

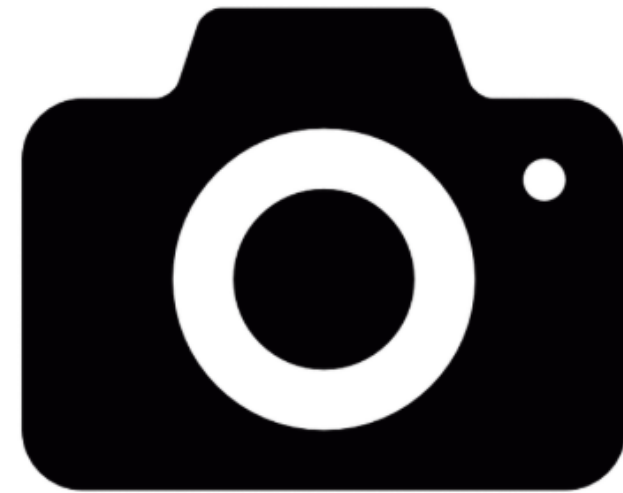
Audit & Risk Committee Seminar 2026

Trust At The Core: Strengthening Governance In An Age Of Complexity

20 January 2026

Panel Q&A





PHOTOGRAPHY AND VIDEOGRAPHY WILL BE TAKING PLACE

**SID may use some or all of these images/recordings from the event in our
print and digital marketing collateral.**

Housekeeping



Please be present for the entire session to be eligible for CPD hours and certificate of attendance.



Kindly complete the evaluation form at the end of the session to provide us with your feedback.



Please keep all mobile devices on silent mode during the session.

Please take note that this session will be recorded and photos taken during the session may be used in SID's print and digital marketing collateral.

Agenda



Programme

- 8.15am : Registration and breakfast networking
- 9.15am : Opening address by ACRA CE, Ms Chia-Tern Huey Min
- 9.25am : ACRA regulatory updates and sharing by rep, Ms Tan Wee Khim
- 10.05am : SGX RegCo regulatory updates and sharing by rep, Mr Michael Tang
- 10.45am : Tea break
- 11.00am : Panel discussion
- 11.45am : Q&A
- 11.55am: Closing by SID ARCC Chair, Lee Sze Yeng
- 12.00pm : Event end



Opening Address

Mrs Chia-Tern Huey Min

Chief Executive of Accounting and Corporate
Regulatory Authority (ACRA)



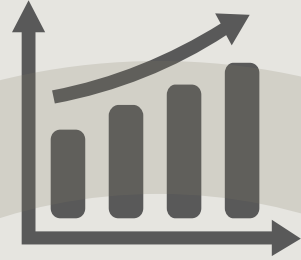
ACRA Presentation

Ms Tan Wee Khim

*Technical Director, Financial Reporting &
Standards Department,
ACRA*

Regulatory Updates

Agenda



01

FRSP Highlights

Modified Audit Opinions
FS Disclosure Findings



02

Looking Ahead

SFRS(I) 19 / FRS 119
Impact of Tariffs



03

Other Key Highlights

Sustainability Reporting
Enhanced AQI

FRSP Highlights

Modified Audit Opinions



Financial statements (FS)

- provide comprehensive overview of a company's financial health
- crucial for decision making (investors, creditors, management)
- reliability and comparability are paramount



Modified audit opinions

- when the FS receives a modified audit opinion from statutory auditors:
 - FS may not be reliable and comparable
 - undermine the credibility of Singapore's financial reporting ecosystem

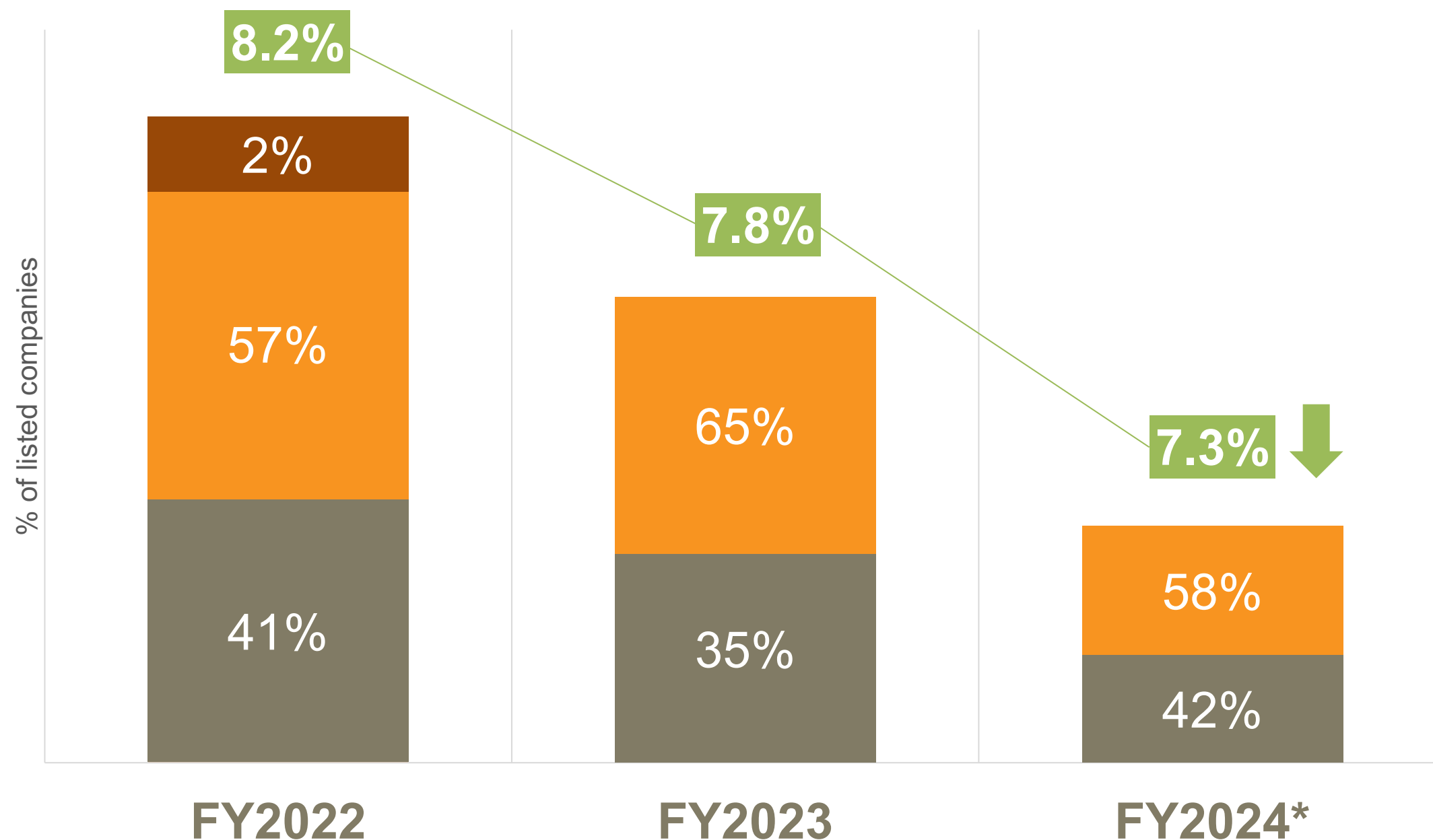
Modified Audit Opinions

SSA 705: Modifications to the Opinion in the Independent Auditor's Report:

Nature of matter giving rise to the modification	Auditor's judgement about the pervasiveness of the effects or possible effects on the FS	
	Material but not pervasive	Material and pervasive
FS are materially misstated	<p>Qualified opinion</p> <p><i>Disagreement about specific matters</i></p>	<p>Adverse opinion</p> <p><i>The financial statements do not give a true and fair view</i></p>
Inability to obtain sufficient appropriate audit evidence	<p>Qualified opinion</p> <p><i>We are unable to obtain sufficient appropriate audit evidence</i></p>	<p>Disclaimer of opinion</p> <p><i>We do not express an opinion</i></p>

Modified Audit Opinions

% of listed companies that received modified audit opinions from FY2022 to FY2024



* Based on FY2024 FS filed as of 30 November 2025

Types of modified audit opinions:

- Disclaimer of opinion
- Qualified opinion
- Adverse opinion



- **Decline** in modified audit opinions: 8.2% (FY22) → 7.3% (FY24)
- 7.3% (FY24) → 58% were from companies listed on Catalist vs 42% listed on Mainboard
- **Over 50%** of the modified audit opinions were disclaimers
- Indicates material and pervasive issues in the FS

Modified Audit Opinions

Poll

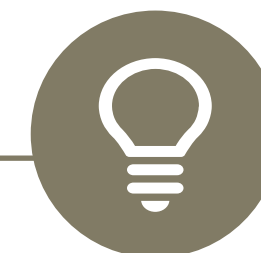
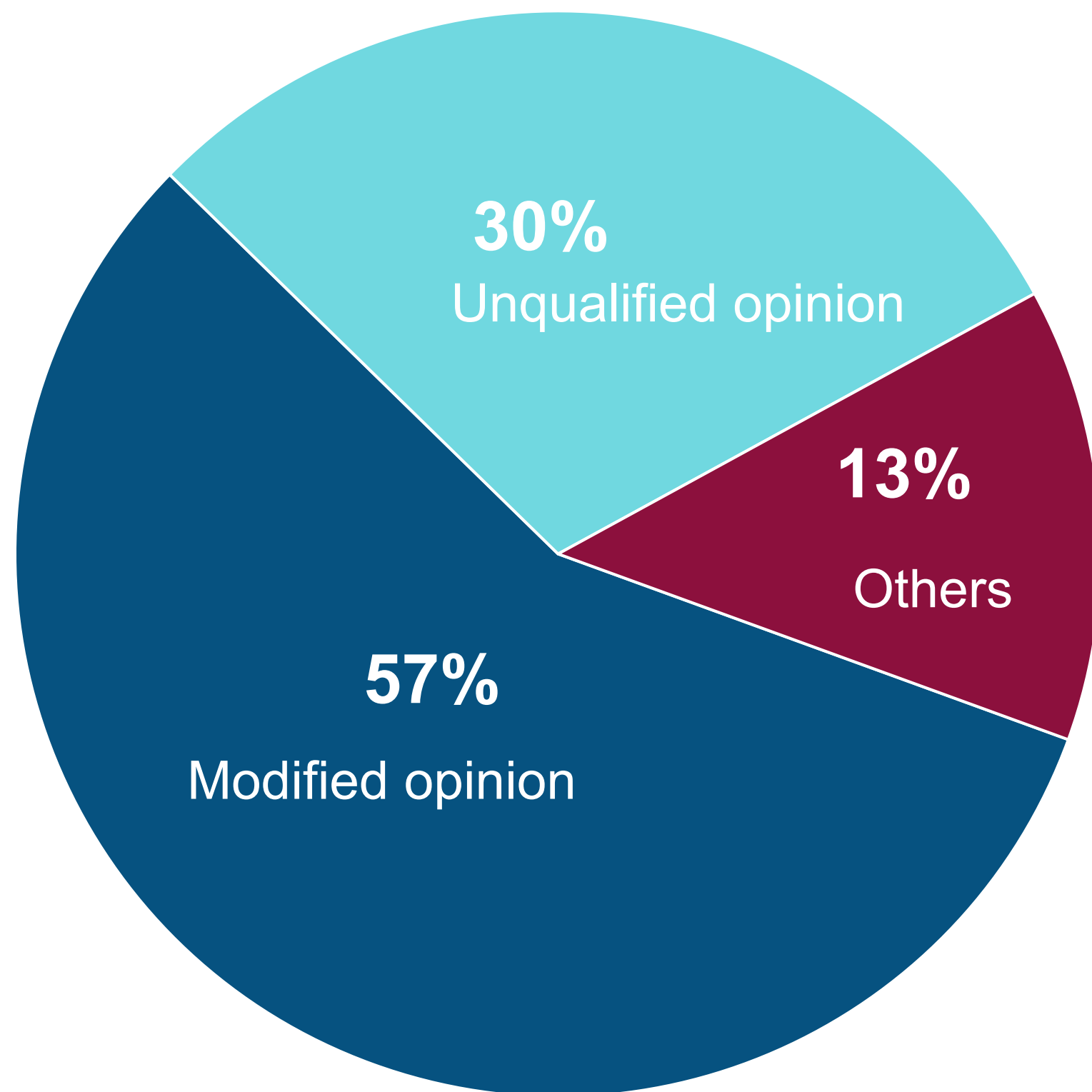
Of companies with modified audit opinions in FY2023, how many received clean audit opinions in FY2024?

- A) Less than 25%
- B) 25-50%**
- C) 50-75%
- D) More than 75%



Modified Audit Opinions

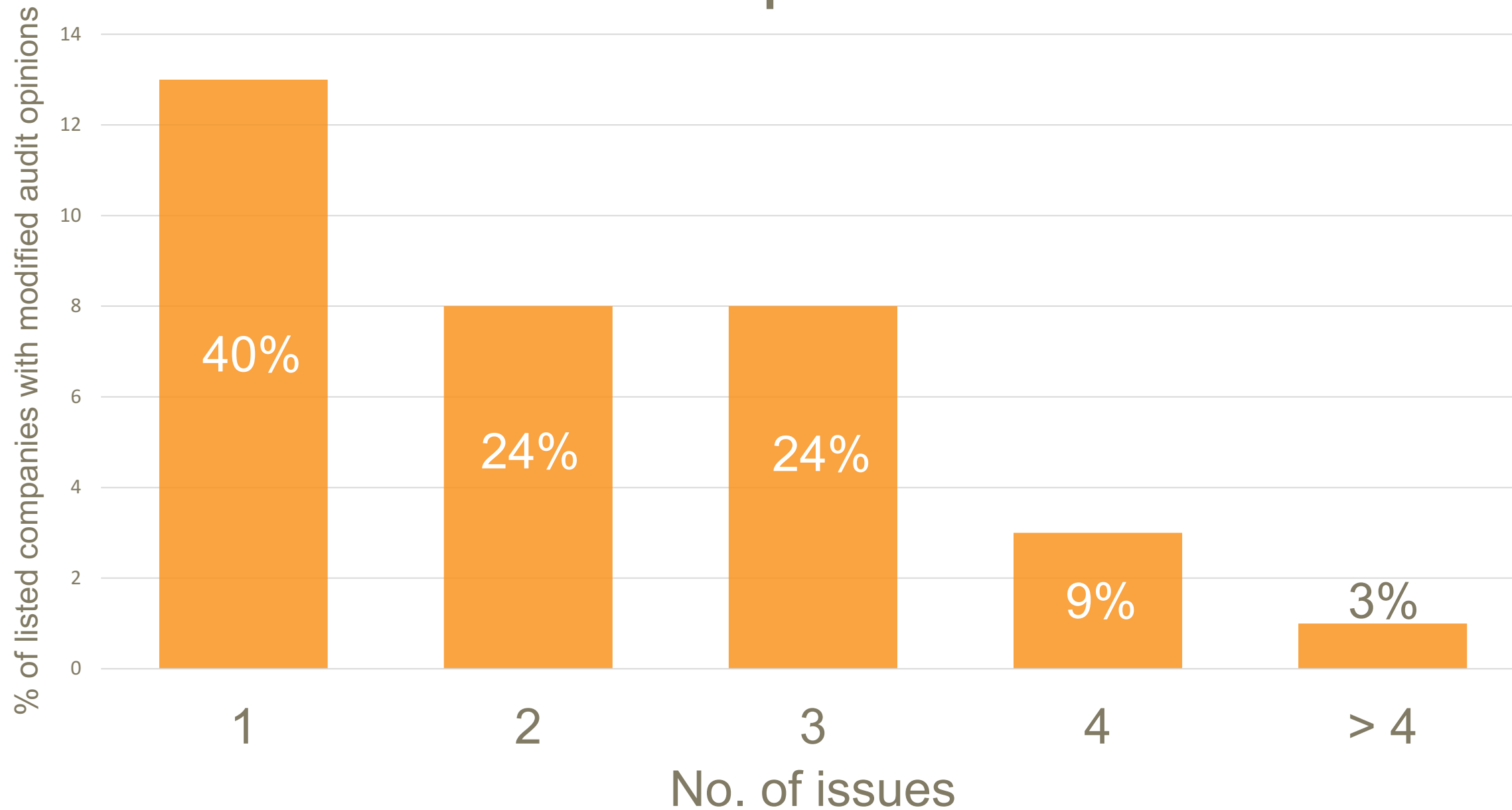
Modified audit opinions: FY2023 to FY2024



- **30%** of companies with modified audit opinions in FY2023 subsequently received clean audit opinions
- **57%** continued to receive modified audit opinions
- Of these companies that continued to receive modified audit opinions in FY2024, 62% had received modified audit opinions for multiple years

Modified Audit Opinions

No. of issues per company in the FY2024 modified audit opinions



Top 5 issues in the FY2024 modified audit opinions:





- 1) Going concern
- 2) Opening balances
- 3) Impairment of non-financial assets
- 4) Expected credit loss
- 5) Discontinued operations/ disposal group classified as held-for-sale



Work with your auditors to ensure critical assumptions and judgements used are reasonable and supportable

FS Disclosure Findings – Concerning Trend

Nature of material NCs

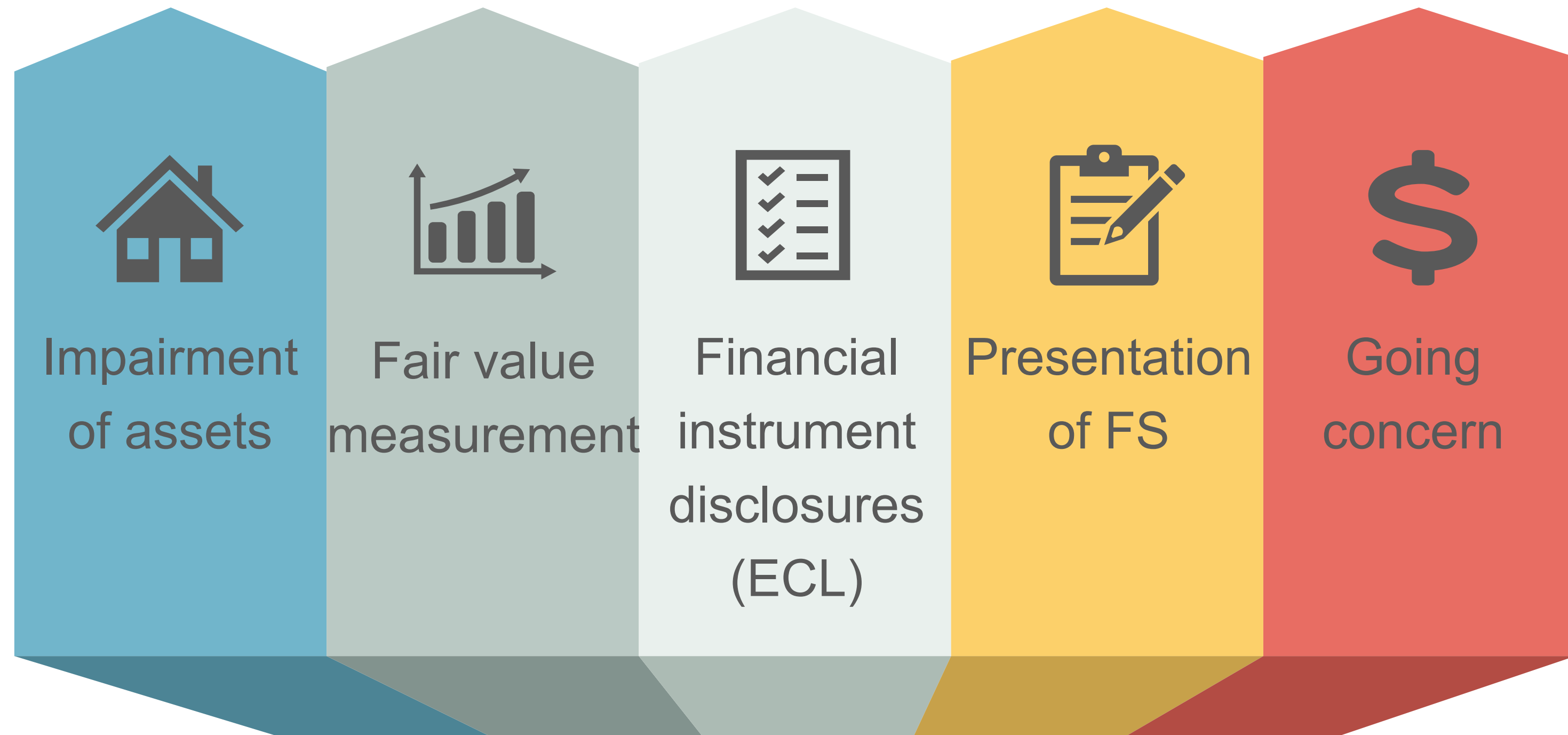
	Apr 2020 – Mar 2022	Apr 2022 – Mar 2024	Apr 2024 – Mar 2025
	Number and % of NCs	Number and % of NCs	Number and % of NCs
 Recognition and measurement	61%	49%	56%
 Presentation	26%	22%	12%
 Disclosures	13%	29%	32% 
Average no. of NCs per FS	0.7	1.4	1.5



Disclosures remain essential to provide necessary context and detailed explanations to users of the FS

FS Disclosure Findings

Key areas of disclosure gaps



FS Disclosure Findings

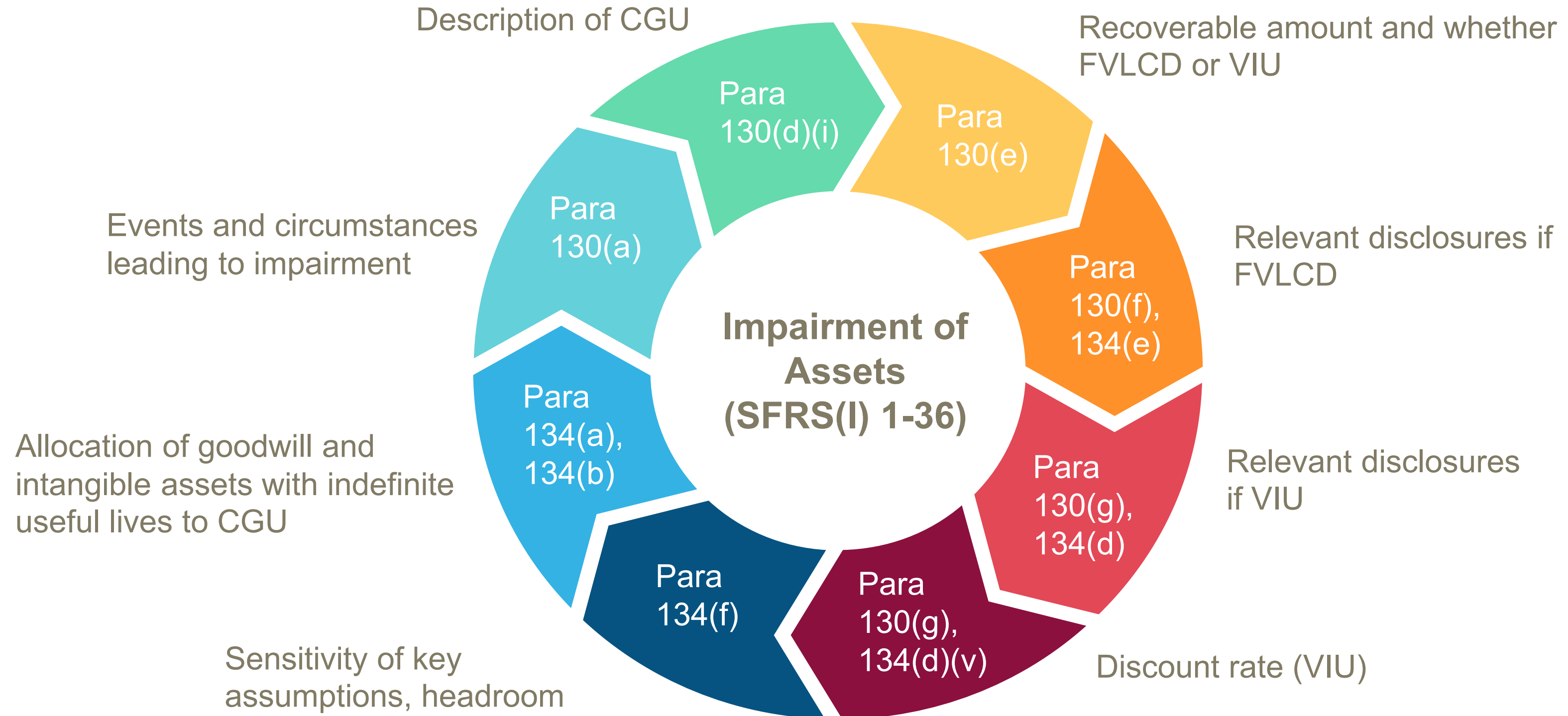
Analysis of areas with material disclosure NCs

Disclaimer:

The sample disclosures in the subsequent slides are intended for illustrative purposes only and are specific to individual companies' circumstances. They should not be taken as the only acceptable form of disclosure or presentation. Entities should carefully assess their specific circumstances and disclose accordingly to meet the requirements of the accounting standards.

FS Disclosure Findings

Analysis of areas with material disclosure NCs



FS Disclosure Findings

Analysis of areas with material disclosure NCs

Impairment of Assets (SFRS(I) 1-36): Example 1 - Disclosure of events and circumstances (Co. A)

At 31 December 2021, an impairment loss of \$1,062,109 was recognised to write down the goodwill to its recoverable amount of \$nil. In addition, based on the cash flow forecasts, management also made an impairment loss of \$183,911 to plant and equipment of [REDACTED] (Note 13).

Management believes that the change in the estimated recoverable amount arising from any reasonably possible change to the key assumptions applied would not cause the recoverable amount to be significantly higher than the carrying amount of the goodwill and would not significantly affect the impairment loss recognised during the financial year.

FS Disclosure Findings

Poll

Do you think Company A has sufficiently disclosed the triggering point of the impairment?

A) Yes

B) No

C) Maybe



FS Disclosure Findings

Analysis of areas with material disclosure NCs

Impairment of Assets (SFRS(I) 1-36): Example 1 - Disclosure of events and circumstances (Co. A)

At 31 December 2021, an impairment loss of \$1,062,109 was recognised to write down the goodwill to its recoverable amount of \$nil. In addition, based on the cash flow forecasts, management also made an impairment loss of \$183,911 to plant and equipment of [REDACTED] (Note 13).

Management believes that the change in the estimated recoverable amount arising from any reasonably possible change to the key assumptions applied would not cause the recoverable amount to be significantly higher than the carrying amount of the goodwill and would not significantly affect the impairment loss recognised during the financial year.



- No description of events and circumstances leading to impairment (para 130(a))
- Impairment was recognised because recoverable amt < carrying amt is not sufficient

Analysis of areas with material disclosure NCs

Impairment of Assets (SFRS(I) 1-36): Example 1 - Disclosure of events and circumstances (Co. B)

Impairment assessment

In 2024, the Group recognised a total impairment loss of US\$378,000 due to certain relinquished licences [REDACTED] in [REDACTED].

In 2023, the Group recognised a total impairment loss of US\$19,544,000 with respect to E&E assets, as a result of a non-commercial exploration well in [REDACTED], and relinquishment of certain licences in [REDACTED] and [REDACTED].



Description of events and circumstances that led to impairment (para 130(a))

Analysis of areas with material disclosure NCs

Impairment of Assets (SFRS(I) 1-36): Example 1 - Disclosure of events and circumstances (Co. C)

Impairment assessment

In 2024, the goodwill relating to the **Yme Field** was fully impaired due to depletion and downward revision of the proved and probable reserves, shorter production period and lower applied oil price curve used in the annual assessment.

In 2023, the impairment of the goodwill relating to the **Yme Field** was due to lower production volumes in the early life of the field compared to initial assessments. The lower production volumes were predominantly due to unexpected production shutdowns due to mechanical issues and unforeseen equipment failure and unplanned delays in adding new production and injection wells to the field.



Description of events and circumstances that led to impairment (para 130(a))

FS Disclosure Findings

Analysis of areas with material disclosure NCs

Impairment of Assets (SFRS(I) 1-36): Example 2 - Disclosure of recoverable amount (Co. D)

Investments in subsidiaries

	Company	
	2024 IDR million	2023 IDR million
Unquoted equity shares, at cost	2,368,009	2,262,670
Impairment loss	(87,910)	(84,421)
	<u>2,280,099</u>	<u>2,178,249</u>

Did not disclose the recoverable amount of the investment in Subsidiary A (para 130(e))

Impairment of Subsidiary A

During the year, the management carried out a review on the impairment of investment in a subsidiary. As a result of the review, an impairment loss of IDR 3,489 million was recorded (2023: IDR 2,642 million) to write down the carrying value to the recoverable amount, based on the fair value of net assets held by the subsidiary.

FS Disclosure Findings

Analysis of areas with material disclosure NCs

Impairment of Assets (SFRS(I) 1-36): Example 2 - Disclosure of recoverable amount (Co. E)

As at 31 December 2024, before impairment testing, goodwill of \$17.4 million (31 December 2023 : \$17.5 million) was allocated to the [REDACTED] CGUA. Accumulated impairment loss as of 31 December 2024 was \$17.4 million (31 December 2023 : \$7.7 million).

The Group has reviewed historical revenue trends following the resignation of marketing officers transferred from previous acquisitions. [REDACTED] CGUA has therefore been reduced to its recoverable amount through recognition of an impairment loss against goodwill of \$9.6 million (31 December 2023 : \$1.3 million).

FS Disclosure Findings

Poll

What is the recoverable amount of goodwill allocated to CGU A arising from the impairment assessment?

- A) \$17.4 million
- B) Nil
- C) \$7.8 million



Analysis of areas with material disclosure NCs

Impairment of Assets (SFRS(I) 1-36): Example 2 - Disclosure of recoverable amount (Co. E)

As at 31 December 2024, before impairment testing, goodwill of \$17.4 million (31 December 2023 : \$17.5 million) was allocated to the **CGUA**. Accumulated impairment loss as of 31 December 2024 was \$17.4 million (31 December 2023 : \$7.7 million).

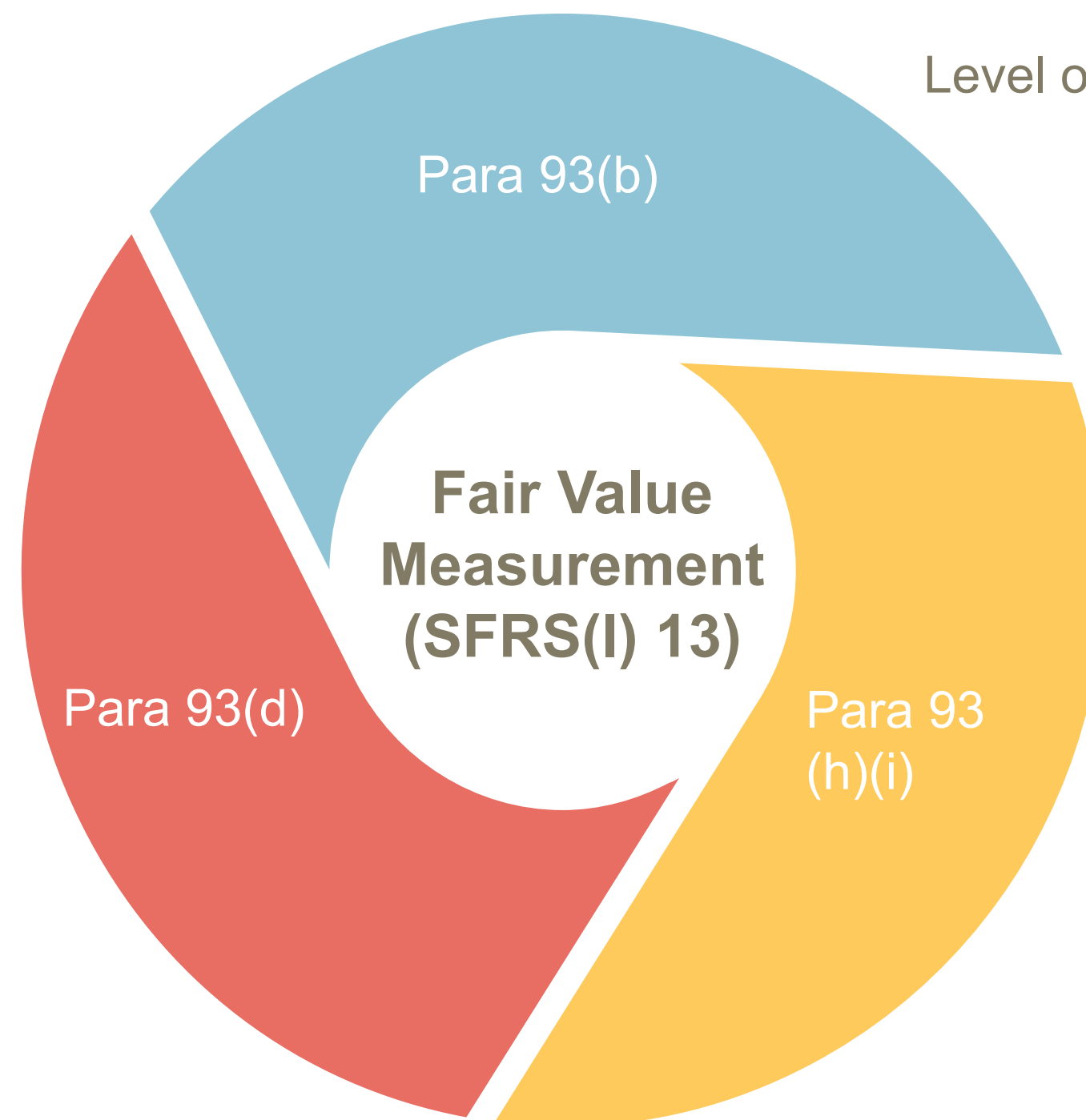
The Group has reviewed historical revenue trends following the resignation of marketing officers transferred from previous acquisitions. **CGUA** has therefore been reduced to its recoverable amount through recognition of an impairment loss against goodwill of \$9.6 million (31 December 2023 : \$1.3 million).

While the recoverable amount can be inferred to be \$7.8 mil (\$17.4mil - \$9.6 mil), a better disclosure would clearly state the amount.

FS Disclosure Findings

Analysis of areas with material disclosure NCs

- For level 2 and 3, description of the valuation technique(s) and the inputs used in the fair value measurement
- For Level 3, quantitative information about the significant unobservable inputs used in the fair value measurement



For level 3 (recurring), a narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs if a change in those inputs to a different amount might result in a significantly higher or lower fair value measurement

FS Disclosure Findings

Analysis of areas with material disclosure NCs

Fair Value Measurement (SFRS(I) 13): Example 1 - Disclosure for Level 3 FV measurements (Co. A)

<u>Group</u>	Level 1	Level 2	Level 3	Total
	US\$	US\$	US\$	US\$
Financial assets at fair value through other comprehensive income (Note 17)	-	-	17,191,806	17,191,806

17 FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

<u>Group</u>	2020	2019
	US\$	US\$
Unquoted equity security, at fair value	17,191,806	19,736,505

At the end of the reporting period, the Group has 4.534% (2019 : 4.534%) equity interest in **Company Y** of US\$17,191,806 (2019 : US\$19,736,505).

Management has engaged a firm of independent professional valuers to carry out valuation of **Company Y**. In determining the fair value of **Company Y** the valuer used the income approach. Based on the valuation of US\$379,175,253 (2019 : US\$435,268,000), the 4.534% equity interest in **Company Y** held by the Group was determined to be US\$17,191,806 (2019 : US\$19,736,505). Accordingly, a fair value loss of US\$2,544,699 (2019 : US\$1,936,016) was recognised in other comprehensive income.

FS Disclosure Findings

Poll

What do you think is missing from this disclosure?

- A) Inputs used in the FV measurement of shares held in Company Y
- B) Quantitative information about the significant unobservable inputs used in the FV measurement
- C) Both (A) and (B) are missing
- D) Nothing, the disclosure is sufficient



FS Disclosure Findings

Analysis of areas with material disclosure NCs

Fair Value Measurement (SFRS(I) 13): Example 1 - Disclosure for Level 3 FV measurements (Co. A)

	Level 1	Level 2	Level 3	Total
<u>Group</u>	US\$	US\$	US\$	US\$
Financial assets at fair value through other comprehensive income (Note 17)	-	-	17,191,806	17,191,806

17 FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER

Group

Unquoted equity security, at fair value

At the end of the reporting period, the Group has 4.534% (2019 : 4.534%) equity interest in **Company Y** of US\$17,191,806 (2019 : US\$19,736,505).

Management has engaged a firm of independent professional valuers to carry out valuation of **Company Y**. In determining the fair value of **Company Y**, the valuer used the income approach. Based on the valuation of US\$379,175,253 (2019 : US\$435,268,000), the 4.534% equity interest in **Company Y** held by the Group was determined to be US\$17,191,806 (2019 : US\$19,736,505). Accordingly, a fair value loss of US\$2,544,699 (2019 : US\$1,936,016) was recognised in other comprehensive income.

- No disclosure of inputs used in the FV measurement (para 93(d))
- No disclosure for the quantitative information about the significant unobservable inputs used in the FV measurement (para 93(d))



FS Disclosure Findings

Analysis of areas with material disclosure NCs

Fair Value Measurement (SFRS(I) 13): Example 1 - Disclosure for Level 3 FV measurements (Co. B)

28 **Financial Risk Management (continued)**
Determination of fair values (continued)
Accounting classifications and fair values (continued)

Note	Total carrying amount						Fair value		
	Amortised costs \$	FVOCI - debt instruments \$	FVOCI - equity instruments \$	FVTPL - debt instruments \$	FVTPL - Other financial assets \$	Other financial liabilities \$	Total \$	Level 1 \$	Level 3 \$
Group									
31 December 2023									
Financial assets measured at fair value									
Unquoted equity shares	10	-	-	4,523,411	-	-	-	-	4,523,411



The level of the fair value hierarchy (para 93(b))

FS Disclosure Findings

Analysis of areas with material disclosure NCs

Fair Value Measurement (SFRS(I) 13): Example 1 - Disclosure for Level 3 FV measurements (Co. B)

28 **Financial Risk Management (continued)**
Determination of fair values (continued)
Level 3 recurring fair values

Description of the valuation technique(s) and the inputs used in the fair value measurement and quantitative information about the significant unobservable inputs used in the fair value measurement (para 93(d))

The following table shows the valuation techniques used in measuring level 3 fair values, as well as the significant unobservable inputs used:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs
Equity investments	Discounted cash flow	<ul style="list-style-type: none"> Net revenue growth rate: (30%) to 29% (2022: (11%) to 9%) Discount rate: 8.80% (2022: 10.84%) Terminal growth rate: 1.5% (2022: 1.9%) 	The estimated fair value would increase (decrease) if: <ul style="list-style-type: none"> net revenue growth rate was higher (lower); discount rate was lower (higher); or terminal growth rate was higher (lower).

FS Disclosure Findings

Analysis of areas with material disclosure NCs

Credit risk management practices such as determining increase in credit risk, definition of default, credit-impaired financial assets, write-off policy

Para
35F

Reconciliation of the loss allowance and credit risk; 12-month and lifetime ECL

Para
35H, 35M

**Financial
Instruments:
Disclosures
(SFRS(I) 7))
ECL**

Inputs, assumptions and estimation techniques

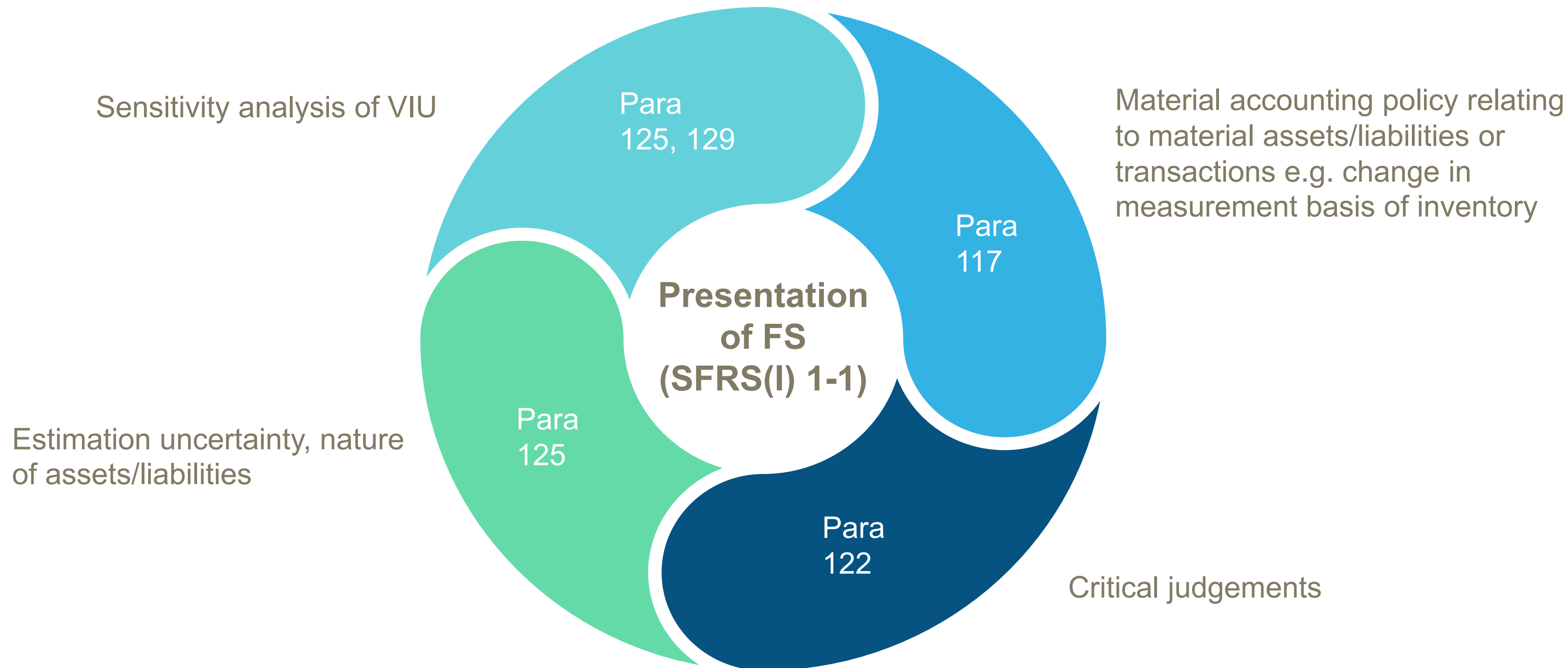
Para
35G

For trade receivables, contract assets and lease receivables, info to comply with para 35M can be based on provision matrix

Para
35N

FS Disclosure Findings

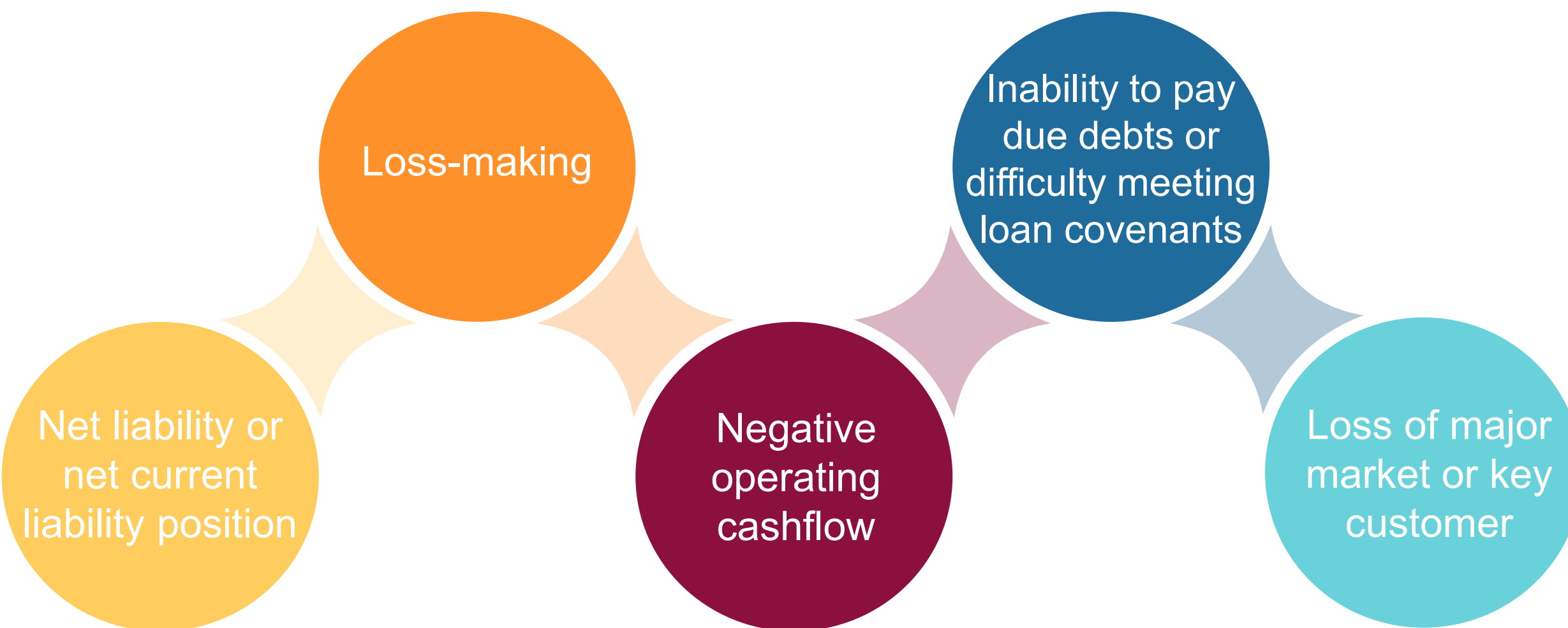
Analysis of areas with material disclosure NCs



FS Disclosure Findings

Analysis of areas with material disclosure NCs

Common indicators of going concern:



SFRS(I) 1-1 para 25

“When preparing financial statements, management shall make an assessment of an entity’s ability to continue as a going concern... When management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity’s ability to continue as a going concern, the entity shall disclose those uncertainties....”

SFRS(I) 1-1 para 122

“An entity shall disclose, along with its significant accounting policies or other notes, the judgements, apart from those involving estimations (see paragraph 125), that management has made in the process of applying the entity’s accounting policies and that have the most significant effect on the amounts recognised in the financial statements.”

Analysis of areas with material disclosure NCs

Going concern (SFRS(I) 1-1): Example 1

4. Going concern

The Group and the Company incurred a net loss of S\$5,808,000 (2023: S\$2,412,000) and S\$9,127,000 (Note 27) [2023: S\$1,555,000 (Note 27)] respectively. As at 31 December 2024, the Group's and Company's current liabilities exceeded their current assets by S\$5,843,000 (2023: S\$4,052,000) and S\$2,966,000 (2023: S\$1,412,000) respectively. In addition, the Group was in a capital deficiency position of \$5,342,000.

The Board of Directors believe that the use of the going concern assumption in preparing the consolidated financial statements of the Group and the statement of financial position of the Company for the financial year ended 31 December 2024 is appropriate after taking into consideration the following assumptions and measures:

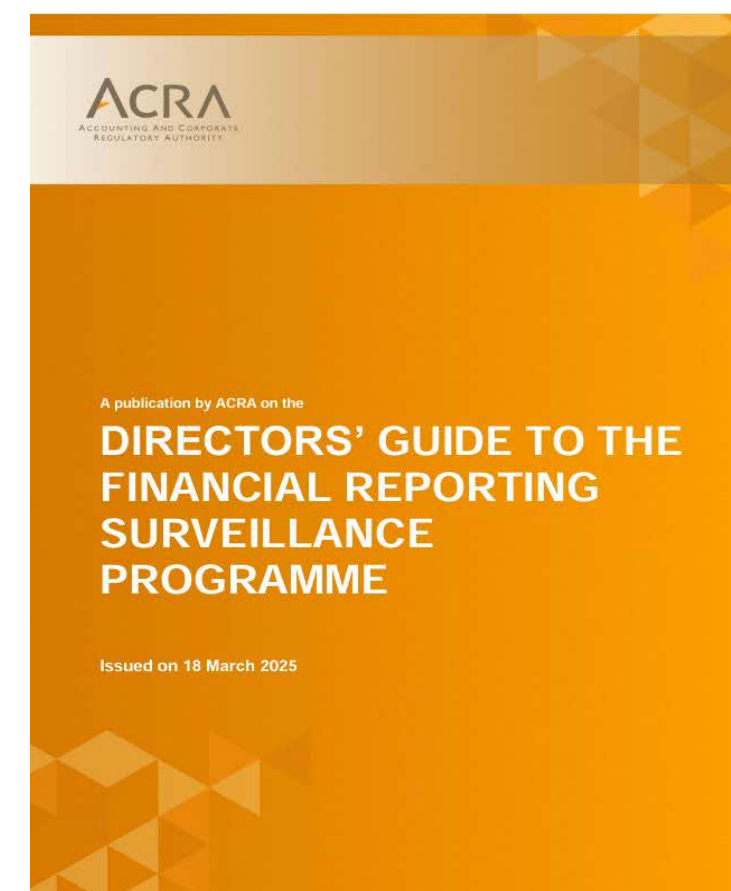
- (i) Since 31 December 2024 and up to the date of this Directors' Statement, the Company has raised additional capital amounting to S\$900,000 through the proposed issuance of new ordinary shares upon the completion of share subscription agreements as announced on [REDACTED] 2025 and [REDACTED] 2025, respectively (Note 32).
- (ii) At an Extraordinary General Meeting (EGM) held on [REDACTED], the shareholders have approved the capitalisation of debts pertaining to directors fees and salaries amounting to \$608,000. These amounts are no longer payable in cash and will not result in cash outflows within the next 12 months (Note 22 and 32).
- (iii) On 28 March 2025, the Company announced that it has entered into a share subscription agreement with a substantial shareholder of the Company. Pursuant to the terms of the Subscription Agreement, the Company proposes to raise gross proceeds of S\$500,000.
- (iv) The Company has received a financial support undertaking letter from [REDACTED], whereby he will undertake, for as long as he is a controlling shareholder of the Company, to provide continuing financial cash flow support to the Group to enable it to continue its operations as a going concern and to meet its liabilities as and when they fall due for the next 18 months.



In the situation where the Group is of the view that **no material uncertainty exists** as at year end despite the indicators, the Group should disclose the **judgements** made in concluding that **there remain no material uncertainty** related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern

FRSP Report

On 18 March 2025, ACRA published the Financial Reporting Surveillance Programme Report 2024 (**FRSP Report**) and the accompanying Directors' Guide to the FRSP.



For more information on the FRSP Report and Directors' Guide, please scan these QR codes:



<https://go.gov.sg/frsp-report-2024>



<https://go.gov.sg/directors-guide-frsp>

Looking Ahead

Key updates to accounting standards

SFRS(I) 19 / FRS119 *Subsidiaries without Public Accountability: Disclosures*

Eligibility: Subsidiaries without public accountability whose ultimate or intermediate parent¹ produces publicly available consolidated financial statements compliant with SFRS(I) or IFRS

FRS 119 *Subsidiaries and Small Entities without Public Accountability: Disclosures²*

Eligibility: Subsidiaries and small entities preparing FS under FRSs
- Originally issued for eligible subsidiaries, the ASC made the voluntary³ FRS 119 available to **small entities without public accountability**

Issuance Date

25 Oct 24

18 Aug 25

- Effective: Annual periods beginning on or after 1 January 2027, with early application permitted
- Application: Recognition, measurement and presentation requirements of other SFRS(I), Reduced disclosure requirements compared to full SFRS(I)

¹ Singapore-incorporated companies whose debt or equity instruments are traded, or are in the process of being issued for trading in a public market in Singapore

² On 18 August 2025, the ASC amended the title of FRS 119 to *Subsidiaries and Small Entities without Public Accountability: Disclosures*

³ Eligible entities have the choice to either adopt FRS 119, SFRS for Small Entities (if they qualify) or apply the full FRSs with all disclosures

Key updates to accounting standards

Reduced disclosure requirements in SFRS(I) 12 Disclosure of Interests in Other Entities (Example)

SFRS(I) 19 *Subsidiaries without Public Accountability: Disclosures*

- 21 An entity shall disclose:
- (a) for each joint arrangement and associate that is material to the reporting entity:
 - (i) the name of the joint arrangement or associate.
 - (ii) the nature of the entity's relationship with the joint arrangement or associate (by, for example, describing the nature of the activities of the joint arrangement or associate and whether they are strategic to the entity's activities).
 - (iii) the principal place of business (and country of incorporation, if applicable and different from the principal place of business) of the joint arrangement or associate.
 - (iv) the proportion of ownership interest or participating share held by the entity and, if different, the proportion of voting rights held (if applicable).
 - (b) for each joint venture and associate that is material to the reporting entity:
 - (i) whether the investment in the joint venture or associate is measured using the equity method or at fair value.
 - (ii) summarised financial information about the joint venture or associate as specified in paragraphs B12 and B13.
 - (iii) if the joint venture or associate is accounted for using the equity method, the fair value of its investment in the joint venture or associate, if there is a quoted market price for the investment.
 - (c) financial information as specified in paragraph B16 about the entity's investments in joint ventures and associates that are not individually material:
 - (i) in aggregate for all individually immaterial joint ventures and, separately,
 - (ii) in aggregate for all individually immaterial associates.

The light grey text shows the amount of disclosure requirements no longer required if you apply SFRS(I) 19 or FRS 119.

Impact of tariffs



Assets

- Impairment of assets – tariff-related indicators and scenario analysis
- Incorporate tariff – related economic disruptions in forward-looking scenarios in ECL model



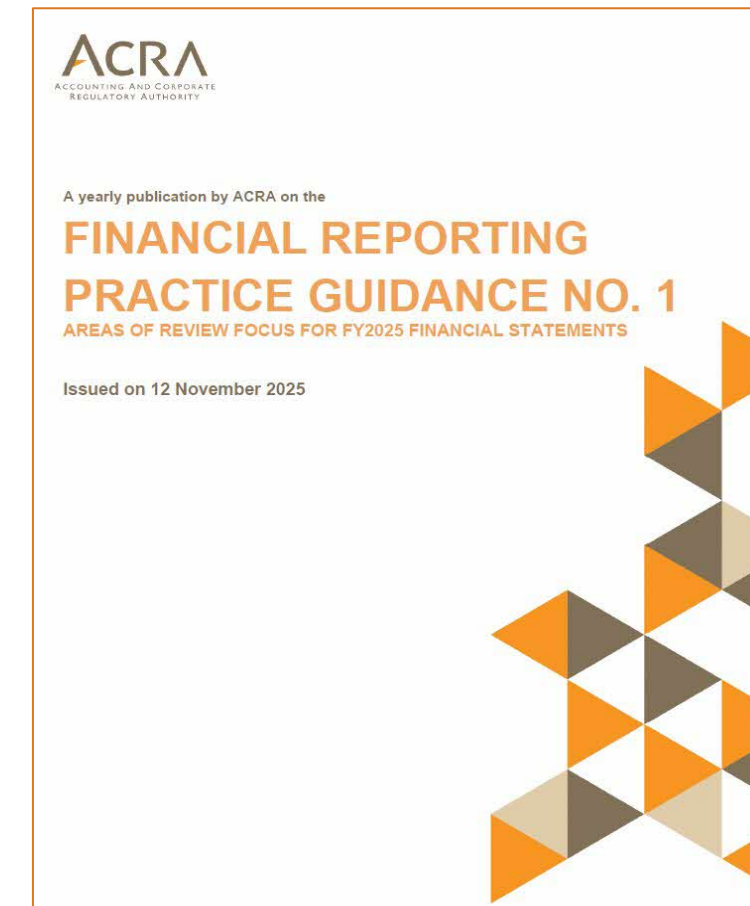
Liabilities

- Restructuring provision for tariff-driven changes (e.g., facility relocations, workforce reductions, or operational consolidations)
- Provision for onerous contract



Disclosure

- Subsequent events related to trade policy changes
- Material tariff exposure and impacts
- Critical accounting estimates, assumptions and judgements



For more information on the 2025 Practice Guidance, please scan this QR code:



<https://go.gov.sg/practiceguidance2025>


Other Key Highlights

Sustainability Reporting

In August 2025, ACRA and SGX RegCo announced the updated roadmap for climate reporting and assurance.

Implementation Timeline

Listed Companies
(phased by market capitalisation)



- FY2025**
 - All Listed Companies report Scope 1 & 2 GHG emissions.
 - STI Constituents report Other ISSB-based CRD.
- FY2026**
 - STI Constituents report Scope 3 GHG emissions.
- FY2028**
 - Non-STI Constituent Listed Companies ≥\$1B market cap report Other ISSB-based CRD.
- FY2029**
 - All Listed Companies to obtain external limited assurance for Scope 1 & 2 GHG emissions.
- FY2030**
 - Non-STI Constituent Listed Companies <\$1B market cap report Other ISSB-based CRD.

Large Non-Listed Companies
(unless exempted)



- FY2030**
 - Report ISSB-based CRD, including Scope 1 & 2 GHG emissions, exemptions available.
- FY2032**
 - Obtain external limited assurance for Scope 1 & 2 GHG emissions.



- Continue aligning trajectory with Singapore's net-zero target by 2050
- Opportunity to build readiness for high-quality climate reports that comply with ISSB Standards

For more information on the updated roadmap, please scan this QR code



<https://go.gov.sg/sustainability-reportingroadmap>

Updates to AQI Disclosure Framework

New Indicators



**Use of
Technology**



Culture Survey

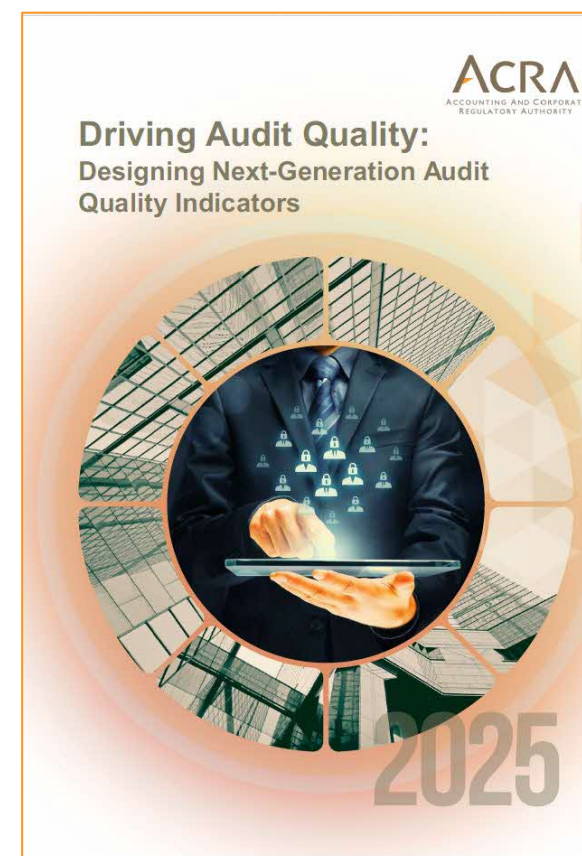


Restatements



Audit Hours

Update to Existing Indicator



Download the report on the review of the AQI Disclosure Framework and latest guidance on the Framework here:



<https://go.gov.sg/ai-report-2025>



<https://go.gov.sg/auditqualityindicators>



Thank you!