



**SING INVESTMENTS
& FINANCE LIMITED**

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SING INVESTMENTS & FINANCE LIMITED

FIRST HALF ANNOUNCEMENT

Condensed Interim Financial Statements for Six-month ended

30 June 2023

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1. Performance Review

	1H 2023 \$'000	1H 2022 \$'000	Variance + / (-) (%)
Summary Statement of P&L & OCI ¹		(Restated)	
Interest income and hiring charges	71,051	34,402	106.5
Interest expense	(43,180)	(6,246)	591.3
Net interest income	27,871	28,156	(1.0)
Non-interest income	2,993	2,322	28.9
Total income	30,864	30,478	1.3
Operating expenses	(14,340)	(13,310)	7.7
Profit from operations before allowances	16,524	17,168	(3.8)
Bad debts recovered / Allowances for credit losses	3,305	6,483	(49.0)
Profit before income tax	19,829	23,651	(16.2)
Profit after tax	16,421	19,684	(16.6)
Other comprehensive income	(509)	(15,207)	(96.7)
Total comprehensive income	15,912	4,477	255.4
Selected Balance Sheet Items	30-Jun-23	31-Dec-22	
Total equity	414,969	414,819	0.0
Total assets	3,344,946	3,109,956	7.6
Loans and advances	2,365,582	2,405,641	(1.7)
Customer deposits	2,864,214	2,601,466	10.1
Key Financial Ratios	%	%	
Net interest margin	1.72	2.10	
Non-interest income to total income	9.7	7.6	
Cost to income ratio	46.5	43.7	
Loan-to-deposit ratio ²	82.6	99.3	
Non-performing loans ratio ²	0.8	1.0	
Return on Equity ²	7.9	9.9	
Return on Assets ²	1.0	1.4	
Capital Adequacy Ratio ²	14.3	15.9	
Per Ordinary Share			
Annualised basic/diluted earnings per share (cents) ³	13.89	16.65	
Net asset value per share (\$) ^{2&3}	1.76	1.68	

(1) Summary Statement of Profit or Loss and Other Comprehensive Income

(2) The ratios are computed based on the balance sheet items at 30 June 2023 and 2022

(3) Earnings and net asset value per share is computed based on the number of ordinary shares outstanding as at the the period end adjusted for events that have changed the number of ordinary shares outstanding without a corresponding change in resources. Refer to Note 9 of the Condensed Interim Consolidated Financial Statements.

1. Performance Review (continued)

1H 2023 vs 1H 2022

The Group reported net profit for the first half (“1H”) 2023 of \$16.4m, representing a 16.6% decline due mainly to lower write-back of bad debts and specific allowance, compared with a significant non-performing loan recovery in 1H 2022. Net interest income fell 1% to \$27.9m, with the reduction from lower net interest margin (“NIM”) slightly outpacing contribution from higher loan volume. Non-interest income rose 28.9% to \$3m, led by higher rental income. Total income rose 1.3% to \$30.9m.

Operating costs grew 7.7% to \$14.3m primarily due to higher staff costs. Total write-back of bad debts and credit loss allowance was \$3.3m, \$3.2m lower than a year ago.

Other comprehensive income registered a minor deficit of \$0.5m, compared to a significant loss of \$15.2m in 1H 2022, as the bond portfolio, comprising Singapore Government Securities (“SGS”) held for regulatory liquidity purposes, incurred smaller losses.

1H 2023 vs 2H 2022

Compared to the preceding six-month period, net profit after tax eased 6.3%. Net interest income was 14.7% lower with NIM narrowing by 56 basis points. Lower NIM was caused by higher cost of funds and higher liquidity surplus kept as a prudent measure. Non-interest income rose 24.2% with increases across the board, led by rental income. Total income eased 12%.

With effective cost control, operating expenses fell 2.3% despite rising business costs. Savings from lower business expenditures was partially offset by higher staff cost. With the decline in income exceeding cost savings, cost-income ratio increased to 46.5%.

Asset quality was resilient as non-performing loan ratio improved by 0.3 percentage points to 0.8%. Total write-back of bad debts and specific allowance was \$3.3m higher than the preceding six-month. The Group continued to maintain adequate credit loss allowances in respect of its credit exposures.

After reaching the high water mark on 31 December 2022, customer loans declined by 1.7% to \$2.37b. However, business momentum remained strong. With customer deposits growing 10.1% to \$2.86b, the Company’s liquidity position improved significantly, with loan-to-deposit ratio declining from 92.5% to 82.6%. The surplus funds were placed into interest yielding short-term assets.

The Group remained well capitalised. The Capital Adequacy Ratio (“CAR”) was at a healthy position of 14.3%, 2.3 percentage points above the minimum regulatory requirement. The CAR declined from 15.6% as at 31 December 2022 due to the dividend pay-out for the financial year 2022 in May 2023.

2. Audit or Review

The condensed consolidated statement of financial position of Sing Investments & Finance Ltd and its subsidiary (the “Group”) as at 30 June 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed statements of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and the explanatory notes have not been audited or reviewed.

3. Significant Trends and Competitive Conditions in the Industry

Following a relatively strong 2022, Singapore economy grew at a slower pace so far in 2023, with both quarters in the first half expanding less than 1% year-on-year, according to the preliminary estimates of the Ministry of Trade and Industry on 14 July 2023. On a quarter-on-quarter basis, the economy eased 0.4% in the first quarter but grew by 0.3% in the second quarter, avoiding technical recession. Full year economic growth in 2023 is expected to be lower than in 2022.

Against the backdrop of slowing growth, there are emerging signs of easing inflation. Singapore’s headline inflation moderated from the decade-high of 7.5% recorded in last September and August, to 4.5% year-on-year in June 2023. After expanding for 6 consecutive quarters, Singapore’s employment exceeded its pre-pandemic level by 3.8% as at 31 March 2023 and the labour market remained tight. Interest rates are expected to stay elevated to tame inflation.

The uncertainties and slowing demand in the global economy have dampened Singapore’s economic outlook for 2023. Business confidence and consumer sentiment are likely to be impacted by looming uncertainties. Loans and advances of Singapore banking sector fell 1.8% in the first 5 months of 2023 and credit demand will likely soften as the economy slows down. Weak global demand, persistent high inflation and interest rates will continue to weigh on the economy and on demand for credit.

The Group will continue to monitor global developments closely and has set aside higher liquidity surplus as a prudent measure. We will stay vigilant in managing our business and risks amid rising uncertainties in 2023. Our long-term aim remains to achieve sustainable growth despite near-term challenges.

4. Dividends

No dividend has been recommended for the six-month ended 30 June 2023 (1st Half 2022: Nil).

5. Other Information Required by SGX Listing Rule Appendix 7.2**a) Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

No forecast or prospect statement has been previously issued to shareholders.



5. Other Information Required by SGX Listing Rule Appendix 7.2 (continued)

b) Changes in the Company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for other purpose since the end of the previous period reported on

Further to the announcements made in February, March and May 2023, the Company has allotted and issued 78,812,858 bonus shares to its shareholders on 19 May 2023. The bonus shares have been listed and quoted on the Official List of the Singapore Exchange Securities Trading Limited from 23 May 2023. Following the allotment and issue of the bonus shares, the total number of issued shares of the Company has increased from 157,625,764 shares to 236,438,622 shares.

There has been no other change in the Company's share capital arising from the above issues.

As at the end of the financial period, there were no outstanding convertibles (31 December 2022: Nil).

c) Sales, transfers, cancellation and /or use of treasury shares as at the end of the financial period

During the financial period, there have been no sales, transfers, cancellation and/or use of treasury shares.

d) Shareholders' mandate for interested party transactions ("IPT")

The Group has not sought any shareholders' mandate for IPTs pursuant to Rule 920 of the SGX-ST Listing Manual nor does it have any IPTs (30 June 2022: Nil).

e) SGX-ST Listing Manual Rule 720(1) – Procurement of undertakings to comply with listing rules from all directors and executive officers

Pursuant to Rule 720(1) of the SGX-ST Listing Manual, the Company has procured undertakings to comply with the Exchange's listing rules from all its directors and executive officers.

f) Other Information

(i) Amount of any adjustment for under provision of tax in respect of prior years – Nil (1st Half 2022: Nil)

(ii) Amount of profits on any sale of investments:

There has been no sale of investments during the financial period (1st Half 2022: Nil).



g) Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13)

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties and the year the position was first held	Details of changes in duties and position held, if any, during the year
Lee Sze Leong	64	Director/shareholder of F H Lee Holdings Pte Ltd, substantial shareholder. Brother of: <ul style="list-style-type: none">• Lee Sze Siong (Deputy Managing Director & substantial shareholder)• Lee Sze Hao (substantial shareholder)	Managing Director/CEO. Year Appointed: 1997 Oversees the operations of the Company.	Nil.
Lee Sze Siong	61	Director/shareholder of F H Lee Holdings Pte Ltd, substantial shareholder. Brother of: <ul style="list-style-type: none">• Lee Sze Leong (Managing Director/substantial shareholder)• Lee Sze Hao (substantial shareholder)	Deputy Managing Director Year Appointed: 2010 Assists the Managing Director/CEO in overseeing the operations of the Company.	Nil

By order of the Board of Directors

Lee Sze Leong
Managing Director
27 July 2023



Directors' Confirmation

The Directors confirm to the best of their knowledge that nothing has come to the attention of the Board of Directors which may render the condensed interim financial statements for the six-month ended 30 June 2023 to be false or misleading in any material aspects.

On behalf of the Board of Directors

Lee Sze Leong
Managing Director
27 July 2023

Condensed Interim Statements of Financial Position

	Note	Group		Company	
		30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Cash and deposits with banks and Monetary Authority of Singapore ("MAS")	10	421,595	243,061	421,532	242,984
Statutory deposits with the MAS	10	74,888	69,587	74,888	69,587
Singapore Government Securities and MAS bills	11	424,461	335,017	424,461	335,017
Investment in equity securities	11	5,530	6,015	5,309	5,783
Loans and advances	15	2,365,582	2,405,641	2,365,582	2,405,641
Other receivables, deposits and prepayments		8,159	5,227	8,159	5,227
Subsidiary		-	-	25	25
Property, plant and equipment	16	22,130	22,722	22,130	22,722
Investment properties	17	21,242	21,431	21,242	21,431
Deferred tax assets		1,359	1,255	1,387	1,284
Total assets		3,344,946	3,109,956	3,344,715	3,109,701
LIABILITIES AND EQUITY					
Deposits and balances of customers		2,864,214	2,601,466	2,864,995	2,602,243
Other liabilities		53,570	29,501	53,084	28,999
Borrowings from MAS	18	3,299	55,484	3,299	55,484
Borrowings from Enterprise Singapore (unsecured)	19	1,827	1,576	1,827	1,576
Provision for employee benefits		169	170	169	170
Current tax payable		6,898	6,940	6,898	6,940
Total liabilities		2,929,977	2,695,137	2,930,272	2,695,412
Equity attributable to equity holders of the Company					
Share capital	20	180,008	180,008	180,008	180,008
Reserves	21	234,961	234,811	234,435	234,281
Total equity		414,969	414,819	414,443	414,289
Total liabilities and equity		3,344,946	3,109,956	3,344,715	3,109,701
OFF-BALANCE SHEET ITEMS					
Undrawn loan commitments		873,236	770,180	873,236	770,180
Guarantees issued	23	8,740	8,740	8,740	8,740
Total off-balance sheet items		881,976	778,920	881,976	778,920



Condensed Interim Consolidated Statement of Profit or Loss

	Note	1st Half 2023 \$'000	1st Half 2022 \$'000	+/- %
Revenue			(Restated)	
Interest income and hiring charges	7	71,051	34,402	106.5
Interest expense	7	(43,180)	(6,246)	591.3
Net interest income and hiring charges		27,871	28,156	(1.0)
Fees and commissions		956	802	19.2
Dividends	7	159	119	33.6
Rental income from investment properties		1,660	1,243	33.5
Other income	7	218	158	38.0
Income before operating expenses		30,864	30,478	1.3
Staff costs	7	(10,167)	(8,784)	15.7
Depreciation of property, plant and equipment		(977)	(1,009)	(3.2)
Depreciation of investment properties	17	(189)	(189)	0.0
Depreciation of right-of-use assets		(16)	(14)	14.3
Other operating expenses	7	(2,991)	(3,314)	(9.7)
Total operating expenses		(14,340)	(13,310)	7.7
Profit from operations before allowances		16,524	17,168	(3.8)
Bad debts recovered / Allowances for credit losses on loans and other assets	7	3,305	6,483	(49.0)
Profit before income tax		19,829	23,651	(16.2)
Income tax expense	8	(3,408)	(3,967)	(14.1)
Profit for the period attributable to equity holders of the Company		16,421	19,684	(16.6)
		1st Half 2023	1st Half 2022	
Annualised earnings per share (cents)			(Restated)	
- Basic / Diluted	9	13.89	16.65	



Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

	1st Half 2023	1st Half 2022	+ / (-)
	\$'000	\$'000	%
Profit for the period	16,421	19,684	(16.6)
<u>Other comprehensive income</u>			
Items that will not be reclassified subsequently to profit or loss			
Net change in fair value of equity investments at FVOCI	(484)	25	NM
Income tax relating to items that will not be reclassified subsequently to profit or loss	82	(4)	NM
	(402)	21	NM
Items that may be reclassified subsequently to profit or loss			
Net change in fair value of debt investments at FVOCI	(129)	(18,346)	(99.3)
Income tax relating to items that may be reclassified subsequently to profit or loss	22	3,119	(99.3)
	(107)	(15,227)	(99.3)
Other comprehensive income for the period - net of tax	(509)	(15,207)	(96.7)
Total comprehensive income for the period	15,912	4,477	255.4

FVOCI: Fair Value through Other Comprehensive Income

NM: Not meaningful



Condensed Interim Statements of Changes in Equity

Group	Share capital	Statutory reserve	Regulatory Loss Allowance Reserve	Fair value reserve	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2023						
Balance at 1 January 2023	180,008	138,023	14,710	(9,372)	91,450	414,819
<i>Total comprehensive income for the period:</i>						
Profit for the period	-	-	-	-	16,421	16,421
Other comprehensive income for the period - net	-	-	-	(509)	-	(509)
Total	-	-	-	(509)	16,421	15,912
Transfer to Regulatory Loss Allowance Reserve	-	-	17	-	(17)	-
<i>Transactions with owners, recognised directly in equity:</i>						
Final one-tier tax exempt dividend paid for financial year 2022 of 10 cents per share	-	-	-	-	(15,762)	(15,762)
Balance at 30 June 2023	180,008	138,023	14,727	(9,881)	92,092	414,969
2022						
Balance at 1 January 2022	180,008	128,723	11,716	6,167	79,151	405,765
<i>Total comprehensive income for the period:</i>						
Profit for the period	-	-	-	-	19,684	19,684
Other comprehensive income for the period - net	-	-	-	(15,207)	-	(15,207)
Total	-	-	-	(15,207)	19,684	4,477
Transfer to Regulatory Loss Allowance Reserve	-	-	890	-	(890)	-
<i>Transactions with owners, recognised directly in equity:</i>						
Final one-tier tax exempt dividend paid for financial year 2021 of 8 cents per share	-	-	-	-	(12,610)	(12,610)
Balance at 30 June 2022	180,008	128,723	12,606	(9,040)	85,335	397,632



Condensed Interim Statements of Changes in Equity

	Share capital	Statutory reserve	Regulatory Loss Allowance Reserve	Fair value reserve	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Company						
2023						
Balance at 1 January 2023	180,008	138,023	14,710	(9,515)	91,063	414,289
<i>Total comprehensive income for the period:</i>						
Profit for the period	-	-	-	-	16,416	16,416
Other comprehensive income for the period - net	-	-	-	(500)	-	(500)
<i>Total</i>	-	-	-	(500)	16,416	15,916
Transfer to Regulatory Loss Allowance Reserve	-	-	17	-	(17)	-
<i>Transactions with owners, recognised directly in equity:</i>						
Final one-tier tax exempt dividend paid for financial year 2022 of 10 cents per share	-	-	-	-	(15,762)	(15,762)
Balance at 30 June 2023	180,008	138,023	14,727	(10,015)	91,700	414,443
2022						
Balance at 1 January 2022	180,008	128,723	11,716	5,996	78,766	405,209
<i>Total comprehensive income for the period:</i>						
Profit for the period	-	-	-	-	19,685	19,685
Other comprehensive income for the period - net	-	-	-	(15,202)	-	(15,202)
<i>Total</i>	-	-	-	(15,202)	19,685	4,483
Transfer to Regulatory Loss Allowance Reserve	-	-	890	-	(890)	-
<i>Transactions with owners, recognised directly in equity:</i>						
Final one-tier tax exempt dividend paid for financial year 2021 of 8 cents per share	-	-	-	-	(12,610)	(12,610)
Balance at 30 June 2022	180,008	128,723	12,606	(9,206)	84,951	397,082

Condensed Interim Consolidated Statement of Cash Flows

	Note	Group	
		1st Half	1st Half
		2023	2022
		\$'000	\$'000
Operating activities			
Profit before income tax		19,829	23,651
Adjustments for:			
Impact of accrual of interest income		(6,133)	686
Impact of accrual of interest expense		30,524	975
Interest expense on lease liabilities		4	1
Depreciation of property, plant and equipment		977	1,009
Depreciation of investment properties	17	189	189
Depreciation of right-of-use assets		16	14
Write-back of allowances for credit losses on loans and other assets	7	(3,157)	(1,170)
Gain from disposal of property, plant and equipment	16	(173)	-
Dividends		(159)	(119)
Operating cash flows before movements in working capital		41,917	25,236
Changes in working capital			
Deposits and balances of customers		262,748	(107,423)
Other liabilities		(6,441)	(2,045)
Borrowings from MAS		(52,185)	(28,228)
Borrowings from Enterprise Singapore		251	214
Statutory deposits with the MAS		(5,302)	345
Singapore Government Securities and MAS bills		(86,061)	44,782
Loans and advances		43,217	(29,567)
Other assets		(326)	360
Provision for employee benefits		(1)	-
Cash generated from / (used in) operating activities		197,817	(96,326)
Income taxes paid		(3,450)	(3,048)
Net cash generated from / (used in) operating activities		194,367	(99,374)
Investing activities			
Purchase of property, plant and equipment	16	(385)	(848)
Proceeds from disposal of property, plant and equipment	16	173	-
Dividends received		159	119
Net cash used in investing activities		(53)	(729)
Financing activities			
Cash payments of lease liabilities		(18)	(14)
Dividend paid		(15,762)	(12,610)
Net cash used in financing activities		(15,780)	(12,624)
Net increase / (decrease) in cash and cash equivalents		178,534	(112,727)
Cash and cash equivalents at beginning of the period		243,061	298,623
Cash and cash equivalents at end of the period		421,595	185,896

Notes to the Condensed Interim Consolidated Financial Statements

1. Corporate information

Sing Investments & Finance Limited, (the 'Company') is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six-month ended 30 June 2023 comprise the Company and its subsidiary (collectively, the 'Group'). The principal activities of the Company are those of a licensed finance company. The principal activities of the subsidiary are those of a nominee service company.

2. Basis of preparation

The condensed interim financial statements for the six-month ended 30 June 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's and Company's financial positions and performance of the Group since the last annual financial statements for the year ended 31 December 2022.

The financial statements have been prepared on a going concern basis under the historical cost convention except for financial assets classified as fair value through other comprehensive income.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

The condensed interim consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the six-month ended 30 June 2023 were authorised for issue by the Board of Directors on 27 July 2023.

3. Accounting policies & adoption of new and revised standards

The accounting policies applied by the Group for this interim financial statements are the same as those applied in the previous financial year, which were prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"), except for the adoption of the new and revised "SFRS(I)s that are effective for the annual period beginning on 1 January 2023.

The adoption of these new/revised SFRS(I) pronouncements does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior period.

4. Critical accounting judgements and estimates

In preparing the condensed interim financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

Notes to the Condensed Interim Consolidated Financial Statements

4. Critical accounting judgements and estimates (continued)

Management is of the opinion that the application of judgement is not expected to have a significant effect on the amounts recognised in the financial statements, except as follows:

Significant increase of credit risk in the estimates of Expected Credit Loss (“ECL”)

ECL is measured as an allowance equal to 12-month ECL for Stage 1 assets, or lifetime ECL for Stage 2 and Stage 3 assets. An asset moves to Stage 2 when its credit risk has increased significantly since initial recognition. SFRS(I) 9 does not define what constitutes a significant increase in credit risk.

In assessing whether the credit risk of an asset has significantly increased, the Group takes into account reasonable and supportable qualitative and quantitative forward looking information. In line with regulatory guidelines, customer’s utilisation of relief measures due to economic impact does not automatically result in significant increase in credit risk and a transfer to Stage 2. The assessment of customer’s risk of default continues to be performed holistically, taking into account the customer’s ability to make payments based on the rescheduled payments and their creditworthiness in the long term.

Models and assumptions used

The Group uses credit rating models and assumptions in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in the model, including post model adjustments and assumptions that relate to key drivers of credit risk.

Management is of the opinion that the key sources of estimation uncertainty is the calculation of loss allowances as discussed below:

Calculation of loss allowance

The following are key estimations that the management has used in the process of applying the Group’s accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

- Establishing the number and relative weightings of forward-looking scenarios for each type of product/customer segment and determining the forward-looking information relevant to each scenario: When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.
- Probability of default (“PD”): PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.
- Loss Given Default (“LGD”): LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

5. Seasonal operations

The Group’s businesses are not affected significantly by seasonal or cyclical factors during the financial period.

6. Segmented revenue and results for business or geographical segments

Segment reporting is not required as the Group operates only in one segment. Its activities relate to financing business and related nominee services. All activities are carried out in the Republic of Singapore.

Notes to the Condensed Interim Consolidated Financial Statements
7. Profit before income tax

The following items have been included in arriving at profit for the period:

	Group	
	1st Half 2023	1st Half 2022
	\$'000	\$'000
Interest income and hiring charges		(Restated)
Loans and advances and others measured at amortised cost	56,580	30,732
Cash and bank deposits at amortised cost	7,359	735
Singapore Government Securities and MAS bills measured at FVOCI	7,112	2,935
	<u>71,051</u>	<u>34,402</u>
Interest expense		
Deposits and others	<u>43,180</u>	<u>6,246</u>
Dividends		
Equity investments	<u>159</u>	<u>119</u>
Other income		
Government grant	41	134
Net gain on property, plant and equipment disposed	173	-
Others	4	24
	<u>218</u>	<u>158</u>
Staff costs		
Salaries and other benefits	9,214	7,930
Contributions to defined contribution plan	953	854
	<u>10,167</u>	<u>8,784</u>
Other operating expenses		
Audit fees	142	77
Non-audit fees	21	15
Operating expenses on investment properties	346	321
Maintenance, utilities and property tax	743	962
Legal and professional fees	149	173
Commission expense	558	648
Others	1,032	1,118
	<u>2,991</u>	<u>3,314</u>

Notes to the Condensed Interim Consolidated Financial Statements
7. Profit before income tax (continued)

	Group	
	1st Half 2023	1st Half 2022
	\$'000	\$'000 (Restated)
Total net loss allowance write back to P&L		
<u>Impaired asset (Stage 3)</u>		
Bad debts recovered	148	5,313
Loans and advances	3,157	1,170
Total net write back to P&L	3,305	6,483

8. Income tax expense

	Group	
	1st Half 2023	1st Half 2022
	\$'000	\$'000
Current tax expense		
Current period	3,408	3,967
Total income tax expense	3,408	3,967

9. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	Group	
	1st Half 2023	1st Half 2022
	\$'000	\$'000 (Restated)
Basic and diluted earnings per share are based on:		
Net profit attributable to ordinary shareholders	16,421	19,684
Number of ordinary shares:		
Weighted average number of ordinary shares	236,439	236,439
Annualised earnings per share (cents)	13.89	16.65

The weighted average numbers of ordinary shares outstanding during the period and for all periods presented are adjusted for events that have changed the number of ordinary shares outstanding without a corresponding change in resources. The number of ordinary shares outstanding before the event is adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest financial period presented. Because the bonus issue was allotted without consideration in May 2023, it is treated as if it has occurred at the beginning of 2022, the earliest period presented.

There were no potential dilutive ordinary shares for the period ended 30 June 2023 and 2022.



Notes to the Condensed Interim Consolidated Financial Statements

10. Categories of financial instruments

The following tables set out the financial instruments as at the end of the reporting period:

	Group		Company	
	30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
	\$'000	\$'000	\$'000	\$'000
Financial assets				
<u>At amortised cost:</u>				
Cash and deposits with banks and Monetary Authority of Singapore ("MAS")	421,595	243,061	421,532	242,984
Statutory deposits with the MAS	74,888	69,587	74,888	69,587
Loans and advances	2,365,582	2,405,641	2,365,582	2,405,641
Other receivables, deposits and prepayments	6,164	3,543	6,164	3,543
<u>At FVOCI:</u>				
Singapore Government Securities and MAS bills	424,461	335,017	424,461	335,017
Investment in equity securities	5,530	6,015	5,309	5,783
Financial liabilities				
<u>At amortised cost:</u>				
Deposits and balances of customers	2,864,214	2,601,466	2,864,995	2,602,243
Other liabilities	53,570	29,501	53,084	28,999
Borrowings from MAS	3,299	55,484	3,299	55,484
Borrowings from Enterprise Singapore	1,827	1,576	1,827	1,576

11. Financial assets at fair value through other comprehensive income

	Group		Company	
	30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
	\$'000	\$'000	\$'000	\$'000
Financial assets at FVOCI				
<u>At FVOCI:</u>				
Singapore Government Securities and MAS bills	424,461	335,017	424,461	335,017
Investment in equity securities	5,530	6,015	5,309	5,783

During the six-month ended 30 June 2023, no disposal of the investment in equity securities of the Group was made (1st Half 2022: Nil).

Notes to the Condensed Interim Consolidated Financial Statements
12. Fair value measurement

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (**Level 1**);
- b) Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (**Level 2**); and
- c) Inputs for the assets or liability which are not based on observable market data (unobservable inputs) (**Level 3**).

The table below provides an analysis of categorisation of fair value measurements into the different levels of the fair value hierarchy:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000
<u>Group</u>				
30 June 2023				
Financial instruments measured at FVOCI				
<u>Financial Assets</u>				
Quoted equity securities	5,530	-	-	5,530
Singapore Government Securities and MAS bills	424,461	-	-	424,461
31 December 2022				
Financial instruments measured at FVOCI				
<u>Financial Assets</u>				
Quoted equity securities	6,015	-	-	6,015
Singapore Government Securities and MAS bills	335,017	-	-	335,017
<u>Company</u>				
30 June 2023				
Financial instruments measured at FVOCI				
<u>Financial Assets</u>				
Quoted equity securities	5,309	-	-	5,309
Singapore Government Securities and MAS bills	424,461	-	-	424,461
31 December 2022				
Financial instruments measured at FVOCI				
<u>Financial Assets</u>				
Quoted equity securities	5,783	-	-	5,783
Singapore Government Securities and MAS bills	335,017	-	-	335,017

Notes to the Condensed Interim Consolidated Financial Statements
13. Credit risk

There has been no change to the Group's exposure to the type of financial risks as well as the risk management policies and processes as described in the last annual financial statements for the year ended 31 December 2022. Credit risk remains the key financial risk for the Group and the disclosures below provide the status as at 30 June 2023.

The tables below analyse the significant changes in gross carrying amount of each class of financial assets during the period by credit quality.

	Stage 1	Stage 2	Stage 3	Total
	\$'000	\$'000	\$'000	\$'000
Cash and deposits with banks and MAS at amortised cost				
<u>Group</u>				
30 June 2023				
Strong	421,755	-	-	421,755
Satisfactory	-	-	-	-
Higher Risk	-	-	-	-
Impaired	-	-	-	-
Total gross carrying amount	421,755	-	-	421,755
Loss allowance	(160)	-	-	(160)
Carrying amount	421,595	-	-	421,595
31 December 2022				
Strong	243,221	-	-	243,221
Satisfactory	-	-	-	-
Higher Risk	-	-	-	-
Impaired	-	-	-	-
Total gross carrying amount	243,221	-	-	243,221
Loss allowance	(160)	-	-	(160)
Carrying amount	243,061	-	-	243,061
<u>Company</u>				
30 June 2023				
Strong	421,692	-	-	421,692
Satisfactory	-	-	-	-
Higher Risk	-	-	-	-
Impaired	-	-	-	-
Total gross carrying amount	421,692	-	-	421,692
Loss allowance	(160)	-	-	(160)
Carrying amount	421,532	-	-	421,532



Notes to the Condensed Interim Consolidated Financial Statements

13. Credit risk (continued)

	Stage 1	Stage 2	Stage 3	Total
	\$'000	\$'000	\$'000	\$'000
Cash and deposits with banks and MAS at amortised cost				
<u>Company</u>				
31 December 2022				
Strong	243,144	-	-	243,144
Satisfactory	-	-	-	-
Higher Risk	-	-	-	-
Impaired	-	-	-	-
Total gross carrying amount	243,144	-	-	243,144
Loss allowance	(160)	-	-	(160)
Carrying amount	242,984	-	-	242,984
Singapore Government Securities ('SGS') & MAS bills				
<u>Group & Company</u>				
30 June 2023				
Strong	424,461	-	-	424,461
Satisfactory	-	-	-	-
Higher Risk	-	-	-	-
Impaired	-	-	-	-
Total gross carrying amount	424,461	-	-	424,461
Loss allowance	-	-	-	-
Carrying amount	424,461	-	-	424,461
31 December 2022				
Strong	335,017	-	-	335,017
Satisfactory	-	-	-	-
Higher Risk	-	-	-	-
Impaired	-	-	-	-
Total gross carrying amount	335,017	-	-	335,017
Loss allowance	-	-	-	-
Carrying amount	335,017	-	-	335,017

No loss allowance is provided for the SGS and MAS bills as they are 'AAA' rated with no history of default.



Notes to the Condensed Interim Consolidated Financial Statements

13. Credit risk (continued)

	Stage 1	Stage 2	Stage 3	Total
	\$'000	\$'000	\$'000	\$'000
Loans and advances at amortised cost				
<u>Group & Company</u>				
30 June 2023				
Strong	151,386	11,405	-	162,791
Satisfactory	1,760,513	363,209	-	2,123,722
Higher Risk	17,437	50,154	-	67,591
Impaired	-	-	19,766	19,766
Total gross carrying amount	1,929,336	424,768	19,766	2,373,870
Loss allowance	(1,856)	(1,723)	(4,709)	(8,288)
Carrying amount	1,927,480	423,045	15,057	2,365,582
31 December 2022				
Strong	173,224	12,427	-	185,651
Satisfactory	1,690,879	415,832	-	2,106,711
Higher Risk	31,896	66,844	-	98,740
Impaired	-	-	25,984	25,984
Total gross carrying amount	1,895,999	495,103	25,984	2,417,086
Loss allowance	(1,972)	(1,607)	(7,866)	(11,445)
Carrying amount	1,894,027	493,496	18,118	2,405,641

14. Capital Adequacy Ratio (CAR)

The Group's capital position was as follows:

	Group	
	30 Jun 2023	31 Dec 2022
	\$'000	\$'000
Core capital		
Share capital	180,008	180,008
Disclosed reserves	213,465	229,374
	393,473	409,382
Risk weighted assets	2,754,372	2,626,395
Capital adequacy ratio:		
Core capital/risk weighted assets (%)	14.3	15.6

Notes to the Condensed Interim Consolidated Financial Statements

15. Loans and advances

	Group and Company	
	30 Jun	31 Dec
	2023	2022
	\$'000	\$'000
Housing, factoring receivables and other loans	1,777,218	1,837,010
Hire purchase receivables	652,891	629,415
Unearned interests and charges	(56,239)	(49,339)
Allowances for impairment on loans and advances	(8,288)	(11,445)
	<u>2,365,582</u>	<u>2,405,641</u>
Due within 12 months	686,596	708,591
Due after 12 months	1,678,986	1,697,050
	<u>2,365,582</u>	<u>2,405,641</u>

Movements in allowances for impairment on loans and advances are as follows:

	Group and Company	
	2023	2022
	\$'000	\$'000
Stage 3 loss allowance		
At 1 January	7,866	8,736
Write back of impairment losses during the period	(3,157)	(1,170)
Receivables written off against allowances	-	(53)
At 30 June	<u>4,709</u>	<u>7,513</u>
Stage 1 and 2 loss allowance		
At 1 January	3,579	3,166
Allowance for impairment losses during the period	-	-
At 30 June	<u>3,579</u>	<u>3,166</u>
Total allowances for impairment on loans and advances		
At 1 January	<u>11,445</u>	<u>11,902</u>
At 30 June	<u>8,288</u>	<u>10,678</u>

16. Property, plant and equipment

During the six-month ended 30 June 2023, the Group and the Company acquired assets amounting to \$385,132 (1st Half 2022: \$848,343) and disposed of assets with nil net asset value at \$173,000 gain (1st Half 2022: Nil).

Notes to the Condensed Interim Consolidated Financial Statements
17. Investment properties

	Group and Company	
	2023	2022
	\$'000	\$'000
At cost:		
At 1 January	28,794	28,794
Accumulated depreciation:		
At 1 January	7,363	6,985
Depreciation charge for the period	189	189
At 30 June	7,552	7,174
Carrying amount:		
At 30 June	21,242	21,620

The investment properties relate to the office spaces at the head office and part of the premises at the Bedok Branch which are leased to a related party and third parties for rental. Each of the leases contains an initial non-cancellable period of 2 to 3 years. Subsequent renewals are negotiated with the lessees.

Fair value measurement of the Group's leasehold land and buildings

The Group's land and buildings are stated at cost less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at every year end, based on the property's highest and best use.

18. Borrowings from MAS

	Group and Company	
	30 Jun	31 Dec
	2023	2022
	\$'000	\$'000
Due within 12 months	3,299	55,484

Borrowings from MAS represent amounts advanced by MAS to the Group in order to partially finance the Enterprise Singapore ("ESG") loan schemes for Small and Medium Enterprises ("SMEs"), which are administered by Enterprise Singapore. The ESG Loan Schemes comprise the Enhanced Enterprise Financing Scheme - SME Working Capital Loan ("EFS-WCL") and the Temporary Bridging Loan Programme ("TBLP").

The borrowings are secured by assignment of eligible loan agreements as collaterals under the ESG loan schemes.

Notes to the Condensed Interim Consolidated Financial Statements
19. Borrowings from Enterprise Singapore

	Group and Company	
	30 Jun 2023	31 Dec 2022
	\$'000	\$'000
Due within 12 months	140	313
Due after 12 months	1,687	1,263
	<u>1,827</u>	<u>1,576</u>

Enterprise Singapore loans represent amounts advanced by Enterprise Singapore under the Local Enterprise Finance Scheme (“LEFS”) and Extended Local Enterprise Finance Scheme (“ELEFS”) to finance LEFS and ELEFS borrowers. The interest rates and repayment periods vary in accordance with the type, purpose and security of the facilities granted under the above schemes.

20. Share capital

	Company			
	2023	2022	2023	2022
	No. of shares (‘000)	(‘000)	\$'000	\$'000
Issued and fully paid:				
At 1 January	157,626	157,626	180,008	180,008
Bonus issue during the period	78,813	-	-	-
At 30 June	<u>236,439</u>	<u>157,626</u>	<u>180,008</u>	<u>180,008</u>

The Company has allotted and issued 78,812,858 bonus shares to its shareholders at nil consideration and without capitalisation of the Company’s reserves on 19 May 2023. Following the allotment and issue of the bonus shares, the total number of issued shares of the Company has increased from 157,625,764 shares to 236,438,622 shares. There has been no other change in the Company’s share capital.

The holders of ordinary shares are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company’s residual assets.

21. Reserves

	Group		Company	
	30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
	\$'000	\$'000	\$'000	\$'000
Statutory reserve	138,023	138,023	138,023	138,023
Fair value reserve	(9,881)	(9,372)	(10,015)	(9,515)
Accumulated profits	92,092	91,450	91,700	91,063
Regulatory Loss Allowance Reserve	14,727	14,710	14,727	14,710
	<u>234,961</u>	<u>234,811</u>	<u>234,435</u>	<u>234,281</u>

The statutory reserve is maintained in compliance with the provision of Section 18 of the Finance Companies Act, Chapter 108.

The fair value reserve comprises the cumulative net change in the fair value of FVOCI investments until such investments are disposed.

The Regulatory Loss Allowance Reserve is maintained in compliance with the MAS Notice to Finance Companies No. 811 “Credit Files, Grading and Provisioning” issued by the Monetary Authority of Singapore.



Notes to the Condensed Interim Consolidated Financial Statements

22. Related company and related party transactions

There were no changes in the related party transactions described in the Annual Report 2022 that have had a material effect on the financial position or performance of the Group in the period ended 30 June 2023. All related party transactions that have taken place in the period were similar in nature to those disclosed in the Annual Report 2022.

The transactions with directors of the Company and other related parties are as follows:

	Group and Company	
	30 Jun	31 Dec
	2023	2022
	\$'000	\$'000
(a) Deposits	91,960	83,465
	1st Half	1st Half
	2023	2022
(b) Profit or loss transactions		
- Interest expenses on deposits	1,850	22
- Professional fee	2	4
- Rental income	123	116

23. Contingent liabilities

Commitments entered into by the Group and the Company on behalf of customers for which customers have corresponding obligations to the Group and the Company and for the Group and the Company's operational requirements are as follows:

	Group and Company	
	30 Jun	31 Dec
	2023	2022
	\$'000	\$'000
Guarantees issued and financing of goods imported	8,740	8,740

24. Net asset value

	Group		Company	
	30 Jun	31 Dec	30 Jun	31 Dec
	2023	2022	2023	2022
	\$	\$	\$	\$
Net asset value per ordinary share	1.76	1.75	1.76	1.75

The denominator of the net asset value per ordinary share is the number of ordinary shares outstanding as at the period end adjusted for events that have changed the number of ordinary shares outstanding without a corresponding change in resources. Because the bonus issue was allotted without consideration in May 2023, it is treated as if it has occurred at the beginning of 2022, the earliest period presented.



Notes to the Condensed Interim Consolidated Financial Statements

25. Dividends

No dividend has been recommended for the six-month ended 30 June 2023 (1st Half 2022: Nil).

26. Reclassifications and comparatives

To enhance comparability with the current year's financial statements, a reclassification has been made to the comparative financial statements to recognise the recovery of interest in suspense as bad debts recovered instead of interest income and hiring charges in accordance with Singapore Financial Reporting Standards (International) 9: *Financial Instruments*.

As a result, certain line items have been amended in the statement of profit or loss and the related notes to the financial statements. Comparative figures have been adjusted to conform to the current period's presentation.

The material items reclassified were as follows:

	Group and Company	
	Previously reported 1st Half 2022 \$'000	After reclassification 1st Half 2022 \$'000
Interest income and hiring charges	39,715	34,402
Bad debts recovered / write-back of allowance for credit losses	1,170	6,483

27. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.