business Continuity through Cybersecurity

Recognising the importance of maintaining robust and secure information technology systems, we have made significant progress in enhancing our cybersecurity practices. We have continued to develop our Operations Training Roadmap, to ensure that our team is fully prepared to meet the demands in this evolving digital landscape.

We have also placed a strong focus on ensuring all employees are well trained and prepared in remaining vigilant against evolving cyber threat. To ensure that, we carried out Compulsory Cybersecurity Awareness training sessions to instil and reinforce best practices within the Association.

The Future and Possibilities

As we anticipate the changing environment ahead, we are excited about the opportunities that lie ahead. With your support and our collective efforts, AA Singapore will continue to champion success, adaptability, and growth.

I would like to thank all our General Committee, AA Members, and Management staff for your continuous support, and we look forward to the continued opportunity to serve and represent the motoring needs of our Members.

Thank you.

Mr Bernard Tay
President

GENERAL COMMITTEE



BERNARD TAY
President



LOW BENG TIN
Deputy President



WONG SIEW HONG
Secretary



ALVIN PHUA
Treasurer

GENERAL COMMITTEE



CHIA HO CHOON
Committee Member



S CHANDRA MOHAN
Committee Member



EDWIN TAN
Committee Member



TAY BOON KENG
Committee Member



DARRYL WEE
Committee Member



DAVID WONG
Committee Member



RANKIN B. YEO
Committee Member



THOMAS YEOH
Committee Member

RESOURCE PANEL



KOH ING CHIN



DIANA NG



ONG CHEE BENG



TAN HUN TWANG



DAMIAN TAY



WOO YEW LOK

YEAR IN REVIEW

For Members

The success we have achieved would not have been possible without the unwavering support from our Members. With our Members' experiences being at the forefront of our efforts, we are constantly improving our touchpoints and interactions, ensuring that each engagement is impactful and rewarding for both our Members and the Association.

With the generous support of over 20 partners, we hosted AA Bazaar on 2 November 2024. Through the support of over 20 partners, we ran AA Bazaar, providing opportunities to shop from a diverse selection of vendors while engage in direct interactions. This gathering served as a valuable opportunity for Members to view Automobile Association of Singapore (AA Singapore) as more than just an organisation, but a vibrant space where networking, collaboration, and fostering deeper connections can grow within our community.

Over the years, we have adapted to the evolving needs of our Members' insurance needs. We have broadened our range to meet your unique needs. In 2024, we have expanded our offerings with the launch of PetCare Insurance, without any restrictions on vet choice. Your pet can now experience benefits such as being covered up to 80% of vet bills, compensated by up to \$200 for wellness, and third-party liability. Our plan now comes with Ultipaw and Pawsh with higher limits, ensuring our Members' pets receive the best protection.

There is a rising need in ensuring that sustainable transport solutions are at the forefront of urban planning as new districts and neighbourhoods emerge. Singapore has been expanding its cycling path network, and in support of this initiative, we organised a virtual cycling event for our AA Members, newly established Cycling Interest Group, and the public. Participants were required

to clock in their cycling distance within 44 days of the event, and to engage and motivate participants further, participants who achieved a minimum of 100km were eligible for a chance to win prizes through a lucky draw.

At the core of our offerings, we are committed to enhancing our Members' experiences with the Association. By staying attuned to your evolving needs, we are dedicated to expanding and refining our services.

Right at the heart of our Association, at AA Centre, we launched our 2KC workshop, fully equipped to provide our Members with service and repairs. Our team of experts are committed to ensuring your vehicle received the highest level of care, with a focus on both performance and safety for an added peace of mind. We provide a full suite of services, including battery checks and replacements, pre-trip vehicle inspections, pre-purchase car



AA MEMBERS' BAZAAR
+ Digital Racing Experience
2 NOV 2024 | 11AM - 5PM | AA CENTRE

HOT DEALS

*T&Cs apply. Limited stocks available. While stocks last.



AUTOSWIFT @ 2KC CAR WORKSHOP

- CAR SERVICING
- AIRCON SERVICING
- VEHICLE HEALTH CHECK
- AND MORE

2 KUNG CHONG RD, AA CENTRE, S159140

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evaluation, and disinfectant treatments. Furthermore, we have established a partnership with Halo Collective at AA Centre level 1 to provide our Members with premium car detailing services, delivered by dedicated experts who are passionate about vehicle restoration, guaranteeing a superior experience.

As we observed a growing interest among our Members for travelling, the first year of operating our newly acquired Europcar Singapore Franchise was met with great enthusiasm from our Members. Through this strategic partnership, we were able to offer our Members special and exclusive rates on car rentals, enhancing convenience and affordability for all their travels.

This service has proven to be immensely valuable for our members, resulting in a total of 8,963 reservations made. Among these, Australia emerged as the most favoured destination, making up 19.59% of total bookings. Other popular countries include Malaysia, Great Britain, Germany, and Italy, highlighting the diverse travel interests within our Member base.

In 2024, we received a total of over 20,000 Roadside Assistance requests from AA Singapore Members. Over 700 immediate enrolments were captured through roadside assistance service requests, demonstrating the convenience and value of our service

as we continue to aid Members during their times of need. Over 95% of vehicles attended were successfully restarted, an increase from 2023. The response time for Tow Services has decreased, with our tow trucks reaching our Members within 45 minutes for almost 50% of the jobs.

As we recognise the growing adoption of hybrid vehicles, we are introducing new benefits that our Members can enjoy. As hybrid vehicles age, their batteries may lose charging capacity due to degradation. In 2025, we will be launching a promotion for our new service, providing hybrid car owners a detailed health check and revitalisation on their batteries, restoring optimal performance on the road.

AUTOVENTURE

2024 was a fulfilling year for the AUTOVENTURE team where we created unforgettable and exciting experiences for our Members. We enhanced our offerings and strengthened our competitive position leading the road trips. With new partnerships, we set ourselves apart from competitors and paved way for promising future opportunities.

In March, the AUTOVENTURE team embarked on a 14-day driving trip to South Korea. With our ongoing partnership with Hyundai Motors, our Members were given the exclusive

opportunity to engage with the next generation of automotive innovation from Hyundai Motors. With this eco-friendly Electric Vehicle, the group drove across the beautiful landscape and immersed themselves in the enriching culture that South Korea had to offer, from Damyang Bamboo Forest, to Gamcheon Culture Village, and Hwanseongul Cave.

The AV team also embarked on the 58-Day AA AUTOVENTURE Expedition Drive to Tibet, Everest Base Camp, Xinjiang & Beijing, driving up north from Singapore through Malaysia, Thailand, and Laos. This rich exploration of Southeast Asia, where each country offered its own unique charm, made the journey to the world's highest peak an unforgettable experience.

Educating the Public

In 2024, AA Singapore continued to prioritise road safety, focusing on strengthening advocacy efforts and promoting awareness. Through various initiatives, we remained committed to ensuring a safer driving environment for all. We launched several campaigns addressing the severe consequences of reckless driving, while also striving to improve pedestrian safety. The Association placed an emphasis on protecting the lives and safety of vulnerable road users, including elderly and young children, as they face the highest risks on the road. To raise public

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awareness, we participated in the annual Singapore Road Safety Month, held in June 2024.

Organised by Singapore Road Safety Council (SRSC) and Singapore Police Force (SPF), and co-organised by Land Transport Authority (LTA), Ministry of Education (MOE), People's Association (PA), and AA Singapore, this event was graced by Dr Amy Khor, Senior Minister of State, Ministry of Sustainability and the Environment & Ministry of Transport. This year, we focus on increasing pedestrian's awareness and understanding the importance of Vehicle Blind Spots and identifying the key areas. This is essential in ensuring the safety of both the pedestrians and the public, preventing sudden and unsafe movements in traffic. Another area of emphasis was promoting safe speed limits, especially on crowded streets and in residential areas. Lowering speeds significantly increases the chances of survival in the event of an accident.

In October 2024, the Singapore Road Safety Awards (SRSA) and Road Safety Seminar 2024 was held, organised by SRSC and AA Singapore, supported by the TP, LTA, and Workplace Safety and Health Institute (WSHI), to recognise and award companies and individual drivers and riders who demonstrated exemplary road safety. This event was graced by Guest of Honour Associate Professor Muhammad

Faishal Ibrahim, Minister of State for Ministry of Home Affairs and Ministry of National Development.

With the Sustainable Development Goals set in the United Nations' Agenda 2030, road safety is becoming a crucial sustainability area for various businesses. The Fédération Internationale de l'Automobile (FIA) developed a benchmarking matrix to increase organisation's insights on their operation's impact on road safety, reducing fatalities and severe injuries caused by road accidents. We organised the FIA Road Safety Index Dinner Presentation presented by Mr Luca Pascotto, Head of Road Safety and Global Advocacy at FIA. This dinner was attended by key stakeholders from various logistics, transport, and fleet organisations in Singapore, providing a platform for collaboration and discussion on how to commit and integrate traffic safety in core sustainability operations as part of their entire value chain.

As a valuable benchmarking tools for organisations to measure their road safety practices against industry standards and peers, companies can identify areas for improvement and set targets to enhance their safety standards. This framework encourages continuous improvement and benchmarking, which can be incorporated into sustainability reporting to reflect the organisation's commitment to road safety, bringing

a competitive advantage in the market.

Furthering our emphasis on road safety among the young users, the annual Singapore Traffic Games (STG) was held to foster responsible road habits among primary school children. Organised by Traffic Police (TP), SRSC, and AA Singapore, the 2024 STG grand finals was attended by over 300 students and guests. The event also featured the premiere of a new road safety video, highlighting the dangers faced by unsupervised children near busy roads. This event reinforces the importance of responsible road use and provides children with valuable on real-life skills to navigate the roads safely, while building a community with shared responsibility for road safety.

As part of our ongoing partnership with Singapore Road Safety Council, we had the privilege of contributing to their 15th Anniversary Fundraising Golf and Dinner 2024. Our contribution places us as co-organisers and partners for impactful campaigns and events aimed at fostering a culture of road safety in Singapore, such as Singapore Road Safety Month, Singapore Road Safety Awards, and Singapore Traffic Games. We aim to further advance road safety educational programmes in Singapore by encouraging patience and consideration, building a culture of road safety across.

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Supporting Business Success through Education

Raising road awareness is not just for individuals, and companies need to take a proactive step in ensuring the well-being of their employees, reputation, and the public, when it comes to road safety. Through our strategic partnership with Green Freight Asia Network Ltd (GFA), AAS Academy led our Eco & Safe Driving course in Vietnam to employees of Michelin Vietnam Co Ltd. By guiding and familiarising them with the concept and consequences of unsafe speed, as well as braking distance, following distance, and stopping distance, we were able to showcase our exemplary road safety standards and practices on a global scale.

The AAS Academy also conducted the Crash Prevention Course for logistic and shipping companies, designed to help employees recognise the consequences of unsafe driving behaviours and reduce the frequency and severity of potential accidents. This course encourages the driver's self-awareness and enhances road safety best practices, aimed to make our roads safer for all users.

We have noticed an increasing need for drivers to exercise due diligence when driving, especially for the safety of both drivers and pedestrians. After COVID-19 measures were lifted, an alarming increase in traffic accidents resulting in fatalities and injuries due to red-light running,

speeding, and drink-driving, were recorded. We launched our latest survey campaign, "Drive in The Moment", conducted in partnership with Nanyang Polytechnic, with the purpose to reduce distracted driving in all drivers. This survey is a research-based Plan Builder, designed to help drivers identify their weak moments when it comes to distractions when driving, and the proactive steps they can take to address and break them.

Safeguarding business continuity through cybersecurity

It is essential for the Association to place importance on the reliability and security of our Information Technology infrastructure, continuously enhancing efficiency and supporting our long-term business goals. We have made significant progress on our Operations Training Roadmap to maintain our robust and secure information technology systems, with development programs carefully designed to align our operations with the latest emerging trends, ensuring that our workforce is fully prepared to meet the demands in this evolving digital landscape.

Cybersecurity is a shared responsibility within the Association, and our employees are the first line of defence against cyber threats. With cyber threats constantly evolving, ongoing training is crucial to ensure employees can quickly identify potential breaches and report them promptly. To ensure that they are

kept up to date, we carry out regular training sessions such as Compulsory Cybersecurity Awareness, ensuring the best practices are held across the Association.

Collaborative approach and driving awareness

To broaden our market reach and strengthen our presence within the industry, collaboration has played an important role in tapping into new markets and enhancing our offerings. In 2024, we focused on streamlining the travel experience for our valued Members and Association. We formed strategic partnerships with several key tourism organisations, such as Tourism Authority of Thailand, Jeju Tourism Organization, Korea Tourism Organization, and National Association of Travel Agents Singapore (NATAS), to offer exclusive experiences and benefits to our Members.

Our collaborations extended beyond the travel sector, as we also teamed up with leading automobile brands to engage with our Members, such as participating in High Life 4x4 Custom Car Showcase, Skoda Club Singapore for their 5th Anniversary Celebration, and Sim Racing Association of Singapore's Open House at AA Centre for Members. These partnerships allowed us to participate in high-profile events, such as automotive showcases and anniversary celebrations, as well as provide unique opportunities for racing

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enthusiasts to experience cutting-edge performance rigs firsthand.

Additionally, to connect and engage with the next generation of consumers, we opened our doors to the tertiary education community. With our tailored membership offerings designed to meet the specific needs of younger individuals, Youth and Social Membership, we strategically expanded our outreach and accelerated membership growth within the Association.

With the strong network of partners we have built, I have confidence that our expanded reach positions us in a strategic direction to attract future collaborations. These collaborations will drive future growth, enhance our offerings, and help us further serve the needs of our Members and the broader community.

Corporate Responsibility

Recognising the younger generation as one of our most invaluable assets, we believe that investing in their education and wellbeing is essential for unlocking their full potential and shaping a brighter future. It is evident that by nurturing their personal growth and equipping them with the fundamentals alongside the right tools and insights, we are not only enhancing individual improvement, but also laying the foundation for a sustainable, innovative, and resilient future in every aspect of society and businesses.

As part of our continuous commitment to strengthen and support the education sector, we have further strengthened our partnerships with the Institute of Technical Education (ITE) by supporting outstanding graduates from Nitec in Automotive Technology with Automobile Association of Singapore Book Prizes Award. Additionally, the ITE College West Token Scheme & Book Prizes initiative, which provides meal tokens for students from underprivileged families, remains a vital part of our effort to alleviate the financial burdens of these students and ensure they have access to nutritious meals during their studies.

Recognizing the younger generation as one of our most invaluable assets, we believe that investing in their education and wellbeing is essential for unlocking their full potential and shaping a brighter future. By nurturing their personal growth and equipping them with the right tools, insights, and fundamental skills, we are not only enhancing individual development but also laying the groundwork for a sustainable, innovative, and resilient future across all sectors of society and business.

The future and possibilities

As we reflect on the progress made this year, we remain committed to delivering value to our Members. By keeping ourselves aligned with the evolving needs, we are positioning AA Singapore for a future of growth and innovation. We are confident that, together with our Members, we will continue to embrace new opportunities, overcome challenges, and build a resilient, thriving future for the Association and the broader community.

MINUTES OF THE ANNUAL GENERAL MEETING

Minutes of the Annual General Meeting (AGM) of Members of the Automobile Association of Singapore held at Fort Canning Lodge (YWCA), 6 Fort Canning Road, Level 2 Sophia Cooke Ballroom, Singapore 179494 on Wednesday, 29 May 2024 at 6:30 pm.

Present:

Bernard Tay, *Chairman and President*

Low Beng Tin

Wong Siew Hong

Alvin Phua

Chia Ho Choon

S Chandra Mohan

Tay Boon Keng

David Wong

Rankin B. Yeo

Thomas Yeoh Eng Leong

Absent with apologies:

Darryl Wee

Edwin Tan

In accordance with Clause 12d of the Constitution, the quorum for an AGM should be 35.

Mr Roma Luo, the representative from the auditors, Messrs Lo Hock Ling & Co. confirmed that at the close of registration at 6:30 pm, the total number of members present was 65. As there was a quorum, the President called the Meeting to order.

1. President's Address

The President reminded members to exchange their voting card slip for a voting card in preparation for the voting required for Agenda item number 3. The members were also reminded not to take recording of the AGM proceedings, which is a closed-door meeting and the Association will take audio recording and photographs for record purposes.

It has been four years since we last gathered in person, a period marked by unprecedented challenges that tested our resilience and adaptability. Among the many adjustments we had to make, one of the most significant was adapting to the absence of our cherished in-person events. These gatherings were invaluable opportunities for collaboration, networking, and celebration, but at the same time, it provided us the opportunity to innovate and find new ways to connect and engage with one another.

Today, as we meet again in person, I am grateful for the opportunity to share the milestones and achievements of the past years that have shaped our collective efforts.

AA Singapore has been steadfast in our transformation journey, evolving to meet the dynamic needs of our members and the automotive landscape. This continual process of transformation involves refining our membership offerings, enhancing services, and pursuing strategic acquisitions, all aimed at enriching our members' experiences.

The Association have made substantial improvements in member engagement. From enhanced website and CRM to personalised service offerings, AA Singapore focused on enhancing its digital infrastructure to provide a secure and convenient experience for members. This included revamping the website to implement the latest security protocols, user education on best practices, and the adoption of 2FA security measures. The redesigned website offers a more user-friendly interface and streamlines navigation, aiming to improve member engagement and satisfaction. Additionally, enhancements were made to the CRM system to optimise performance and integration with other platforms, further improving the user experience. The team also prioritised cybersecurity through proactive measures, including Cybersecurity Awareness sessions and employee engagement, to safeguard AA's resources against potential threats. We welcome any feedback or suggestions from members as we continuously strive to improve and cater to their evolving needs.

I would like to take this opportunity to extend our heartfelt gratitude to the Committee Members who have guided the Management through this process. Your unwavering support and insightful guidance have been invaluable in navigating these transformative changes.

In 2023, AA Singapore further enhanced our membership offerings to better cater to its diverse member base. This included refining packages and introducing innovative benefits like exclusive vouchers and preferential rates on tourism services, ensuring every interaction leaves AA Members feeling appreciated and valued. Additionally, the Association launched the One Road programme, a global loyalty initiative by FIA tailored for AA members, providing exclusive international privileges and preferential rates on travel services.

MINUTES OF THE ANNUAL GENERAL MEETING

and accommodation. Members are encouraged to explore the One Road portal at portal.oneroadloyalty.com/aas for exciting offerings.

AA Singapore continues to prioritise road safety by collaborating closely with the Singapore Road Safety Council on various initiatives. Annually, we actively participate in the Singapore Road Safety Month (SRSM) alongside esteemed partners such as the Traffic Police, Land Transport Authority, Ministry of Education, and People's Association. Last July, we participated in the SRSM, themed "Road Safety for All", aimed to raise awareness about speeding and jaywalking hazards. This year, AA Singapore is proud to host an educational booth and deliver a road safety talk on stage at the SRSM event, themed "Road Safety Begins With You and Me", on 1st and 2nd June at Toa Payoh Hub Mall. We look forward to your support and seeing you at the event.

In October 2023, AA Singapore organised the Overseas Safe Driving Forum, focusing on preparation for safe driving abroad and featuring speakers from esteemed organisations like Malaysian Institute of Road Safety Research (MIROS), Thai Ecotourism & Adventure Travel Association (TEATA), International Road Assessment Programme (iRAP), Japan Automobile Federation, and AA New Zealand. The forum attracted 160 participants, fostering valuable insights and discussions on safe driving practices. The positive feedback from attendees highlighted the forum's success in addressing crucial safety issues and the importance of international collaboration in promoting road safety.

During the Singapore Grand Prix Formula One in September, AA Singapore and the Motor Sports Singapore hosted a welcome dinner for FIA President Mr Mohammed Ben Sulayem, facilitating meaningful exchanges and community building within the motoring industry. Additionally, AA Singapore extended hospitality to fellow Automobile and Motorsports Clubs, fostering collaboration and knowledge sharing. These efforts demonstrated AA Singapore's role as a key player in the international motoring community, highlighting our commitment to industry leadership, networking, and the promotion of road safety in motorsports.

Strategically, AA Singapore secured the Europcar Singapore Franchise in 2023 to strengthen our position in the motoring industry, offering exclusive benefits to members such as overseas car rental rates and worldwide selections. In addition to

securing the Europcar Singapore Franchise, AA Singapore has partnered with Starcharge Energy Pte Ltd, broadening its influence in the Electric Vehicle landscape. Committed to offering innovative approaches, AA Singapore aims to meet evolving needs in the automotive industry. These initiatives not only adapt to the future but actively shape it, fostering a more sustainable and eco-conscious motoring community.

As a Motoring Association serving over 50,000 members, our commitment extends beyond just addressing motoring needs. We strive to enhance and expand our services to cater comprehensively to every member. From offering essential services like roadside assistance and insurance, to providing comprehensive road safety training and exciting Autoventure experiences, our goal is to be a trusted partner in all aspects of our members' journeys, providing reliable support and solutions that go beyond traditional motoring assistance to benefit each and every one of our members.

In 2023, the Association's mechanics and tow crews promptly responded to over 16,000 roadside assistance requests, despite facing a 47% increase in phone calls, which posed considerable challenges. This surge occasionally led to manpower shortages and longer queues, impacting our ability to meet immediate member needs promptly. Despite these hurdles, our dedicated mechanics and tow crews worked tirelessly to ensure that our members received timely assistance. We prioritise the needs of our members above all else, striving to alleviate their concerns during periods of heightened demand and staffing limitations.

To effectively manage these challenges, we have established strategic partnerships with reputable third-party providers. These alliances play a crucial role during peak demand periods, allowing us to extend our reach and maintain the Association's service standards even when facing staffing constraints. By leveraging these partnerships, we ensure that our members receive the assistance they require swiftly and efficiently.

In 2023, AA Singapore's AUTOVENTURE achieved significant milestones in promoting eco-friendly travel and expanding international experiences for our members. We organised 31-Day journey to Thailand, Cambodia, and Vietnam, marking the first convoy drive to Vietnam since the pandemic.

MINUTES OF THE ANNUAL GENERAL MEETING

Additionally, the Association organised a 98-Day AUTOVENTURE London-Singapore Expedition Drive covering 25,000km across 21 countries, with a group of 33 participants and 12 cars, returning to Singapore on 10 November. This expedition drive built upon the success of the 2019 drive, which covered 21,000km across 16 countries.

In 2023, the AUTOVENTURE also featured drives with electric vehicles, showcasing a commitment to eco-friendly travel options and promoting environmental consciousness within the automotive and travel industries. Notable events included the 12-Day Autoventure Eco-Driving in South Korea, supported by Hyundai Motor Company, and the 13-Day Hyundai Motor Expedition ASEAN EV Drive to Malaysia, Thailand, Cambodia, and Vietnam, contributing to the advancement of sustainable travel experiences.

Our insurance offerings have also evolved to meet diverse member needs, with enhancements of the TourCare Plus travel policy, in collaboration with Liberty Insurance. This policy now offers coverage for pre-existing conditions and extending Covid-19 coverage up to 85 years old. Additionally, the AAS Insurance Agency introduced the International Driving Permit - Personal Accident coverage at an affordable discounted rate of \$5.40 for everyone, reflecting a commitment to providing comprehensive and tailored travel protection for members. These continuous enhancements demonstrate a dedication to adapting and evolving to ensure members receive robust and inclusive travel protection.

AAS Academy responded to Singapore's shift towards sustainable transportation by expanding course offerings, including updates to the Car Appreciation Course materials to incorporate insights into electric and hybrid vehicles. Additionally, the Academy demonstrated its commitment to road safety by providing an Eco & Safe Driving webinar, promoting sustainable and safe driving practices. Through live webinars and the Learn@AAS online platform, members gained flexibility in accessing training programs. A Hazard Perception workshop during the Military Transport Safety seminar focused on enhancing hazard perception skills to reduce the risk of vehicle crashes.

AA Singapore remained committed to community building by actively engaging in initiatives that positively impact society. This included partnering with ITE to establish the Automobile Association of Singapore Book Prizes Award, supporting

outstanding graduates from the Nitec in Automotive Technology course. Additionally, AA Singapore contributed to the ITE College West Token scheme, providing meal tokens for students from underprivileged families.

AA Singapore reflected its commitment to adaptability, innovation, and fostering positive relationships. Through continuous service improvement, technological integration, and strategic partnerships, we are prepared to navigate challenges and capitalize on opportunities ahead. With our members and stakeholders, we anticipate a future characterized by growth, resilience, and success.

As we navigate through a period of leadership transition, I want to extend my heartfelt gratitude to everyone for their unwavering support all these years. Leadership transitions are inherently complex and require careful planning and execution to ensure continuity and stability. Just as political stability is vital for a nation's progress, stable leadership transitions within AA Singapore are essential to uphold operational continuity, implement strategic initiatives, and maintain member trust and satisfaction. The pandemic has further complicated this process, adding unprecedented challenges and delays. Despite these hurdles, the collaborative spirit and dedication of our community have been remarkable.

We are also pleased to welcome our new member, Ms Diana Ng, to our Resource Panel Committee. This addition reflects our unwavering commitment to diversity and inclusion, ensuring that a variety of perspectives contribute to our decision-making process. I would also like to extend my appreciation to all the other Resource Panel Members who have volunteered their time and expertise to assist the Association.

The transition phase is crucial as it sets the foundation for our future direction. We are actively introducing younger talent into our General Committee, fostering a seamless transition to the next generation of leadership within AA Singapore. This infusion of fresh perspectives and talent ensures that we remain agile and responsive to emerging trends, maintaining our position at the forefront of automotive services and member engagement. I am grateful to my fellow General Committee Members, Resource Panel Members, who have provided unstinting service to the Association over the years, the AA Management and staff, and our invaluable AA Members for your patience and resilience

MINUTES OF THE ANNUAL GENERAL MEETING

during this period. Your steadfast support has been instrumental in maintaining the momentum of our operations and in facilitating a smooth transition.

I am confident that with your continued dedication and unwavering commitment, our Association will not only navigate through this transition but will also emerge stronger and more resilient. Together, we will continue to uphold our values, meet future challenges head-on, and achieve new milestones in our journey. Thank you for your enduring support and trust in our shared mission.

2. To confirm the Minutes of the Annual General Meeting held on 17 May 2023

There were no comments received and the Minutes were confirmed as proposed by Mr Lim Soon Heng and seconded by Mr Tay Choon Mong.

3. To receive and, if approved, adopt the Annual Report and Audited Financial Statements for the year ended 31 December 2023

The Annual Report and Audited Financial Statements were put before the meeting for discussion.

As there were no comments received, the Annual Report and Audited Financial Statements were approved as proposed by Mr Koh Ing Chin and seconded by Mr Boh Hee Hian.

4. To elect six members to the Committee for the ensuing term

The President, Mr Bernard Tay informed the meeting that he was also standing for election to the General Committee ("GC"). For good corporate governance, President would hand over the post of Chairman of the Meeting to the Deputy President, Mr Low Beng Tin, who will chair the Meeting. Mr Low will also be the Acting President of AA Singapore until the next General committee meet to elect new office bearers.

The members were reminded once again to proceed to the voting card counter to exchange their voting card slip for a voting card if they are still holding on to the voting card slip.

The President, Mr Bernard Tay handed over the post of Chairman of the Meeting to Deputy President, Mr Low Beng Tin, who will chair the meeting from this point onwards. The retiring General Committee Members stepped off the stage for the election.

Chairman Low informed that under the Association's Constitution, the term of office of 6 committee members had expired and the need to elect 6 members to the General Committee.

He also informed us that the auditors, Messrs Lo Hock Ling & Co. had duly verified and confirmed the nominations received. Chairman Low handed over to the Auditors to conduct the voting process.

Mr Roma Luo, the representative from the auditors, reported that 8 nominations were received at 5:00 pm on 17 May 2024, being the time and date set for nominations to be closed.

The 8 nominees were:

Mr Bernard Tay
Mr Alvin Phua
Mr Wong Siew Hong
Mr Tay Boon Keng
Mr Thomas Yeoh Eng Leong
Mr Darryl Wee
Mr Hoong Kah Kuan, David, and
Mr Tang Siu Kan

As there were more than 6 candidates, a vote for the candidates was required.

Mr Luo reminded that in pursuant to Clause 12(i) of the Association's Constitution which provides that each member attending the AGM and able to vote shall be entitled to one vote and in the event of there being an equality of votes, the Chairman of the Meeting shall have an additional or casting vote.

Mr Luo briefed the Members on the following voting procedures:

- Members eligible to vote would have received a voting card with the names of the eight nominees;
- Please select up to six nominees from the list by marking with a tick or cross in the box next to the name of the nominee of your choice;
- In the event that there are more than six nominees selected by the member on a voting card, that voting card will be deemed invalid;
- Any other forms or symbols used other than a tick or cross in the prescribed box of the voting card will be deemed invalid;

MINUTES OF THE ANNUAL GENERAL MEETING

- All completed voting cards will need to be deposited into the single ballot box in front of the hall.

The members were given 10 minutes to vote on their voting card for their choice of the nominees.

After a lapse of 10 minutes, Mr Luo announced that the voting had closed. He proceeded to the front of the hall to collect the ballot box and took it to the counting room for the votes to be counted in the presence of the Scrutineers.

5. To appoint auditors for the ensuing year

With the counting of the votes in progress, Chairman Low continued the meeting with the tabling of Agenda item no. 4 - re-appointment of auditors for the ensuing year.

Chairman Low informed that the present auditors, Messrs Lo Hock Ling & Co. had indicated their willingness to be re-appointed for the ensuing year.

The motion to re-elect Messrs Lo Hock Ling & Co as auditors was then proposed by Mr Tay Choon Mong and seconded by Mr Martin Marini.

As there were no objections, Messrs Lo Hock Ling & Co. was re-appointed auditors for the ensuing year.

6. To transact any other business of which notice in writing has been received by the Chief Executive Officer by 5:00 pm on Monday, 20 May 2024

Chairman Low informed that as at the cut-off date on Monday, 20 May 2024 at 5.00pm, one letter from Mr Loe Kieng Shun was received on 8 May 2024.

Mr Loe is a Life Member and has been an AAS member since 1985. In his letter, he highlighted a recent unpleasant experience he had with the AAS roadside assistance and service quality of the AAS call centre. Due to the long waiting time of one and an half hour experienced by Mr Loe, he would like to know the following:

- What is the average normal waiting time for roadside assistance to be rendered as in the 80s and 90s, the waiting time was about half an hour to forty-five minutes; and
- Is there sufficient staff and resources deployed to meet the members' demands?

Chairman Low explained that we understand the concerns about waiting times for roadside assistance. We aim for a target response time of 1 to 1.5 hours, achieving 45 minutes to 1 hour during typical periods. However, we acknowledge instances where it has exceeded this timeframe.

The increase in vehicles and technological complexities since the 1990s has made maintaining historical response times challenging. In the 80s and 90s, average waiting times were about half an hour to forty-five minutes due to lower vehicle numbers and simpler technology.

We prioritise both member service and staff safety, deploying our fleet and leveraging partners during peak demand to maintain service levels. While we endeavor to respond and reach members as quickly as possible, we also emphasise the safety of our staff as they make their way to you. They will take the time to properly attend to your vehicle and render all possible assistance to get it back on the road before moving on to their next call.

We are actively reviewing our staffing and resource allocation to optimise service levels amid growing membership. While we continue to recruit, we are committed to improving our operational capacity to better meet members' needs.

Chairman Low thanked Mr Loe for his feedback, which helps in our ongoing efforts to enhance our service delivery.

Chairman Low asked the members for any comments and as there was no further comments, the meeting was adjourned for a short refreshment break while waiting for the results of the voting for the 6 Committee members.

MINUTES OF THE ANNUAL GENERAL MEETING

7. Voting results for Agenda Item 3 - Election of 6 Committee members for the ensuing term

After the votes were counted by the auditors, Messrs Lo Hock Ling & Co, and witnessed by the Scrutineers, Messrs CitadelCorp Services Pte Ltd, the voting results were announced by the Auditors as follows:

| <u>Nominees</u> | <u>No. of votes</u> |
|-------------------------------|---------------------|
| Mr Bernard Tay | 56 |
| Mr Wong Siew Hong | 47 |
| Mr Alvin Phua | 45 |
| Mr Tay Boon Keng | 53 |
| Mr Thomas Yeoh Eng Leong | 47 |
| Mr Darryl Wee | 41 |
| Mr Hoong Kah Kuan, David, and | 29 |
| Mr Tang Siu Kan | 27 |

Based on the voting results, the Audit Representative, Mr Luo declared that the 6 members elected to the General Committee for the ensuing term are Mr Bernard Tay, Mr Wong Siew Hong, Mr Alvin Phua, Prof Tay Boon Keng, Mr Thomas Yeoh Eng Leong and Mr Darryl Wee.

Chairman Low welcomed the newly elected members to the General Committee and invited them to join him on the stage.

8. The Chairman thanked all members for attending the AGM

As there was no other business to be discussed, Chairman Low formally declared the Meeting closed at 7:55 pm.

Chairman Low thanked Members for taking their valuable time off to attend the Meeting and look forward to their continued support in the years ahead.

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CORPORATE INFORMATION 2025

1. **INSTRUMENT OF SETTING UP THE ASSOCIATION**
Constitution of Automobile Association of Singapore
2. **UNIQUE ENTITY NUMBER OF THE ASSOCIATION**
S61SS0040C
3. **REGISTERED ADDRESS**
2 Kung Chong Road, #06-01 AA Centre, Singapore 159140
4. **GENERAL COMMITTEE**

| Name | Designation |
|---------------------|------------------|
| Mr. Bernard Tay | President |
| Mr. Low Beng Tin | Deputy President |
| Mr. Wong Siew Hong | Secretary |
| Mr. Alvin Phua | Treasurer |
| Dr. S Chandra Mohan | Committee Member |
| Mr. Chia Ho Choon | Committee Member |
| Dr. Edwin Tan | Committee Member |
| Prof. Tay Boon Keng | Committee Member |
| Mr. Darryl Wee | Committee Member |
| Mr. David Wong | Committee Member |
| Mr. Thomas Yeoh | Committee Member |
| Mr. Rankin B. Yeo | Committee Member |
5. **MEMBERSHIP SUB-COMMITTEE**
Mr. Alvin Phua
Dr. Edwin Tan
Ms. Diana Ng Lay Hoon
Mr. Bernard Tay (Ex-Officio)
6. **AUDIT SUB-COMMITTEE**
Mr. Rankin B. Yeo
Mr. Koh Ing Chin
Dr. Woo Yew Lok
Mr. Bernard Tay (Ex-Officio)
7. **FINANCE AND INVESTMENT SUB-COMMITTEE**
Mr. Alvin Phua
Mr. Thomas Yeoh
Mr. Koh Ing Chin
Mr. Bernard Tay (Ex-Officio)
8. **HUMAN RESOURCE AND REMUNERATION SUB-COMMITTEE**
Mr. Low Beng Tin
Mr. Rankin B. Yeo
Dr. Woo Yew Lok
Ms. Diana Ng Lay Hoon
Mr. Bernard Tay (Ex-Officio)
9. **KUNG CHONG REDEVELOPMENT SUB-COMMITTEE**
Mr. David Wong
Mr. Chia Ho Choon
Mr. Bernard Tay (Ex-Officio)
10. **JACKPOT SUB-COMMITTEE**
Mr. Low Beng Tin
Mr. Rankin B. Yeo
Mr. Thomas Yeoh
Mr. Bernard Tay (Ex-Officio)
11. **DIGITAL REVIEW SUB-COMMITTEE**
Mr. Darryl Wee
Mr. Alvin Phua
Mr. Damian Tay
Mr. Ong Chee Beng
Mr. Bernard Tay (Ex-Officio)
12. **NOMINATION SUB-COMMITTEE**
Dr. S Chandra Mohan
Mr. Rankin B. Yeo
Mr. Alvin Phua
Mr. Bernard Tay (Ex-Officio)
13. **CONSTITUTION REVIEW SUB-COMMITTEE**
Dr. S Chandra Mohan
Mr. Wong Siew Hong
Mr. Chia Ho Choon
Mr. Bernard Tay (Ex-Officio)
14. **PRINCIPAL BANKERS**
Malayan Banking Ltd
Oversea-Chinese Banking Corporation Limited
United Overseas Bank Limited
Standard Chartered Bank (Singapore) Limited
Bank of Singapore Limited
15. **AUDITORS**
Lo Hock Ling & Co.
Chartered Accountants Singapore

STATEMENT BY THE GENERAL COMMITTEE

In our opinion, the accompanying financial statements of Automobile Association of Singapore (the “Association”) and its subsidiary companies (collectively the “Group”) set out on pages 7 to 54 are drawn up so as to give a true and fair view of the financial position of the Group and of the Association as at 31 December 2024 and the financial performance and changes in funds of the Group and the Association and cash flows of the Group for the financial year covered by the financial statements.

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

On behalf of the General Committee

Bernard Tay Ah Kong
President

Alvin Phua
Treasurer

Singapore, 29 April 2025

INDEPENDENT AUDITOR'S REPORT

To the members of Automobile Association of Singapore (Incorporated in the Republic of Singapore)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Automobile Association of Singapore (the "Association") and its subsidiary companies (collectively the "Group") set out on pages 7 to 54, which comprise the statements of financial position (balance sheets) of the Group and of the Association as at 31 December 2024, the statements of comprehensive income and statements of changes in funds of the Group and of 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 and the statement of financial position, statement of 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 give a true and fair view of the consolidated financial position of the Group and the financial position of the Association as at 31 December 2024 and of the consolidated financial performance, consolidated changes in funds and consolidated cash flows of the Group, and of the 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 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 information included in Corporate Information, the Statement by the General Committee and other sections of the annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and General Committee for the Financial Statements

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

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

The General Committee's responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

To the members of Automobile Association of Singapore (Incorporated in the Republic of Singapore)

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

We communicate with the General Committee 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.

INDEPENDENT AUDITOR'S REPORT

To the members of Automobile Association of Singapore (Incorporated in the Republic of Singapore)

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the regulations enacted under the Act and the provisions of the Singapore Companies Act 1967 to be kept by the Association and by the subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept.

During the course of our audit, nothing came to our notice that caused us to believe that, in all material respects,

- (i) any profits from the private lotteries were accrued to any individuals; or
- (ii) any commission either in money or money's-worth, including by way of free tickets or chances, was paid in respect of the sales of tickets or chances.

Singapore, 29 April 2025

LO HOCK LING & CO.
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS SINGAPORE

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended December 2024

| | | Group | | Association | |
|--|-------|-------------|-------------|-------------|------------|
| | Notes | 2024 \$ | 2023 \$ | 2024 \$ | 2023 \$ |
| INCOME | | | | | |
| Membership subscriptions and entrance fees | | 1,902,550 | 1,999,849 | 1,902,550 | 1,999,499 |
| Vehicle recovery and towing services | | 386,328 | 570,944 | 15,384 | 21,212 |
| Fruit machine net takings | 3 | 1,408,989 | 1,113,232 | 1,408,989 | 1,113,232 |
| Income from other services | 4 | 5,239,122 | 4,222,047 | 4,392,786 | 3,690,745 |
| Interest income | 5 | 992,155 | 915,222 | 1,156,941 | 1,125,182 |
| Lease income (net) | 6 | 1,134,623 | 1,070,444 | - | - |
| Income from workshop services and related sale of goods | 7 | 2,334,347 | 2,767,548 | - | - |
| Other income | 8 | 400,065 | 792,100 | 1,496,860 | 1,547,152 |
| Total income | | 13,798,179 | 13,451,386 | 10,373,510 | 9,497,022 |
| LESS EXPENDITURE | | | | | |
| Direct costs for workshop income and related sale of goods | | 1,131,994 | 1,319,672 | - | - |
| Depreciation expense | 9 | 2,885,074 | 3,022,300 | 548,090 | 623,972 |
| Amortisation of intangible assets | 15 | 101,745 | 78,684 | 88,655 | 57,696 |
| Employee benefits expense | 10 | 6,341,353 | 6,123,815 | 3,381,479 | 3,167,665 |
| Membership promotion, publicity and meetings | | 792,298 | 700,720 | 792,298 | 703,812 |
| Finance costs | 28 | 53,762 | 78,653 | 36,296 | 59,281 |
| Other expenses | 11 | 4,108,627 | 4,018,525 | 4,686,427 | 4,664,278 |
| Total expenditure | | 15,414,853 | 15,342,369 | 9,533,245 | 9,276,704 |
| (Deficit)/surplus before tax | | (1,616,674) | (1,890,983) | 840,265 | 220,318 |
| Income tax expense | 12 | (118,467) | (178,078) | (109,480) | (167,607) |
| (Deficit)/surplus for the year | | (1,735,141) | (2,069,061) | 730,785 | 52,711 |
| OTHER COMPREHENSIVE INCOME | | | | | |
| Items that may be reclassified subsequently to profit or loss: | | | | | |
| Net fair value losses reclassified to profit or loss upon early redemption of bonds by issuers | 23 | 179,500 | 102,250 | 179,500 | 102,250 |
| Fair value gains on financial assets at FVOCI, recognised in other comprehensive income | 23 | 286,035 | 433,635 | 286,035 | 433,635 |
| Other comprehensive income for the year, net of tax | | 465,535 | 535,885 | 465,535 | 535,885 |
| Total comprehensive (loss)/income for the year | | (1,269,606) | (1,533,176) | 1,196,320 | 588,596 |

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

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended December 2024

| Notes | Group | | Association | |
|---|--------------------|--------------------|------------------|----------------|
| | 2024 \$ | 2023 \$ | 2024 \$ | 2023 \$ |
| <u>(Deficit)/surplus attributable to:</u> | | | | |
| - Members of the Association | (1,732,604) | (2,056,385) | 730,785 | 52,711 |
| - Non-controlling interests | (2,537) | (12,676) | - | - |
| | <u>(1,735,141)</u> | <u>(2,069,061)</u> | <u>730,785</u> | <u>52,711</u> |
| <u>Total comprehensive (loss)</u> | | | | |
| <u>/income attributable to:</u> | | | | |
| - Members of the Association | (1,267,069) | (1,520,500) | 1,196,320 | 588,596 |
| - Non-controlling interests | (2,537) | (12,676) | - | - |
| | <u>(1,269,606)</u> | <u>(1,533,176)</u> | <u>1,196,320</u> | <u>588,596</u> |

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

| | Notes | Group | | Association | |
|---|-------|--------------------|--------------------|-------------------|-------------------|
| | | 2024 \$ | 2023 \$ | 2024 \$ | 2023 \$ |
| ASSETS | | | | | |
| Non-Current Assets | | | | | |
| Property, plant and equipment | 13 | 24,744,614 | 26,125,606 | 398,618 | 559,624 |
| Investment properties | 14 | 42,138,250 | 42,490,954 | – | – |
| Intangible assets | 15 | 381,478 | 409,743 | 269,985 | 301,660 |
| Right-of-use assets | 16 | 1,547,491 | 2,166,525 | 1,071,529 | 1,959,741 |
| Investments | 17 | 11,955,020 | 12,360,385 | 11,955,020 | 12,360,385 |
| Investments in subsidiary companies | 18 | – | – | 6,000,002 | 6,000,002 |
| Amount due from subsidiary companies | 19 | – | – | 58,155,018 | 58,200,307 |
| | | 80,766,853 | 83,553,213 | 77,850,172 | 79,381,719 |
| Current Assets | | | | | |
| Investments | 17 | 1,993,200 | 3,259,127 | 1,993,200 | 3,259,127 |
| Inventories | 20 | 337,114 | 304,142 | 43,022 | 56,708 |
| Trade and other receivables | 21 | 2,827,192 | 2,473,846 | 1,622,802 | 890,958 |
| Amount due from subsidiary companies | 19 | – | – | 3,117,796 | 2,732,270 |
| Cash and cash equivalents | 22 | 22,573,110 | 21,077,890 | 7,271,478 | 10,129,912 |
| | | 27,730,616 | 27,115,005 | 14,048,298 | 17,068,975 |
| Total Assets | | 108,497,469 | 110,668,218 | 91,898,470 | 96,450,694 |
| TOTAL FUNDS, RESERVES AND LIABILITIES | | | | | |
| FUNDS AND RESERVES | | | | | |
| Accumulated funds | | 100,479,969 | 102,466,132 | 80,504,009 | 79,948,224 |
| Fair value reserve | 23 | (351,455) | (816,990) | (351,455) | (816,990) |
| Fruit machine replacement reserve | 24 | 925,606 | 750,606 | 925,606 | 750,606 |
| Total funds and reserves attributable to members of the Association | | 101,054,120 | 102,399,748 | 81,078,160 | 79,881,840 |
| Non-controlling interests | | – | 90,644 | – | – |
| Total Funds and Reserves | | 101,054,120 | 102,490,392 | 81,078,160 | 79,881,840 |
| LIABILITIES | | | | | |
| Non-Current Liabilities | | | | | |
| Subscriptions received in advance | 25 | 822,188 | 887,364 | 822,188 | 887,364 |
| Deferred tax liabilities | 26 | 3,000 | 3,000 | – | – |
| Trade and other payables | 27 | 276,419 | 276,419 | 276,419 | 276,419 |
| Lease liabilities | 28 | 461,712 | 1,106,794 | 209,494 | 1,064,360 |
| Amount due to subsidiary companies | 19 | – | – | 1,588,174 | 2,429,500 |
| | | 1,563,319 | 2,273,577 | 2,896,275 | 4,657,643 |

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

| | | Group | | Association | |
|---------------------------------------|-------|-------------|-------------|-------------|------------|
| | Notes | 2024 \$ | 2023 \$ | 2024 \$ | 2023 \$ |
| <u>Current Liabilities</u> | | | | | |
| Subscriptions received in advance | 25 | 1,090,184 | 1,094,423 | 1,090,184 | 1,094,423 |
| Trade and other payables | 27 | 3,558,566 | 3,563,869 | 1,983,910 | 1,755,397 |
| Lease liabilities | 28 | 1,091,651 | 1,066,319 | 854,866 | 860,930 |
| Amount due to subsidiary companies | 19 | – | – | 3,865,075 | 8,034,461 |
| Current tax liabilities | | 139,629 | 179,638 | 130,000 | 166,000 |
| | | 5,880,030 | 5,904,249 | 7,924,035 | 11,911,211 |
| Total Liabilities | | 7,443,349 | 8,177,826 | 10,820,310 | 16,568,854 |
| Total Funds, Reserves and Liabilities | | 108,497,469 | 110,668,218 | 91,898,470 | 96,450,694 |

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

CONSOLIDATED STATEMENT OF CHANGES IN FUNDS

For the year ended December 2024

| Group | Notes | Accumulated funds \$ | Fair value reserve \$ | Fruit machine replacement reserve \$ | Total funds and reserves attributable to members of the Association \$ | Non-controlling interests \$ | Total funds and reserves \$ |
|---|-------|-------------------------|--------------------------|---|---|---------------------------------|--------------------------------|
| Balance as at 1 January 2023 | | 104,572,737 | (1,352,875) | 700,386 | 103,920,248 | 103,320 | 104,023,568 |
| Deficit for the year | | (2,056,385) | - | - | (2,056,385) | (12,676) | (2,069,061) |
| Other comprehensive income for the year | 23 | - | 535,885 | - | 535,885 | - | 535,885 |
| Total comprehensive (loss)/income for the year | | (2,056,385) | 535,885 | - | (1,520,500) | (12,676) | (1,533,176) |
| Transactions with owners, recognised directly in total funds and reserves | | | | | | | |
| Transfer to fruit machine replacement reserve, net of reserve utilised | 24 | (50,220) | - | 50,220 | - | - | - |
| | | (50,220) | - | 50,220 | - | - | - |
| Balance as at 31 December 2023 | | 102,466,132 | (816,990) | 750,606 | 102,399,748 | 90,644 | 102,490,392 |
| Deficit for the year | | (1,732,604) | - | - | (1,732,604) | (2,537) | (1,735,141) |
| Other comprehensive income for the year | 23 | - | 465,535 | - | 465,535 | - | 465,535 |
| Total comprehensive (loss)/income for the year | | (1,732,604) | 465,535 | - | (1,267,069) | (2,537) | (1,269,606) |
| Transactions with owners, recognised directly in total funds and reserves | | | | | | | |
| Transfer to fruit machine replacement reserve, net of reserve utilised | 24 | (175,000) | - | 175,000 | - | - | - |
| Acquisition of non-controlling interests | | (78,559) | - | - | (78,559) | (88,107) | (166,666) |
| | | (253,559) | - | 175,000 | (78,559) | (88,107) | (166,666) |
| Balance as at 31 December 2024 | | 100,479,969 | (351,455) | 925,606 | 101,054,120 | - | 101,054,120 |

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

CONSOLIDATED STATEMENT OF CHANGES IN FUNDS

For the year ended December 2024

| Association | Notes | Accumulated funds \$ | Fair value reserve \$ | Fruit machine replacement reserve \$ | Total funds and reserves \$ |
|---|-------|-------------------------|--------------------------|---|--------------------------------|
| Balance as at 1 January 2023 | | 79,945,733 | (1,352,875) | 700,386 | 79,293,244 |
| Surplus for the year | | 52,711 | - | - | 52,711 |
| Other comprehensive income for the year | 23 | - | 535,885 | - | 535,885 |
| Total comprehensive income for the year | | 52,711 | 535,885 | - | 588,596 |
| Transactions with owners, recognised directly in total funds and reserves | | | | | |
| Transfer to fruit machine replacement reserve, net of reserve utilised | 24 | (50,220) | - | 50,220 | - |
| | | (50,220) | - | 50,220 | - |
| Balance as at 31 December 2023 | | 79,948,224 | (816,990) | 750,606 | 79,881,840 |
| Surplus for the year | | 730,785 | - | - | 730,785 |
| Other comprehensive income for the year | 23 | - | 465,535 | - | 465,535 |
| Total comprehensive income for the year | | 730,785 | 465,535 | - | 1,196,320 |
| Transactions with owners, recognised directly in total funds and reserves | | | | | |
| Transfer to fruit machine replacement reserve, net of reserve utilised | 24 | (175,000) | - | 175,000 | - |
| | | (175,000) | - | 175,000 | - |
| Balance as at 31 December 2024 | | 80,504,009 | (351,455) | 925,606 | 81,078,160 |

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 2024

| | | Group | |
|---|-------|-------------|-------------|
| | Notes | 2024 \$ | 2023 \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Deficit before tax | | (1,616,674) | (1,890,983) |
| Adjustments for: | | | |
| Allowance for expected credit losses - trade | 21 | 12,011 | - |
| Depreciation expense | | 3,493,121 | 3,699,993 |
| Amortisation of intangible assets | 15 | 101,745 | 78,684 |
| Property, plant and equipment written off | 11 | - | 235 |
| Interest income | 5 | (992,155) | (915,222) |
| Interest expenses | 28 | 90,332 | 136,751 |
| Loss on early redemption of bonds by issuers | 11 | 179,500 | 102,250 |
| Gain on disposal of property, plant and equipment | | (698) | (7,555) |
| Gain on right-of-use assets written off | | (993) | (120,519) |
| Operating surplus before working capital changes | | 1,266,189 | 1,083,634 |
| Increase in inventories | | (32,972) | (15,835) |
| Increase in receivables | | (403,922) | (191,507) |
| (Decrease)/increase in payables | | (81,616) | 169,706 |
| Decrease in subscriptions received in advance | | (69,415) | (296,904) |
| Cash generated from operations | | 678,264 | 749,094 |
| Income tax refunded | | 2,194 | - |
| Income tax paid | | (160,670) | (171,247) |
| Net cash from operating activities | | 519,788 | 577,847 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| (Increase)/decrease in fixed deposits pledged with banks and/or with maturities over 3 months | | (3,396,906) | 1,052,182 |
| Interest received | | 1,030,720 | 907,712 |
| Acquisition of non-controlling interests | | (166,666) | - |
| Additions to intangible assets | 15 | (73,480) | (218,248) |
| Additions to property, plant and equipment | 13 | (581,731) | (708,863) |
| Proceeds from capital grant for property, plant and equipment | 13 | 30,000 | - |
| Proceeds from disposal of investments | 17 | 8,728,000 | 4,250,000 |
| Proceeds from disposal of property, plant and equipment | | 54,208 | 20,841 |
| Purchase of bonds | 17 | (6,694,360) | (3,224,077) |
| Purchase of investment property | 14 | (74,100) | (48,800) |
| Net cash (used in)/from investing activities | | (1,144,315) | 2,030,747 |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Repayment of principal portion of lease liabilities | 28 | (1,186,827) | (1,122,145) |
| Payment of interest on lease liabilities | 28 | (90,332) | (135,801) |
| Repayment of bank loan | | - | (42,237) |
| Payment of interest on amount due to bank | 28 | - | (950) |
| Net cash used in financing activities | | (1,277,159) | (1,301,133) |
| Net (decrease)/increase in cash and cash equivalents | | (1,901,686) | 1,307,461 |
| Cash and cash equivalents at beginning of the year | | 10,960,878 | 9,653,417 |
| Cash and cash equivalents at end of the year | 22 | 9,059,192 | 10,960,878 |

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 2024

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

1. GENERAL INFORMATION

Automobile Association of Singapore (the "Association") is registered in the Republic of Singapore under the Societies Act 1966. Its registered office is located at 2 Kung Chong Road, #06-01 AA Centre, Singapore 159140.

The principal activities of the Association are to provide members with information, assistance, recreation and other facilities and advice on matters pertaining to motoring.

The principal activities of the subsidiary companies are detailed in note 18 to the financial statements.

During the financial year, the Association did not conduct any fund-raising appeal as defined in the Societies Regulations issued under the Societies Act.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of Preparation

The financial statements are presented in Singapore dollars ("S\$"), which is also the functional currency of the Association.

These financial statements are prepared in accordance with the historical cost convention except as disclosed in the accounting policies below, and comply with Financial Reporting Standards in Singapore ("FRSs"), including related Interpretations promulgated by the Accounting Standards Committee, as required by the Companies Act 1967.

During the financial year, the Group has adopted all the new and amended FRSs which are relevant to the Group and are effective for the current financial year. The adoption of these standards did not have material effect on the financial performance or position of the Group.

2.2 Critical Accounting Estimates and Judgments

Estimates and assumptions concerning the future and judgments 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 expenses, and disclosures made. They are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

(A) Key Sources of Estimation Uncertainty

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

(i) Depreciation of Property, Plant and Equipment, Investment Property, and Right-of-Use Assets/ Amortisation of Intangible Assets

The costs of property, plant and equipment, investment property, intangible assets and right-of-use assets are depreciated/amortised on a straight-line basis over their estimated useful lives. Management's estimates of the useful lives of these property, plant and equipment, investment property, intangible assets and right-of-use assets are disclosed in notes 2.9, 2.10, 2.11 and 2.18 to the financial statements respectively. Changes in the expected usage and technological developments could impact the economic useful lives and the residual values of these assets. Therefore, future depreciation/amortisation charges could be revised. The carrying amounts of property, plant and equipment, investment property, intangible assets and right-of-use assets and their respective depreciation/ amortisation charge for the year are disclosed in notes 13, 14, 15 and 16 to the financial statements respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.2 Critical Accounting Estimates and Judgments (continued)

(A) Key Sources of Estimation Uncertainty (continued)

(ii) Leases

Incremental Borrowing Rate

The Group cannot readily determine the interest rate implicit in the lease. Therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Determining the IBR requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

The Group estimates the IBR using observable inputs (such as prevailing prime lending rates) when available and is required to make certain entity-specific estimates.

Estimation of Lease Term

When determining the lease term of a lease contract, management considers all relevant factors that create an economic incentive for the Group to exercise an extension option, including any expected changes in circumstances since the commencement date that is within its control and affects its ability to exercise or not to exercise an option to extend. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

(B) Critical Judgments Made in Applying Accounting Policies

In the process of applying the Group's accounting policies, there are no significant items in the financial statements which require the exercise of critical judgement on the part of the management.

2.3 FRSs issued but not yet effective

The Group has not applied any new FRS that has been issued but is not yet effective. The General Committee ("GC") plans to adopt these FRSs in the first financial year commencing on or after their respective effective dates.

The GC does not expect the adoption of the new FRSs that have been issued but are not yet effective to have material impact on the financial statements in the period of initial application.

2.4 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 Revenue Recognition (continued)

(i) Subscriptions and Fees Income

Membership subscriptions received are recognised as revenue when they fall due over the period covered by the subscriptions.

Subscriptions received in advance

- Life membership subscriptions received in advance are recognised as income on a straight line basis over a period of 30 years.
- Ordinary, Family and Corporate membership subscriptions received in advance are recognised as income in the year in which the subscriptions fall due.

Entrance fees received are recognised as revenue at the point when applicants are admitted as members of the Association.

(ii) Fruit Machine Takings

Fruit machine takings are recognised as revenue upon receipt.

(iii) Service Income

Revenue from rendering of motoring-related and membership services is recognised when services have been performed and performance obligations have been fulfilled.

(iv) Interest Income

Interest on fixed deposits and bonds are recognised in profit or loss on a time proportion basis, using the effective interest method.

(v) Lease Income

Lease income from operating lease is recognised on a straight line basis over the lease period.

(vi) Sale of Goods

Revenue from sale of goods is recognised at a point in time upon delivery of the goods and acceptance by the customer and the Group's performance obligations have been fulfilled.

(vii) Commission income

Commission income is recognised when the performance obligation is satisfied which is upon the notification from the principal on conclusion of a sale.

2.5 Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received and the conditions attached to the grant will be complied with. Grants related to income are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

2.6 Employee Benefits

(i) Defined Contribution Plans

The Group makes contributions to the state provident fund (Central Provident Fund). Such contributions are recognised as compensation expenses in the same period as the employment that gave rise to the contributions.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.6 Employee Benefits (continued)

(ii) Short Term Compensated Absences

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for employee entitlements to annual leave as a result of services rendered by employees up to the balance sheet date.

2.7 Income Taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised outside profit or loss (either in other comprehensive income or directly to accumulated fund), in which case, it is recognised in other comprehensive income or directly to accumulated funds accordingly.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided, using the balance sheet liability method, on all temporary differences at the balance sheet date arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax is provided on all taxable temporary differences arising on investments in subsidiary companies, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is charged or credited to other comprehensive income or directly in accumulated funds if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income or directly to accumulated funds.

2.8 Financial Assets

A. Classification

Financial assets are classified into the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVPL").

The basis of classification depends on the Group's business model and the contractual cash flow characteristics of the financial assets.

B. At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not have a significant financing component are measured at their transaction price at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.8 Financial Assets (continued)

C. At subsequent measurement

There are three prescribed subsequent measurement categories - at amortised cost, FVOCI and FVPL, depending on the Group's business model for managing the financial assets and the cash flow characteristics of the assets.

The Group's financial assets are categorised as follows:

(i) Financial assets, at amortised cost

These comprise trade and other receivables, amounts owing by subsidiary companies and cash and cash equivalents and investments in Singapore Treasury bills, measured at amortised cost subsequent to initial recognition, as these represent contractual cash flows which are solely payments of principal and interest. A gain or loss on a financial asset that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets are recognised using the effective interest rate method.

(ii) Financial assets, at FVOCI

These comprise quoted commercial bonds held to collect contractual cash flows (that are solely payments of principal and interest) and for sale. Movements in fair values of investments classified as FVOCI are presented as "fair value gains and losses" in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

D. Impairment of financial assets

The Group assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost, and recognises a loss allowance accordingly.

At each reporting date, the debt instruments are assessed to determine whether there is significant increase in credit risk on the debt instruments since initial recognition. If there is a significant increase in credit risk since initial recognition, lifetime expected credit losses will be calculated and recognised in the loss allowance. If credit risk on the debt instrument has not increased significantly since initial recognition, the loss allowance is measured based on 12-month expected credit losses. Adjustments to the loss allowance are recognised in profit or loss as an impairment gain or loss.

For trade receivables, the Group applies the simplified approach permitted by FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.9 Property, Plant and Equipment

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.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.9 Property, Plant and Equipment (continued)

Any estimated costs of dismantling and removing the property, plant and equipment and reinstating the site to its original condition (reinstatement costs) are capitalised as part of the cost of the property, plant and equipment.

Depreciation is calculated on the straight line basis so as to write off the cost, less the residual value, of the assets over their estimated useful lives. The estimated useful lives are as follows:

| | |
|---|--------------|
| Motor vehicles and equipment | 4 - 10 years |
| Tow trucks and accessories | 5 - 10 years |
| Furniture, fittings, plant and equipment and office equipment | 1 - 5 years |
| Fruit machines | 4 years |
| Renovations | 3 - 10 years |

Leasehold property is depreciated on the straight-line basis over the remaining lease period which expires in 2054. Leasehold property under construction is not depreciated as the asset is not available for use.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

The residual values, useful lives and depreciation methods of property, plant and equipment are reviewed and adjusted as appropriate, at each financial year end.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, and shall be included in profit or loss when the item is derecognised.

2.10 Investment Property

Investment property, which is held on a long-term basis for investment potential and lease income, is stated at cost less accumulated depreciation and impairment loss, recognised in accordance with note 2.17 to the financial statements.

Freehold land is not depreciated. The costs of the buildings are depreciated on the straight-line basis so as to write off the cost of the asset over the estimated useful lives as follows:

| | |
|--------------------|-----------------------------------|
| Freehold property | 25 years |
| Leasehold property | remaining useful life of 46 years |

The residual value and useful life of investment property are reviewed and adjusted as appropriate, at each balance sheet date.

The costs of major renovations and improvements are capitalised as additions and the carrying amount of the replaced components are written off to profit or loss. The costs of maintenance, repairs and minor improvements are charged to profit or loss when incurred.

Upon the disposal of the investment property, the difference between the estimated net disposal proceeds and the carrying amount of the asset is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.11 Intangible Assets

Intangible assets are measured initially at cost. After initial recognition, they are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets with finite useful lives are amortised over their estimated useful lives when the assets are available for use. In addition, they are subject to annual impairment testing. Intangible assets are written off when, in the opinion of the management, no further future economic benefits are expected to arise.

Costs relating to computer software and mobile application acquired, which are not an integral part of the related hardware, are capitalised and amortised on a straight-line basis over their estimated useful lives. The estimated useful lives are as follows:

| | |
|--------------------|---------|
| Computer software | 5 years |
| Mobile application | 5 years |

2.12 Investments in Subsidiary Companies

(i) Subsidiary and Basis of Consolidation

Investments in subsidiary companies are held on a long-term basis and stated in the Association's balance sheet at cost less impairment loss, if any.

Subsidiaries are investees over which the Group has control. The Group controls an investee when the Group 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group, and continue to be consolidated until the date that such control ceases.

The consolidated financial statements comprise the financial statements of the Association and its subsidiary companies made up to the balance sheet date. The financial statements of the subsidiary companies are prepared for the same reporting date as the Association. Consistent accounting policies are applied for 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.

Non-controlling interests are that part of the net results of operations and net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the Association. They are shown separately in the consolidated statement of comprehensive income, statement of changes in funds and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.12 Investments in Subsidiary Companies (continued)

(ii) Acquisitions (continued)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill.

Any excess of the Group's interests in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised in profit or loss on the date of acquisition.

(iii) Disposals

When a change in the Group's ownership interests in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary, including any goodwill, are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

(iv) Transactions with Non-Controlling Interests

Changes in the Association's ownership interests in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with fund owners of the Association. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their respective interests in the subsidiary. Any difference between the change in the carrying amounts of the non-controlling interests and the fair value of the consideration paid or received is recognised within total funds attributable to members of the Association.

2.13 Inventories

Inventories, consisting of car products and accessories, travel adaptors and travel bags, are stated at the lower of cost and net realisable value after adequate allowance has been made for deteriorated, damaged, obsolete or slow-moving inventories. Cost is determined on the first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.14 Trade and Other Receivables

Trade and other receivables that do not have a significant financing component are measured at their transaction price at initial recognition, and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses, as explained in note 2.8 (D) to the financial statements.

2.15 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, cash at bank and bank deposits which are subject to insignificant risks of changes in value. For the purpose of the statement of cash flows, fixed deposits pledged with banks and/or deposits with maturities more than 3 months are excluded from cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.16 Financial Liabilities

Financial liabilities include trade and other payables, payables to related parties and lease liabilities. Financial liabilities are recognised on the balance sheet when the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method, except for financial liabilities at fair value through profit or loss, including derivatives, which are measured at fair value. Financial liabilities with a short duration are not discounted.

A financial liability is derecognised when the contractual obligation is discharged or cancelled or expires. For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

2.17 Impairment of Non-Financial Assets

The carrying amounts of the Group's non-financial assets subject to impairment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less cost of disposal and its value in use. The value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life.

An impairment loss on a non-revalued asset is recognised in profit or loss. An impairment loss on a revalued asset is recognised in other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. An impairment loss (except for impairment loss on goodwill) is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

2.18 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.

(a) As lessee

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.18 Leases (continued)

(a) As lessee (continued)

Right-of-use assets

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

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in note 2.17 to the financial statements.

The Group's right-of-use assets are presented in note 16 to the financial statements.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

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 to reflect 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 or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are presented in note 28 to the financial statements.

Short-term leases and leases of low-value assets

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

(b) As lessor

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.19 Provisions

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

2.20 Financial Guarantee Contracts

Financial guarantee contracts are financial instruments issued by a financial institution on behalf of the Group that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

2.21 Related Parties

A related party is defined as follows:

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 2024

3. FRUIT MACHINE NET TAKINGS

| | Group and Association | |
|--|-----------------------|------------|
| | 2024 | 2023 |
| | \$ | \$ |
| <u>Income</u> | | |
| Fruit machine gross collections and related income | 21,136,033 | 17,418,442 |
| Lease income | 33,813 | 34,800 |
| | 21,169,846 | 17,453,242 |
| <u>Less: Expenditure</u> | | |
| Depreciation of property, plant and equipment [note 13(c)] | 158,797 | 268,581 |
| Depreciation of right-of-use assets [note 16(c)] | 449,250 | 409,112 |
| Fruit machine operating expenses | 19,116,240 | 15,604,219 |
| Interest on lease liabilities (note 28) | 36,570 | 58,098 |
| | 19,760,857 | 16,340,010 |
| | 1,408,989 | 1,113,232 |

4. INCOME FROM OTHER SERVICES

| | Group | | Association | |
|--|-----------|-----------|-------------|-----------|
| | 2024 | 2023 | 2024 | 2023 |
| | \$ | \$ | \$ | \$ |
| Insurance commission income | 432,387 | 418,139 | - | - |
| Consignment sales commission income | 264,465 | 311,620 | 264,465 | 311,620 |
| Europcar commission income | 76,168 | - | - | - |
| Technical service income | 101,116 | - | - | - |
| Service income from training | 193,139 | 67,080 | - | - |
| International driving permit fees | 3,641,958 | 2,987,639 | 3,641,958 | 2,987,639 |
| International driving permit postage fee | 79,994 | 60,408 | 79,994 | 60,408 |
| Event income | 256,784 | 221,397 | 256,784 | 221,397 |
| Income from sales of accessories | 19,500 | 15,061 | 19,500 | 15,061 |
| Agency fees | 569 | 694 | 569 | 694 |
| Vehicle evaluation fees | 18,198 | 18,670 | 18,198 | 18,670 |
| Scrap cars handling fee | 11,606 | 13,565 | 11,606 | 13,565 |
| Miscellaneous income | 143,238 | 107,774 | 99,712 | 61,691 |
| | 5,239,122 | 4,222,047 | 4,392,786 | 3,690,745 |

5. INTEREST INCOME

| | Group | | Association | |
|---------------------------------|---------|---------|-------------|-----------|
| | 2024 | 2023 | 2024 | 2023 |
| | \$ | \$ | \$ | \$ |
| Interest income from: | | | | |
| - bank accounts | 39,969 | 76,165 | 39,969 | 73,661 |
| - fixed deposits | 378,479 | 322,526 | 110,739 | 91,877 |
| - bonds | 497,394 | 481,481 | 424,186 | 374,814 |
| - loans to subsidiary companies | - | - | 581,927 | 584,607 |
| - treasury bills | 76,313 | 35,050 | 120 | 223 |
| | 992,155 | 915,222 | 1,156,941 | 1,125,182 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 2024

6. LEASE INCOME

| | Group | | Association | |
|---------------------------------|-----------|-----------|-------------|------|
| | 2024 | 2023 | 2024 | 2023 |
| | \$ | \$ | \$ | \$ |
| Gross lease income from | | | | |
| - investment property | 1,291,661 | 1,227,245 | - | - |
| - leasehold properties | 100,878 | 109,284 | - | - |
| | 1,392,539 | 1,336,529 | - | - |
| Less: Property related expenses | | | | |
| - investment property | (257,916) | (266,085) | - | - |
| - leasehold properties | - | - | - | - |
| | (257,916) | (266,085) | - | - |
| | 1,134,623 | 1,070,444 | - | - |

7. INCOME FROM WORKSHOP SERVICES AND RELATED SALE OF GOODS

| | Group | | Association | |
|---|-----------|-----------|-------------|------|
| | 2024 | 2023 | 2024 | 2023 |
| | \$ | \$ | \$ | \$ |
| <u>Transfer of goods - at point in time</u> | | | | |
| Sale of goods | 1,626,794 | 1,964,655 | - | - |
| <u>Transfer of services - over time</u> | | | | |
| Services income | 707,553 | 802,893 | - | - |
| | 2,334,347 | 2,767,548 | - | - |

8. OTHER INCOME

| | Group | | Association | |
|---|---------|---------|-------------|-----------|
| | 2024 | 2023 | 2024 | 2023 |
| | \$ | \$ | \$ | \$ |
| Administrative and service income | 34,800 | 32,400 | 1,385,476 | 1,322,748 |
| Allowance for expected credit losses written back | | | | |
| - trade | - | 808 | - | - |
| Insurance incentive income | 48,876 | 115,345 | - | - |
| Gain on disposal of property, plant and equipment | 698 | 7,555 | 22,603 | - |
| Gain on right-of-use assets written off | 993 | 120,519 | - | 119,466 |
| Other payables written back | 17,236 | 49,870 | 17,236 | 38,371 |
| Government grants | 145,893 | 173,800 | 71,545 | 66,567 |
| Sundry income | 151,569 | 291,803 | - | - |
| | 400,065 | 792,100 | 1,496,860 | 1,547,152 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 2024

9. DEPRECIATION EXPENSE

| | Group | | Association | |
|--|------------------|------------------|----------------|----------------|
| | 2024 | 2023 | 2024 | 2023 |
| | \$ | \$ | \$ | \$ |
| Depreciation of | | | | |
| - Property, plant and equipment [note 13(c)] | 1,720,416 | 1,896,355 | 109,128 | 222,776 |
| - Investment properties (note 14) | 426,804 | 399,146 | - | - |
| - Right-of-use assets (note 16) | 737,854 | 726,799 | 438,962 | 401,196 |
| | <u>2,885,074</u> | <u>3,022,300</u> | <u>548,090</u> | <u>623,972</u> |

10. EMPLOYEE BENEFITS EXPENSE

| | Group | | Association | |
|--|------------------|------------------|------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | \$ | \$ | \$ | \$ |
| Salaries and other related costs | 5,749,246 | 5,425,417 | 3,074,789 | 2,795,052 |
| Employer's contributions to Central Provident Fund | 570,204 | 632,124 | 297,116 | 341,019 |
| Other benefits | 21,903 | 66,274 | 9,574 | 31,594 |
| | <u>6,341,353</u> | <u>6,123,815</u> | <u>3,381,479</u> | <u>3,167,665</u> |

11. OTHER EXPENSES

| | Group | | Association | |
|---|------------------|------------------|------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | \$ | \$ | \$ | \$ |
| Audit fees | 85,900 | 85,900 | 47,800 | 47,500 |
| Allowance for expected credit losses - trade | 12,011 | - | - | - |
| Bad debts written off - trade | - | 16,873 | - | - |
| Donations and sponsorships | 113,250 | 34,069 | 113,250 | 34,069 |
| Highway magazine | 292,479 | 293,633 | 292,479 | 293,633 |
| Maintenance of property, plant and equipment | 843,498 | 716,922 | 382,511 | 346,282 |
| Lease expenses on short term lease | - | - | 1,384,162 | 1,384,162 |
| Other administrative and operating expenses | 2,382,808 | 2,520,649 | 941,485 | 1,088,988 |
| Loss on early redemption of bonds by issuers | 179,500 | 102,250 | 179,500 | 102,250 |
| Loss on disposal of property, plant and equipment | - | - | - | 69 |
| Property, plant and equipment written off | - | 235 | - | - |
| Towing and vehicle recovery expenses | 199,181 | 247,994 | 1,345,240 | 1,367,325 |
| | <u>4,108,627</u> | <u>4,018,525</u> | <u>4,686,427</u> | <u>4,664,278</u> |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 2024

12. INCOME TAX EXPENSE

| | Group | | Association | |
|--|-------------|-------------|-------------|-------------|
| | 2024 | 2023 | 2024 | 2023 |
| | \$ | \$ | \$ | \$ |
| Provision for current taxation | 139,629 | 179,638 | 130,000 | 166,000 |
| (Over)/under-provision of taxation in prior year | (21,162) | (1,560) | (20,520) | 1,607 |
| | 118,467 | 178,078 | 109,480 | 167,607 |
| Reconciliation of income tax expense: | | | | |
| (Deficit)/surplus before tax | (1,616,674) | (1,890,983) | 840,265 | 220,318 |
| Tax at statutory rate of 17% | (274,835) | (321,467) | 142,845 | 37,454 |
| Tax effects of: | | | | |
| Non-taxable income | (1,568,470) | (1,419,062) | (1,568,210) | (1,416,629) |
| Non-deductible expenses | 1,930,344 | 1,910,125 | 1,620,921 | 1,576,816 |
| Statutory stepped income exemption | (44,495) | (58,292) | (17,425) | (17,425) |
| Income tax at concessionary rate | (5,027) | (4,900) | - | - |
| Corporate tax rebate | (3,591) | (39,872) | - | - |
| Deferred tax assets not recognised | 334,707 | 297,369 | - | - |
| Utilisation of deferred tax assets previously not recognised | (125,282) | (141,608) | - | - |
| Tax incentive | (48,221) | (16,731) | (48,131) | (14,216) |
| (Over)/under-provision of taxation in prior year | (21,162) | (1,560) | (20,520) | 1,607 |
| Others | (55,501) | (25,924) | - | - |
| | 118,467 | 178,078 | 109,480 | 167,607 |

As at the balance sheet date, the Group has unutilised tax losses, donations and capital allowances amounting to approximately \$4,351,000 (2023: \$3,440,000), \$500 (2023: \$500) and \$165,000 (2023: \$103,000) respectively, available for set-off against future taxable income, subject to compliance with the Income Tax Act and the approval of the Comptroller of Income Tax.

Deferred tax assets amounting to approximately \$768,000 (2023: \$602,000) arising from the above tax losses, donations and capital allowances are not recognised in the accounts due to the uncertainty of future taxable profits being available against which the tax losses, donations and capital allowances can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 2024

13. PROPERTY, PLANT AND EQUIPMENT

| (a) | Group | Leasehold property \$ | Motor vehicles and equipment \$ | Tow trucks and accessories \$ | Furniture, fittings, plant and office equipment \$ | Fruit machines \$ | Renovations \$ | Total \$ |
|-----|--|-----------------------|---------------------------------|-------------------------------|--|-------------------|----------------|-------------|
| | | | | | | | | |
| | <u>Cost</u> | | | | | | | |
| | At 1 January 2023 | 26,983,107 | 928,568 | 3,648,983 | 2,404,976 | 1,830,636 | 5,600,663 | 41,396,933 |
| | Additions | 302,158 | - | 174,448 | 54,977 | 177,280 | - | 708,863 |
| | Disposals/written off | - | (21,000) | (66,816) | (20,750) | (123,860) | - | (232,426) |
| | Adjustment/Reclassification | *(1,934,287) | - | - | (85) | - | - | (1,934,372) |
| | At 31 December 2023 and 1 January 2024 | 25,350,978 | 907,568 | 3,756,615 | 2,439,118 | 1,884,056 | 5,600,663 | 39,938,998 |
| | Additions | 105,001 | - | 256,150 | 152,030 | 65,000 | 3,550 | 581,731 |
| | Disposals/written off | - | (238,674) | (79,438) | (69,756) | (30,800) | - | (418,668) |
| | Proceed from capital grant | - | (10,000) | (20,000) | - | - | - | (30,000) |
| | At 31 December 2024 | 25,455,979 | 658,894 | 3,913,327 | 2,521,392 | 1,918,256 | 5,604,213 | 40,072,061 |
| | <u>Accumulated depreciation</u> | | | | | | | |
| | At 1 January 2023 | 2,897,284 | 565,684 | 2,350,391 | 1,989,895 | 1,546,439 | 2,500,829 | 11,850,522 |
| | Charge for the year | 1,198,637 | 78,301 | 293,227 | 245,783 | 154,380 | 194,608 | 2,164,936 |
| | Disposals/written off | - | (21,000) | (53,599) | (20,446) | (107,021) | - | (202,066) |
| | At 31 December 2023 and 1 January 2024 | 4,095,921 | 622,985 | 2,590,019 | 2,215,232 | 1,593,798 | 2,695,437 | 13,813,392 |
| | Charge for the year | 1,232,610 | 69,482 | 216,874 | 213,757 | 140,942 | 5,548 | 1,879,213 |
| | Disposals/written off | - | (198,136) | (70,177) | (68,545) | (28,300) | - | (365,158) |
| | At 31 December 2024 | 5,328,531 | 494,331 | 2,736,716 | 2,360,444 | 1,706,440 | 2,700,985 | 15,327,447 |
| | <u>Carrying amount</u> | | | | | | | |
| | At 31 December 2023 | 20,127,448 | 164,563 | 1,176,611 | 160,948 | 211,816 | 2,903,228 | 24,744,614 |
| | At 31 December 2024 | 21,255,057 | 284,583 | 1,166,596 | 223,886 | 290,258 | 2,905,226 | 26,125,606 |
| # | Adjustment due to settlement of account. | | | | | | | |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 2024

13. PROPERTY, PLANT AND EQUIPMENT (continued)

| | Motor vehicles and equipment \$ | Furniture, fittings and office equipment \$ | Fruit machines \$ | Renovations \$ | Total \$ |
|---|--|---|-------------------------|-------------------|-------------|
| (b) <u>Association</u> | | | | | |
| <u>Cost</u> | | | | | |
| At 1 January 2023 | 361,424 | 1,424,271 | 1,830,636 | 2,244,575 | 5,860,906 |
| Additions | - | 41,564 | 177,280 | - | 218,844 |
| Disposals/written off | - | (18,765) | (123,860) | - | (142,625) |
| At 31 December 2023 and 1 January 2024 | 361,424 | 1,447,070 | 1,884,056 | 2,244,575 | 5,937,125 |
| Additions | - | 54,480 | 65,000 | 3,550 | 123,030 |
| Disposals/written off | (198,049) | (77,254) | (30,800) | - | (306,103) |
| At 31 December 2024 | 163,375 | 1,424,296 | 1,918,256 | 2,248,125 | 5,754,052 |
| <u>Accumulated depreciation</u> | | | | | |
| At 1 January 2023 | 249,427 | 1,161,816 | 1,546,439 | 2,054,179 | 5,011,861 |
| Charge for the year | 23,841 | 122,740 | 154,380 | 190,396 | 491,357 |
| Disposals/written off | - | (18,696) | (107,021) | - | (125,717) |
| At 31 December 2023 and 1 January 2024 | 273,268 | 1,265,860 | 1,593,798 | 2,244,575 | 5,377,501 |
| Charge for the year | 19,880 | 105,328 | 140,942 | 1,775 | 267,925 |
| Disposals/written off | (189,468) | (72,224) | (28,300) | - | (289,992) |
| At 31 December 2024 | 103,680 | 1,298,964 | 1,706,440 | 2,246,350 | 5,355,434 |
| <u>Carrying amount</u> | | | | | |
| At 31 December 2024 | 59,695 | 125,332 | 211,816 | 1,775 | 398,618 |
| At 31 December 2023 | 88,156 | 181,210 | 290,258 | - | 559,624 |

- (c) Depreciation of property, plant and equipment of the Group and the Association are charged to statements of comprehensive income and presented as follows:

| | Group | | Association | |
|--|------------|------------|-------------|------------|
| | 2024 \$ | 2023 \$ | 2024 \$ | 2023 \$ |
| Fruit machine net takings - Expenditure (note 3) | 158,797 | 268,581 | 158,797 | 268,581 |
| Depreciation expense (note 9) | 1,720,416 | 1,896,355 | 109,128 | 222,776 |
| | 1,879,213 | 2,164,936 | 267,925 | 491,357 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 2024

14. INVESTMENT PROPERTIES

| | Leasehold properties \$ | Freehold property \$ | Renovations \$ | Total \$ |
|--|-------------------------------|----------------------------|-------------------|-------------|
| <u>Group</u> | | | | |
| <u>Cost</u> | | | | |
| At 1 January 2023 | 858,910 | 44,409,280 | 312,498 | 45,580,688 |
| Additions | – | – | 48,800 | 48,800 |
| At 31 December 2023 and 1 January 2024 | 858,910 | 44,409,280 | 361,298 | 45,629,488 |
| Additions | – | – | 74,100 | 74,100 |
| At 31 December 2024 | 858,910 | 44,409,280 | 435,398 | 45,703,588 |
| <u>Accumulated depreciation</u> | | | | |
| At 1 January 2023 | 17,378 | 2,615,760 | 106,250 | 2,739,388 |
| Charge for the year (note 9) | 18,676 | 348,000 | 32,470 | 399,146 |
| At 31 December 2023 and 1 January 2024 | 36,054 | 2,963,760 | 138,720 | 3,138,534 |
| Charge for the year (note 9) | 18,675 | 368,101 | 40,028 | 426,804 |
| At 31 December 2024 | 54,729 | 3,331,861 | 178,748 | 3,565,338 |
| <u>Carrying amount</u> | | | | |
| At 31 December 2024 | 804,181 | 41,077,419 | 256,650 | 42,138,250 |
| At 31 December 2023 | 822,856 | 41,445,520 | 222,578 | 42,490,954 |

- (a) The fair values of the above investment properties of the Group as at 31 December 2024 are approximately \$49 million (2023: \$44.5 million). These are determined based on formal valuation performed on 31 December 2024 (2023: formal valuation performed on 31 December 2023) by an independent appraiser, Colliers International Consultancy & Valuation (Singapore) Pte Ltd (2023: Colliers International Consultancy & Valuation (Singapore) Pte Ltd) who holds a recognised and relevant professional qualification. The valuation for both 2024 and 2023 were based on the income approach and cross-checked by direct comparisons with transactions of comparable properties within the vicinity and elsewhere.
- (b) The investment properties are leased to lessees under non-cancellable operating leases.
- (c) Direct operating expenses arising from income generating investment properties amounted to \$287,673 (2023: \$274,211).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 2024

15. INTANGIBLE ASSETS

| | Computer software \$ | Mobile application \$ | Goodwill \$ | Total \$ |
|---|----------------------------|-----------------------------|----------------|-------------|
| (a) <u>Group</u> | | | | |
| <u>Cost</u> | | | | |
| At 1 January 2023 | 1,234,153 | 4,642 | 91,811 | 1,330,606 |
| Additions | 218,248 | – | – | 218,248 |
| At 31 December 2023 and 1 January 2024 | 1,452,401 | 4,642 | 91,811 | 1,548,854 |
| Additions | 56,980 | 16,500 | – | 73,480 |
| At 31 December 2024 | 1,509,381 | 21,142 | 91,811 | 1,622,334 |
| <u>Accumulated amortisation and impairment loss</u> | | | | |
| At 1 January 2023 | 1,058,927 | 1,500 | – | 1,060,427 |
| Amortisation for the year | 77,385 | 1,299 | – | 78,684 |
| At 31 December 2023 and 1 January 2024 | 1,136,312 | 2,799 | – | 1,139,111 |
| Amortisation for the year | 98,204 | 3,541 | – | 101,745 |
| At 31 December 2024 | 1,234,516 | 6,340 | – | 1,240,856 |
| <u>Carrying amount</u> | | | | |
| At 31 December 2024 | 274,865 | 14,802 | 91,811 | 381,478 |
| At 31 December 2023 | 316,089 | 1,843 | 91,811 | 409,743 |
| (b) <u>Association</u> | | | | |
| <u>Cost</u> | | | | |
| At 1 January 2023 | 1,171,871 | – | – | 1,171,871 |
| Additions | 217,048 | – | – | 217,048 |
| At 31 December 2023 and 1 January 2024 | 1,388,919 | – | – | 1,388,919 |
| Additions | 56,980 | – | – | 56,980 |
| At 31 December 2024 | 1,445,899 | – | – | 1,445,899 |
| <u>Accumulated amortisation</u> | | | | |
| At 1 January 2023 | 1,029,563 | – | – | 1,029,563 |
| Amortisation for the year | 57,696 | – | – | 57,696 |
| At 31 December 2023 and 1 January 2024 | 1,087,259 | – | – | 1,087,259 |
| Amortisation for the year | 88,655 | – | – | 88,655 |
| At 31 December 2024 | 1,175,914 | – | – | 1,175,914 |
| <u>Carrying amount</u> | | | | |
| At 31 December 2024 | 269,985 | – | – | 269,985 |
| At 31 December 2023 | 301,660 | – | – | 301,660 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 2024

16. RIGHT-OF-USE ASSETS

| | Properties \$ | Equipment \$ | Total \$ |
|--|------------------|-----------------|-------------|
| (a) <u>Group</u> | | | |
| <u>Cost</u> | | | |
| At 1 January 2023 | 5,361,845 | 25,009 | 5,386,854 |
| Additions | 1,569,495 | – | 1,569,495 |
| Disposals/written off | (4,223,433) | – | (4,223,433) |
| At 31 December 2023 and 1 January 2024 | 2,707,907 | 25,009 | 2,732,916 |
| Additions | 585,574 | – | 585,574 |
| Disposals/written off | (455,714) | – | (455,714) |
| At 31 December 2024 | 2,837,767 | 25,009 | 2,862,776 |
| <u>Accumulated depreciation</u> | | | |
| At 1 January 2023 | 2,342,053 | 3,796 | 2,345,849 |
| Charge for the year | 1,130,910 | 5,001 | 1,135,911 |
| Disposals/written off | (2,915,369) | – | (2,915,369) |
| At 31 December 2023 and 1 January 2024 | 557,594 | 8,797 | 566,391 |
| Charge for the year | 1,182,103 | 5,001 | 1,187,104 |
| Disposals/written off | (438,210) | – | (438,210) |
| At 31 December 2024 | 1,301,487 | 13,798 | 1,315,285 |
| <u>Carrying amount</u> | | | |
| At 31 December 2024 | 1,536,280 | 11,211 | 1,547,491 |
| At 31 December 2023 | 2,150,313 | 16,212 | 2,166,525 |
| (b) <u>Association</u> | | | |
| <u>Cost</u> | | | |
| At 1 January 2023 | 5,282,163 | 25,009 | 5,307,172 |
| Additions | 1,360,769 | – | 1,360,769 |
| Disposal | (4,143,993) | – | (4,143,993) |
| At 31 December 2023, 1 January 2024 and 31 December 2024 | 2,498,939 | 25,009 | 2,523,948 |
| <u>Accumulated depreciation</u> | | | |
| At 1 January 2023 | 2,585,351 | 3,796 | 2,589,147 |
| Charge for the year | 805,307 | 5,001 | 810,308 |
| Disposal | (2,835,248) | – | (2,835,248) |
| At 31 December 2023 and 1 January 2024 | 555,410 | 8,797 | 564,207 |
| Charge for the year | 883,211 | 5,001 | 888,212 |
| At 31 December 2024 | 1,438,621 | 13,798 | 1,452,419 |
| <u>Carrying amount</u> | | | |
| At 31 December 2024 | 1,060,318 | 11,211 | 1,071,529 |
| At 31 December 2023 | 1,943,529 | 16,212 | 1,959,741 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 2024

16. RIGHT-OF-USE ASSETS (continued)

- (c) The Group and the Association lease properties and equipment over lease periods ranging from 3 to 5 years (2023: 3 to 5 years), with option for extension. Lease agreements do not impose any covenants but leased assets may not be used as security for borrowing purposes.

Depreciation of right-of-use assets is charged to statements of comprehensive income and presented as follows:

| | Group | | Association | |
|--|------------------|------------------|----------------|----------------|
| | 2024 | 2023 | 2024 | 2023 |
| | \$ | \$ | \$ | \$ |
| Fruit machine net takings - Expenditure (note 3) | 449,250 | 409,112 | 449,250 | 409,112 |
| Depreciation expense (note 9) | 737,854 | 726,799 | 438,962 | 401,196 |
| | <u>1,187,104</u> | <u>1,135,911</u> | <u>888,212</u> | <u>810,308</u> |

17. INVESTMENTS

| | Group and Association | |
|--|-----------------------|-------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| <u>Financial assets at fair value through other comprehensive income</u> | | |
| <u>Quoted investments</u> | | |
| Balance at the beginning of the year | 12,360,385 | 16,176,750 |
| Additions | 3,551,800 | - |
| Early redemption of bonds by issuers | (2,250,000) | (4,250,000) |
| Fair value gains/(losses) recognised in other comprehensive income (note 23) | 286,035 | 433,635 |
| Balance at the end of year (a) | <u>13,948,220</u> | <u>12,360,385</u> |
| <u>Financial assets at amortised cost:</u> | | |
| <u>Singapore Treasury bills</u> | | |
| Balance at the beginning of the year | 3,259,127 | - |
| Additions | 3,142,560 | 3,224,077 |
| Disposal | (6,478,000) | - |
| Accrued interests | 76,313 | 35,050 |
| Balance at the end of year (b) | <u>-</u> | <u>3,259,127</u> |
| Fair value of Singapore Treasury bills | <u>-</u> | <u>3,255,218</u> |
| Total investments (a) + (b) | <u>13,948,220</u> | <u>15,619,512</u> |
| Presented as: | | |
| - Current Assets | 1,993,200 | 3,259,127 |
| - Non-current Assets | 11,955,020 | 12,360,385 |
| | <u>13,948,220</u> | <u>15,619,512</u> |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 2024

17. INVESTMENTS (continued)

- (a) The above investments, consisting of fixed income debt instruments with interest yield ranging from 2.85% to 5.30% (2023: 2.85% to 4.35%) per annum, are measured at fair values based on quoted market prices as at the balance sheet date. Their maturities are as follows:

| | Group and Association | |
|------------------------|-----------------------|-------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| - Redeemable in 2025 | 1,993,200 | 1,968,000 |
| - Redeemable in 2026 | 5,782,750 | 5,693,625 |
| - Redeemable in 2027 | 2,522,130 | 2,460,010 |
| * - Redeemable in 2029 | - | 2,238,750 |
| * - Redeemable in 2033 | 1,038,000 | - |
| * - Redeemable in 2034 | 2,612,140 | - |
| | <u>13,948,220</u> | <u>12,360,385</u> |

- * Included in these bonds are an aggregate carrying amount of \$1,563,000 (2023: \$2,238,750) maturing between March 2033 and March 2034 (2023: in February 2029), yield interest at 5.30% (2023: 3.50%) per annum. These investments are acquired by the Association on behalf of certain subsidiary companies, and the interest arising from these bonds are due and payable to the relevant subsidiary companies [note 19(c)].

- (b) Investments in treasury bills are initially recognised at cost and subsequently measured at amortised cost. The fair value is determined using the current bid prices. These investments have the maturity period of six months on March 2024 to September 2024 (2023: March 2024) respectively. These investments earn interest at rates 3.34% to 3.65% (2023: 3.34%) per annum. In 2023, included in these investments amounting to \$3,238,415 were acquired by the Association on behalf of certain subsidiary companies, and the interest arising from these investments were due and paid to the relevant subsidiary companies [note 19(d)].

18. INVESTMENTS IN SUBSIDIARY COMPANIES

| | Association | |
|------------------------------|------------------|------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| (a) Unquoted shares, at cost | <u>6,000,002</u> | <u>6,000,002</u> |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 2024

18. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)

(b) The subsidiary companies of the Association are as follows:

| Name of subsidiary companies | Principal activities | Country of incorporation/ Principal place of business | Percentage of ownership interests | | Cost of investments | |
|-------------------------------------|---|--|-----------------------------------|-----------|---------------------|------------------|
| | | | 2024 % | 2023 % | 2024 \$ | 2023 \$ |
| AAS @ 2KC Pte. Ltd. | Provision of vehicle recovery and towing services | Singapore | 100 | 100 | 4,500,000 | 4,500,000 |
| AAS Insurance Agency Pte. Ltd. | General insurance agents | Singapore | 100 | 100 | 500,000 | 500,000 |
| AAS Investment Holdings Pte. Ltd. | Investment holding | Singapore | 100 | 100 | 1,000,000 | 1,000,000 |
| AAS @ 217 East Coast Road Pte. Ltd. | Investment in properties | Singapore | 100 | 100 | 2 | 2 |
| | | | | | <u>6,000,002</u> | <u>6,000,002</u> |

| Name of subsidiary companies | Principal activities | Country of incorporation/ Principal place of business | Percentage of ownership interests | |
|--|---|--|-----------------------------------|------|
| | | | 2024 | 2023 |
| | | | % | % |
| <u>Held by AAS Investment Holdings Pte. Ltd. ("AASIH")</u> | | | | |
| AAS Academy Pte. Ltd. | Provision of professional and vocational training for drivers | Singapore | 100 | 100 |
| Autoswift Recovery Pte. Ltd. | Provision of vehicle recovery and towing services and provide private cars rental and leasing service | Singapore | 100 | 100 |
| AAS @ Midview Pte. Ltd. | Holding of investments to derive investment income | Singapore | 100 | 100 |
| BCC Automotive Pte. Ltd. ⁽ⁱ⁾ | Workshop services for repair and maintenance for motor vehicles | Singapore | 100 | 75 |
| Four Wheels Auto Pte. Ltd. ⁽ⁱⁱ⁾ | Renting and leasing of private cars and commercial cars without operator | Singapore | 100 | 75 |

The financial statements of all the subsidiary companies of the Association were audited by Lo Hock Ling & Co.

(i) On 3 January 2022, AAS Investment Holdings Pte. Ltd. acquired 75,000 shares, representing 75% equity interest, in BCC Automotive Pte. Ltd. from a third party for a consideration of \$360,000.

On 8 April 2024, AAS Investment Holdings Pte. Ltd. exercised the call option in respect of the acquisition of remaining 25% equity interest in BCC Automobile Pte. Ltd. from a third party for a consideration of \$120,000. Consequently, BCC Automobile Pte. Ltd. becomes a wholly-owned subsidiary of the Association.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 2024

18. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)

(b) The subsidiary companies of the Association are as follows: (continued)

(ii) On 3 January 2022, AAS Investment Holdings Pte. Ltd. acquired 45,000 shares, representing 75% equity interest, in Four Wheels Auto Pte. Ltd. from a third party for a consideration of \$140,000.

On 8 April 2024, AAS Investment Holdings Pte. Ltd. exercised the call option in respect of the acquisition of remaining 25% equity interest in Four Wheels Auto Pte. Ltd. from a third party for a consideration of \$46,666. Consequently, Four Wheels Auto Pte. Ltd. becomes a wholly-owned subsidiary of the Association.

(c) Subsidiary with significant non-controlling interests ("NCIs")

In 2023, the summarised financial information in respect of the Group's subsidiary that has significant NCIs was set out below. The summarised financial information below represents amounts before intra-group eliminations.

| | BCC Automotive Pte. Ltd. 2023 \$ |
|---|--|
| Summarised statement of comprehensive income | |
| Revenue | 2,780,961 |
| Loss for the year | (74,792) |
| Total comprehensive loss for the year | (74,792) |
| Attributable to NCIs: | |
| Loss for the year | (18,698) |
| Total comprehensive loss for the year | (18,698) |
| Summarised statement of financial position | |
| Non-current assets | 226,965 |
| Current assets | 652,967 |
| Non-current liabilities | (136,527) |
| Current liabilities | (763,701) |
| Net liabilities | (20,296) |
| Net liabilities attributable to NCIs | (5,074) |
| Other summarised information | |
| Net cash (outflow)/ inflow from: | |
| - operating activities | (9,924) |
| - investing activities | 264,193 |
| - financing activities | (382,225) |
| Net decrease in cash and cash equivalents | (127,956) |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 2024

19. AMOUNT DUE FROM/TO SUBSIDIARY COMPANIES

| | Association | |
|--------------------------------------|-------------|--------------|
| | 2024 | 2023 |
| | \$ | \$ |
| <u>Due from subsidiary companies</u> | | |
| After 12 months - non-trade (a) | 58,155,018 | 58,200,307 |
| Within 12 months | | |
| - trade | 3,574 | 1,144 |
| - non-trade (b) | 3,114,222 | 2,731,126 |
| | 3,117,796 | 2,732,270 |
| | 61,272,814 | 60,932,577 |
| <u>Due to subsidiary companies</u> | | |
| After 12 months - non-trade (c) | (1,588,174) | (2,429,500) |
| Within 12 months | | |
| - trade | (1,630,484) | (1,117,807) |
| - non-trade (d) | (2,234,591) | (6,916,654) |
| | (3,865,075) | (8,034,461) |
| | (5,453,249) | (10,463,961) |

(a) Non-trade receivables due from subsidiary companies - Non-current

These comprise unsecured loans to subsidiary companies amounting to \$58,155,018 (2023: \$58,200,307) which bear interest at 1.00% (2023: 1.00%) per annum.

These loans are not expected to be called up for repayment within the short term.

(b) Non-trade receivables (net) due from subsidiary companies - Current

Included in these net current receivables are designated funds amounting to \$2,427,097 (2023: \$2,083,445) which a subsidiary company has placed in fixed deposits on behalf of the Association as at the balance sheet date.

These designated fixed deposits, with maturities within 12 months, yield interest at ranging from 3.10% to 3.15% (2023: 3.85%) per annum which are due and payable to the Association upon maturity.

(c) Non-trade payables due to subsidiary companies - Non-current

Included in these non-current payables are designated funds which certain subsidiary companies have placed with the Association for the purpose of investing in commercial bonds on the formers' behalf.

These investments maturing between March 2033 and March 2034 (2023: in February 2029), yield interest at 5.30% (2023: 3.50%) per annum which are due and payable to the subsidiary companies upon maturity (note 17).

(d) Non-trade payables (net) due to subsidiary companies - Current

These current non-trade payables due to subsidiary companies are unsecured, interest-free and repayable on demand.

In 2023, included in these net current payables were designated funds amounting to \$3,238,415 which were acquired by the Association on behalf of certain subsidiary companies as at the balance sheet date. These investments with maturities within 12 months, yielded interest at 3.34% per annum which were due and paid to the subsidiary companies upon maturity (note 17).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 2024

20. INVENTORIES

| | Group | | Association | |
|-----------------------------|---------|---------|-------------|--------|
| | 2024 | 2023 | 2024 | 2023 |
| | \$ | \$ | \$ | \$ |
| Inventories carried at cost | 337,114 | 304,142 | 43,022 | 56,708 |

Inventories consist of car products and accessories, other service products and accessories, travel adaptors and travel bags.

21. TRADE AND OTHER RECEIVABLES

| | Group | | Association | |
|--|-----------|-----------|-------------|---------|
| | 2024 | 2023 | 2024 | 2023 |
| | \$ | \$ | \$ | \$ |
| Trade receivables (a) | 703,497 | 728,398 | 163,388 | 81,154 |
| Less: Allowance for expected credit losses | | | | |
| Balance at beginning of the year | - | (19,844) | - | - |
| Allowance made during the year | (12,011) | - | - | - |
| Allowance written back | - | 808 | - | - |
| Allowance written off | - | 19,036 | - | - |
| Balance at end of the year | (12,011) | - | - | - |
| | 691,486 | 728,398 | 163,388 | 81,154 |
| Accrued receivables | 437,461 | 85,868 | 353,785 | 4,802 |
| | 1,128,947 | 814,266 | 517,173 | 85,956 |
| Non-trade receivables (c) | 203,975 | 192,511 | 150,750 | 119,111 |
| Deposits | 368,266 | 448,140 | 262,010 | 250,685 |
| Interest receivable | 221,245 | 259,810 | 145,313 | 156,228 |
| Prepayments | 632,840 | 487,200 | 547,556 | 278,978 |
| Recoverable costs (b) | 271,919 | 271,919 | - | - |
| | 1,698,245 | 1,659,580 | 1,105,629 | 805,002 |
| Total trade and other receivables | 2,827,192 | 2,473,846 | 1,622,802 | 890,958 |

- (a) Trade receivables are unsecured, non-interest bearing and are generally on 30 days' (2023: 30 days') terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The allowance for expected credit losses ("ECLs") of trade receivables are computed based on lifetime ECLs.

Impairment losses on financial assets recognised in profit or loss during the year are as follows:

| | Group | | Association | |
|----------------|--------|------|-------------|------|
| | 2024 | 2023 | 2024 | 2023 |
| | \$ | \$ | \$ | \$ |
| Allowance made | 12,011 | - | - | - |

- (b) Recoverable costs amounting to \$271,919 represent related costs that the Group paid for the redevelopment of its leasehold property.
- (c) Non-trade receivables are unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 2024

22. CASH AND CASH EQUIVALENTS

| | Group | | Association | |
|--|--------------|--------------|-------------|-------------|
| | 2024 | 2023 | 2024 | 2023 |
| | \$ | \$ | \$ | \$ |
| Fixed deposits | 13,563,918 | 10,167,012 | 305,789 | 1,576,913 |
| Cash and bank balances | 9,009,192 | 10,910,878 | 6,965,689 | 8,552,999 |
| Cash and cash equivalents (Statements of Financial Position) | 22,573,110 | 21,077,890 | 7,271,478 | 10,129,912 |
| Less: | | | | |
| Fixed deposits with maturities over 3 months | | | | |
| - Deposits pledged with banks* | (255,789) | (252,009) | (255,789) | (252,009) |
| - Unpledged deposits | (13,258,129) | (9,865,003) | - | (1,274,904) |
| | (13,513,918) | (10,117,012) | (255,789) | (1,526,913) |
| Cash and cash equivalents (Consolidated Statement of Cash Flows) | 9,059,192 | 10,960,878 | 7,015,689 | 8,602,999 |
| Fixed deposits with maturities | | | | |
| - not more than 3 months | 50,000 | 50,000 | 50,000 | 50,000 |
| - between 3 and 12 months | 13,513,918 | 10,117,012 | 255,789 | 1,526,913 |
| | 13,563,918 | 10,167,012 | 305,789 | 1,576,913 |

The fixed deposits of the Group and the Association bear interest at rates ranging from 1.50% to 3.70% (2023: 1.50% to 3.85%) per annum.

* These fixed deposits are pledged with certain banks to secure performance bonds issued in favour of Land Transport Authority in respect of certain service contracts undertaken by the Association and/or its wholly-owned subsidiary.

23. FAIR VALUE RESERVE

| | Group and Association | |
|---|-----------------------|-------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Balance at beginning of the year | (816,990) | (1,352,875) |
| Net fair value losses reclassified to profit or loss upon early redemption of bonds by issuers | 179,500 | 102,250 |
| Fair value gains on financial assets at FVOCI, recognised in other comprehensive income (note 17) | 286,035 | 433,635 |
| | 465,535 | 535,885 |
| Balance at end of the year | (351,455) | (816,990) |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 2024

24. FRUIT MACHINE REPLACEMENT RESERVE

| | Group and Association | |
|----------------------------------|-----------------------|-----------|
| | 2024 | 2023 |
| | \$ | \$ |
| Balance at beginning of the year | 750,606 | 700,386 |
| Transfer from accumulated funds | 240,000 | 240,000 |
| Purchase of fruit machines | (65,000) | (189,780) |
| | 175,000 | 50,220 |
| Balance at end of the year | 925,606 | 750,606 |

25. SUBSCRIPTIONS RECEIVED IN ADVANCE

| | Group and Association | |
|---|-----------------------|-----------|
| | 2024 | 2023 |
| | \$ | \$ |
| Contract liabilities to be recognised as revenue: | | |
| <u>After 12 months</u> | | |
| Life membership subscriptions | 91,592 | 110,172 |
| Ordinary and other membership subscriptions | 730,596 | 777,192 |
| | 822,188 | 887,364 |
| <u>Within 12 months</u> | | |
| Life membership subscriptions | 18,580 | 20,634 |
| Ordinary and other membership subscriptions | 1,071,604 | 1,073,789 |
| | 1,090,184 | 1,094,423 |
| Total subscriptions received in advance | 1,912,372 | 1,981,787 |

Total subscriptions received in advance as at 31 December 2024 represent the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially satisfied) by the Group and the Association as at the financial year end. These will be recognised as revenue by the Group and the Association when the subscriptions fall due over the financial years from 2025 to 2034 (2023: 2024 to 2034).

Subscriptions recognised as revenue of the Group and the Association in 2024 which were included in subscriptions received in advance as at 1 January 2024 (2023: 1 January 2023) amounted to \$1,094,423 and \$1,094,423 (2023: \$1,295,166 and \$1,263,422) respectively.

26. DEFERRED TAX LIABILITIES

| | Group | | Association | |
|--|-------|-------|-------------|------|
| | 2024 | 2023 | 2024 | 2023 |
| | \$ | \$ | \$ | \$ |
| On excess of carrying amount over tax written down value of property, plant and equipment: | | | | |
| Balance at beginning of the year and at end of the year | 3,000 | 3,000 | - | - |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 2024

27. TRADE AND OTHER PAYABLES

| | Group | | Association | |
|--------------------------------|-----------|-----------|-------------|-----------|
| | 2024 | 2023 | 2024 | 2023 |
| | \$ | \$ | \$ | \$ |
| <u>Due after 12 months</u> | | | | |
| Provisions (a) | 276,419 | 276,419 | 276,419 | 276,419 |
| | 276,419 | 276,419 | 276,419 | 276,419 |
| <u>Due within 12 months</u> | | | | |
| Trade payables | 192,869 | 220,289 | - | - |
| Accrued operating expenses | 2,305,644 | 2,435,993 | 1,579,475 | 1,470,867 |
| Deposits | 507,521 | 410,933 | 101,766 | 36,255 |
| Contract liabilities (b) | 15,953 | 16,317 | 12,272 | 16,317 |
| Goods and services tax payable | 236,909 | 143,242 | 103,284 | 59,364 |
| Interest received in advance | - | 18,872 | - | 119 |
| Non-trade payables | 299,670 | 318,223 | 187,113 | 172,475 |
| | 3,558,566 | 3,563,869 | 1,983,910 | 1,755,397 |
| Total trade and other payables | 3,834,985 | 3,840,288 | 2,260,329 | 2,031,816 |

Trade and other payables due within 12 months are unsecured, non-interest bearing and are normally settled within 30 to 120 days (2023: 30 to 120 days) or on demand.

- (a) The provision for reinstatement costs represents the estimated costs of dismantling, removing and restoring the related premises at the expiration of the lease periods. The estimated provision was determined based on quotations received from an independent contractor.
- (b) Contract liabilities relate to the Group's obligations to organise events, provide services and lease of office spaces to customers who have made advance service fee payments to the Group. Contract liabilities are recognised as revenue over the period when the services are provided. Revenue recognised in the current year that were included in contract liabilities at the beginning of the year amounted to \$16,317 (2023: \$46,520) and \$16,317 (2023: \$39,277) for the Group and the Association respectively.

28. LEASE LIABILITIES

| | Group | | | |
|---|---------------------------|------------------------------------|---------------------------|------------------------------------|
| | 2024 | | 2023 | |
| | Minimum lease liabilities | Present value of lease liabilities | Minimum lease liabilities | Present value of lease liabilities |
| | \$ | \$ | \$ | \$ |
| Lease payments due: | | | | |
| Within 1 year | 1,137,204 | 1,091,651 | 1,143,477 | 1,066,319 |
| After 1 year but not later than 5 years | 472,080 | 461,712 | 1,138,231 | 1,106,794 |
| | 1,609,284 | 1,553,363 | 2,281,708 | 2,173,113 |
| Less: Amounts representing interest | (55,921) | - | (108,595) | - |
| | 1,553,363 | 1,553,363 | 2,173,113 | 2,173,113 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 2024

28. LEASE LIABILITIES (continued)

| | Association | | | |
|---|---------------------------------|--|---------------------------------|--|
| | 2024 | | 2023 | |
| | Minimum lease liabilities \$ | Present value of lease liabilities \$ | Minimum lease liabilities \$ | Present value of lease liabilities \$ |
| Lease payments due: | | | | |
| Within 1 year | 883,830 | 854,866 | 933,023 | 860,930 |
| After 1 year but not later than 5 years | 211,080 | 209,494 | 1,095,310 | 1,064,360 |
| | 1,094,910 | 1,064,360 | 2,028,333 | 1,925,290 |
| Less: Amounts representing interest | (30,550) | - | (103,043) | - |
| | 1,064,360 | 1,064,360 | 1,925,290 | 1,925,290 |

The lease liabilities are computed based on implicit interest rate ranging from 3.77% to 5.00% (2023: 3.77% to 5.83%) per annum.

Reconciliation of changes in liabilities arising from financing activities

Movements in the Group's and the Association's lease liabilities arising from financing cash flows were as follows:

| | Group | | Association | |
|--|-------------|-------------|-------------|-------------|
| | 2024 \$ | 2023 \$ | 2024 \$ | 2023 \$ |
| Lease liabilities as at 1 January | 2,173,113 | 3,154,346 | 1,925,290 | 2,760,565 |
| <u>Non-cash movements:</u> | | | | |
| Add: Capitalisation of new lease liability | 585,574 | 1,569,495 | - | 1,360,769 |
| Add: Accretion of interest | 90,332 | 135,801 | 72,866 | 117,379 |
| Less: Written off | (18,497) | (1,428,583) | - | (1,428,211) |
| <u>Cash movements:</u> | | | | |
| Less: Payment of lease liabilities during the year | | | | |
| - Principal portion | (1,186,827) | (1,122,145) | (860,930) | (767,833) |
| - Interest | (90,332) | (135,801) | (72,866) | (117,379) |
| Lease liabilities as at 31 December | 1,553,363 | 2,173,113 | 1,064,360 | 1,925,290 |

Interest expenses

Interest expenses for the year are charged to statements of comprehensive income and presented as follows:

| | Group | | Association | |
|--|------------|------------|-------------|------------|
| | 2024 \$ | 2023 \$ | 2024 \$ | 2023 \$ |
| Finance costs on lease liabilities allocated to fruit machine net takings - Expenditure (note 3) | 36,570 | 58,098 | 36,570 | 58,098 |
| Finance costs on other lease liabilities | 53,762 | 77,703 | 36,296 | 59,281 |
| Finance costs on amount due to bank | - | 950 | - | - |
| Finance costs on others | 53,762 | 78,653 | 36,296 | 59,281 |
| Total interest expenses | 90,332 | 136,751 | 72,866 | 117,379 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 2024

29. RELATED PARTY DISCLOSURES

The Association is governed by the General Committee which is the final authority and has overall responsibility for policy making and determination of all activities. Members of the General Committee are volunteers and receive no monetary remuneration for their contribution, except for reimbursement of out-of-pocket expenses.

The Association has in place a conflict of interests policy in its code of conduct. All members of the General Committee are required to declare their interests yearly.

Significant transactions between the Association and its related parties, not otherwise disclosed in the financial statements, are as follows:

| | | Association | |
|-----|--------------------------------------|-------------|-----------|
| | | 2024 | 2023 |
| | | \$ | \$ |
| (a) | <u>With subsidiary companies</u> | | |
| | Administrative and service income | 1,385,476 | 1,322,748 |
| | Interest income | 581,927 | 584,607 |
| | Towing and vehicle recovery expenses | 1,408,088 | 1,426,869 |
| | Lease expenses | 1,384,162 | 1,384,162 |
| | Other expenses | 9,211 | 12,413 |

(b) With entities in which certain General Committee members have interests/influence

| | Group | | Association | |
|------------------------------------|---------|--------|-------------|--------|
| | 2024 | 2023 | 2024 | 2023 |
| | \$ | \$ | \$ | \$ |
| Donations and sponsorship expenses | 101,000 | 27,700 | 101,000 | 27,700 |
| Lease income | 52,800 | 95,644 | - | - |

Related party transactions are based on terms agreed between the parties concerned.

30. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel compensation are as follows:

| | Group and Association | |
|--|-----------------------|-----------|
| | 2024 | 2023 |
| | \$ | \$ |
| Salaries and other related costs | 1,221,893 | 1,106,496 |
| Employer's contributions to Central Provident Fund | 122,798 | 106,217 |
| Short-term employee benefits | 1,344,691 | 1,212,713 |

31. LEASE COMMITMENTS

(i) Where the Group and the Association are the lessees

The Association leases office premises from its subsidiary company with varying terms, escalation clauses and renewal rights.

As at 31 December 2024, the Association has an operating lease commitment amounting to approximately \$1,384,000 (2023: \$1,384,000) in respect of short-term lease of office premises from its subsidiary company.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 2024

31. LEASE COMMITMENTS (continued)

(ii) Where the Group and the Association are the lessors

The Group and the Association lease out the investment property and members' lounge, cafeteria and office premises to lessees under non-cancellable operating leases. As at the balance sheet date, lease commitments under non-cancellable operating leases where the Group and the Association are the lessors, are as follows:

| | Group | | Association | |
|---|------------------|------------------|---------------|---------------|
| | 2024 \$ | 2023 \$ | 2024 \$ | 2023 \$ |
| Lease income receivable | | | | |
| - within 1 year | 1,486,478 | 1,592,665 | 29,000 | 34,800 |
| - after 1 year but not later than 5 years | 1,050,000 | 1,650,545 | - | 29,000 |
| | <u>2,536,478</u> | <u>3,243,210</u> | <u>29,000</u> | <u>63,800</u> |

The above operating leases do not provide for contingent rents.

32. CAPITAL COMMITMENT

As at 31 December 2024, the Group has capital commitment amounting to approximately \$223,000 (2023: \$84,125) in respect of contracted expenditure for purchase of intangible assets and lift modernisation works which have not been recognised in the financial statements.

33. FINANCIAL RISK MANAGEMENT

The Group and the Association are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks are credit risk, liquidity risk, interest rate risk and market price risk. The management reviews and agrees on policies for managing each of these risks and they are summarised below:

33.1 Credit risk

Credit risk is the potential risk of financial loss resulting from the failure of customers or other counterparties to settle their financial and contractual obligations to the Group as and when they fall due.

(i) *Risk management*

The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets, including cash and cash equivalents, the Group mitigates credit risks by transacting with high credit rating counterparties and financial institutions which are regulated.

As at the balance sheet date, there were no significant concentrations of credit risk except for the amounts due from subsidiary companies (note 19). The long term loans amounting to \$58.2 million (2023: \$58.2 million) [note 19(a)], intended to fund the long term capital requirements of the relevant subsidiaries, are considered by the management to be in substance part of the Association's net investment in the said subsidiaries, and are accounted for in accordance with note 2.12. The short-term advances to subsidiary companies are part of the Association's funds management strategy. The Association's management is satisfied that there are sufficient financial assets and other committed credit lines to meet the cash flow needs of the Association.

(ii) *Recognition of expected credit losses ("ECLs")*

The Group's financial assets that are subject to credit losses where the ECLs model has been applied are trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 2024

33. FINANCIAL RISK MANAGEMENT (continued)

33.1 Credit risk (continued)

(ii) Recognition of expected credit losses ("ECLs") (continued)

The Group assesses on forward looking basis the ECLs on its trade receivables, and recognises a loss allowance in accordance with FRS 109.

Based on the Group's historical collection trend, all outstanding trade receivables are generally settled within the credit term of 30 days. Trade receivables are assessed on a collective basis to determine whether there are changes in credit risk. If credit risk on the receivables has not increased significantly since initial recognition, the loss allowance is recognised based on 12-month ECLs. Lifetime ECLs are recognised for specific receivables for which credit risk is deemed to have increased significantly.

At the balance sheet date, except for the disclosure in note 21 to the financial statements, there were no significant trade and other receivables that are subject to ECLs.

33.2 Liquidity risk

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

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The table below summarises the maturity profile of the Group's and the Association's financial liabilities at the balance sheet date based on contractual undiscounted payments.

| | Within 1 year \$ | Between 2 to 5 years \$ | Total \$ |
|------------------------------------|------------------------|-------------------------------|-------------------|
| <u>Group</u> | | | |
| <u>2024</u> | | | |
| Trade and other payables | 3,305,704 | – | 3,305,704 |
| Lease liabilities | 1,137,204 | 472,080 | 1,609,284 |
| | <u>4,442,908</u> | <u>472,080</u> | <u>4,914,988</u> |
| <u>2023</u> | | | |
| Trade and other payables | 3,385,438 | – | 3,385,438 |
| Lease liabilities | 1,143,477 | 1,138,231 | 2,281,708 |
| | <u>4,528,915</u> | <u>1,138,231</u> | <u>5,667,146</u> |
| <u>Association</u> | | | |
| <u>2024</u> | | | |
| Trade and other payables | 1,868,354 | – | 1,868,354 |
| Lease liabilities | 883,830 | 211,080 | 1,094,910 |
| Amount due to subsidiary companies | 3,865,075 | 1,588,174 | 5,453,249 |
| | <u>6,617,259</u> | <u>1,799,254</u> | <u>8,416,513</u> |
| <u>2023</u> | | | |
| Trade and other payables | 1,679,597 | – | 1,679,597 |
| Lease liabilities | 933,023 | 1,095,310 | 2,028,333 |
| Amount due to subsidiary companies | 8,034,461 | 2,429,500 | 10,463,961 |
| | <u>10,647,081</u> | <u>3,524,810</u> | <u>14,171,891</u> |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 2024

33. FINANCIAL RISK MANAGEMENT (continued)

33.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group does not have any variable rate interest-bearing financial liabilities. Its only exposure to changes in interest rates relates primarily to interest-bearing bank deposits. The Group monitors movements in interest rates to ensure deposits are placed with financial institutions offering optimal rates of return.

Information relating to the Group's interest rate and terms of maturity of the Group's financial instruments are disclosed in the notes to the financial statements. The Group does not enter into derivatives to hedge its interest rate risk.

The effect of interest rate changes on total funds and surplus is not significant as the Group's and the Association's financial instruments at balance sheet date are either fixed-rate instruments or non-interest bearing.

33.4 Market price risk

At the balance sheet date, the Group and the Association held quoted commercial bonds as financial assets at fair value through other comprehensive income.

Sensitivity analysis

A 5% (decrease)/increase in the quoted market prices at the balance sheet date would (decrease)/increase fair value reserve by the following amounts:

| | Group and Association | |
|--------------------|-----------------------|------------|
| | 2024 \$ | 2023 \$ |
| Fair value reserve | 697,411 | 618,019 |

Changes in market price do not have any effect on the surplus of the Group and Association.

34. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Fair Value Hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 2024

34. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(b) Fair Value of Non-Financial Assets

The Group does not apply fair value accounting in the measurement of its non-financial assets. The only non-financial assets of the Group for which fair values are required to be disclosed are the investment properties. The basis of valuations of the investment properties, as described in note 14(a), represent recurring fair value measurements under Level 2 of the fair value hierarchy.

(c) Fair Value of Financial Instruments

(i) *Financial instruments Measured at Fair Value*

The only financial assets of the Group measured at fair values are quoted commercial bonds classified as financial assets at FVOCI, as disclosed in note 17. These fair values, based on quoted market prices as at the balance sheet date, are recurring fair value measurements under Level 1 of the fair value hierarchy.

(ii) *Financial Instruments Not Measured at Fair Value*

Cash and cash equivalents, lease liabilities, receivables, investments in Treasury bills and payables classified as current assets and current liabilities are measured at amortised cost. Financial instruments with a short duration are not discounted.

The long term loans to subsidiary companies amounting to \$58.2 million (2023: \$58.2 million), disclosed in note 19(a), which the management regards in substance to be part of the Association's net investment in the subsidiaries, are stated at cost less impairment loss, in accordance with note 2.12.

(d) Transfers Between Levels of Fair Value Hierarchy

During the financial year, there were no assets or liabilities transferred between Level 1 and Level 2 or transfers into or out of Level 3. The Group's policy is to recognise transfers (if any) between levels of fair value hierarchy at the end of the reporting period during which they occur.

(e) Valuation Policies and Procedures

The General Committee oversees the Group's financial reporting and valuation processes and is responsible for setting and documenting the Group's valuation policies and procedures.

35. FINANCIAL INSTRUMENTS BY CATEGORY

The aggregate carrying amounts of financial instruments by category are as follows:

| | Group | | Association | |
|---|------------|------------|-------------|------------|
| | 2024 | 2023 | 2024 | 2023 |
| | \$ | \$ | \$ | \$ |
| Financial assets at FVOCI | 13,948,220 | 12,360,385 | 13,948,220 | 12,360,385 |
| Financial assets at amortised cost | 24,767,462 | 26,323,663 | 69,619,538 | 74,933,596 |
| Financial liabilities at amortised cost | 4,859,067 | 5,558,551 | 8,385,963 | 14,068,848 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 2024

36. RESERVES MANAGEMENT

The Group's reserves management objective is to ensure that it maintains strong and healthy capital ratios in order to support its operations and future growth.

The management regularly reviews and manages the Group's reserves to ensure optimal capital structure, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

With the exception of AAS Insurance Agency Pte. Ltd., the other entities in the Group are not subject to externally imposed capital requirements.

Under the General Insurance Agents' Registration Regulations, AAS Insurance Agency Pte. Ltd. is required, at all times, to maintain a minimum paid up share capital of \$25,000.

AAS Insurance Agency Pte. Ltd. had complied with the above-mentioned regulatory capital requirement during the financial year.

There were no changes to the Group's approach to capital management since the previous financial year.

37. CONTINGENT LIABILITIES

On 15 November 2024, the Group received a letter of demand with regards to the redevelopment of 2 Kung Chong. The legal opinion by the Group's legal representative is that it is not practical at this stage to provide an estimate of any liability/claim likely to be realised. There has been no change in the amount recognised in the liabilities given that there has been no changes to the assumptions used in developing the estimates as at 31 December 2024. Further disclosure of details at this juncture could prejudice the Group's position and accordingly, further information has not been provided.

38. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Association and consolidated financial statements of the Group for the year ended 31 December 2024 were authorised for issue by the General Committee on 29 April 2025.

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