



SING INVESTMENTS & FINANCE

REBRANDED FOR A BRIGHTER FUTURE TOGETHER



2023 | ANNUAL
REPORT



SingFinance
SING INVESTMENTS & FINANCE LIMITED





Meet A Refreshed Sing Investments & Finance Limited

Over the past 60 years, Sing Investments & Finance has served the interests of both companies and individuals with distinction and pride. Whether it is partnering with the business community to meet their aspirations or providing a safe haven for individuals to protect and grow their funds, Sing Investments & Finance has always sought to be a trusted partner to our clients.

To mark our 60th anniversary, we have refreshed our brand and our logo, while remaining steadfast to the values that have marked our journey.

Logo Rationale

Our new brand name is **SingFinance**, and our refreshed logo will feature a gemstone, symbolising trust and simplicity, made up of four hexagons that come together to form a robust octagon of strength and unity.

Committed to stellar service for our customers, Sing Investments & Finance will continue to uphold our three core values – **Sincerity, Integrity, and Flexibility** – each one represented by one of the three **Blue Hexagons** of the new logo.

The **Gold Hexagon**, in gold, is symbolic of the bright and prosperous future Sing Investments & Finance aims to create for our customers. The four hexagons also form a star in their centre, reminiscent of our original star symbol.

Company's Name Remains the Same

But even as we are changing the way we look, we are still **Sing Investments & Finance Limited**, a name that resonates with integrity, trust, and reliability over the years.

We began our journey in 1964 as a finance company that provided a tailored, thoughtful, and trustworthy experience to small and medium enterprises. Listed on the Singapore Exchange in 1983, we have since expanded our services to retail consumers by providing secured loans and deposit services.

We have grown our footprint across the island by setting up four branches in strategic locations to ensure that we are always within reach of our customers.

Sincerity, integrity, and flexibility are also a crucial part of our DNA and we have always subscribed to the importance of strong corporate governance. To this end, our work in creating strong structures has been validated by multiple wins at the Singapore Corporate Awards and Securities Investors Association Singapore Investors' Choice Awards.

But while we have been steadfast in keeping to our values, Sing Investments & Finance has always stayed flexible and nimble to continually adapt to the changing business landscape.

In 2019, we launched SIF Mobile for our retail customers. With a flick on the phone, they can access services like savings accounts and fixed deposits.

Three years later, we launched SIF BIZ in 2022. The app is a one-stop platform for business owners to review their finances and create online transactions such as placing fixed deposits and making loan repayments with Sing Investments & Finance.

We have evolved and will continue to do so. Staying still is not an option as we confront a future that remains clouded with uncertainty. But we are clear on one thing: we will continue to seize opportunities together with our partners, stakeholders, and clients.

Together we can, and we will.

Our Vision

Bridging Futures

At SingFinance, we see the possibilities of dreams. Whether it is a new home, a business venture, or a new project you are envisioning. None are too big or too small. Because we believe in them. We see your future as our very own.

Our Mission

Bridging Futures to Create Opportunities for You

Sincerity, innovation and future are the three words that underscore everything we do. We believe in finance that genuinely creates and brings better possibilities to you. We work towards innovating our products and services, partnering closely with you to create new opportunities, to achieve your goals, to unlock value for greater growth.

Our Core Values

Sincerity

At the heart of our unparalleled service is Sincerity. We serve with utmost sincerity and approach every customer's needs with a listening ear. We understand and strive to bring the best to every customer.

Integrity

Integrity underscores all our business dealings and is a core value we hold dear. It is the very heart and foundation we have built over the years to galvanize the trust bestowed on us. It is what gives our customers the peace of mind and is a value we will continue to strongly uphold.

Flexibility

Flexibility is a trait we abide by in our service. With SingFinance's rich history and strong heritage as a trusted financial institution, we are well-placed to offer a dynamic alignment of flexible financing solutions to meet every customer's needs.



*Different,
Yet Same.*

SAY HELLO TO OUR NEW BRAND IDENTITY

This year marks our 60th anniversary as a homegrown financial institution. Having grown with Singapore for six decades, we are celebrating our new chapter with something different – a refreshed identity with the abbreviated 'SingFinance' brand name.

While our logo is now different, you'll be glad to know some things are reassuringly the same. We are still Sing Investments & Finance Limited.

We may have digitalised our services but we are always here for you because we understand the value of friendly and personal communication.

Thank you for journeying with us.

THE NEW LOGO features a gemstone, symbolising trust and simplicity, made up of four hexagons that come together to form a robust octagon of strength and unity. The three **Blue Hexagons** uphold our three core values – Sincerity, Integrity and Flexibility. The **Gold Hexagon** reflects the bright and exciting future we aim to create with our customers. Together, the four hexagons form a star in their centre, reminiscent of our original star symbol.

Head Office 96 Robinson Road, #01-01, SIF Building, Singapore 068899 Tel: 6305 0300
Ang Mo Kio Branch Block 715, #01-4006, Ang Mo Kio Ave 6, Singapore 560715 Tel: 6456 0588
Bedok Branch Block 202, #01-479/481, Bedok North Street 1, Singapore 460202 Tel: 6445 9596
Jurong Branch Block 131, #01-255, Jurong Gateway Road, Singapore 600131 Tel: 6775 7248

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SING INVESTMENTS & FINANCE LIMITED

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ABOUT US

Sing Investments & Finance Limited ("SingFinance") was incorporated in Singapore on 13 November 1964 and was listed on the Singapore Stock Exchange in July 1983. The Company has 60 years of experience in finance company business in Singapore.

SingFinance has four branches at the following strategic locations:

- 96 Robinson Road
- Ang Mo Kio Avenue 6
- Bedok North Street 1
- Jurong Gateway Road

The Company has one subsidiary, Sing Investments & Finance Nominees (Pte.) Ltd. The principal activities of the subsidiary are those of a nominee service company.

WHAT WE DO

SingFinance is a licensed finance company under the Finance Companies Act 1967. Our principal activities include accepting deposits from the public and providing loans and credit facilities to individuals and corporations, particularly the small and medium-sized enterprises ("SMEs") in Singapore.

SingFinance embraces digital technology to offer convenience and better services to its customers. SingFinance has launched digital apps and platforms for both retail and business customers, with the goal of making it easier for customers to conduct financial transactions online from anywhere, at any time. The digital apps and platforms offer a suite of online services, such as fund transfer, checking account balance, viewing transaction history and placing fixed deposit.

OUR OBJECTIVE

SingFinance prides itself on offering competitive products and services, ensuring our customers can conduct transactions conveniently. Over the years, SingFinance has built up a strong base of loyal customers who place their trust in the Company. SingFinance will continue to develop its business with integrity and high standards of business ethics, be responsive to its customers' needs and provide flexible financing solutions to address their financing needs and be their go-to financial partner.

Our Products & Services

SingFinance offers a full range of products and services to both its retail and corporate/SME customers.

Deposits

- Business Current Account
- Fixed Deposits
- Fixed Deposits (FD) Online
- GoSavers Account (online)
- GIRO Saver Account
- Savings Account
- Conveyancing Account
- GoVault Account

Personal Financing

- Housing Loan
- HDB Loan
- Car Loan
- Share Loan
- Commercial Property Loan

Corporate/SME Financing

- Commercial Property Loan
- Land & Construction Loan
- Machinery Loan
- Government-Backed SME Loans
- Block Discounting Financing
- Floor Stock Financing
- Shipping Loan
- Account Receivables/Invoice Factoring
- Unsecured Business Loan

Personal e-Services

- SIF Mobile app
- SIF Online (browser)

Corporate/SME e-Services

- SIF BIZ Mobile app
- SIF BIZ Online (browser)

ABOUT US

AWARDS

SingFinance is honoured to have been recognised for its achievements in the industry. The awards are a testament to its business approach and the expertise of its directors, management and staff.



- The Edge Centurion Club Awards (in Banking & Investments Services + Collective Investments + Fintech & Infrastructure + Insurance Sector)
 - Highest Returns to Shareholders over 3 years
 - Highest Growth in Profit After Tax over 3 years
 - Overall Sector Winner
- Singapore Corporate Awards 2023 (in the less than \$300 million market capitalisation category)
 - Best Managed Board Award (Gold)
 - Best Risk Management Award (Gold)
 - Best Annual Report Award (Bronze)
- Singapore Governance and Transparency Index Special Commendation Award (Small Cap)



- SIAS Investors' Choice Awards 2022 – (Small Cap)
 - Singapore Corporate Governance Award – Runner-up
 - Shareholder Communications Excellence Award – Winner
- Singapore Corporate Awards 2022 – Best Managed Board Award (Silver) in the less than \$300 million market capitalisation category



- Singapore Corporate Awards 2021 – Special Edition Corporate Excellence And Resilience Award
- SIAS Investors' Choice Awards 2021 – Singapore Corporate Governance Award (Small Cap) – Winner
- Singapore Governance and Transparency Index Special Commendation Award (Small Cap)



- Singapore Corporate Awards 2019 – (in the less than \$300 million market capitalisation category)
 - Mr Lee Sze Leong, Best Chief Executive Officer (Winner)
 - Best Risk Management (Merit)
- SIAS Investors' Choice Awards 2019 – Singapore Corporate Governance Award (Small Cap) – Runner Up



- SIAS Investors' Choice Awards 2018 – Singapore Corporate Governance Award (Small Cap) – Winner



- SIAS Investors' Choice Awards 2017 – Singapore Corporate Governance Award (Small Cap) – Winner



- Singapore Corporate Awards 2016 – Best Managed Board Award (Gold) in the less than \$300 million market capitalisation category
- Singapore Governance and Transparency Forum 2016 – Special Commendation Award (Small Cap)



- Singapore Corporate Awards 2015 – Best Managed Board Award (Bronze) in the less than \$300 million market capitalisation category

CHAIRMAN'S STATEMENT

"We are excited to unveil our new identity – SingFinance – and new corporate logo that symbolises our dedication and commitment to our core values."



On behalf of the Board, I am pleased to present the annual report of the Group and the Company for the financial year ended 31 December 2023.

CELEBRATING A MILESTONE

Founded in 1964, and listed on the SGX Main Board since 1983, Sing Investments & Finance Limited celebrates our 60th anniversary this year. We are proud to be a member of Singapore's financial community, serving our customers for six decades.

The Company has consistently delivered sustainable financial performance while maintaining a high standard of corporate governance. We have been honoured with numerous accolades that acknowledge our excellence in corporate governance.

On the technological front, the Company has been digitising our products, services and operations to stay competitive and attract new customers in the fast changing financial landscape. We provide mobile apps for our retail and corporate customers to conduct transactions conveniently anywhere, anytime.

I would like to commend our management and employees for the success in growing the Company from strength to strength over the past 60 years.

INTRODUCING SINGFINANCE

We have recently unveiled our new corporate identity – **SingFinance** – and a new corporate logo that embodies our dedication to the values that have contributed to our success and continue to underpin the next phase of our growth.

As SingFinance, we will remain your trusted partner and friend. We will continue to serve our customers with the same enthusiasm and commitment that has been our hallmark. We will continue to help our customers succeed and strive to preserve the trust and reputation that we have developed with our stakeholders.



SingFinance

SING INVESTMENTS & FINANCE LIMITED

CREATING POSSIBILITIES TOGETHER

*4 hexagons converge to form a robust octagon
At the heart of it is our original Star of **Excellence**
Blue hexagons signify **Sincerity, Integrity & Flexibility**
Gold hexagon embodies the future that we wish to create*

CHAIRMAN'S STATEMENT

2023

I would now like to explain our financial results for the year 2023.

Against the backdrop of softer global demand, Singapore's economy moderated in 2023, growing at a rate of 1.1% compared to the 3.8% expansion seen in 2022. According to the Financial Stability Review 2023 of the Monetary Authority of Singapore ("MAS"), non-banking lending in Singapore declined by 6.2% year-on-year in September 2023, amidst slow growth and low demand for credit.

Notwithstanding the sluggish economic conditions, SingFinance delivered a resilient set of financial results. The Group's net profit after tax of \$33.2 million for FY 2023, which was 11% lower than the previous year, is the second highest in our history. As interest rates stayed high, the rise in the cost of deposits outpaced the increase in loan yields, resulting in lower net interest margin ("NIM") and hence lower total income and net profit compared to 2022.

SingFinance management worked tirelessly to cushion the impact of lower NIM on our financial performance. Despite the decline in non-bank lending in Singapore in 2023, SingFinance continued to grow our loan portfolio. Our customer loans reached a new record of \$2.45 billion as at 31 December 2023 on the back of a robust 7.5% year-on-year increase in average loan volume.

At the same time, management's focus on managing non-performing loans by working closely with customers yielded significant results in 2023. A write-back of \$7.5 million of credit allowance and bad debts partially offset the negative impact of lower NIM on profit. As a result, our non-performing loan ratio improved to 0.4% as at 31 December 2023, compared to 1.1% a year ago.

DIVIDENDS

The Board is pleased to recommend a first and final one-tier tax exempt dividend of 6 cents per share (2022: 6.7 cents per share, 2021: 5.3 cents per share, and 2020: 2.4 cents per share after adjusting for the 78,812,858 new ordinary shares issued pursuant to a bonus issue on 19 May 2023). The dividends are subject to shareholder approval at the coming Annual General Meeting.

Decade of Solid Growth

+11%

10-Year CAGR Growth
in Net Profit

+58%

10-Year Loan Growth

DECADE OF SOLID GROWTH

The Group has achieved strong growth over the last decade. Net profit after tax nearly tripled to \$33.2 million in 2023 from \$11.5 million 10 years ago. We also delivered a stellar 11% compounded annual growth in net profits over the 10-year period. Concurrently, our loan books expanded by 58% over the same period.

This sustainable long-term growth would not have been possible without the trust and steadfast support of our customers as well as the strong commitment of our management and colleagues to building strong and deep relationships with our customers and business partners. We will continue to leverage on our experience and capabilities to serve our customers to the best of our ability.

AWARDS AND RECOGNITION



SingFinance was honoured to have been conferred the following at the Singapore Corporate Awards ("SCA") 2023, under the category of listed companies of less than \$300 million in market capitalisation:

Gold Awards:

- Best Managed Board
- Best Risk Management

Bronze Award:

- Best Annual Report

The SCA recognises the exemplary corporate governance practices among Singapore's listed companies. The recognition by SCA is a testament to our commitment to upholding the trust and confidence of our stakeholders through the highest standards of corporate governance.

CHAIRMAN'S STATEMENT

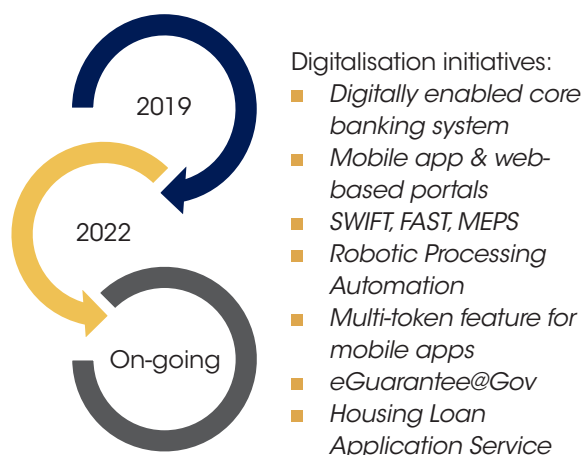
In addition, we retained the 11th position out of 474 listed companies assessed in the 2023 Singapore Governance Transparency Index Survey. We have been consistently ranked in the top 5% for the past 10 years.

Our financial performance was also recognised by the Edge Centurion Club Awards in the Banking & Investment Services, Collective Investments, Fintech & Infrastructure and Insurance Sector:

- Overall Sector Winner
- Highest Returns to Shareholders over 3 years
- Highest Growth in Profit After Tax over 3 years

DIGITAL TRANSFORMATION

SingFinance recognises that technology is changing the world of finance. As we celebrate our 60th anniversary, we reflect on our digital journey with pride.



We have been digitalising our business and operations and building our digital ecosystem. Our retail and corporate mobile apps enable us to deliver improved and more convenient services to our customers.

In 2023, we introduced the multi-token feature for our mobile apps to eliminate the need for our customers to juggle multiple devices when accessing accounts of different entities. We are among the first in the financial industry to introduce this solution, addressing a common hassle faced by corporate mobile app users. Additionally, we collaborated with government agencies to launch eGuarantee@Gov and the Housing Loan Application Service for HDB flats to provide a streamlined user experience for our customers.

The number of our customers using mobile apps continued to climb, increasing by 54% last year.

We will continue to leverage on technology to better serve and attract customers, and to grow our business.



ENVIRONMENTAL RISK AND CLIMATE CHANGE

Singapore's 3rd Climate Change Study issued in January 2024 projects more profound changes in key climate variables than previously estimated. The mean sea level is expected to rise by between 0.23 and 1.15 meters by the end of the century. Extreme weather events can spike it by 4 to 5 meters, putting 30% of Singapore's land at risk. Heavy rains and dry spells are expected to intensify, with more very hot days expected. Fighting climate change has become an even more pressing issue.

SingFinance takes our role in combating climate change seriously. Our lending activities could have an environmental impact, and our assets could be susceptible to environmental risks.

In 2023, we conducted our first climate scenario analysis to assess the impact of climate change on our assets and operations. Understanding the potential outcomes under different climate pathways helps the Board to make informed business decisions, develop risk mitigation strategies and improve our asset resilience. Additionally, we have added "Low Carbon Transition" as a material ESG factor and lifted "Valuing Environment" to be the first and most critical sustainability pillar (details can be found in the Sustainability Report).

As a responsible corporate citizen and prudent steward of our assets, we will continue to enhance our capabilities in climate risk mitigation and improve our asset resilience. We will do our part in developing a more sustainable business and contribute to Singapore's efforts in addressing climate risk.

CHAIRMAN'S STATEMENT

LOOKING AHEAD TO 2024

The government has projected full year GDP growth of 1 – 3% for 2024. While Singapore's economy is expected to improve in 2024, there remain macroeconomic risks and uncertainties, both external and domestic. Given the delicate economic conditions and soft credit demand, the competition for customer loans will likely intensify.

While expectations are that interest rates would start to decline in 2024, there is no consensus on the extent of the decline or when rates will start to ease. Hopefully, lower rates would help to lower our cost of funds and stabilise our NIM.

We remain vigilant in managing our risk exposures and maintain a cautious approach in growing our business. As of 31 December 2023, our capital adequacy ratio stood at 14.6%, 2.6% points above the minimum regulatory requirement. Our strong capital position will help us weather uncertainties and seize opportunities to grow our business.

APPRECIATION

As we commemorate our 60th anniversary, I would like to express our heartfelt appreciation to all our customers and business partners for standing by us over the past decades. Your support means a lot to us and motivates us to work harder to serve you even better.

I would like to thank our management and colleagues for their hard work and dedication in growing the Company. I commend the management for their outstanding leadership, and I appreciate our colleagues for their tireless efforts in managing our business and operations.

Finally, I would like to thank my fellow directors for their commitment, contributions and good counsel.

I wish all our stakeholders a great year ahead and look forward to meeting you in the coming Annual General Meeting.

MICHAEL LAU HWAI KEONG

Chairman

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Michael Lau Hwai Keong
Non-Executive & Independent Chairman

Mr Lee Sze Leong
Managing Director/Chief Executive Officer

Mr Lee Sze Siong
Deputy Managing Director

Mr Joseph Toh Kian Leong
Non-Executive & Independent Director

Ms Quan Wai Yee
Non-Executive & Independent Director

Mr Kuah Boon Wee
Non-Executive & Independent Director

AUDIT COMMITTEE

Mr Joseph Toh Kian Leong Chairman
Ms Quan Wai Yee
Mr Kuah Boon Wee

RISK MANAGEMENT COMMITTEE

Mr Michael Lau Hwai Keong Chairman
Ms Quan Wai Yee
Mr Lee Sze Leong
Mr Lee Sze Siong
Head, Risk Management Department
Head, Product Management Department
Head, Finance Department
Head, Compliance Department
Head, Branches/Treasury Department

NOMINATING COMMITTEE

Mr Michael Lau Hwai Keong Chairman
Mr Lee Sze Leong
Mr Joseph Toh Kian Leong

REMUNERATION COMMITTEE

Mr Kuah Boon Wee Chairman
Mr Michael Lau Hwai Keong
Ms Quan Wai Yee

LOAN COMMITTEE

Mr Lee Sze Leong Chairman
Mr Lee Sze Siong
Mr Kuah Boon Wee
Ms Lim Lee Mei

REGISTERED & HEAD OFFICE

96 Robinson Road
#01-01 SIF Building
Singapore 068899
Tel: (65) 6305 0300
Fax: (65) 6305 0328
Website: www.singfinance.com.sg

BRANCH OFFICES

Ang Mo Kio Branch

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#01-4006
Singapore 560715
Tel: (65) 6456 0588
Fax: (65) 6456 9715

Bedok Branch

Blk 202 Bedok North Street 1
#01-479/481
Singapore 460202
Tel: (65) 6445 9596
Fax: (65) 6449 3254

Jurong Branch

Blk 131 Jurong Gateway Road
#01-255
Singapore 600131
Tel: (65) 6775 7248
Fax: (65) 6775 3463

COMPANY SECRETARIES

Ms Ong Beng Hong
Ms Lee Yuan

AUDITORS

Deloitte & Touche LLP

6 Shenton Way
OUE Downtown 2
#33-00
Singapore 068809
Partner-in-charge: Mr Jeremy Phua
Date of appointment: 26 August 2021

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.

1 Harbourfront Avenue
Keppel Bay Tower
#14-07
Singapore 098632

INVESTOR RELATIONS

96 Robinson Road
#08-01 SIF Building
Singapore 068899
Tel: (65) 6438 7060
Fax: (65) 6305 0281
Email: investor_relations@singfinance.com.sg

BOARD OF DIRECTORS

AS AT 23 FEBRUARY 2024



STANDING FROM THE LEFT -

MS QUAN WAI YEE, MR KUAH BOON WEE, MR LEE SZE SIONG, MR JOSEPH TOH KIAN LEONG

SITTING FROM THE LEFT -

MR MICHAEL LAU HWAI KEONG, MR LEE SZE LEONG

BOARD OF DIRECTORS

AS AT 23 FEBRUARY 2024

MR MICHAEL LAU HWAI KEONG, 63

Role:

- Chairman
- Non-Executive and Independent Director

Date of first appointment as a director:

2 January 2019

Date of appointment as Chairman:

27 April 2023

Date of last re-election as a director:

26 April 2022

Length of service as a director:

5 years 1 month

Board/Working Committee(s) served on:

- Risk Management Committee (Chairman)
- Nominating Committee (Chairman)
- Remuneration Committee (Member)

Academic & Professional Qualification(s):

- Bachelor of Business Administration (First Class Honours), National University of Singapore
- Chartered Financial Analyst, CFA Institute

Present Directorships in other listed companies:

- Nil

Other Principal Commitments:

- Octagon Advisors Pte Ltd (Senior Managing Director, Advisory Services)
- BeerCo Limited (Independent Director)

Past Directorships in listed companies held over the preceding 3 years:

- Nil

MR LEE SZE LEONG, 65

Role:

- Chief Executive Officer
- Managing Director and Non-Independent Director

Date of first appointment as a director:

20 February 1989

Date of last re-election as a director:

26 April 2021

Length of service as a director:

35 years

Board/Working Committee(s) served on:

- Loan Committee (Chairman)
- Nominating Committee (Member)
- Risk Management Committee (Member)

Academic & Professional Qualification(s):

- Bachelor of Business Administration, University of Hawaii

Present Directorships in other listed companies:

- Sing Holdings Limited (Non-Executive Chairman)

Other Principal Commitments:

- F.H. Lee Holdings (Pte) Limited (Director)
- Sing Investments & Finance Nominees (Pte.) Ltd. (Director)
- Hire Purchase, Finance and Leasing Association of Singapore (Chairman)
- Finance Houses Association of Singapore (Honorary Treasurer)
- Singapore Chinese Chamber of Commerce & Industry (Vice-President, 61st Council)
- Chinese Development Assistance Council (Board of Trustees)
- Tanjong Pagar – Tiong Bahru Citizens' Consultative Committee (Honorary Chairman)
- Singapore Hokkien Huay Kuan (Vice-President, 44th Term Council)
- Singapore Chinese Dance Theatre (Chairman)

Past Directorships in listed companies held over the preceding 3 years:

- Nil

BOARD OF DIRECTORS

AS AT 23 FEBRUARY 2024

MR LEE SZE SIONG, 62

Role:

- Deputy Managing Director
- Executive and Non-Independent Director

Date of first appointment as a director:

19 March 1997

Date of last re-election as a director:

26 April 2023

Length of service as a director:

26 years 11 months

Board/Working Committee(s) served on:

- Risk Management Committee (Member)
- Loan Committee (Member)

Academic & Professional Qualification(s):

- Bachelor of Business Administration, University of Hawaii
- Master in Accounting, University of Southern Queensland

Present Directorships in other listed companies:

- Nil

Other Principal Commitments:

- F.H. Lee Holdings (Pte) Limited (Director)
- Sing Investments & Finance Nominees (Pte.) Ltd. (Director)

Past Directorships in listed companies held over the preceding 3 years:

- Nil

MR JOSEPH TOH KIAN LEONG, 68

Role:

- Non-Executive and Independent Director

Date of first appointment as a director:

2 January 2019

Date of last re-election as a director:

26 April 2022

Length of service as a director:

5 years 1 month

Board/Working Committee(s) served on:

- Audit Committee (Chairman)
- Nominating Committee (Member)

Academic & Professional Qualification(s):

- Association of Chartered Certified Accountants
- Fellow, Institute of Singapore Chartered Accountants

Present Directorships in other listed companies:

- Nil

Other Principal Commitments:

- Nil

Past Directorships in listed companies held over the preceding 3 years:

- Nil

BOARD OF DIRECTORS

AS AT 23 FEBRUARY 2024

MS QUAN WAI YEE, 58

Role:

- Non-Executive and Independent Director

Date of first appointment as a director:

27 April 2021

Date of last re-election as a director:

26 April 2022

Length of service as a director:

2 years 9 months

Board/Working Committee(s) served on:

- Audit Committee (Member)
- Risk Management Committee (Member)
- Remuneration Committee (Member)

Academic & Professional Qualification(s):

- Bachelor of Business Administration, National University of Singapore

Present Directorships in other listed companies:

- Nil

Other Principal Commitments:

- Nil

Past Directorships in listed companies held over the preceding 3 years:

- Nil

MR KUAH BOON WEE, 57

Role:

- Non-Executive and Independent Director

Date of first appointment as a director:

27 April 2023

Length of service as a director:

9 months

Board/Working Committee(s) served on:

- Remuneration Committee (Chairman)
- Audit Committee (Member)
- Loan Committee (Member)

Academic & Professional Qualification(s):

- Bachelor of Engineering, Imperial College of Science and Technology, London
- Fellow, Institute of Chartered Accountants of England and Wales
- Advanced Management Programme at the Wharton School, University of Pennsylvania

Present Directorships in other listed companies:

- MTQ Corporation Limited
(Director and Group Chief Executive Officer)
- The Hour Glass Limited (Director)
- UOB-Kay Hian Holdings Limited (Director)

Other Principal Commitments:

- Singapore National Employers Federation (Council Member)
- Migrant Workers Assistance Fund (Chairman)
- Singapore Chinese Chamber of Commerce & Industry (Council Member)

Past Directorships in listed companies held over the preceding 3 years:

- Nil

Core Values That Serve As Our Cultural Cornerstones

Sincerity

Approaching every customer's needs with a listening ear, we understand and strive to do the best we can.

Integrity

Built over the years to galvanize the trust bestowed on us, integrity underscores everything we do to give our customers peace of mind.

Flexibility

As a trusted financial institution, we are well-placed to offer a dynamic suite of flexible financing solutions to meet every customer's need.

www.singfinance.com.sg



Bridging Futures 



SingFinance

SING INVESTMENTS & FINANCE LIMITED

CORPORATE GOVERNANCE STATEMENT

Sing Investments & Finance Limited ("SingFinance" or the "Company"), believes that strong and effective corporate governance is vital to protect the interests of all stakeholders of the Company and to enhance long-term shareholder value. Our corporate governance policies and practices are reviewed regularly to take into account changes in corporate governance best practices.

SingFinance has received accolades for our achievements in corporate governance practices. Please refer to the "About Us-Awards" section of this Annual Report for more details.

For the financial year ended 31 December 2023 ("FY2023"), SingFinance has complied with and adhered to the spirit of the Code of Corporate Governance issued on 6 August 2018 (the "Code") in its corporate governance practices. Our corporate governance practices described in this report demonstrate the board of directors' ("Board") application of good governance which is underpinned by sound risk management and robust internal controls with reference to the Code. Where there is any variation in SingFinance's practices from the provisions of the Code, appropriate explanation has been provided in this report. We provide a Summary of Disclosures on our compliance with the Code in page 40 of this Annual Report.

OUR CORPORATE GOVERNANCE FRAMEWORK

The foundation of SingFinance's corporate governance structure is supported by 3 key pillars as follows:

1. The Board
2. The Board Committees – comprising the following:
 - Audit Committee ("AC")
 - Risk Management Committee ("RMC")
 - Nominating Committee ("NC")
 - Remuneration Committee ("RC")
3. Controls functions by the following key departments:
 - Risk Management Department
 - Compliance Department
 - Internal Audit Department

SingFinance's "3 Pillars of Corporate Governance" is designed to assist the Board in assessing and monitoring the Company's performance and compliance with the Code and the guidelines on corporate governance.

The following key principles guide the Board in ensuring effective corporate governance:

Leadership and Strategy

- To establish and document the Company's medium and long-term strategic plans and review the results periodically against the strategic plans;
- To formalise terms of reference for the Board and delegated Board Committees;
- To establish channels for whistle-blowing and feedback; and
- To establish a policy and plan for board renewal and succession planning.

Accountability and Audit

- To ensure independence of the AC and that the members of the AC are suitably qualified to discharge their responsibilities;
- To ensure independence of the risk management, compliance and internal audit functions in order for them to carry out their respective responsibilities effectively; and
- To ensure that a sound system of internal controls is maintained and monitored.

Communication with Stakeholders

- To ensure that the Company engages in regular, effective and fair communication with shareholders, including the manner and frequency with which information is disseminated;
- To ensure that in disclosing information, the Company be as descriptive, detailed and forthcoming as possible; and
- To ensure that all investors, whether institutional or retail, are accorded the same level of communication and disclosure.

The following sections describe the Board's primary corporate governance policies and practices with specific references to the Principles of the Code.

BOARD MATTERS

PRINCIPLE 1

THE BOARD'S CONDUCT OF AFFAIRS

Board Responsibility

The Board is responsible for overseeing and managing the Company's business and is accountable to shareholders for creating shareholder value within a framework that protects the rights and interests of shareholders. The Board acts objectively in the best interests of the Company and holds Management

CORPORATE GOVERNANCE STATEMENT

accountable for performance. The Board ensures that there is an appropriate balance between promoting long-term business strategies and delivering short-term objectives. These objectives are met through the following functions exercised by the Board, either directly or through committees established by the Board:

- Providing leadership, overseeing and formulating long-term business strategies and policies and ensuring that the necessary financial and human resources are in place for the Company to meet its objectives which focus on value creation, innovation and sustainability;
- Identifying the principal risks of the Company's business and establishing a framework of prudential controls to assess and manage these risks, and to achieve an appropriate balance between risk taking and financial performance;
- Monitoring and reviewing management performance, succession and development plans;
- Identifying the key stakeholder groups, recognising that their perceptions affect the Company's reputation as well as ensuring transparency and accountability to these key stakeholder groups;
- Setting the Company's values, code of conduct and standards (including ethical standards) and ensuring that obligations to shareholders and stakeholders are understood and met;
- Maintaining a culture of integrity by reviewing and monitoring internal controls and procedures for financial reporting and compliance;
- Taking into account of sustainability issues when formulating the Company's strategy; and
- Ensuring that directors recuse themselves from discussions and decisions where there is a potential conflict of interests.

Board Induction and Training

The Board believes that board induction, regular training and continuous development programmes are essential to equip all directors (including executive, non-executive and independent directors) with the appropriate skills and knowledge to understand the Company's business and its operating environment and to perform their roles as directors on the Board and Board Committees effectively. Directors are encouraged to attend courses or seminars at the Company's expense to acquire or maintain relevant skill sets and knowledge.

Upon appointment of a new director, a formal letter of appointment setting out the director's duties and obligations is provided so that the new

director understands his/her responsibilities and the Board's expectations. A comprehensive and tailored induction programme is provided to new directors joining the Board to provide them an overview of various aspects of the Company in order to facilitate them in discharging their responsibilities as directors. Accounting matters, risk-related issues, regulatory compliance updates, legal and other industry-specific topics are included in the induction programme. Department Heads of various departments conduct presentations on key functions and responsibilities of the respective departments to enable new directors to gain a better understanding of the business and operations of the Company.

In compliance with Provision 1.2 of the Code, an induction programme was conducted for Mr Kuah Boon Wee, a new director appointed in 2023. He has completed the induction programme that included topics on accounting matters, risk-related issues, regulatory compliance updates, legal and other industry-specific topics as planned. These were presented by the Head of Departments to enable proper understanding of the Company's business and operations.

Continuous Development Programme 2023

On an annual basis, the NC assesses the skills that the Board collectively needs in order to discharge its responsibilities effectively and identifies ways to improve its effectiveness.

As part of the Board members' Continuous Development Programme for the year, in-house training on "Anti-Bribery and Corruption", "Fraud", "MAS Enforcement Report 2022-2023" and "Cybersecurity Architecture Principles" were conducted in 2023 for directors.

In addition to the above, directors also attended external course and seminars in 2023. These include "Audit & Risk Committee Seminar 2023", "Updates on FY 2022 Illustrative FS", "MAS Townhall with Financial Institutions (Mar 2023)", "Board Agenda Series: Managing Cyber Risks with Early Breach Detection", "Cambridge - Earth on Board Sustainability Programme (ESG Training)", "ABS Standing Committee on Fraud: Briefing on Industry's Anti-Scam Best Practice", "SGTI Forum - Upholding ESG with Strong Governance", "SID Directors Conference 2023", "IFRS Sustainability Disclosure Standards Training" and "Corporate Governance Forum 1 - Optimising Investor Relations: Strengthening Communication Strategies for Success".

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The objective of the Continuous Development Programme is to keep the directors abreast of the latest developments particularly in technologies and innovations, risk management, regulatory compliance, sustainability and climate risk, and industry-specific issues. The courses helped to equip directors with appropriate skills and knowledge to better discharge their responsibilities as members of the Board and Board Committees.

The NC has assessed and is satisfied that the training, courses and seminars attended by the directors in FY2023 have adequately fulfilled their purposes.

Material Transactions Which Require Board Approval

As defined under the Schedule of Matters Reserved for the Board in our Board framework, material transactions, projects and commitments which require Board approval include the following:

- Acquisitions and disposals of subsidiaries;
- Acquisitions and disposals of other material assets;
- Major investments including any takeover bids and capital projects of a similar scale; and
- Substantial commitments, material contracts or transactions, either by reason of size or strategy, in the ordinary course of business.

Delegation by the Board

The Board delegates authority and powers to Board Committees to oversee specific responsibilities without abdicating its responsibilities. These Board Committees have clear written terms of reference setting out their compositions, authorities and duties. They report to the Board periodically to enable the Board to better discharge its stewardship and fiduciary responsibilities.

The Board has established the following Board Committees to assist in the execution of its duties and to allow more detailed consideration of complex issues in the management of the Company:

1. Audit Committee (AC)
2. Risk Management Committee (RMC)
3. Nominating Committee (NC)
4. Remuneration Committee (RC)

Please refer to the sections on Principles 4 to 10 in this report, for further information on the details and activities of the AC, RMC, NC and RC.

Meetings of the Board and Board Committees

The Board met 4 times in FY2023. Board papers are circulated to directors for review before the Board meeting.

The Constitution of the Company provides that directors may meet by telephone or video conference.

The directors' attendance at the Board and Board Committees' meetings during FY2023 are set out as follows:

Attendance at the Board and Board Committee Meetings

Board/Board Committees	Board ⁽¹⁾	Audit Committee ⁽²⁾	Risk Management Committee	Nominating Committee	Remuneration Committee ⁽³⁾	Non-Executive Directors' meeting (without presence of management) ⁽⁴⁾	Annual General Meeting (AGM)
No. of Meetings Held	4	4	4	2	1	3	1
Mr Michael Lau Hwai Keong	4	–	4	2	1	3	1
Mr Lee Sze Leong	4	–	4	2	–	–	1
Mr Lee Sze Siong	4	–	4	–	–	–	1
Mr Joseph Toh Kian Leong	4	4	–	2	–	3	1
Ms Quan Wai Yee	4	4	4	–	1	3	1
Mr Kuah Boon Wee	3	3	–	–	–	2	1 ⁽⁵⁾
Mr Chee Jin Kiong	2	2	–	–	1	1	1

Notes:

(1) From 1 January 2023 to 26 April 2023, the Board comprised Mr Chee Jin Kiong, Mr Lee Sze Leong, Mr Lee Sze Siong, Mr Michael Lau Hwai Keong, Mr Joseph Toh Kian Leong and Ms Quan Wai Yee. From 27 April 2023, the Board comprises Mr Michael Lau Hwai Keong, Mr Lee Sze Leong, Mr Lee Sze Siong, Mr Joseph Toh Kian Leong, Ms Quan Wai Yee and Mr Kuah Boon Wee.

(2) From 1 January 2023 to 26 April 2023, the AC comprised Mr Joseph Toh Kian Leong, Ms Quan Wai Yee and Mr Chee Jin Kiong. From 27 April 2023, the AC comprised Mr Joseph Toh Kian Leong, Ms Quan Wai Yee and Mr Kuah Boon Wee.

(3) From 1 January 2023 to 26 April 2023, the RC comprised Mr Chee Jin Kiong, Mr Michael Lau Hwai Keong and Ms Quan Wai Yee. From 27 April 2023, the RC comprises Mr Kuah Boon Wee, Mr Michael Lau Hwai Keong and Ms Quan Wai Yee.

(4) Inclusive of meetings with external and internal auditors

(5) By invitation.

CORPORATE GOVERNANCE STATEMENT

Access To Information

Prior to each Board meeting, the Management provides the Board with information relevant to matters on the agenda for the Board meeting on a timely basis. The Management also provides relevant information in their regular reports to the Board pertaining to operational issues, financial performance and any matters which require the attention of the Board.

Such reports enable the directors to be aware of key issues pertaining to the financial, internal control, compliance and risk management position of the Company. A risk management dashboard that summarises the main risks and Key Risk Indicators ("KRIs") is presented during each Board meeting to facilitate the risk oversight function by the Board. In respect of budgets, material variances between the projection and actual results are explained in the salient reports circulated to the Board members. Other reports are provided to the directors where necessary.

The Board has separate and independent access to senior management and the Company Secretary at all times. Procedures are also in place for directors and the Board Committees, where necessary, to seek independent professional advice at the Company's expense.

Company Secretary

At least one of the Company Secretaries attends the Board meetings and is responsible for, among other things, ensuring that Board procedures are observed and that the Board is in compliance with relevant regulatory and legal requirements, particularly under the Companies Act and the SGX Rulebooks. The Company Secretaries also record the minutes of Board meetings. The appointment and removal of the Company Secretaries are subject to the approval of the Board.

PRINCIPLE 2

BOARD COMPOSITION AND GUIDANCE

The Board, through the NC, strives to ensure that there is an independent element and diverse composition on the Board to facilitate effective decision making.

Board of Directors

There are in total six (6) Board members, of which four (4) directors are independent. The current Board comprises the following members:

1. Mr Michael Lau Hwai Keong⁽¹⁾
2. Mr Lee Sze Leong
3. Mr Lee Sze Siong
4. Mr Joseph Toh Kian Leong⁽¹⁾
5. Ms Quan Wai Yee⁽¹⁾
6. Mr Kuah Boon Wee⁽¹⁾

Note:

(1) Non-Executive and Independent Director

Board Independence

The NC assesses the independence of each director, taking into account guidelines of the Code and provisions in the Listing Manual for assessing the independence element. An "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Company.

On an annual basis, the NC is responsible for determining the independence of all the directors, taking into consideration the circumstances indicated in the Code and the Listing Manual. The NC has ascertained that a majority of the Board members are independent.

Based on the current Board's composition, the Independent and Non-Executive Directors make up a majority of the Board.

Board Composition

On an annual basis, the NC reviews the size and composition of the Board and Board Committees. The NC also examines the skill sets and core competencies of all Board members to ensure there is diversity of skills and experience among the directors. All evaluations are presented to the Board.

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The NC seeks to ensure that the size of the Board is conducive for effective discussion and decision making, and that the Board has an appropriate number of independent directors. The size and composition of the Board are reviewed periodically. Taking into account the scope and nature of SingFinance's operations and the number of Board Committees, the Board, in concurrence with the NC, is of the view that a Board size of at least six (6) directors with majority of members being independent is appropriate and necessary. The Board currently meets this requirement as it consists of six (6) directors, the majority of whom are independent – four (4) Non-Executive and Independent Directors and two (2) Executive Directors.

Diversity

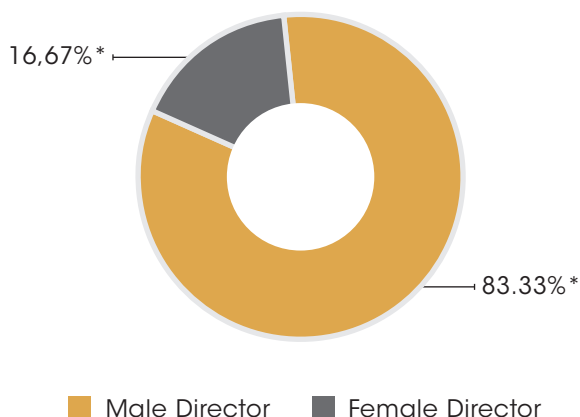
SingFinance has in place a Board Diversity Policy and the NC is responsible for setting the relevant objectives that promote and ensure diversity on the Board. The Board understands and embraces the benefits of having diversity and views Board diversity as important to achieving the Company's business objectives. Differences in background, skills, experience, knowledge, gender and other relevant qualities will be taken into consideration in determining the composition of the Board.

The appointment of directors should reflect a need to add complementary skills and experience to the Board. The Board believes that all Board appointments should be made on the basis of merit, with due regard to diversity.

The Board is of the view that gender is an important aspect of diversity. Currently, one out of the six directors on the Board is female. The appointment of Ms Quan Wai Yee since April 2021 has broadened the composition and diversity of the Board. This has met our target of having at least one female director on the Board. Our plan is to upkeep this on-going effort to promote gender diversity.

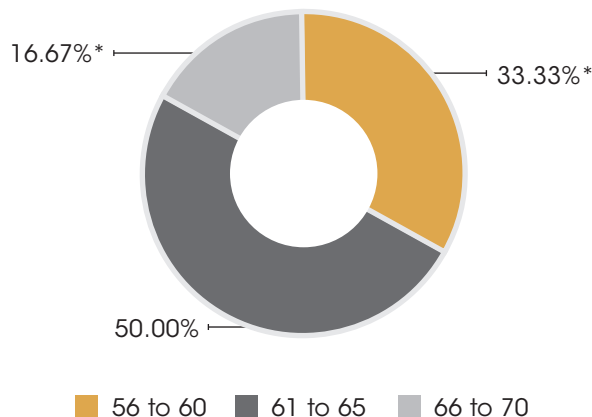
The main objective of the Board Diversity Policy is to maintain an appropriate balance and diversity of experience, skills, gender, knowledge and attributes among the directors. The current Board has core competencies and expertise in accounting, finance, banking, risk management, business management, industry knowledge, strategic planning and banking and finance operations. The current Board consists of individuals with various qualifications and backgrounds. Their professions include accountant, banker, consultant, audit partner, senior management of financial institutions and senior management of an engineering company. More than half of the Independent Directors have experience in the finance and banking industry, being the industry that the Company operates in.

BOARD GENDER DIVERSITY



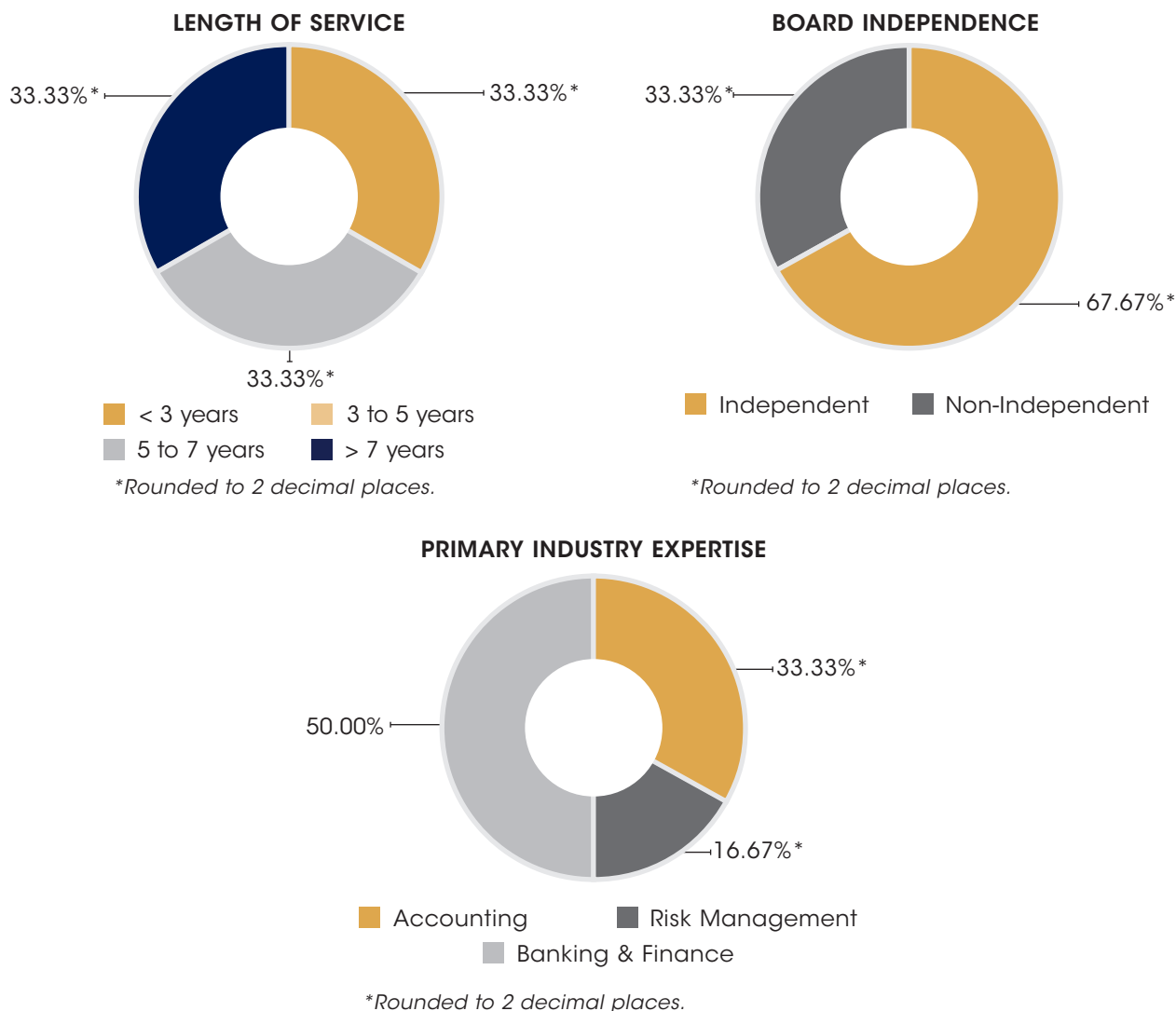
*Rounded to 2 decimal places.

AGE OF DIRECTORS



*Rounded to 2 decimal places.

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Meeting of Directors without Management

Led by the Non-Executive and Independent Chairman of the Board, Mr Michael Lau Hwai Keong, the Non-Executive and Independent Directors hold at least one meeting without the presence of the Executive Directors and Management, annually. Feedback from the meeting will be shared by the Non-Executive and Independent Chairman of the Board with all the Board members for follow up actions, if any.

PRINCIPLE 3

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Role of Chairman and Chief Executive Officer

In compliance with the Code's provisions on the clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Company's business, Mr Michael Lau Hwai Keong is the Non-Executive and Independent Chairman and Mr Lee Sze Leong is the Managing Director/CEO of the Company.

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The Chairman and Managing Director/CEO of the Company are separate persons and are not related. The roles of the Chairman and the Managing Director/CEO are deliberately kept distinct through a clear division of responsibilities to ensure effective oversight, appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.

Mr Michael Lau Hwai Keong is a Chartered Financial Analyst charterholder. He has very extensive experience in the banking and finance industry. As Non-Executive and Independent Chairman of the Board, he has the overall responsibility for the leadership of the Board. His key roles include:

- leading the Board to ensure its effectiveness on all aspects of its roles and setting its agenda for board meetings;
- ensuring that the directors receive relevant information in a timely manner;
- ensuring effective communication with shareholders;
- encouraging constructive relations between the Board and Management;
- facilitating the effective contribution by Non-Executive Directors;
- encouraging constructive relations between Executive Directors and Non-Executive Directors;
- promoting high standards of corporate governance; and
- promoting a culture of openness and discussion at the Board.

Mr Lee Sze Leong, the Managing Director/CEO, focuses on managing the business and operations of the Company, in particular, driving the financial performance, spearheading the strategic development of the Company and execution of the strategic plans set out by the Board. He also ensures that the directors are kept updated and informed of the Company's business and operations.

No Lead Independent Director is required to be appointed as the roles of the Chairman and CEO are separate and the Chairman is independent.

PRINCIPLE 4

BOARD MEMBERSHIP

The appointment and re-appointment of directors to the Board is assessed and recommended by the NC, taking into account the need for progressive renewal of the Board.

The NC comprises Mr Michael Lau Hwai Keong (Chairman), Mr Joseph Toh Kian Leong and Mr Lee Sze Leong. The majority of the directors in the NC, including the NC Chairman, are non-executive and independent.

The main terms of reference of the NC are as follows:

- To assess and recommend candidates for appointment and re-appointment on the Board and Board Committees;
- To determine annually whether a director is independent. Where a director is a member of multiple boards, the NC also considers if such a director is able to adequately carry out his/her responsibilities as a director of the Company;
- To review the composition of the Board and assess annually the effectiveness of the Board as a whole, the Board Committees and the contribution by each individual director;
- To assess and recommend the objective performance criteria and process for evaluation of the effectiveness and performance of the Board, its Board Committees and directors;
- To review the training and professional development programmes for the Board and its directors; and
- To review and initiate succession planning to ensure the continuity of leadership for key Board members, in particular, the Chairman, the Managing Director/CEO and Key Management Personnel.

Process for the Selection, Appointment and Re-appointment of Directors to the Board

The NC establishes and reviews the key criteria for the selection of Board members and makes recommendations to the Board on the appointment, re-appointment and retirement of directors.

The composition of the Board is reviewed regularly to ensure that it has the appropriate mix of expertise and experience. The selection and appointment process of new directors to the Board is reviewed, formalised and endorsed by the Board. The formal and transparent procedures for the selection and appointment of new directors to the Board help to promote understanding and confidence in the process. The appointment of new members to the Board is considered by the NC.

When there is a need to appoint a new director, whether due to retirement of a director, growth or increased complexity of the Company's business,

CORPORATE GOVERNANCE STATEMENT

the NC and each individual director will try to source for suitable candidates based on their networks and contacts. External consultants may also be engaged to identify potential candidates if necessary.

In the selection process, the NC determines the necessary skills and experience of the potential appointee having regard to those of the existing directors and any other likely changes to the Board. Diversity of experience and appropriate skills which are considered in the selection process include leadership, banking and finance industry experience, management expertise and knowledge in accounting, internal controls, compliance and risk management. In addition, the NC takes into consideration the current Board size and its mix, the additional skills and experience that will enhance the competencies and effectiveness of the Board. The Board Diversity Policy provides that the NC shall endeavour to include female candidates for consideration when identifying candidates to be appointed as new directors. The NC identifies and shortlists potential candidates for interview. The NC then proceeds to assess the suitability of the candidates based on the following criteria before recommending the appointment to the Board:

- (a) Independence;
- (b) Whether the candidate can fulfil the Monetary Authority of Singapore's ("MAS") fit and proper guidelines;
- (c) Other directorships held;
- (d) Ability to commit sufficient time to the affairs of the Company;
- (e) Contribution to the overall balance of the composition of the Board; and
- (f) Age, experience, track record and other relevant factors as determined by the NC.

The fit and proper test assesses the candidate based on honesty, integrity and reputation, competence and capability and financial soundness.

During the review and selection process, the NC, with the concurrence of the Board, adopts the approach of identifying a candidate with specific skill sets in view of the changing financial landscape as well as for succession planning. The NC identifies the candidate based on his/her skill and diversity of his/her experience. Following the rigorous selection process, the Board, with the recommendation of the NC, seeks approval from the MAS to appoint the candidate as a director. Upon approval from the MAS, the Board

will appoint the new director and recommend the appointee for re-election as a director at the following Annual General Meeting ("AGM").

A formal letter setting out the director's duties and obligations will be given to the new director upon his/her appointment to ensure that the new director is aware of his/her duties and obligations.

During the selection process of a new director in 2023, the NC proposed that the Board should consider a candidate with knowledge and experience in Finance, Human Resource or Management an ideal candidate. The NC members agreed that a candidate with such relevant experience would be able to contribute positively to the Board. The Board agreed with the recommendation of the NC and hence started the process to search for an appropriate candidate via the networks of the existing directors. Following the rigorous review by the NC and approval by the Board, Mr Kuah Boon Wee was appointed as a new director in view of his strong credentials and all-rounded background.

The Company's Constitution provides that at least one-third of its directors shall retire from office at every AGM of the Company. All directors are required to retire from office at least once every three years. A retiring director shall be eligible for re-election at the meeting at which he retires. Directors newly appointed during the year must also retire at the next AGM immediately following their appointment and shall then be eligible for re-election.

In recommending the directors to stand for re-election, the NC takes into consideration such director's contribution and performance. The assessment parameters include time commitment, attendance record, preparedness and intensity of participation at meetings of the Board and its Board Committees.

The directors standing for re-election at the forthcoming AGM pursuant to the Company's Constitution are Mr Lee Sze Leong (Executive Director), Mr Joseph Toh Kian Leong (Non-Executive and Independent Director) and Mr Kuah Boon Wee (Non-Executive and Independent Director).

The NC has evaluated and recommended to the Board that Mr Lee Sze Leong, Mr Joseph Toh Kian Leong and Mr Kuah Boon Wee be re-elected as directors at the forthcoming AGM by virtue of his skills, experience and contributions to the Board. Pursuant to Rule 720(6)

CORPORATE GOVERNANCE STATEMENT

of the Listing Manual, the information as set out in Appendix 7.4.1 of the Listing Manual relating to Mr Lee Sze Leong, Mr Joseph Toh Kian Leong and Mr Kuah Boon Wee, who are the directors seeking re-election at the forthcoming AGM, is set out in pages 190 to 202.

Annual Review of Directors' Independence

The NC conducts the annual evaluation of director's independence based on the following procedures and criteria:

- Review all directors' declaration forms on their independent status;
- Review report from the Company on the business relationship of the Company with directors;
- Perform the due diligence process and review the factors considered to arrive at the conclusions as to the independent status of the directors and to consider any particular cases of potential material relationships;
- A checklist is drawn up based on the guidance in the Code and provisions in the Listing Manual to facilitate the evaluation by the NC; and
- Report to the Board on the independent status of the directors.

In assessing the independence of the directors, the NC examined the different relationships that might impair the directors' independence and objectivity and is satisfied that all the Independent Directors are able to act independently.

Any director who has served on the Board beyond nine years from the date of his/her first appointment shall be deemed as non-independent. Any director who has been employed by the Company or any of its related corporations for the current or any of the past three financial years, or who is an immediate family member of any employee of the Company and its related corporations in any of the past three financial years shall be deemed as non-independent for the purposes of Rule 210(5)(d) of the Listing Manual. No director with the existence of relationships or circumstances as mentioned in the Code or the Listing Manual has been deemed as independent for FY2023.

The Board, after taking into account the view of the NC, has determined that the majority of the Board, which includes Mr Michael Lau Hwai Keong, Mr Joseph Toh Kian Leong, Ms Quan Wai Yee and Mr Kuah Boon Wee, are independent. These Independent Directors are also Non-Executive Directors. Mr Lee Sze Leong, the Managing Director/Chief Executive Officer ("CEO"),

and Mr Lee Sze Siong, the Deputy Managing Director, are the only non-independent directors on the Board.

Directors' Time Commitment

The directors must ensure that they are able to give sufficient time and attention to the affairs of the Company. As part of the review process, the NC decides on the commitment level of the director and whether he/she has been able to adequately carry out the responsibilities required of him/her as a director. The NC has also adopted several measures that seek to address the competing time commitments that may be faced when a director holds multiple board appointments. Some of these guidelines include:

(a) Number of Board Memberships

Carrying out the duties and fulfilling the responsibilities of a director requires a significant commitment of an individual's time and attention. The Board does not believe, however, that explicit limits on the number of other boards on which the directors may serve, or on other activities the directors may pursue, are appropriate. The Board, however, recognises that excessive time commitments to other positions and appointments can interfere with a director's ability to perform his or her duties effectively. Accordingly, directors should not serve on more than five (5) boards of directors of public listed companies in addition to the Company's Board. This guideline is established following the careful assessment by the NC and the Board after taking into consideration the scope and complexity of the Company's business. Currently, the highest number of directorships in listed companies that is held by an individual director is four (4) directorships.

(b) Attendance at Meetings

Each member of the Board is expected to make reasonable efforts to attend at least 50% of the regularly scheduled meetings of the Board and to participate in telephone conference meetings or other special meetings of the Board.

All directors have met the above requirements on time commitment as required by the Board for FY2023. The NC and the Board are of the view that each director has been able to diligently discharge his/her duties. The listed company directorships (where applicable) and principal commitments of each director are disclosed in the 'Board of Directors' section of this Annual Report.

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Alternate Directors

SingFinance has no alternate directors on its Board.

Succession Planning for the Board and Key Management Personnel

The NC conducts an annual review of succession planning to ensure the continuity of leadership for key Board members and key management personnel. During the review, the NC considers the desired collective competencies needed on the Board in light of the Company's business and strategies. The NC also reviews the Board, Board Committees and individual director evaluation results for identification of candidates for appointment and retirement. Through careful consideration, the NC ensures that an effective Board renewal and succession planning process is in place.

Key Information on Directors

Key information on each director can be found in the 'Board of Directors' section of the Annual Report.

PRINCIPLE 5

BOARD PERFORMANCE

The NC ensures that the Board consists of directors that possess the necessary experience, knowledge and skills required by the business so as to enable the Board to make sound and well considered decisions.

The NC assesses the effectiveness of the Board as a whole and its Board Committees and the contribution by each director to the effectiveness of the Board on an annual basis based on the criteria developed by the NC and reviewed by the Board. No external facilitators have been engaged for FY2023.

Evaluation of Board and Board Committees

The NC takes into consideration quantitative criteria and qualitative measures when reviewing the performance of the Board. All Board members are required to complete the Board Assessment Checklist which consists of the following sections:

- Quantitative factors such as revenue, profitability, return on equity (ROE) and size of loan portfolio;
- Qualitative indicators include Board composition, the quality of risk management, adequacy of internal controls, Board information and accountability and Board performance in relation to discharging its principal functions; and
- Overall rating of the Board.

A consolidated report is prepared based on the responses from all directors and is discussed in the NC meeting and reviewed by the Board.

Each Board Committee also performs a self-assessment which is evaluated by the NC. To avoid any conflict of interests, the self-assessment of the NC is reviewed by the Board. The self-assessment criteria proposed by NC and approved by the Board for assessment of Board Committee's performance include:

- Composition and quality (including the independence, quality and skill sets);
- Committee responsibilities as required by the Code and regulatory requirements;
- Meeting and procedures; and
- Overall assessment.

The results of the assessment of the Board and the Board Committees are presented and reported to the Board for approval. The Board and the Board Committees have met the performance objectives for FY2023.

Evaluation of Individual Directors

The NC evaluates the performance of individual directors by taking into consideration the attendance, time commitment and overall participation and contribution of each director. In addition, the NC also considers specific expertise of the individual director from the legal, business and risk perspectives. When the NC is evaluating the performance of a particular director who is also a member of the NC, that member will recuse himself from the deliberations.

On top of the evaluation exercise, the contributions and performance of each director are assessed by the NC as part of its periodic reviews of the composition of the Board and the various Board Committees. In the process, areas for improvement are identified to enhance the effectiveness of the Board and its various committees. The performance of the individual directors is taken into consideration by the NC and the Board when recommending them for re-election.

The Board is satisfied with the performance of all the individual directors in the recent evaluation exercise for FY2023 performed by the NC.

CORPORATE GOVERNANCE STATEMENT

REMUNERATION MATTERS

PRINCIPLE 6

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Remuneration Committee

The RC comprises Mr Kuah Boon Wee (Chairman), Mr Michael Lau Hwai Keong and Ms Quan Wai Yee, all of whom are non-executive and independent directors.

The primary role of the RC under its terms of reference is to assist the Board in the following:

- To assist the Board to minimise the risk of any potential conflict of interests by putting in place a formal and transparent procedure for developing policy on executive remuneration and for determining the remuneration packages of individual directors and ensuring that no director is involved in deciding his/her own remuneration;
- To review and make recommendations to the Board on the Group's general framework of remuneration or specific remuneration packages (if any) for the Board and Key Management Personnel with the aim of being fair and to avoid rewarding poor performance;
- To review the adequacy, fairness and terms of compensation for each of the directors, the CEO and Key Management Personnel to ensure that the compensation is commensurate with the duties, responsibilities and risks involved in being an effective director, CEO or Key Management Personnel; and
- To review the Company's obligations arising in the event of termination of the Executive Directors' contract of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The RC may seek remuneration consultants' advice or perform a market survey of benchmarking directors' compensation every 3 to 5 years depending on market conditions and the results of the survey will be presented to the Board. No remuneration consultants have been engaged for FY2023.

PRINCIPLE 7

LEVEL AND MIX OF REMUNERATION

Director Remuneration Policy Criteria For Setting Remuneration

The key principles of the director compensation philosophy are as follows:

- To establish a level of remuneration that is market competitive to attract, motivate and retain highly-skilled directors to manage the Company successfully, but at the same time to avoid paying more than what is necessary;
- To link a significant proportion of Executive Directors' remuneration to corporate and individual performance, so as to align the interests of Executive Directors with those of shareholders;
- To link the remuneration of Non-Executive Directors to the amount of responsibilities, effort and time spent by the directors; and
- To align director compensation with prudent risk-taking and effective supervisory oversight.

Structure of Non-Executive Directors' Fee

For Non-Executive Directors, their remuneration comprises entirely director's fees. When reviewing the structure and level of directors' fees, the RC takes into consideration the directors' respective roles and responsibilities in the Board and Board Committees. Each of the directors receives a base director's fee. The Board Chairman receives an additional fee to reflect his expanded responsibilities. Directors who serve on the various Board Committees also receive additional fees in respect of each Board Committee that they serve on, with the chairmen of the Board Committees receiving a higher fee in respect of their responsibility and service as chairmen of the respective committees.

Structure of Executive Directors' Remuneration

For Executive Directors, the overall remuneration package comprises both fixed and variable components. The fixed component of the compensation package includes base salary (inclusive of employer's CPF) and other allowance and benefits such as medical, car programme allowance and club membership allowance.

CORPORATE GOVERNANCE STATEMENT

The variable component of the compensation package may consist of SingFinance Performance Share Plan and/or cash incentives, such as variable bonus. For FY2023, only cash incentives were accorded but no performance shares were granted. The remuneration package takes into account amongst other factors, the performance of the Company and the Executive Directors based on key performance indicators set by the Board, guidance from the National Wages Council, competitive market practices and information gathered from market surveys conducted by the Company's Human Resources Department. In addition, a corporate risk scorecard factor is also included in the remuneration framework to ensure that compensation is adjusted for the risks undertaken by the Company and the framework is aligned with the risk management policies of the Company.

As the variable components of the remuneration package of the Executive Directors and the Key Management Personnel are moderate, the RC is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim incentive components of their remuneration in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

Directors' fees are recommended by the RC, concurred by the Board and submitted for shareholder approval during the AGM. No director is involved in deciding his/her own remuneration.

PRINCIPLE 8

DISCLOSURE OF REMUNERATION

Link between Remuneration and Performance of Directors and Key Management Personnel

The RC reviews the performance of Executive Directors and Key Management Personnel using the pre-defined financial targets of the Company, individual key performance indicators and corporate risk scorecard factor. Their remuneration depends on the degree of the performance criteria being met.

The variable components of the Executive Directors and Key Management Personnel take into account financial performance indicators amongst other factors, the profitability of the Company, loan growth, return on equity and quality of loans. Other

non-financial performance indicators include the level of commitment, contribution towards the Company's strategic directions, internal controls and risk management skills, integrity and accountability.

A corporate risk scorecard is added to the remuneration framework to ensure that there is a balance between business and risk taking and to ensure that the structure of the remuneration is aligned with long-term interests and risk management policies of the Company.

Both Executive Directors and Key Management Personnel met the pre-defined performance conditions.

Directors' Remuneration

The remuneration of each director has been disclosed in the exact amount with a breakdown of base salary, variable bonus, directors' fees and other benefits in percentage terms. There are no stock options granted, share-based incentives and awards and other long-term incentives for FY2023.

Other than Mr Lee Sze Leong, the Managing Director/CEO, and Mr Lee Sze Siong, the Deputy Managing Director, the remaining four (4) Board members are Non-Executive Directors. The aggregate Directors' fees are subject to the approval of shareholders at the Company's AGM.

Directors' remuneration with the breakdown of fees is shown in the Directors' Remuneration section in page 181.

Key Management Personnel's Remuneration

Provision 8.1 of the Code states that the company should disclose the names, amounts and breakdown of remuneration of at least the top five (5) key management personnel (who are not directors or the CEO) in bands of S\$250,000 and in aggregate the total remuneration paid to them.

For FY2023, the Company identified Mr Lee Sze Leong and Mr Lee Sze Siong as the only Key Management Personnel who served on the Board. There are no other Key Management Personnel who is not a director or the CEO. Information on the remuneration of its Key Management Personnel (i.e. Mr Lee Sze Leong and Mr Lee Sze Siong) is duly provided for in this Annual Report.

CORPORATE GOVERNANCE STATEMENT

Remuneration of Employees who are Immediate Family Members of a Director, CEO or Substantial Shareholder

Other than Mr Lee Sze Leong, the Managing Director/CEO, and Mr Lee Sze Siong, the Deputy Managing Director, whose remuneration have been disclosed in the Directors' Remuneration section in page 181, there are no employees of the Company who are immediate family members of a director, the Managing Director/CEO or a substantial shareholder of the Company. Mr Lee Sze Leong and Mr Lee Sze Siong are siblings.

SingFinance Performance Share Plan

On 20 May 2020, the Company obtained shareholders' approval to implement the Sing Investments & Finance Performance Share Plan 2020 (the "Plan").

The Plan is a share incentive scheme which allows the Company, *inter alia*, to set specific performance objectives and provide an incentive for participants to achieve these set targets. The Directors believe that the Plan will help the Company achieve the following objectives:

- (a) to recognise and reward past contributions and services;
- (b) to motivate participants to continue performing and out-perform their standards and efficiency and to maintain a high level of contribution to the Group;
- (c) to retain key Group employees whose contributions are important to the long-term growth and success of the Group;
- (d) to attract potential employees with relevant skills and talents necessary to enhance the Group's business; and
- (e) to align the interests of the participants with the interests of shareholders.

The award of fully-paid shares, free of charge, to the participants of the Plan (the "Award") is intended to give the Company the option and flexibility to pay eligible employees' bonuses in the form of cash, shares or a combination of cash and shares, resulting in a better and more flexible salary and cash-flow management for the Company. In addition, the

Plan aims to foster an ownership culture within the Company and align the interests of the participants with the interest of shareholders.

Employees who are eligible to participate in the Plan must be:

- (a) Group employees;
- (b) Group executive directors;
- (c) Non-executive directors who have contributed or will contribute to the success of the Group.

Controlling shareholders or associates of controlling shareholders who meet the criteria as set out above are eligible to participate in the Plan.

The Plan is being administered by the RC. In compliance with the requirements of the Listing Manual, a participant who has been granted an Award and who is a member of the RC shall not be involved in the deliberations in respect of Awards to be granted to or held by him or his associates.

The RC may grant Awards to the participants at any time during the period when the Plan is in force. The Plan shall continue to be in force at the discretion of the RC, subject to a maximum period of 10 years from 20 May 2020.

The number of shares which are the subject of each Award to be granted to a participant in accordance with the Plan shall be determined at the absolute discretion of the RC, which shall take into account criteria such as, *inter alia*, the participant's rank, scope of responsibilities, performance, years of service and potential for future development, contributions to the success of the Group, and prevailing market and economic conditions. The performance targets will be set by the RC depending on each individual participant's job scope and responsibilities.

The total number of new shares which may be issued under the Plan, when aggregated with the total number of shares granted under any other share schemes of the Company, shall not exceed fifteen per cent (15%) of the issued shares of the Company (excluding treasury shares) on the day preceding the date of granting the Award.

CORPORATE GOVERNANCE STATEMENT

In accordance with Rule 845 of the Listing Manual, the Company observes that the following limits must not be exceeded:

- (a) the aggregate number of shares available under the Plan must not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) on the date preceding the date of an award;
- (b) the aggregate number of shares available to controlling shareholders and their associates must not exceed 25% of the new shares available under the Plan; and
- (c) the number of shares available to each controlling shareholder or his associate must not exceed 10% of the new shares available under the Plan.

Other than this SingFinance Performance Share Plan, there is no other long-term incentive scheme. No performance shares were granted for FY2023.

To-date, no Awards have been granted under the Plan.

ACCOUNTABILITY AND AUDIT

PRINCIPLE 9

RISK MANAGEMENT AND INTERNAL CONTROLS

Risk Governance

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls to safeguard the interests of the company and its shareholders. Under the Group's risk governance framework, the Board has the overall responsibility for providing leadership, articulating the risk appetite and tolerance levels and ensuring that a robust risk management and compliance culture prevails. The Board is assisted by the RMC to oversee the development of a robust Enterprise Wide Risk Management ("EWRM") framework, system, policies and processes which are aligned with the strategic direction set by the Board, to identify and manage the material business risks as well as to establish KRIs, risk tolerance and internal limits to guide risk-taking activities of the Group. The EWRM now also covers the Group's environmental and climate risk management.

Risk Management Committee

The RMC is a Board Risk Committee and is chaired by Non-Executive and Independent Director, Mr Michael Lau Hwai Keong, and comprises Ms Quan Wai Yee (Non-Executive and Independent Director), Mr Lee Sze Leong (Managing Director/CEO), Mr Lee Sze Siong (Deputy Managing Director) and Heads of Risk Management, Compliance, Product Management, Finance and Treasury/Branches Departments.

In line with its terms of reference, the RMC assists the Board in identifying the principal risks of the Company's business and to institute a framework of prudential controls to identify, assess, measure, monitor and manage these risks. These risks include credit risk, liquidity risk, market risk, operational risk, technology risk, cybersecurity risk, reputational risk and risks related to asset and liability management, new products, information technology, regulatory compliance, outsourcing and business continuity, and environmental and climate risk. The RMC is supported by the Risk Management and Compliance Departments.

Risk Management Department

The Risk Management Department assists the RMC by ensuring that the risk management framework, structure, policies and procedures are aligned to the Company's risk appetite, and business and regulatory requirements, and are appropriate for the management of the Company's risk exposures. The Risk Management Department also assesses the impact of key risks to the business.

The Risk Management Department assists the RMC in providing oversight of the development and implementation of risk models, monitoring limits set by the Board, reporting risk measurements, gap analysis, risk profiling, stress testing and control systems, risk limits breaches, highlighting exceptions and deviations, providing risk assessments, risk strategies and recommendations for deliberations and decision making. The Risk Management Department reports independently to the RMC.

The Board is responsible for approving the appointment, appraisal, resignation or dismissal of the Head of Risk Management Department.

CORPORATE GOVERNANCE STATEMENT

Compliance Department

The Compliance Department assists the RMC by ensuring that the Company, Management and staff continuously observe all policies and guidelines set by the Board and comply with applicable laws, regulations, regulatory guidelines and professional standards, including those for anti-money laundering and countering the financing of terrorism. The Compliance Department also ensures that the Company's internal policies and procedures are aligned with the regulatory requirements. These are achieved through compliance monitoring and testing. The Compliance Department reports independently to the RMC.

Senior Management, Business and Support Units

Senior management is accountable to the Board for ensuring the effective implementation of risk management and adherence to the risk appetite, risk tolerance limits and internal control limits established by the Board. Business and support units are primarily responsible for managing risk arising from their respective operations while the various independent monitoring and control units provide timely oversight, assessment and reporting of key risk exposures and breaches to senior management.

For FY2023, the Board has received assurance from:

- (a) the Managing Director/CEO and Head of Finance Department that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- (b) the Managing Director/CEO and other Key Management Personnel who are responsible for risk management and internal controls that the Company's risk management and internal control systems are adequate and effective.

Enterprise Wide Risk Management (EWRM) Framework

An effective EWRM framework is critical in ensuring the overall financial soundness of the Group's business operations and in creating sustainable growth in shareholders' value. In addition, it encourages sound business practices and decision making that adequately balances risk and reward.

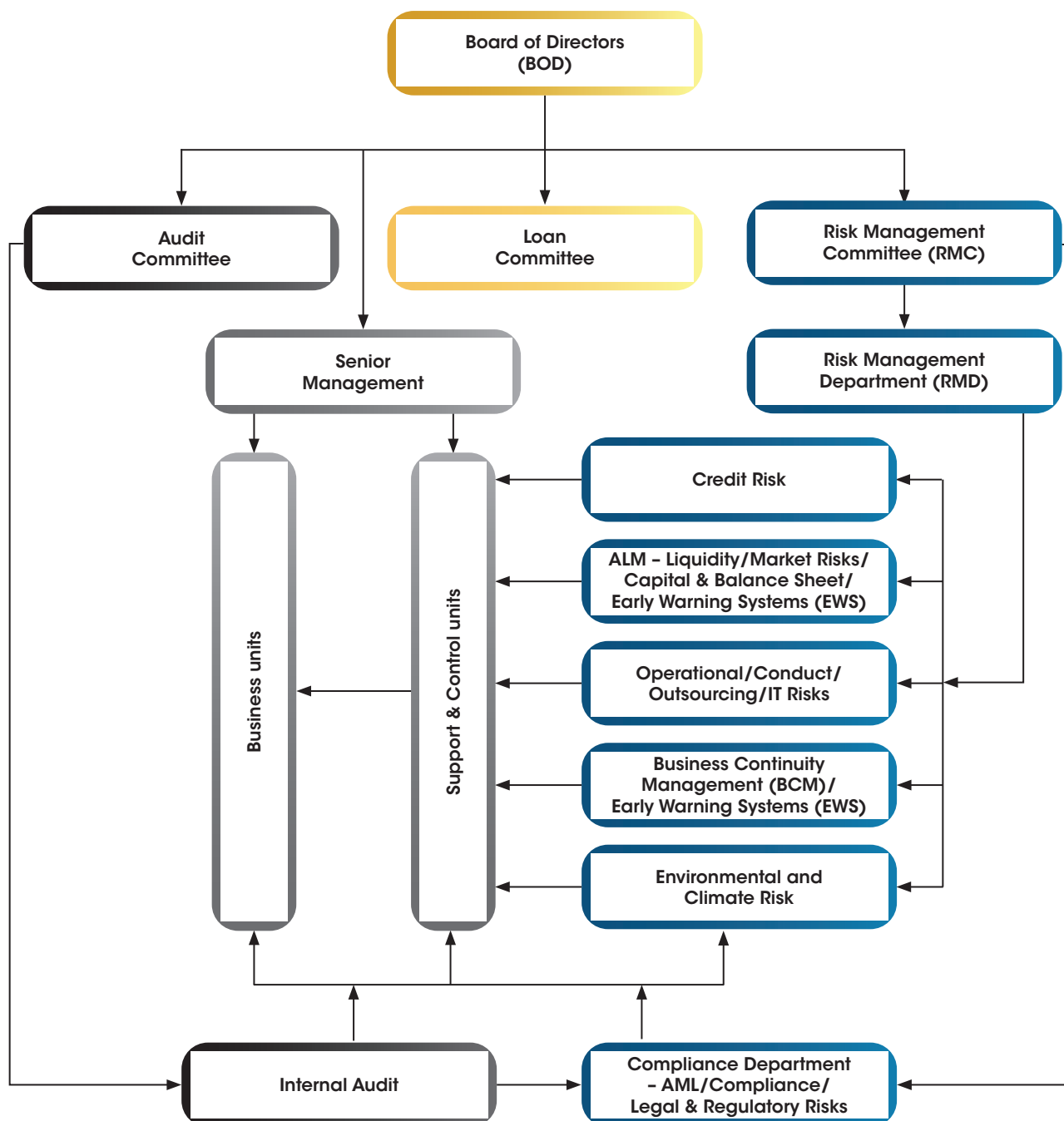
The Group's EWRM framework establishes the governance, accountability, policies and processes to ensure that major risk types and exposures are identified, measured, managed, controlled and reported. The framework provides the Board and Management with the necessary tools to anticipate and manage both the existing and potential risks.

Material business risks relating to the Group can be categorised as: capital and balance sheet management, credit, market, liquidity, operational (including regulatory compliance, information technology risk, cybersecurity risk, outsourcing, reputational risk, contagion risk and business continuity management) and environmental and climate risk, assumed by the Group in the course of carrying on its business.

In ensuring that risks are managed at the early stage of the risk-taking process, introduction of new products, outsourcing arrangements, new/revision of policies are subject to approval by the RMC. New policies and revision of existing policies are reviewed by the Risk Management and Compliance Departments. They are to ensure issues relating to risk, regulatory compliance and internal controls are addressed before submission to the RMC for approval. The Credit Control Department provides independent inputs on valuations, credit evaluations and recommendations to enable risk to be priced appropriately in relation to returns.

CORPORATE GOVERNANCE STATEMENT

ENTERPRISE WIDE RISK MANAGEMENT FRAMEWORK



CORPORATE GOVERNANCE STATEMENT

The Board and the RMC review and rank key material risks, formulated and endorsed the risk tolerance levels for all key risk types, set KRI thresholds for each risk type and approved the EWRM framework and policies for the year to ensure adequate internal control and management of risks. Setting thresholds is essential in making our risk appetite an essential part of our businesses as they help to keep all our risks within acceptable levels.

Both the Board and the RMC monitor risk exposures and profile against relevant risk thresholds on Risk Dashboard. This includes status of each of the KRIs, Asset Liabilities Management, regulatory and internal limits compliance, gap and sensitivity analysis, stress testing, concentration risks, Business Continuity Plan (BCP) exercises, Risk Control Self Assessments (RCSA), Risk Management Attestation statement, and residual risks.

For FY2023, the Board has reviewed the various risk reports, processes, together with the external and internal auditors' reports and is satisfied with the adequacy and effectiveness of the risk management framework, policies and internal control processes that are currently in place.

Financial Reporting, Internal Controls & Compliance with Policies and Regulations

While no system can provide absolute assurance against material loss or financial misstatement, the Group's internal financial controls are designed to provide reasonable assurance that assets are safeguarded, proper accounting records are maintained and financial information used by the Company and in all of its publications are reliable and accurate. In reviewing these controls, the directors have considered the risks to which the business is exposed to, the likelihood of such risks occurring and the costs of safeguarding the Company against such risks.

A system of effective internal controls plays a crucial role as it provides a foundation for the safe and sound operation of the Company's financing operations, thus safeguarding shareholders' investments and the Group's assets. The Board of Directors recognises that it has overall responsibility to ensure accurate financial reporting by the Group and the adequacy and effectiveness of the Group's system of internal controls.

The Board, with the assistance of the AC and RMC, reviews the adequacy and effectiveness of the Group's risk management and internal control systems. In compliance with Rule 1207(10) of the Listing Manual, the Board, with the concurrence of the AC and RMC, is of the opinion that the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems are adequate and effective.

Accountability

The Board provides shareholders with the Group's half yearly and annual financial results. In presenting these statements, the Board aims to provide shareholders with an assessment of the Group's performance and position with a commentary at the date of announcement of the competitive conditions within the industry in which it operates.

The Management provides all directors with detailed reports on the Group's financial performance and related matters prior to each Board meeting. The directors may at any time seek further information from and discuss with the Management on the Group's operations and performance. The Compliance Department with a direct reporting line to the RMC is set up to ensure compliance with legislative and regulatory requirements.

The Board believes in conducting itself in a way that delivers sustainable value to shareholders.

PRINCIPLE 10

AUDIT COMMITTEE

The AC comprises Mr Joseph Toh Kian Leong (Chairman), Ms Quan Wai Yee and Mr Kuah Boon Wee, all of whom are non-executive and independent.

The Chairman of the AC, Mr Joseph Toh Kian Leong is professionally qualified under Association of Chartered Certified Accountants and a former partner of an audit and consultancy firm with international networks. Ms Quan Wai Yee is a retired senior bank executive with more than 30 years of experience in the financial industry. Her expertise spans across various fields including corporate banking, investment banking and private banking, mainly in risk management. Mr Kuah Boon Wee is a Fellow of the Institute of

CORPORATE GOVERNANCE STATEMENT

Chartered Accountants of England and Wales. The Board is of the view that the members of the AC have recent and relevant accounting and financial management expertise or experience to discharge the AC's functions.

The AC does not comprise any former partners or directors of the Company's existing external auditors.

The AC is responsible for assisting the Board in its oversight of the reliability and integrity of the accounting policies and financial reporting as well as to scrutinize the adequacy and effectiveness of the internal controls. In discharging its oversight role, the AC is authorised and empowered to investigate any matter within its terms of reference and has full access to and cooperation of the Management.

The AC, together with the Management and the external auditors, reviews the Group's audited financial statements and the accounting principles applied. Through the maintaining and application of appropriate accounting and financial reporting principles and policies and internal controls and procedures, the AC assesses whether the financial statements comply with the accounting standards and applicable laws and regulations.

The AC conducts an annual review of all non-audit services by the external auditors to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors.

The AC holds meetings with the internal auditors and external auditors at least once a year without the presence of Management. It examines the audit findings of the external and internal auditors. It also reviews with the Internal Audit Manager on the scope, results and effectiveness of the audits and approves the internal audit plan in consultation with the Management. Any factors that may adversely affect the internal audit function's independence, objectivity or effectiveness will be reviewed by the AC.

In FY2023, the AC's activities, in line with its terms of reference, include:

- Reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the Group's financial results and any announcements relating to the Company's financial performance;
- Recommending the unaudited results and related SGXNET announcements for the Board's approval;
- Reviewing the annual audit plan;
- Reviewing the adequacy, effectiveness, scope and results of the external audit;
- Reviewing the independence and objectivity of the external auditors;
- Reviewing the adequacy, effectiveness, independence, scope, quarterly findings and reports of the internal audit function;
- Reviewing and reporting to the Board on the adequacy and effectiveness of SingFinance's internal controls, risk management systems and internal audit function annually;
- Reviewing the assurance from the CEO and the Head of Finance Department on the financial records and financial statements;
- Considering and recommending the re-appointment of the external auditors, and the remuneration and terms of engagement of the external auditors, to the Board;
- Reviewing related party transactions; and
- Reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on.

The AC takes measures to keep abreast of the changes to accounting standards and issues which have a direct impact on financial statements by attending relevant training and via meetings with the external auditors who will update the AC on recent developments in accounting standards and other relevant matters.

CORPORATE GOVERNANCE STATEMENT

Financial matters

In the review of the financial statements, the AC discussed with Management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. The following significant matters were discussed with Management and the external auditors, and were reviewed by the AC:

Significant financial reporting matters	How the AC reviewed these matters
Expected credit loss ("ECL") on non-credit impaired loans and advances	<p>The level of judgements and estimates required in determining the ECL allowances for non-credit impaired loans and advances remained significant in 2023 due to the uncertainties in economic outlook caused by protracted geopolitical tensions, elevated inflation and rising interest rates.</p> <p>The AC together with RMC have given careful consideration to the following significant matters:</p> <ul style="list-style-type: none"> - The ECL estimates, in particular the key judgements made in relation to the forward economic guidance, underlying economic factors and scenarios, reasonableness of the probability-weighted outcome and their impact to the financial statements; - The post model adjustments, which were applied to account for the limitations in the ECL models. <p>In addition, the AC has discussed the above matters with Management and the external auditors, and was satisfied that the overall loan impairment allowances, the underlying assumptions, the methodologies and the post model adjustments were reasonable and consistently applied.</p>
Loss allowances for Stage 3 credit-impaired loans and advances	<p>The AC reviewed the Company's Loan Policy for classification of impaired loans, in accordance with MAS Notice 811 and the relevant MAS circulars issued, to ensure that a holistic approach was applied in the assessment of the borrower's ability to repay the loan and the likelihood of impairment.</p> <p>The AC also examined the relevant procedures to ascertain the level of allowances, including judgements used in estimating the forced sale value of the applicable collaterals.</p> <p>In addition, the AC has discussed the above matters with Management and the external auditors, and was satisfied that the level of loan allowances for the impaired loans was reasonable and appropriate.</p>

Following the review and discussions, the AC recommended to the Board to approve the audited financial statements for FY2023.

CORPORATE GOVERNANCE STATEMENT

Internal Audit Department

Effective risk management and internal control are vital to the effective execution of Company's business strategy. The key role of the internal audit function of the Group is to evaluate the effectiveness of the Group's risk management, internal control and governance processes. The AC ensures that the internal audit function is adequately resourced and has appropriate standing within the Company. The work of the Internal Audit Department is primarily directed at improving the Company's internal controls with the objective of improving the effectiveness and efficiency of operations, reliability of financial reporting and compliance with internal policies and processes and laws and regulations. Audit tests are performed by the Internal Audit Department to ensure the integrity of the Group's financial system and operating procedures as well as the soundness of the Group's internal controls. The internal auditors have unfettered access to the AC, the Board and the Management where necessary, as well as the right to seek information and explanations from relevant parties in carrying out their function. Management is responsible for addressing issues identified by the internal auditors.

The Internal Audit Department reports independently to the AC.

The AC is responsible for approving the appointment, appraisal, resignation or dismissal of the Head of Internal Audit function.

The AC has appointed Ernst & Young Advisory Pte Ltd ("EY") to perform the internal audit functions for the Information Technology Department of the Company.

Both the Company's in-house internal auditors and the auditors of EY subscribe to and are guided by the Standards for the Professional Practice of Internal Auditing developed by the Institute of Internal Auditors, Inc ("IIA") and have incorporated these standards into its audit practices and meet the standards set by the IIA. The AC is satisfied that the internal audit function is independent, adequately resourced and has appropriate standing within the Company.

External Audit

The AC is responsible for recommending to the Board the proposal to the shareholders on the appointment, re-appointment and removal of the external auditors. The AC evaluates the external auditors based on factors such as the adequacy of the resources and experience of the auditing firm and audit engagement partner assigned to the audit, the firm's time commitment to the audit engagement, the number and experience of supervisory and professional staff assigned to the audit, the performance and quality of their audit and independence of the external auditors. For appointment and re-appointment of external auditors, the AC took into consideration the Audit Quality Indicators Disclosure Framework published by the ACRA to assess the auditors' commitment towards audit quality, integrity and training. After the evaluation, the AC recommends its decision to the Board for approval. The AC also approves the external auditors' remuneration and terms of engagement.

SingFinance is in compliance with Rules 712 and 715 of the Listing Manual in relation to the appointment of its auditing firm. The AC has reviewed the non-audit services provided during FY2023 and the fees paid for such services. The total fees paid to the external auditors, Deloitte & Touche LLP, are disclosed in Note 22 to the Financial Statements in the Annual Report. Deloitte & Touche LLP is the external auditor for both the Company and Sing Investments & Finance Nominees (Pte.) Ltd.

The AC is satisfied that the independence of the external auditors has not been impaired and the external auditors have provided a confirmation of their independence to the AC.

Whistle-blowing Policy

SingFinance is committed to a high standard of ethical conduct with no tolerance for fraudulent practices. The Company has put in place a Whistle-blowing Policy and procedures which provide employees and members of the public with well-defined and accessible channels within the Company, to raise genuine concerns or suspicions about possible improprieties in accounting, auditing and financial reporting or any other fraudulent activities relating to the Company and its officers.

CORPORATE GOVERNANCE STATEMENT

The Whistle-blowing Policy aims to encourage the reporting of such matters in good faith and the Company is committed to ensure that employees or members of the public making such reports will be treated fairly and protected from reprisal. Internal Audit Department and Compliance Department, both with independent reporting line to the board sub-committees, are in-charge of investigating whistleblowing reports, if any. The Audit Committee is responsible for oversight and monitoring of whistleblowing matters. The Company will ensure the confidentiality of the whistle-blower and allow reporting to be made anonymously. On an ongoing basis, the Whistle-blowing Policy is covered during staff training and periodic communication to all staff as part of the Company's efforts to promote awareness of fraud control. Procedures for the handling of feedback/complaints received from customers and independent investigations of such complaints have also been established. The Company undertakes to investigate complaints of suspected fraud in an objective manner.

Complaint Handling Procedures

Clear complaint handling procedures are in place and communicated to customers to ensure that all complaints are dealt with professionally, fairly, promptly and diligently.

SHAREHOLDER RIGHTS AND ENGAGEMENT

PRINCIPLE 11

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Shareholder Rights

The Company advocates fair and equitable treatment to all shareholders. All price-sensitive information is disclosed publicly in a timely manner. Shareholders are given the opportunity to participate effectively and vote at general meetings of shareholders and they are informed of the rules, including voting rights and the procedures that govern such general meetings of shareholders.

Shareholders are entitled to attend and vote at the AGM in person or by proxy. The Constitution of the Company allows shareholders to appoint up to two proxies; however, pursuant to Section 181 of the Companies Act, a shareholder who is a relevant intermediary may appoint more than two proxies.

Conduct of Shareholder Meetings

The Company strongly encourages and supports shareholder attendance and participation at its AGMs. The Company publishes the notice of the AGM on SGXNET and on the Company's website at <https://www.singfinance.com.sg> (the "Corporate Website") on a timely basis to provide ample time for shareholders to receive and review the notice.

All the directors and senior management attend general meetings of shareholders to address queries and concerns about the Company. The Company's external auditors are also invited to attend the AGM to assist the directors to address shareholders' queries that are related to the conduct of the audit and the preparation and content of the auditors' reports. All directors, including the Chairman of the Board and Managing Director/CEO attended the last AGM held in FY2023.

The Company holds the AGM at a central location with convenient access to public transportation. There will be no option for shareholders to participate virtually.

Separate resolutions on each distinct issue are tabled at the general meeting. The Company does not "bundle" resolutions, unless the resolutions are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company will explain the reasons and material implications in the notice of meeting.

The Company Secretary prepares minutes of general meetings that include responses from the Board and Management to questions from shareholders submitted in advance. The minutes are published on the Corporate Website and the Company will furnish the minutes of the AGM upon request by any shareholder.

For greater transparency, the Company conducts the voting of all the resolutions tabled at the AGM by poll. Shareholders are briefed on the voting process and vote tabulation procedures prior to the meeting. Independent scrutineers are appointed to count and validate the votes at the AGM. Votes cast for and against each resolution and the respective percentages on each resolution are announced and displayed. The results of the AGM are also released via SGXNET on the same day.

CORPORATE GOVERNANCE STATEMENT

Dividend Policy

The Company has in place a general policy on the factors to be considered for payment of dividends. The Board will continue to evaluate and recommend dividends to be paid to shareholders taking into consideration the following factors:

- The Company's financial performance;
- Compliance with regulatory capital requirements;
- Sufficiency of retained earnings and reserves for capital expenditure and business operations and expansion;
- A fair and sustainable return on investment for shareholders;
- The Company's past dividend payment history, economic and market conditions; and
- Regulatory guidance, if any.

The annual dividend proposed for FY2023 is shown in page 184 in the Notice of AGM.

In compliance with Rule 704(24) of the Listing Manual, in the event that the Board decides not to declare or recommend a dividend, the Company will expressly disclose the reason(s) for the decision together with the announcement of the relevant financial statements.

PRINCIPLE 12

ENGAGEMENT WITH SHAREHOLDERS

The Company has in place an Investor Relations Policy which sets out the mechanism through which shareholders may contact the Company with questions and through which the Company may respond to such questions. The Company is committed to maintaining high standards of disclosure and corporate transparency. The Company provides consistent, relevant and timely information regarding the Group's performance with the fundamental aim of assisting our shareholders and investors in their investment decision-making.

The Company's financial results are released via SGXNET. These include the half-year and full-year results which are also freely and publicly available at the Company's website at www.singfinance.com.sg. All relevant and material information are also released to the public and announced in accordance with the applicable laws and regulations. Apart from SGXNET announcements and Annual Reports, the Company updates shareholders with information via its website and during the AGM.

The Company maintains a corporate website to communicate and engage regularly with its shareholders. Feedback mechanisms are in place to solicit the views of shareholders and to address requests and concerns raised by shareholders outside of the AGM. Communication with shareholders is done by the Executive Directors. In addition, all shareholders will receive the Annual Report of the Company upon request and the notice of the AGM which is also published via SGXNET. Meetings with institutional and retail investors may be arranged upon request. Shareholders are also welcome to express their views via email to investor_relations@singfinance.com.sg. The policy and processes in place allow for exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

MANAGING RELATIONSHIP WITH STAKEHOLDERS

PRINCIPLE 13

ENGAGEMENT WITH STAKEHOLDERS

The Board adopts an inclusive approach in the management and engagement of its key stakeholders, including customers, investors, employees and regulators to ensure that the best interests of the company are served. The Company has processes in place to identify and engage with its key stakeholder groups which will help to build the relationships and trust necessary for corporate sustainability.

The Company's senior executives are involved in ongoing engagements with stakeholders through various channels. The Company maintains a current corporate website at www.singfinance.com.sg to communicate and engage with stakeholders.

Please refer to the section on "Stakeholder Engagement" in page 44 of the Sustainability Report for more information on the Company's strategy and key areas of focus in engagement with its stakeholders.

ADDITIONAL INFORMATION

RELATED PARTY TRANSACTIONS

The Company has in place policies and procedures governing related party transactions.

The Board has established procedures for approval of all related party transactions to ensure that these transactions with the Company are undertaken on an arm's length basis.

CORPORATE GOVERNANCE STATEMENT

As per the Related Party Transactions procedures, directors who disclose their interests in any related party transactions shall abstain and absent themselves from any discussion and approval of the aforesaid transactions.

Details of directors and their related parties are maintained in the central database. Any transactions with directors or their related parties is captured by the system to facilitate review and reporting of such transactions.

The AC is responsible for reviewing and recommending all related party transactions and any material amendments to the Board of Directors for approval, where a special majority of three-fourths of the Board is required.

During FY2023 the Company had collected deposits from its directors and their related parties. No preferential treatment had been extended to the directors and their related parties for these deposits.

Disclosure of related party transactions during FY2023 is shown in page 160.

INTERESTED PERSON TRANSACTIONS

In accordance to Rule 907 of the Listing Manual of the SGX-ST, details of the interested person transactions are required to be disclosed in the annual report. For the financial year ended 31 December 2023, there was no interested person transaction.

MATERIAL CONTRACTS (RULE 1207(8) OF THE LISTING MANUAL)

Except for the 3-year tenancy agreement entered into with Sing Holdings Limited in 2022, there were no material contracts entered into by the Company or its subsidiary involving the interests of the CEO, each director or controlling shareholder during FY2023.

DEALING IN COMPANY'S SHARES

The Company continues to adopt the best practices advocated by the SGX-ST, as set out in Rule 1207(19) of the Listing Manual, for the trading of the Company's shares by its staff and directors.

The Company has established policies in place to ensure that employees do not place themselves in positions where their own interests could conflict with those of the Company.

The following internal human resource policies guide all directors and officers in their dealings in the Company's shares:

- All directors and officers must inform the Management/Board of their dealings in the Company's shares, including dealings by their immediate family members;
- All directors and officers should not deal in the Company's shares on short-term considerations and while in possession of unpublished material price-sensitive information in relation to such shares; and
- All directors and officers must also not deal in the Company's shares during the period commencing one month before the announcement of the Company's half-year and full-year financial results.

BUSINESS AND ETHICAL CONDUCT

The Board of Directors adopts the Directors' Code of Professional Conduct ("Code of Conduct") published by Singapore Institute of Directors ("SID"). The Code of Conduct seeks to ensure that all directors are committed to achieving the highest level of professionalism and integrity in the discharge of their office and is intended to complement the Code.

While the Code sets out the principles of corporate governance to be observed by listed companies, the Code of Conduct amplifies the standards of ethics which should be adopted by individual directors in order to bring out the highest standards of conduct in the discharge of their office.

The Code of Conduct embraces the values of honesty, integrity, personal excellence and accountability which should be the cornerstone of every director's conduct.

The Company continuously exercises prudence in its business dealings and has in place personnel policy that sets out the standards and ethical conduct expected of employees. In addition, all staff members are required to observe the guidelines stated in the Finance Houses Association of Singapore's Code of Conduct. The principles covered in the Code of Conduct include confidentiality of information, conflict of interests, relationships with customers and insider trading. The Company ensures that all staff members continue to observe high standards of professionalism and integrity in their dealings with the customers, business associates and colleagues.

Date: 23 February 2024

CORPORATE GOVERNANCE STATEMENT

SUMMARY OF DISCLOSURES – CORPORATE GOVERNANCE

Rule 710 of the Listing Manual requires Singapore-listed companies to describe their corporate governance practices with specific reference to the Code of Corporate Governance issued on 6 August 2018 (the “Code”) in their annual reports for the financial years commencing on or after 1 January 2019. This summary of disclosures describes our corporate governance practices with specific reference to the disclosure requirements in the principles and provisions of the Code.

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Chairman and Chief Executive Officer

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SUSTAINABILITY REPORT

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ABOUT THIS REPORT

REPORTING PERIOD

This is the seventh Sustainability Report ("SR") for Sing Investments & Finance Limited (referred to as "SingFinance" or "the Company") and its fully owned subsidiary, Sing Investments & Finance Nominees (Pte.) Ltd (collectively, "the Group"), which covers the financial year 1 January 2023 to 31 December 2023, and is reported together with our Annual Report.

SCOPE

This report covers the operations of the Group and seeks to provide both internal and external stakeholders with an overview of the Group's strategies, management and monitoring of material factors, in relation to Environmental, Social and Governance ("ESG") matters. Environmental matters include issues related to climate risk.

The SR supplements the financial and risk performance reported elsewhere in the Annual Report to present a balanced perspective of how the Group strives to build long term values, invest for growth while supporting our stakeholders and valuing our environment.

The contents aim to provide relevant ESG data and information to SingFinance's stakeholders, which include our employees, our customers, our shareholders, our regulators and those who live in the same community as us.

The Group's entities included in this SR are equivalent to those disclosed in the Group's financial statements. In consolidating information of the entities of the Group, adjustments were not made to information for minority interests. The Group has not undergone any mergers, acquisitions and disposal of entities this financial year. The consolidation approach taken across the Group's entities and across material topics is consistent and remains unchanged from the prior year.

SUSTAINABILITY REPORTING FRAMEWORK

This report has been prepared in accordance with the Global Reporting Initiative ("GRI") 2021 Standards and in conformity with the Singapore Exchange's ("SGX") sustainability reporting regime. The GRI Standards were adopted by the Group as the disclosure principles and performance metrics provided by GRI are relevant for the Group to communicate the progress and impact of our ESG efforts with our stakeholders. The GRI Content Index is available on page 75.

The climate related disclosures in the SR are consistent with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). The TCFD Content Index is available on page 79.

SUSTAINABILITY REPORT

BOARD STATEMENT

CLIMATE CHANGE

In the 28th United Nations Climate Change Conference ("COP28"), the first ever Global Stocktake revealed that the current stage of global climate actions is significantly inadequate in meeting the goal of the Paris Agreement on holding the rise in global temperatures. This calls for swift actions and transformative changes to cut greenhouse gas ("GHG") emissions and curb global warming.

Similarly in Singapore, the Monetary Authority of Singapore ("MAS") in its Financial Stability Review 2023 reported that our financial sector would incur significant financial losses in the event of a disorderly transition to a low carbon future. This could be destabilising for the financial system. A disorderly transition scenario in the MAS analysis is when the concerted climate policy action begins only in 2026, which is less than 2 years from now.

SingFinance agrees that there is no time to waste in transitioning to a low carbon economy.

Following the launch of SingFinance Responsible Financing, we continue to refine our approach and educate our colleagues so that ESG considerations become instinctive and spontaneous to us when we make business decisions.

In 2023, we conducted our first scenario analysis on climate risk in accordance with the recommendations of TCFD. The first assessment to explore the climate impact on our financial performance was based on qualitative narratives. Our climate-related strategy and management actions will now be informed by the outcomes of the transition pathways. Concurrently, we are exploring pragmatic ways to conduct the analysis in a more quantitative manner for a more accurate assessment of our financial positions under different climate scenarios.

GOVERNANCE AND TRANSPARENCY

We are once again honoured by the recognition given to our effort in upholding the standards of corporate governance and reporting. In 2023, we received the following awards:

Singapore Corporate Awards (under \$300m market capitalisation category):

- Best Managed Board – Gold Award
- Best Risk Management – Gold Award
- Best Annual Report – Bronze Award

Edge Centurion Club Awards (Banking & Investment Services, Collective Investments, Fintech & Infrastructure and Insurance Sector):

cOverall Sector Winner

- Highest Returns to Shareholders over 3 years
- Highest Growth in Profit After Tax over 3 Years

Additionally, in the 2023 Singapore Governance Transparency Index survey, we retained the 11th position out of the 474 listed companies surveyed and have consistently ranked in the top 5% in the past 10 years.

The foregoing awards and index are the leading benchmarks for evaluating exemplary corporate practices in Singapore. We greatly appreciate their recognition of SingFinance's efforts in maintaining high standards of corporate governance.

INNOVATION

We have continued to expand our digital capabilities in order to provide our customers with greater convenience and easier access to our services. In 2023, we are among the first adopters in Singapore of the multi-token feature for mobile apps. Our corporate customers can now conveniently access accounts from various organizations using our mobile apps on a single device. This feature eliminates the need for customers to juggle multiple devices when accessing accounts across different entities, providing a more streamlined experience.

With the convenience of this multi-token feature, we aspire to host the key operating accounts of our customers.

Looking back at 2023, we are proud to remain committed to our ESG agenda despite challenges and uncertainties. We will continue to strengthen our capability to mitigate climate-related risks and to seize opportunities arising from the transition of Singapore to a greener economy whilst upholding our standards in corporate governance and transparency.

SUSTAINABILITY REPORT

OUR APPROACH TO SUSTAINABILITY

Our approach to sustainability is to ensure that ESG issues are well integrated with our business and operational models, and are subject to strong governance by our management and Board. We embed sustainability considerations in our business strategies and lending decisions, and appraise both ESG-related risks and opportunities in a holistic and balanced manner.

SUSTAINABILITY GOVERNANCE

Governance Structure



Board of Directors

The Board has an overall responsibility for sustainability, provides oversight of ESG matters and has in place a strong governance framework to manage our business effectively and responsibly. The Board determines the material ESG factors, approves the sustainability related policies and the Enterprise-Wide Risk Management Framework ("EWRM"), which now covers the Group's environmental and climate risk management. In addition, the Board is responsible for ensuring that the Group has adequate resources to achieve its ESG aspirations and for allocating resources appropriately through annual budgeting and long-term strategic planning.

Please refer to the Corporate Governance Statement of this Annual Report for the independence, composition, diversity and other information on the Board of Directors.

Risk Management Committee

To support the Board of Directors on ESG matters, the Risk Management Committee ("RMC") oversees the EWRM, reviews and approves risk policies and procedures. This includes defining SingFinance's risk appetite and managing the Company's risk exposures, which include ESG risks. The RMC meets quarterly, and reports and escalates ESG related matters to the Audit Committee, which has overall oversight responsibility for ESG issues, and to the Board.

Chaired by an independent director, the RMC comprises 2 independent directors, 2 executive directors, Head of Risk Management, Head of Product Management, Head of Finance, Head of Compliance and Head of Treasury/Branches. Apart from the 2 independent (non-executive) directors, all other RMC committee members are involved in the day-to-day operations and business of SingFinance.

SUSTAINABILITY REPORT

The independent directors are subject to the tenure requirements for listed company directors imposed by the SGX. Other RMC members are appointed based on their positions as SingFinance functional heads. Of the RMC members, 56% are females and 44% are males, as at 31 December 2023, unchanged from a year ago. The selection criteria in the composition of the RMC includes competencies, experience, diversity and independence.

Sustainability Steering Committee

The Sustainability Steering Committee ("SSC") supports the RMC in reviewing, monitoring and managing SingFinance's sustainability efforts and material ESG factors. The Committee reports regularly to the RMC, which in turn reports to the Audit Committee and Board on matters and issues relating to sustainability.

Audit Committee

The Audit Committee ("AC") has overall oversight responsibility for ESG matters. Through the Internal Audit function, the AC provides independent oversight on the design of policies related to sustainability, compliance with these policies, quality of data being collected and sustainability related reporting and disclosure processes and practices.

The Internal Audit function has reviewed this report which has not been externally assured.

Other functions supporting sustainability efforts

Supporting the SSC are the relevant heads of department, who have been delegated specific sustainability responsibilities, tasks and targets.

Sustainability performance

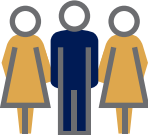
All SingFinance personnel responsible for sustainability are expected to ensure full compliance with our ESG related policies, strategise to achieve the ESG targets set by the Board, and incorporate sustainability considerations into every initiative they oversee. Our remuneration policy takes into account the contributions of our personnel in enhancing SingFinance's sustainability performance, which is now one of our strategic imperatives.

STAKEHOLDER ENGAGEMENT





The Group's stakeholders are the entities or individuals that can be reasonably expected to be impacted by our activities, products and services. Engagement with our stakeholders is essential for us to receive feedback and to understand their expectations. The Board of Directors takes this input when directing and prioritising our ESG efforts.

The table below provides a summary of our key stakeholders, our engagement methods with them, their expectations and our corresponding responses.

Engagement Channels

Stakeholders	Engagement Channels	Areas of Interest	Our Responses
Customers 	<ul style="list-style-type: none"> Interactions at branches & face-to-face meetings Regular engagements with relationship managers Customer service hotline Feedback via SIF mobile apps & website 	<ul style="list-style-type: none"> Digitally enabled services & products Fair dealing Competitive pricing & innovative products Data privacy & security Prompt service & complaint resolution 	<ul style="list-style-type: none"> SIF Retail & Corporate e-services apps, & company website Active listening Professional and ethical standards in business conduct Strong data security Good customer services and prompt resolution of feedback & complaints

SUSTAINABILITY REPORT

Stakeholders	Engagement Channels	Areas of Interest	Our Responses
Regulators 	<ul style="list-style-type: none"> Regular dialogues, updates & consultation Industry-wide initiatives to strengthen soundness of financial industry Compliance reviews, surveys for insights & dialogues 	<ul style="list-style-type: none"> Transparent, timely data & insights Company, industry financial & operational stability Key regulatory issues, including cyber security, financial crime, money laundering, operational resilience 	<ul style="list-style-type: none"> Participation in dialogues, surveys & consultation Strong governance and controls over financial & operational risks Compliance to regulatory requirements and guidelines in letter & spirit Strong capital and adequate liquidity
Employees 	<ul style="list-style-type: none"> One-to-one sessions Feedback in the course of work and appraisals Staff satisfaction survey and follow-ups Communication and updates from management 	<ul style="list-style-type: none"> Personal & professional development Opportunities for career progression Work-life balance Mutual trust & respect 	<ul style="list-style-type: none"> Fair & progressive HR policies Support for flexible working arrangement Training opportunities & career development Talent management & retention
Investors 	<ul style="list-style-type: none"> Annual general and other shareholder meetings Annual reports & result announcements Updates & broadcasts through SIF websites 	<ul style="list-style-type: none"> Stable, sustainable growth & returns Sound funding & strong capital Strong corporate governance & transparency 	<ul style="list-style-type: none"> Competent & independent Board of Directors & management Financial prudence & sustainable dividend pay-out Robust corporate & risk governance Timely disclosure & reporting
Community 	<ul style="list-style-type: none"> Community engagement programs Partnership with charity & social service agencies Sustainability reporting 	<ul style="list-style-type: none"> Good corporate citizenship Financial support and donations in kind Positive impacts on environment 	<ul style="list-style-type: none"> Responsible financing Giving back through corporate social responsibility activities Effort to reduce environmental footprints

SUSTAINABILITY REPORT

MATERIALITY ASSESSMENT

The Sustainability Steering Committee, which comprises members of senior management and key managerial staff of SingFinance, identifies and assesses the material ESG factors, based on internal relevance and external expectations, for the Risk Management Committee’s endorsement before recommending them to the AC and Board for approval. The material ESG factors are reviewed on an annual basis to ensure that they remain relevant to the Group in the fast-evolving landscape.

SUSTAINABILITY PILLARS

Our sustainability priorities centre around 3 pillars to focus our efforts in creating impact on ESG matters. The ESG material factors the Group identifies are aligned under the 3 Sustainability Pillars.

We recognise that as a financial institution, the environmental factors are the most material ESG agenda to SingFinance. Our lending activities create environmental impact and our assets are exposed to environmental risks. In 2023, we have added “Low Carbon Transition” as a material factor under the “Valuing Environment” pillar and lifted “Valuing Environment” to be the first of the 3 sustainability pillars to focus our effort on environment.

	Valuing Environment	Creating Values	Upholding Values
Pillars	We act as a responsible agent of change for our customers and ourselves to transition to a more sustainable environment	We aim to create values for all our stakeholders, including shareholders, customers and community	We strive to uphold our corporate values in our conduct of business with internal and external stakeholders
Material Factors	Responsible Financing	Economic Value	Corporate Governance
	Low Carbon Transition	Service Digitisation	Risk Culture
	Environmental Footprint	Community Contribution	Talent Management
	New Material Factor		

POLICY COMMITMENTS & TARGETS

The Group reports our policy commitments to each material factor identified by the Board of Directors and communicates these commitments to all relevant stakeholders, including our employees and shareholders, through various engagement channels.

Targets and risk appetites are set up to help us fulfil the policy commitments and our progress on key targets is presented in this report annually.

The Group is committed to providing for or cooperating in the remediation of negative impacts resulting from our actions, in accordance with our policies. We have processes and mechanisms in place to identify and address grievances and complaints from our stakeholders.

SUSTAINABILITY REPORT

SUSTAINABILITY PILLAR – VALUING ENVIRONMENT

MATERIAL FACTOR – RESPONSIBLE FINANCING

Sustainability Pillar	Material Factor
Valuing Environment	Responsible Financing

Why Is This Material

SingFinance is exposed to ESG-related risks through our lending activities via our loans to customers that operate in ESG sensitive sectors. The Group believes that proper management of environmental risks of our financing business can yield positive results and help enhance our reputation and brand for our business.

SingFinance ESG Risk Management

Our ESG risk policies and processes focus on the lending to the industries with elevated ESG risks and are guided by the Association of Banks Guidelines on Responsible Financing ("ABS Guidelines") and MAS' Guidelines on Environmental Risk Management. The ABS Guidelines cover 8 industries with elevated ESG risks, namely Agricultural, Chemicals, Defence, Energy from Fossil Fuels, Forestry, Infrastructure, Mining & Metals and Waste Management.

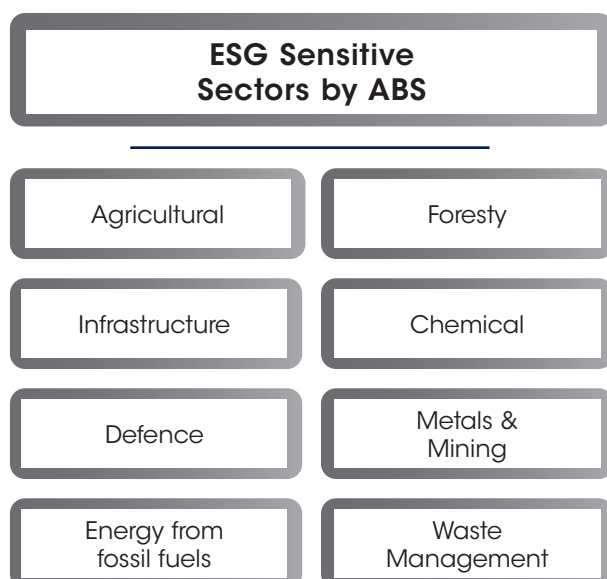
ESG Risk Appetite

We seek to protect our assets by limiting our risk appetite for financing of ESG sensitive assets. We resolve to keep the exposures low to sustain the climate resilience of our portfolio and assets. In 2023, we reassessed and enhanced our ESG risk management to incorporate climate matters more thoroughly into our risk management.

SingFinance ESG Risk Assessment Approach

To support our customers in their transition to greener technologies and business models, we conduct a preliminary assessment of ESG and climate risks before onboarding new customers. This proactive approach is taken to prevent disruptions to their financing and operations, as well as to mitigate the risk of potential impairment of our assets due to the abrupt termination of the relationship at a later stage.

ESG Sensitive Sectors by ABS



We conduct ESG risk assessments on all new credit applications and at annual credit reviews. The review of all borrowers classified with "Low & Medium Inherent ESG Risk" will be based on our General Responsible Financing Checklist. Customers with "High Inherent ESG Risk" will be assessed with enhanced due diligence based on one of our 8 Sector Specific Responsible Financing Checklists. The assessment will take into consideration negative ESG news and information about the customers in the public domain. We will factor in the risk mitigating criteria to determine the residual risk rating.

Our ESG due diligence for all customers is now integrated into our Credit Risk Management Policy which guides our lending decisions.

SUSTAINABILITY REPORT

Our target on Responsible Financing is as follows:

2024 Target	
Responsible Financing	Compliance with SingFinance ESG Risk Management policies to ensure our assets remain resilient to environment and climate risks

MATERIAL FACTOR – LOW CARBON TRANSITION

Sustainability Pillar	Material Factor
Valuing Environment	Low Carbon Transition

Why Is This Material

Recognising that the financial sector has a critical role to play in supporting the transition of Singapore to a low carbon economy, SingFinance is committed to supporting our customers in their transition journey to minimise the adverse impact caused by their business activities to people, the environment and community.

Environmental Risk Management Policy

We recognise that environmental change can impact the Company’s principal risks, such as credit, liquidity, operational, reputational and market risks. In response, we have implemented our Environmental Risk Management Policy to strengthen our resilience to environmental risks.

Based on our assessment, our assets, portfolios and operations are exposed to both **transition risk**, arising from the shift towards a low-carbon economy, and **physical risk**, relating to physical impacts of climate change. The physical risk can manifest in form of **acute risk**, driven by sudden and rapidly developing weather events, and **chronic risk**, caused by longer-term shifts in climate patterns.

Risks and Opportunities

SingFinance assesses the environmental risks and opportunities through the short, medium and long-term time scales defined below. In making the classification, we take into consideration our financial and resource planning cycles as well as the maturity tenures of our assets and portfolios.

Short-term	S	0-1 Year
Medium-term	M	1-5 Years
Long-term	L	5-30 Years

SUSTAINABILITY REPORT

The examples of the environmental risks and opportunities facing SingFinance are as follows:

Physical Risks	Examples	Financial Impact
<u>Acute Risk</u> M L Event driven climate events	<ul style="list-style-type: none"> Increased extreme weather events such as flood & heats 	<ul style="list-style-type: none"> Reduced revenue due to physical disruptions
<u>Chronic Risk</u> M L Long term shift in climate events	<ul style="list-style-type: none"> Extreme variability in weather patterns Rising sea levels & mean temperatures 	<ul style="list-style-type: none"> Asset impairment Increased insurance premium
Transition Risks	Examples	Financial Impact
<u>Policy & Legal Risk</u> S M L Changes in policies & regulations	<ul style="list-style-type: none"> Higher GHG emission taxes Penalties for involving in illegal activities 	<ul style="list-style-type: none"> Impairment of loans & investments as changes negatively impact customers' bottom lines
<u>Technology Risk</u> S M L Changes in technologies	<ul style="list-style-type: none"> Higher research & development costs Costs incurred in implementing new technologies 	<ul style="list-style-type: none"> Higher costs would adversely impact customers' cash flows and in turn their repayment ability
<u>Market Risk</u> S M L Changes in market dynamics	<ul style="list-style-type: none"> Changes in customer sentiment & demand Value-chain disruption 	<ul style="list-style-type: none"> Reduced revenue from lower demands for credit facilities
<u>Reputational Risk</u> S M L Negative perception from customers & stakeholders	<ul style="list-style-type: none"> Negative perception of SingFinance resulting in customer loss & lower profitability 	<ul style="list-style-type: none"> Challenges in retaining & attracting talents Reduced access to capital
Opportunities	Examples	Financial Impact
<u>Products</u> S M L New products & services	<ul style="list-style-type: none"> Green car loans Sustainable financing, especially for SMEs 	<ul style="list-style-type: none"> Increased revenue with new business opportunities
<u>Business</u> M L Higher business volume	<ul style="list-style-type: none"> Retrofitting activities under Singapore Green Building Masterplan Other transition financing 	<ul style="list-style-type: none"> Higher revenue with more transitioning activities

Scenario Analysis

In 2023, we conducted our first scenario analysis on climate risk, a key environmental risk, based on the recommendations of **Task Force on Climate-related Financial Disclosures ("TCFD")**. We took reference from the **Network for Greening the Financial System Phase 2 ("NGFS")** climate scenarios, which are consistent with the climate scenarios used in the Monetary Authority of Singapore's Industry Wide Stress Test ("IWST") 2022.

SUSTAINABILITY REPORT

In line with the IWST 2022, we used 3 sets of climate scenarios, namely **Orderly Transition**, **Disorderly Transition** and **No Additional Policies**, which are adopted from the NGFS sub-category of **Net Zero 2050**, **Delayed Transition** and **Current Policies**, respectively.

SingFinance Climate Scenario	NGFS Sub-category	Description	Mean Global Warming in 2050	Transition Risk	Physical Risk
Orderly Transition	Net Zero 2050	Timely and orderly global actions to move towards a low carbon future	1.6°C	Moderate	Limited
Disorderly Transition	Delayed Transition	A delayed and disorderly shift to a low carbon future	1.8°C	Medium to High	Limited
No Additional Policies	Current Policies	No additional climate policies are introduced	3°C	Limited	High

Limited risk
Moderate risk
High risk

We conducted our 2023 analysis to assess the potential climate change implications on SingFinance's financial performance with qualitative scenario narratives or storylines. Based on the outcome under each climate pathway, the Board of Directors formulates strategies and management actions to improve the resilience of our portfolios to climate risks and to identify emerging business opportunities. We will explore a more robust quantitative approach as we expand and build our capacity going forward.

In this analysis, we focused on our 2 largest loan portfolios, namely Property Loans and Automotive Financing, which together constituted over 50% of SingFinance's total customer loans as at 31 December 2023.

The summary of our analysis is as follows:

Property Loans

All our property loans are secured on properties in Singapore. As an island, Singapore is vulnerable to the impact of climate change particularly rising sea levels. However, the risk is widely perceived to be mitigated by the proactive measures being planned by the government.



All SingFinance property loans are secured on local properties

The greatest risk facing our property loans is physical risk. The rise in sea level poses a significant threat to Singapore as 30% of our island lies only less than 5 meters above Singapore mean sea level.

Green building incentives and green finance solutions are available in Singapore as part of the national effort to decarbonise the building and construction sector. Nevertheless, the participation of small and medium enterprises ("SMEs"), our main clientele, in these schemes is currently still relatively low. Opportunities to provide financing to this group of small-scale players may emerge as the schemes become more accessible to them in the future.

SUSTAINABILITY REPORT

The highlight of risks and opportunities facing SingFinance's property loans from our 2023 analysis is as follows:



SingFinance will continue to build its capacity in quantitative measures on environmental risk and monitor policy changes and market trends in Singapore. Concurrently, we will tap into the opportunities to partner with our customers in financing their transitioning activities.

AUTOMOTIVE FINANCING

SingFinance is a leading automotive financier for Singapore car dealers. We do not provide credit facilities to automotive manufacturers and original equipment manufacturers, which are generally considered to face higher transition risks.

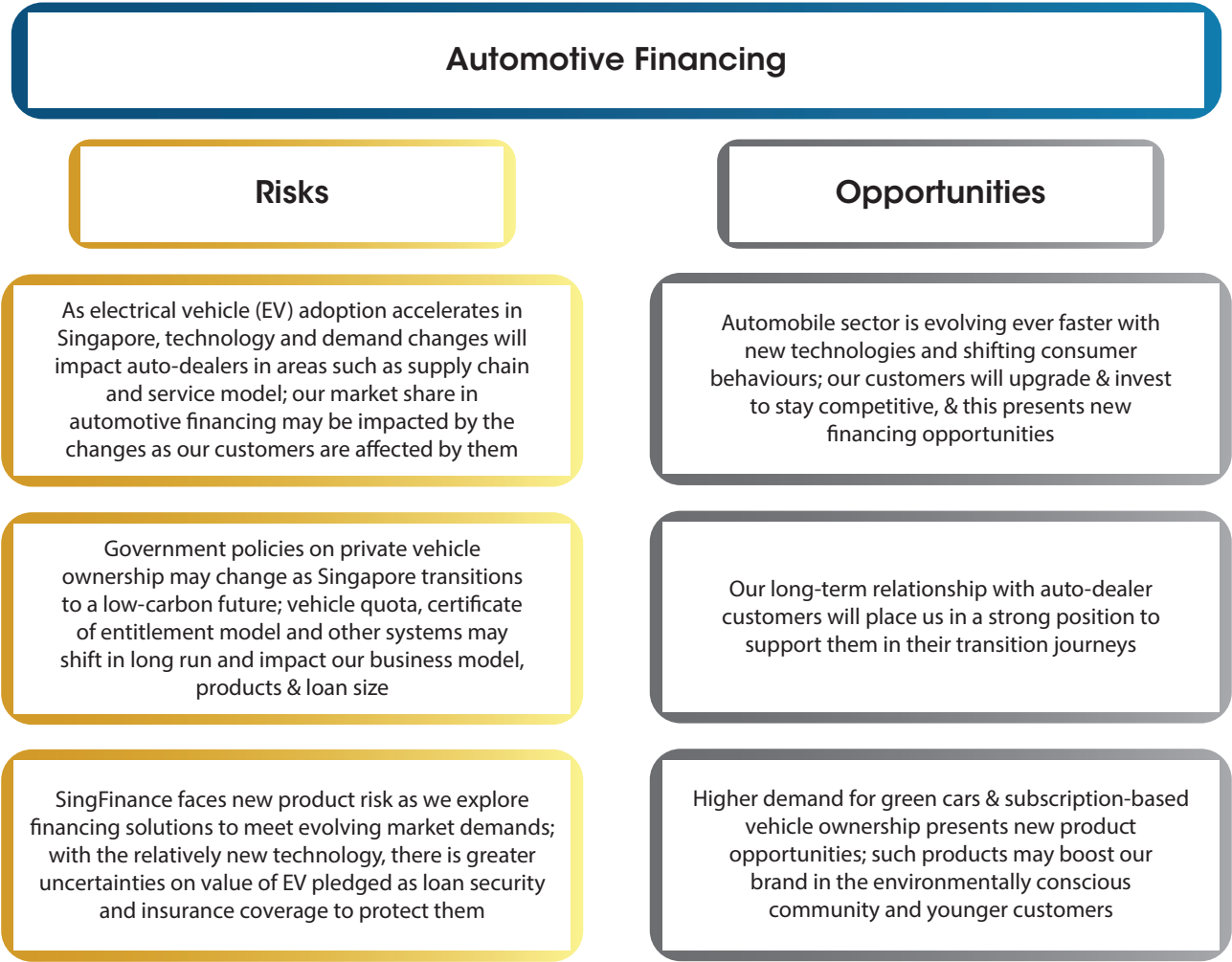
Our customers are car dealers who supply motor vehicles according to customer demand, without having to invest in plants, infrastructure or innovation centres that may become obsolete with changes in technology.

In Singapore, the cost of electric vehicle ("EV") ownership has been decreasing with better battery technology and government incentives. On the other hand, the cost of internal combustion engine vehicle is expected to rise with fuel prices, taxes and other government measures to curtail carbon emission. According to Ernst & Young's Mobility Consumer Index 2023 Study, the EV buying intent among Singaporean prospective car buyers reached 63%, up by 7% from a year before.

We also observe that while most consumers in Singapore prefer privacy, convenience and security of owning cars, the subscription-based ownership has grown in popularity and is likely to continue trending up.

SUSTAINABILITY REPORT

The key risks and opportunities of SingFinance’s automotive financing business based on our 2023 scenario analysis is as follows:



We will stay vigilant and agile in our risk management measures, marketing approach and business partnership strategy to sustain our leading position in the Singapore market.

Our target on Low Carbon Transition is as follows:

2024 Targets	
Disclosure	More granular disclosures based on TCFD recommendations
Capacity building	Continued effort to equip staff with training and tools to manage environmental risk and explore business opportunities

SUSTAINABILITY REPORT

MATERIAL FACTOR – ENVIRONMENTAL FOOTPRINT

Sustainability Pillar	Material Factor
Valuing Environment	Environmental Footprint

Why Is This Material

A clean and healthy environment is needed for every society and community to thrive and grow. Hence, as a responsible corporate citizen, we are committed to playing our part by actively reducing our own environmental footprint to protect the vital ecosystems that support life on our planet.

Reduce, Recycle, Replace

To fulfil our commitment to minimise our environmental footprint, a three-pronged approach via **Reducing, Recycling and Replacing** has been put in place. We seek to reduce the consumption of electricity and water as well as the use of paper through various initiatives, including promoting e-statements to customers and implementing paperless processing internally.

We continue to embark on recycling programmes on paper, e-waste and to replace electrical appliances with eco-friendlier options.

Electricity and Water Consumption

The Group's electricity consumption in total and in average per staff decreased by 7.4% and 10.7% year-on-year respectively. On the other hand, the water consumption in total and in average per staff increased by 30.5% and 25.7% compared to 2022, respectively due mainly to a water leakage issue which has since been rectified.

Table 1.1 – Electricity Consumption

Energy Consumption	MWh (group wide)	MWh/staff
2021	1,088	6.64
2022	1,124	7.02
2023	1,041	6.27

Table 1.2 – Water Consumption

Water Consumption	M3 (group wide)	M3/staff
2021	5,246	31.99
2022	6,369	39.81
2023	8,310	50.03

SUSTAINABILITY REPORT

GHG EMISSION

As part of our on-going effort to manage the Group's environmental footprint, we measure Scope 1 and Scope 2 GHG emission of our operations. The Scope 1 emission increased in 2023 due mainly to an one-off air-conditioner refrigerant top-up. We are exploring pragmatic ways to measure Scope 3 GHG emission in order to capture our impact on climate more comprehensively.

Table 2.1 – Scope 1 & 2 GHG Emissions

GHG Emissions	Scope 1 (tCO ₂ e)	Scope 2 (tCO ₂ e)	Scope 1 & 2/ staff
2021	4.73	444.54	2.74
2022	11.64	468.37	3.00
2023	91.98	433.91	3.17

Note: The GHG emissions for electricity are calculated based on the Operating Margin of Electricity Grid Emission Factor ("GEF") published by Energy Market Authority of Singapore. The calculations are based on the most recent prior year's GEFs if the data for the reporting year are not available and will be revised based on the latest published data accordingly.

Electric Vehicle & Charging Facility

Conscious that electric cars emit significantly lower GHG than those powered by internal combustion engines, we have replaced one of our company cars with an electric vehicle and installed at a charging facility at the car park of our premises at 96 Robinson Road.

Recycling Programme

Launched in 2019, SingFinance Recycling Programme serves to encourage our staff and tenants to be mindful about sorting their trash for effective recycling. We consistently create awareness of the importance of recycling through circulars and monthly e-newsletters. In 2023, we recycled 1,250 kg of waste paper.

Table 2.2 – Recycled Waste

Recycled Waste	2023	2022	2021
Paper (Kg)	1,250	2,240	2,017

Our recycling effort has saved 21 trees in the year 2023.

SingFinance Recycling

21 trees

Saved through recycling

Paperless

In a bid to be more environmentally friendly and reduce waste, we have ceased sending hardcopy annual report to our shareholders since 2019, unless shareholders specifically request a copy. Shareholders are encouraged to access our Company's website for an electronic copy of the annual report instead.

We continued to encourage our customers to switch to e-statements to reduce paper consumption, and to access their accounts electronically to obtain up to date information anytime and anywhere.

SUSTAINABILITY REPORT

Sustainable Sourcing

As a financial services group, we procure a wide range of products and services, including office supplies, and professional, software, corporate and real estate services. The Group's sourcing policy requires due diligence checks on our suppliers in four areas as follows:

- Human rights,
- Health and safety,
- Environment sustainability and
- Business integrity and ethics.

Our sourcing policy helps ensure that we only acquire supplies from vendors who are ethical and place emphasis on limiting environmental impact in their business conduct and activities. For example, we procure paper supplies only from Green Label certified vendors.

Our targets on Environmental Footprint are as follows:

2024 Targets	
Utility consumption	Lower energy and water consumption per staff
GHG emission	Lower GHG emission through technology change and efficiency

SUSTAINABILITY PILLAR – CREATING VALUES

MATERIAL FACTOR – ECONOMIC VALUE

Sustainability Pillar	Material Factor
Creating Values	Economic Value

Why Is This Material

We aim to create sustainable growth and long-term value for all our stakeholders and share the value created fairly and equitably with them. We recognise that achieving this strategic goal requires us to maintain a long-term perspective and stay focused and accountable to our stakeholders.

Profitability & Return

To our shareholders, the Group seeks to provide sustainable dividend returns within the regulatory parameters. In recommending dividends, the Board of Directors seeks to balance between dividend pay-outs to shareholders and earnings retention to support business growth and ensure we have a strong capital position.

The Group achieved a 10-year compound annual growth rate ("CAGR") of 11%, with its net profit after tax reaching \$33.2 million in 2023. At the same time, our loan business increased during this period, reaching a high watermark of \$2.45 billion as at 31 December 2023. Our average loan balance in 2023 grew by 7.5% compared to a year ago, against the backdrop of a decline in Singapore's credit market. The Monetary Authority of Singapore reported that non-bank lending dropped by 6.2% year-on-year in September 2023. While our business continued to grow in the year of uncertainties, our non-performing loan ratio has improved by 0.7% point to 0.4% at the end of 2023.

With the financial performance, the Board is pleased to recommend a first and final dividend of 6.0 cents per share for the year 2023 (2022: 6.7 cents, restated with the 1 for 2 bonus issuance in May 2023). The proposed dividends are subject to approval by shareholders at the upcoming Annual General Meeting.

SUSTAINABILITY REPORT

Table 3.1 – Direct Economic Value

\$'000	2023	2022	2021
Total Income	60,992	65,565	64,969
Staff Cost	20,055	18,634	18,096
Operating Costs (Excluding Depreciation)	6,212	6,932	6,488
Income Tax Expense	6,603	6,867	5,886
Profit After Tax	33,210	37,203	31,433
Dividend*	14,186	15,763	12,610
Retained in the Business	19,024	21,440	18,823

* Dividend for 2023 is subject to shareholders' approval

Strong Capital

Apart from generating sustainable returns, SingFinance seeks to maintain its status as a well-capitalised and trusted financial institution. Over the years, we ensure steady growth in our shareholders' equity by retaining profits responsibly to support our growth and maintain a strong capital position. While we deploy our capital to grow our business, we always maintain a prudential capital buffer above the minimum regulatory capital requirement.

Table 3.2 – Shareholders' Equity and Capital Adequacy Ratio

	2023	2022	2021
Total Shareholders' Equity (\$'000)	436,455	414,819	405,765
Capital Adequacy Ratio (%)	14.6	15.6	17.0

Creditors' Right

The Group fully appreciates the critical role played by our creditors, particularly our deposit customers, in providing funds for us to pursue our business goals. Therefore, we seek to sustain their trust in us and protect their rights.

Through prudent financial and risk management, we ensure we have sufficient liquidity for timely repayment of our financial obligations and treat all creditors fairly and equitably.

SingFinance participates in the National Deposit Insurance Scheme. Singapore dollar deposits of our non-bank depositors are insured by under the Scheme for up to \$75,000 in aggregate per depositor. The insurance coverage will be raised to \$100,000 per depositor from 1 April 2024.

Our 2024 targets on "Creating Values" are as follows:

2024 Targets	
Sustainable value creation	Sustainable growth and long-term values for all stakeholders
Strong capital & trust	Strong capital with a comfortable buffer above regulatory capital requirement that supports business growth

SUSTAINABILITY REPORT

MATERIAL FACTOR – SERVICE DIGITISATION

Sustainability Pillar	Material Factor
Creating Values	Service Digitisation

Why Is This Material

We aim to stay relevant and competitive in the irreversible trend of digitisation. We seek to connect with the younger and more tech-savvy customers through technology as a way of building future generations of customers to sustain our long-term growth.

Increasingly, our customers expect us to leverage on technology to provide seamless, efficient and uninterrupted services that can be accessed anytime and anywhere.

e-services

SingFinance is the first and the only finance company in Singapore that allows customers, both retail and corporate, to conduct transactions digitally via mobile apps. Our retail mobile app, SIF Mobile, and corporate app, SIF BIZ Mobile, offer our customers 24/7 biometric secure access to a suite of online products and services.

We constantly promote the use of e-services to our customers and will continue to introduce new features and products in our mobile apps to meet their needs. In 2023, the number of customers using our e-service apps increased by 54%, while the account balances of the customers using mobile apps grew by 68% from a year ago.



Penetration of mobile apps

+54%

Increase in number of customers using e-service apps

+68%

Increase in account balances of customers using e-service apps

SUSTAINABILITY REPORT

Among others, SingFinance launched the following e-services in 2023:

- Multi soft tokens in one mobile device

The multi-token feature provides our customers the convenience of managing multiple accounts from different organisations from a single mobile device.



One Device
Multiple Organisations
Endless Possibilities

SingFinance is among the first movers in Singapore to provide such a solution that saves our corporate customers the hassle of juggling between devices or physical tokens.

- eGuarantee@GOV

Our customers can now apply for digital guarantees issued by SingFinance for their obligations to government agencies and statutory boards through this electronic platform.



They no longer need to deliver paper guarantees to government agencies.

Protection Against Online Scams

To combat rising digital and phishing scams, SingFinance has enhanced security measures to ensure that our customers can carry out their online transactions safely. In line with MAS' requirements, these measures include:



Removing clickable links in all our communications to customers



Setting fund transfer threshold of 1 cent, promoting resets by customers to their preferred limits



Notifying customers of all changes made in mobile apps to their mobiles registered with SingFinance



Publishing education series and security advisories through electronic direct mails



Putting 12-hour delay on new token activation



Providing self-service emergency "kill switch" to suspend online accounts



Using Singpass facial verification to authenticate customer identity

We remain vigilant and stay abreast of anti-scam practices and implement measures and controls to combat against fraud and scams.

Health and Safety of Customers

At SingFinance, we recognise that our core strength lies in our ability to deliver personalised services. Our ambition to expand e-services will not compromise our commitment to serving our customers in person at our branches. In addition to providing good services, we continually assess the risks to the health and safety of our customers at our branches.

SUSTAINABILITY REPORT

Our measures to mitigate health and safety risks at our premises include:

- (a) Fire safety:
 - Placing fire extinguishers, which are regularly inspected
 - Displaying prominent exit signs
 - Conducting fire escape exercises at our business premises
- (b) Precautions to contain transmission of infectious diseases:
 - Setting plastic screens at service counters
 - Cleaning and sanitising our premises regularly
- (c) Movable ramps to help wheelchair users enter and exit our branches safely and easily

Our targets on Service Digitisation are as follows:

2024 Targets	
e-Services apps ramp-up	Higher penetration of apps among customers and higher deposit balances placed through digital channels
Digital capacity	More innovations in e-services to stay competitive and relevant

MATERIAL FACTOR – COMMUNITY CONTRIBUTION

Sustainability Pillar	Material Factor
Creating Values	Community Contribution

Why Is This Material

Building strong bonds with our community is part of our Company's core values. In particular, we are committed to supporting vulnerable groups and in promoting greater inclusivity.

Walk For Rice* 2023

SingFinance and its Board of Directors are committed to building strong relationships with our communities and promoting healthy and active lifestyle. In 2023, we enthusiastically participated in the 10 week-long programme of NTUC FairPrice Walk for Rice* @ South East, which aimed to accumulate walking and running distances among participants. These efforts were exchanged for donations of rice and oatmeal to support needy and vulnerable families in the South East District by NTUC FairPrice.

Our colleagues, management and directors personally contributed to the programme by walking and running to gather the distance.

In addition, more than 80 SingFinance staff members spent a meaningful morning on 28 October at the Gardens by the Bay with about 40 children and parents from underprivileged families, walking together for the good cause. The event was jointly organised by SingFinance and the South East Community Development Council in conjunction with the Walk for Rice programme. During the event, the children and parents were also treated to a morning full of fun and games, had lunch with us and received groceries to bring home.

SUSTAINABILITY REPORT

Collectively, SingFinance covered an impressive 12,300 kilometres (equivalent to 236.5 million steps) and contributed 113,749 bowls of rice and oatmeal to the needy communities. Beyond the tangible contribution, this programme is also an opportunity for us to promote social integration among our staff members, both local and foreign, and with the different ethnic groups in the communities.



Walk for Rice*

12,300 km

Distance achieved for good cause



Other Contributions

In 2023, we also made donations to the PAP Community Foundation, Ren Ci Hospital, the Lee Kuan Yew Centennial Fund and other local associations to support their worthy causes.

Our target on Community Contribution is as follows:

2024 Targets

Giving back to the community	Sustainable giving back and community services with strong staff support and participation
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SUSTAINABILITY REPORT

SUSTAINABILITY PILLAR – UPHOLDING VALUES

MATERIAL FACTOR – CORPORATE GOVERNANCE

Sustainability Pillar	Material Factor
Upholding Values	Corporate Governance

Why Is This Material

Corporate governance protects the interests of all stakeholders of the Group and enhances long-term shareholder value. Having effective corporate governance is also essential for us to safeguard our resources and to build and retain the trust of our stakeholders.

Awards & Accolades

We are committed to upholding the highest standards of governance, integrity and ethics in conducting our business.

In 2023, we took pride in maintaining 11th place among 474 companies surveyed for the Singapore Governance and Transparency Index, a leading index for assessing corporate governance practices for Singapore listed companies. Additionally, we were honored with the Special Commendation for SmallCap companies. For 10 consecutive years, we have consistently ranked among the top 5% of listed companies surveyed for this index.

Singapore Governance & Transparency Index 2023

11th

Among 474 Singapore listed companies

Top 5%

For 10 consecutive year

In addition, SingFinance received the Gold Award for the **Best Managed Board** and the **Best Risk Management**, and the Bronze Award for the **Best Annual Report** under the less than \$300 million market capitalisation category at the Singapore Corporate Awards ("SCA"). The SCA recognises exemplary corporate governance practices among Singapore listed companies. These awards by SCA are testament to SingFinance's unwavering commitment to upholding high standards of corporate governance, risk management and reporting transparency.



Singapore Corporate Awards 2023

GOLD AWARDS:

- **Best Managed Board**
- **Best Risk Management Board**

BRONZE AWARD:

- **Best Annual Report**

Under \$300 million market capitalisation

SUSTAINABILITY REPORT

Furthermore, SingFinance was honored with the Edge Centurion Club Awards on the **Highest Returns to Shareholders** and **Highest Growth in Profit After Tax over 3 years** and the **Overall Sector Winner** in the Banking & Investment Services, Collective Investments, Fintech & Infrastructure and Insurance Sector. These awards recognize the Group's robust long-term financial performance.

The Edge Centurion Club 2023

Overall Sector Winner

Highest Returns to Shareholders over 3 Years

Highest Growth in Profit After Tax over 3 Years

Banking & Investment Services, Collective Investments, Fintech & Infrastructure and Insurance Sector

Other Recognition and Voluntary Compliance Programmes

SingFinance has attained the **Cyber Essentials** mark certification as part of an ongoing initiative to strengthen our cyber security and resilience.

The Cyber Essentials mark is a cyber security certification, developed by the Cyber Security Agency of Singapore ("CSA") for the purpose of assessing the security protection of IT assets and personnel for small and medium-sized enterprises. The attainment of the CSA Cyber Security Essentials Certification has affirmed our commitment to adopting the necessary measures in securing our IT ecosystems and protecting our customer's interests.



**CYBER
ESSENTIALS**

As online scams and cyber threats are on the rise, we have also stepped up our measures to combat such risks. Kindly refer to Protection Against Online Scams under Material Factor – Service Digitization for our measures to protect our customers against online fraud and scams.

In 2023, SingFinance continued to be under the **SGX Fast Track** programme. SingFinance has been under the programme since its commencement in 2018. This programme recognises companies with high corporate governance standards and a good track record of quality submission by according them prioritised response on selected corporate action submissions to SGX RegCo.

Since 2014, SingFinance has attained the Premium status under the **GST-Assisted Compliance Assurance Programme ("ACAP")**, a compliance initiative by IRAS for businesses that have set up robust GST controls.

Our target on Corporate Governance is as follows:

2024 Targets

Governance & transparency

Continued excellence in corporate governance, investor communication and reporting transparency

SUSTAINABILITY REPORT

MATERIAL FACTOR – RISK CULTURE

Sustainability Pillar	Material Factor
Upholding Values	Risk Culture

Why Is This Material

A strong risk culture is vital to the success of the Group's business. Control lapses, financial crimes and data breaches, if unchecked, can result in financial losses and reputational damage to the Group and Singapore's financial system. Hence, we need to stay vigilant in mitigating such risks and in safeguarding the trust of our stakeholders.

Principles Underlying Our Risk Culture

Having a strong risk culture is about nurturing the right mindsets and behavioural norms among our employees. The underlying principles of our risk culture are as follows:

Tone from the top

Our Board and senior management lead by example by setting the right tone in committing to a strong risk culture within the Company.

Respecting voices of control functions

Respecting control functions is key to enhance effectiveness and efficiency of risk management. It helps to identify and address potential sources of risk culture failure, such as silo mentality.

Encouraging escalation

Our escalation protocol requires mandatory reporting of significant incidents which alerts management to risk and other control issues and ensures remedial actions are promptly taken.

Code of Conduct & Ethics Policies

Our staff members must adhere to SingFinance's Code of Conduct, Human Resource ("HR") Personnel Manual and the Finance Houses Association of Singapore's Code of Conduct. In addition to setting the expected standards of behaviour for our employees, these codes and manual affirm our Company's zero-tolerance position on the following:

- Bribery and corruption
- Money laundering and terrorist financing
- Abuse of position and conflicts of interests

Our employees provide annual attestation that they have read and understood SingFinance's HR Personnel Manual and the Finance Houses Association of Singapore's Code of Conduct. They are also regularly reminded to observe the code of conduct in dealing with our customers and business partners.

SUSTAINABILITY REPORT

Combat against Bribery, Corruption and Financial Crimes

SingFinance has put in place policies and procedures that helps ensure our employees comply with applicable laws, regulations and professional standards relating to corruption, bribery, money laundering and other financial crimes.

We have also implemented a whistle blowing policy which provides an avenue for all employees of SingFinance and the public to raise concerns and possible wrong doings by staff members, in confidence and without fear of reprisal, for appropriate investigation and action. We ensure the confidentiality of the whistle blowers and allow disclosures to be made anonymously.

For more information, please refer to Principle 10 "Audit Committee" for Whistle Blowing Policy and Complaints Handling Procedures in the Corporate Governance Statement.

Our Board of Directors stay up to date with key developments and knowledge on anti-money laundering, anti-corruption and other governance matters in order to discharge their duties.

The Company has also made efforts to raise the awareness of our employees and business partners on these matters as they play a critical role in combating financial crimes. Our efforts to increase awareness and communication with various stakeholders include:

- Annual compulsory training on anti-corruption, bribery and anti-money laundering for all employees and regular trainings for relevant employees.
- Public statements announced on our website on our commitments as follows:
 - o SingFinance Whistle-blowing Policy
 - o SingFinance Anti-bribery and Anti-corruption ("ABC") Statement

The standard email footer used by all SingFinance employees refers external parties to the publication.

- Specific ABC provisions in our Terms and Conditions in our product offerings.

In 2023, all our eligible employees and directors (157 staff members and 6 directors) completed the ABC training course.

There were no cases of significant non-compliance with laws and regulations, incidents of misconduct by our employees or non-compliance concerning marketing communications.

There were also no cases of substantiated complaints concerning breaches of customer privacy and loss of customer data at SingFinance during the year.

Our targets on Risk Culture are as follows:

2024 Targets	
Control excellence	Maintenance of high quality internal controls
Transparency & accountability	Disclosure on significant non-compliance with laws and regulations, incidents of misconduct of our employees
Training	Adequate staff training to raise awareness on importance of proper controls

SUSTAINABILITY REPORT

MATERIAL FACTOR – TALENT MANAGEMENT

Sustainability Pillar	Material Factor
Upholding Values	Talent Management

Why Is This Material

In a tight labour market, being able to attract and retain talent is important to the Company's continued success and sustainability. Upskilling in tandem with digital transformation is also critical in ensuring that we maximise each employee's potential and drive productivity.

Our employees are our key assets and we endeavour to help them stay relevant and future-ready. We are also responsible in providing all employees a safe and inclusive workplace that supports their overall wellbeing.

Diversity & Equal Opportunities

Diversity and equal opportunities for all employees engenders a trusting and respectful working

environment. Such an environment would also help to foster greater teamwork, creativity and innovation. We practise merit-based hiring and offer equal opportunities to job seekers without discrimination.

Our total headcount and workforce mix by various diversity measures have remained stable through the years, with all staff being employed in Singapore.

Notably, around 12% of our employees have been with the Company for more than 20 years. There is also a strong female representation in our Management, with women making up more than 50% of the team in 2023 and 2022.

There were no significant fluctuations in the number of employees in 2023.

Table 4.1 – 4.8: Information on Employees

4.1 Employee by Employment Type

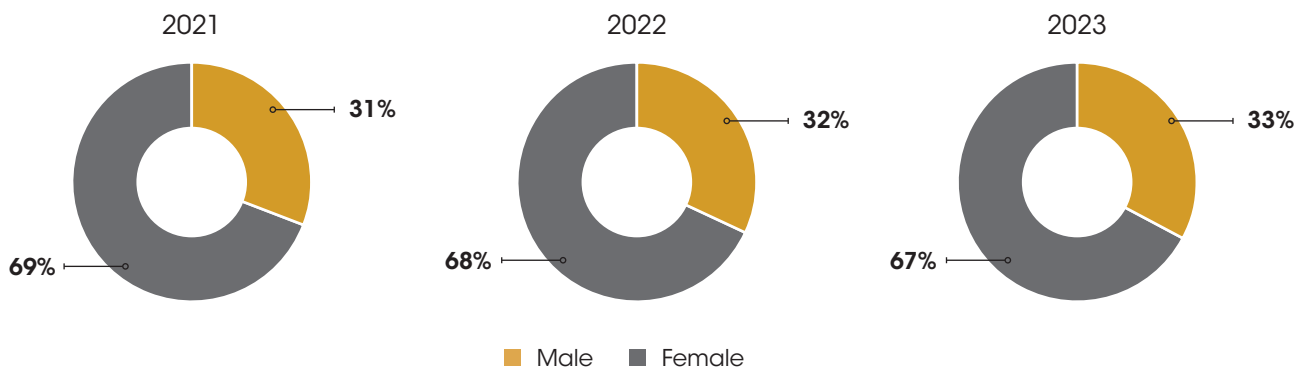
2021 (as at 31 Dec 2021)	Permanent	Temporary	Total
Male, of which:	47	1	48
Female, of which:	101	6	107
Total	148	7	155
2022 (as at 31 Dec 2022)			
Male, of which:	53	0	53
Female, of which:	107	5	112
Total	160	5	165
2023 (as at 31 Dec 2023)			
Male, of which:	55	1	56
Female, of which:	108	5	113
Total	163	6	169

SUSTAINABILITY REPORT

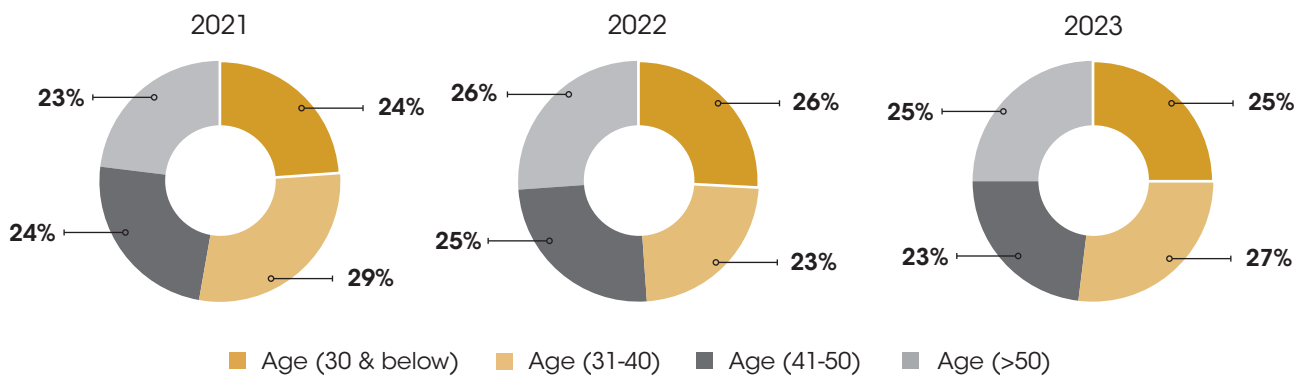
Notes:

1. Permanent employees work with SingFinance until the termination of their employment, which include both full-time and part-time employees
2. Temporary employees are individuals hired for short periods of time, usually a year or less
3. Full-time employees work more than 35 hours a week; part time employees work less than that
4. Non-guaranteed hour employees and interns are not included in Total Headcount as they are immaterial representation of the Group's human resources. Accordingly, no disclosure is made on this.
5. There were no workers who are not SingFinance employees involved in the Company's operations
6. In 2023, there was only one permanent part-time female employee. There were no other part-time employees in 2023, 2022 and 2021.

4.2 Employee Gender Diversity



4.3 Employee Age Diversity



4.4 Management by Gender

Year	Male	Female
2021	45%	55%
2022	45%	55%
2023	45%	55%

Note: Management includes Senior Management and Heads of Department.

SUSTAINABILITY REPORT

4.5 New Hire by Gender

Year	Male	Female	Total
2021	63%	37%	100%
2022	42%	58%	100%
2023	44%	56%	100%

4.6 Resignation by Gender

Year	Male	Female	Total
2021	36%	64%	100%
2022	40%	60%	100%
2023	41%	59%	100%

4.7 New Hire by Age

Year	Age (30 & below)	Age (31-40)	Age (41-50)	Age (>50)	Total
2021	30%	17%	20%	33%	100%
2022	47%	18%	23%	12%	100%
2023	45%	24%	18%	13%	100%

4.8 Resignation by Age

Year	Age (30 & below)	Age (31-40)	Age (41-50)	Age (>50)	Total
2021	41%	17%	21%	21%	100%
2022	36%	30%	19%	15%	100%
2023	34%	24%	15%	27%	100%

Notes:

1. None of our staff is eligible for collective bargaining agreements
2. Employee data is collected from our HR system and compiled based on the number of employees at the end of the reporting period, not on full time equivalent basis

SUSTAINABILITY REPORT

Annual Total Compensation Ratio

We are committed to compensating our employees with fair, appropriate and competitive remuneration in the form of salaries and other benefits.

With a relatively small total headcount, which is distributed across a broad range of roles, the compensation of mean employee may change significantly over time. The annual total compensation is not disclosed as the data is not meaningful and therefore not applicable for the understanding of SingFinance's pay structure. However, the remunerations of our directors (both executive and non-executive) are disclosed in our annual report.

Learning and Development

With evolving landscape, challenging environment and changing demands of financial products and services, employee training and development remain central to the Company's people strategy. In 2023, we exceeded the target of 15 hours of training per staff on average.

Table 5 – Average Hours of Training by Gender

Average training hours by gender	Male	Female	All staff
2021	19	13	15
2022	18	17	17
2023	17	21	20

Table 6 – Average Hours of Training by Employee Category

Average training hours by employee category	AM & below	AVP to EVP	MD and DMD
2021	11	23	16
2022	16	18	24
2023	20	20	15

Note:

AM: Assistant Manager, AVP: Assistant Vice President, EVP: Executive Vice President, MD: Managing Director and DMD: Deputy Managing Director

The company-wide Performance Appraisal exercise for all eligible staff is conducted annually. Appraisals are conducted in a transparent manner, where Key Performance Indicators ("KPI") are discussed and mutually agreed upon.

Employee Engagement

We endeavour to engage our staff through regular updates on the Company via our e-Newsletters, staff surveys, orientation sessions, team level activities and company-wide events.

SUSTAINABILITY REPORT

The highlights of our staff engagement initiatives in 2023 are as follows:

Quarterly Staff e-Newsletter

Started in 2021, the quarterly e-Newsletter helps our staff stay connected with the latest developments in the Company and provides an important platform to share updates on various topics, including workplace safety and health, conduct risk, sustainability related ideas and cyber security.



SUSTAINABILITY REPORT

Chinese New Year Dinner

As part of our tradition, staff were treated to a sumptuous dinner to celebrate the festive season as a SingFinance family.



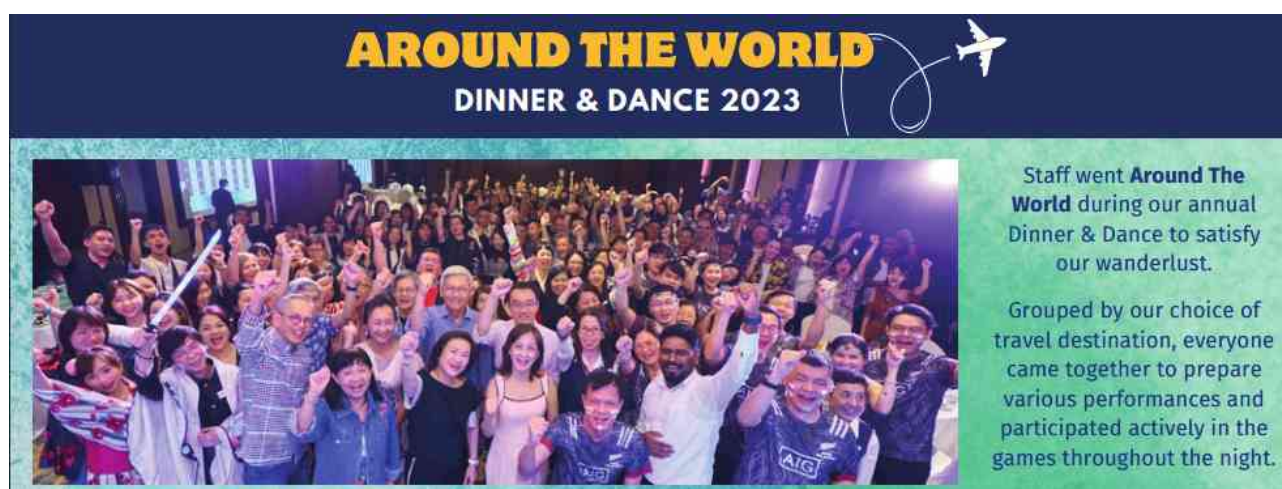
Team Building

We learnt to work together and recognize the talents and strengths of one another, through various well-thought-out activities in the Team Building event held in Sentosa.



SUSTAINABILITY REPORT

Dinner & Dance 2023



Employee Well-being

The health and safety of our people is a key priority of SingFinance. All permanent full-time employees are eligible to participate in our in-house Medi-care Programme, which covers their medical and health-related expenses, including general and specialist consultation, dental, optical, Traditional Chinese Medicine ("TCM") and health screening.

Our staff are insured under our Workmen Injury Compensation, Personal Accident, Group Hospitalization and Medical and Term Life policies managed by third party insurers, who are governed by strict policies of confidentiality.

In addition, responding to the feedback received from our Employee Pulse Survey, we provide flexible work arrangements to help our staff achieve fulfilment at work and in life.

My Best Colleague

A new initiative was implemented to promote peer affirmation and appreciation for one another where our staff vote for their 'Best Colleague' each quarter and we feature them in our Staff e-Newsletters. Each winner embodies qualities of professionalism, good work ethics, team spirit and kindness at work.

SUSTAINABILITY REPORT

Human Rights

SingFinance promotes a work environment that is fair and respectful, and free from discrimination, bullying and harassment. We support internationally accepted human rights principles, including those relating to non-discrimination, child labour and forced labour.

Our targets on Talent Management are as follows:

2024 Targets	
Equal opportunity	Diversity in the workforce with balanced mix of gender, age and other characteristics
Personal development	Average training hours per staff of 15 hours annually
Well being	Sustained progress to harness technology to improve workplace safety and employee well being
Feedback	Annual Employee Pulse Survey

SUSTAINABILITY REPORT

ESG CORE METRICS

Topic	SGX Core Metric	Metric	2023	2022	2021
Environment					
Greenhouse Gas Emissions ("GHG") ¹	Absolute emissions by: a. Scope 1 b. Scope 2	Scope 1 GHG emission in tCO ₂ e	91.98	11.64	4.73
		Scope 2 GHG emission in tCO ₂ e	433.91	468.37	444.54
	Emission intensities by: a. Scope 1 & 2	Scope 1 & 2 GHG emission per staff (average headcount) in tCO ₂ e	3.17	3.00	2.74
Energy Consumption	Total energy consumption	Energy consumed in MWhs	1,041	1,124	1,088
	Energy consumption intensity	Energy consumed per staff (average headcount) in MWhs	6.27	7.02	6.64
Water Consumption	Total water consumption	Water in M³	8,310	6,369	5,246
	Water consumption intensity	Water consumed per staff (average headcount) in M³	50.03	39.81	31.99
Waste Recycled ²	Total waste recycled ²	Waste recycled in ton ²	1.25	2.20	1.99
Social					
Gender Diversity	Current employees by gender	Male in %	33%	32%	31%
		Female in %	67%	68%	69%
	New hires and turnover by gender	New Hires – Male %	44%	42%	63%
		New Hires – Female %	56%	58%	37%
		Turnover – Male %	41%	40%	36%
		Turnover – Female %	59%	60%	64%
Age-based Diversity	Current employees by age groups	30 year-old & below	25%	26%	24%
		31 – 40 year-old	27%	23%	29%
		41 – 50 year-old	23%	25%	24%
		Over 50 year-old	25%	26%	23%
	New hires and turnover by age groups	New Hires: 30 year-old & below	45%	47%	30%
		New Hires: 31 – 40 year-old	24%	18%	17%
		New Hires: 41 – 50 year-old	18%	23%	20%
		New Hires: Over 50 year-old	13%	12%	33%
		Resignation: 30 year-old & below	34%	36%	41%
		Resignation: 31 – 40 year-old	24%	30%	17%
		Resignation: 41 – 50 year-old	15%	19%	21%
		Resignation: Over 50 year-old	27%	15%	21%
Social					
Employment	Total turnover	Turnover – Number	41	47	42
		Turnover – %	25%	29%	26%
	Total number of employees	Total employees – Number	169	165	155
Development & Training	Average training hours per employee	Hours/No. of employees	20	17	15
	Average training hours per employee by gender	Hours/Male employees	17	18	19
		Hours/Female employees	21	17	13
Occupational Health & Safety	Fatalities	Number of cases	0	0	0
	High-consequence injuries	Number of cases	0	0	0
	Recordable injuries	Number of cases	0	0	0
	Recordable work-related ill health cases	Number of cases	0	0	0

SUSTAINABILITY REPORT

Topic	SGX Core Metric	Metric	2023	2022	2021
Governance					
Board Composition	Board independence	Independent director - %	67%	67%	67%
	Women on the board	Female director - %	17%	17%	17%
Management Diversity	Women in the management team	Women in the management team - %	55%	55%	55%
Ethical Behaviour	Anti-corruption disclosures	Number of cases (Based on GRI)	0 case	0 case	0 case
	Anti-corruption training for employees ³	Anti-corruption training: Number of employees & %	157 & 100%	154 & 100%	162 & 100%
Certifications	List of relevant certifications	Number of certificates & certificates	1 - Cyber Essential	1 - Cyber Essential	0
Alignment with frameworks	Alignment with frameworks and disclosure practices	Frameworks and disclosure practices	GRI 2021 TCFD	GRI 2021	GRI 2016
Assurance	Assurance of sustainability report	Internal/external/none	Internal	Internal	Internal

Note 1: The GHG emissions for electricity consumed by the Group are revised with the latest Average Operating Margin of the Electricity Grid Emission Factor for 2022 and 2021 of Energy Market Authority of Singapore at the date of the report. The 2023 emission is based on 2022 factor as the 2023 data is not yet available. As a result, the Scope 2 GHG emission increased by 19.67 and 10.02 tCO₂e for 2022 and 2021 respectively.

Note 2: Only recycled waste is disclosed as opposed to Total Waste proposed by SGX.

Note 3: Data for 2022 and 2021 was restated to report the number of employees participated in the training in replacement for the number of courses reported previously.

SUSTAINABILITY REPORT

GRI CONTENT INDEX

Statement of use	SingFinance has reported in accordance with the GRI Standards for the period 1 Jan to 31 Dec 2023
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

GRI 2: General Disclosures 2021		
GRI Reference	Disclosure Requirements	Reference and Response
2-1	Organizational details	"About Us" and "Corporate Information" of Annual Report
2-2	Entities included in the organisation's sustainability reporting	"About This Report"
2-3	Reporting period, frequency and contact points	<p>This report covers the period 1 January to 31 December 2023 and is aligned to the reporting period of the financial reporting.</p> <p>Annual reporting</p> <p>The report was published on 27 March 2024.</p> <p>investor_relations@singfinance.com.sg</p>
2-4	Restatements of information	Restatements of information, where applicable, the reasons for and the effects of the restatements are noted within the relevant data sets.
2-5	External assurance	"Sustainability Governance"
2-6	Activities, value chain and other business relationships	<p>"About Us" of Annual Report and "Sustainable Sourcing"</p> <p>No significant changes in the nature of the Group's value chain and business relationship compared to the prior year.</p>
2-7	Employees	"Talent Management"
2-8	Workers who are not employees	"Talent Management"
2-9	Governance structure and composition	"Corporate Governance Statement" of Annual Report and "Sustainability Governance"
2-10	Nomination and selection of the highest governance body	"Corporate Governance Statement" of Annual Report and "Sustainability Governance"
2-11	Chair of the highest governance body	"Corporate Governance Statement" of Annual Report and "Sustainability Governance"

SUSTAINABILITY REPORT

GRI 2: General Disclosures 2021		
GRI Reference	Disclosure Requirements	Reference and Response
2-12	Role of the highest governance body in overseeing the management of impacts	"Sustainability Governance" and "Stakeholder Engagement"
2-13	Delegation of responsibility for managing impacts	"Sustainability Governance"
2-14	Role of the highest governance body in sustainability reporting	"Sustainability Governance"
2-15	Conflicts of interest	"Corporate Governance Statement" and "Additional Information on Directors Seeking Re-election" of Annual Report
2-16	Communication of critical concerns	"Sustainability Governance" No critical concerns were escalated to Board of Directors and Risk Management Committee during the year 2023.
2-17	Collective knowledge of the highest governance body	All directors of SingFinance undergo training on sustainability matters as prescribed by SGX in Chapter 7 Continuing Obligations of its Mainboard Rules. "Corporate Governance Statement" and "Board of Directors" of Annual Report
2-18	Evaluation of the highest governance body	"Corporate Governance Statement" of Annual Report
2-19	Remuneration policies	"Corporate Governance Statement" of Annual Report
2-20	Process to determine remuneration	"Corporate Governance Statement" of Annual Report
2-21	Annual total compensation ratio	Refer to the explanation in "Talent Management" for non-disclosure of the ratio.
2-22	Statement on sustainability development strategy	"Board Statement"
2-23	Policy commitments	"Materiality Assessment"
2-24	Embedding policy commitments	"Sustainability Governance" and "Our Approach to Sustainability"
2-25	Processes to remediate negative impacts	"Materiality Assessment"
2-26	Mechanisms for seeking advice and raising concerns	"Stakeholder Engagement" and "Risk Culture"
2-27	Compliance with laws and regulations	No cases of significant non-compliance with laws and regulations during the year 2023. "Upholding Values"

SUSTAINABILITY REPORT

GRI 2: General Disclosures 2021		
GRI Reference	Disclosure Requirements	Reference and Response
2-28	Membership associations	Our key memberships include: <ul style="list-style-type: none"> - Hire Purchase, Finance and Leasing Association of Singapore (Chairman) - Finance Houses Association of Singapore (Honorary Treasurer) - Singapore Chinese Chamber of Commerce & Industry - Singapore Business Federation
2-29	Approach to stakeholder engagement	"Stakeholder Engagement"
2-30	Collective bargaining agreements	"Talent Management"
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	"Our Approach to Sustainability" and "Materiality Assessment"
3-2	List of material topics	"Materiality Assessment"
3-3	Management of material topics	8 "Material Factors" under 3 "Sustainability Pillars"
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	"Economic Value" & "Service Digitisation"
GRI 203: Indirect Economic Impact 2016		
203-2	Significant indirect economic impacts	"Community Contribution" & "Service Digitisation"
GRI 205: Anti-corruption 2016		
205-2	Communication and training about anti-corruption policies and procedures	"Risk Culture"
205-3	Confirmed incidents of corruption and actions taken	"Risk Culture" No confirmed incidents of corruption and actions were noted or taken during the year 2023.
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	"Environmental Footprint"
GRI 403: Occupational Health and Safety 2018		
403-6	Promotion of worker health	"Talent Management"

SUSTAINABILITY REPORT

GRI 404: Training and Education 2016		
GRI Reference	Disclosure Requirements	Reference and Response
404-1	Average hours of training per year per employee	"Talent Management"
404-3	Percentage of employees receiving regular performance and career development reviews	100% of eligible employees received regular performance and career development reviews in 2023
GRI 413: Local Community 2016		
413-1	Operations with local community engagement, impact assessment, and development programmes	"Community Contribution" and "Stakeholder Engagement"
GRI 417: Marketing and Labeling 2016		
417-3	Incidents of non-compliance concerning marketing communications	"Risk Culture"
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	"Risk Culture"

SUSTAINABILITY REPORT

TCFD CONTENT INDEX

Recommended disclosures, including supplemental guidance for financial sector (Banks)

Pillars	Recommended Disclosures	Reference and Response
Governance	a. Describe the board's oversight of climate-related risks and opportunities	"Sustainability Governance" and "Low Carbon Transition"
Governance	b. Describe management's role in assessing and managing climate-related risks and opportunities	"Sustainability Governance" and "Low Carbon Transition"
Strategy	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	"Sustainability Governance" and "Low Carbon Transition"
Strategy	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	"Sustainability Governance" and "Low Carbon Transition"
Strategy	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	"Board Statement" and "Sustainability Pillar – Valuing Environment"
Risk Management	a. Describe the organisation's processes for identifying and assessing climate-related risks	"Our Approach to Sustainability" and "Sustainability Pillar – Valuing Environment"
Risk Management	b. Describe the organisation's processes for managing climate-related risks	"Our Approach to Sustainability" and "Sustainability Pillar – Valuing Environment"
Risk Management	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	"Our Approach to Sustainability" and "Sustainability Pillar – Valuing Environment"
Metrics & Targets	a. Describe the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management processes	"Our Approach to Sustainability" and "Sustainability Pillar – Valuing Environment"
Metrics & Targets	b. Describe Scope 1, Scope 2 and if appropriate Scope 3 greenhouse gas ("GHG") emissions, and the related risks	"Sustainability Pillar – Valuing Environment"
Metrics & Targets	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and perform against targets	"Sustainability Pillar – Valuing Environment"

PERFORMANCE REVIEW

1. PERFORMANCE REVIEW

	2023 \$'000	2022 \$'000	Variance + / (-) (%)
Selected Income Statement Items			
Net interest income	54,896	60,833	(10)
Non-interest income	6,096	4,732	29
Total income	60,992	65,565	(7)
Operating expenses	(28,679)	(27,990)	2
Profit from operations before allowances	32,313	37,575	(14)
Bad debts recovered / write back of credit losses	7,500	6,495	15
Profit before income tax	39,813	44,070	(10)
Profit after tax attributable to equity holders of the Company	33,210	37,203	(11)
Selected Balance Sheet Items			
Total equity	436,455	414,819	5
Total assets	3,412,383	3,109,956	10
Loans and advances	2,450,789	2,405,641	2
Deposits and balances of customers	2,906,162	2,601,466	12
Key Financial Ratios (%)			
Net interest margin	1.68	2.19	
Non-interest income-to-total income	10.0	7.2	
Cost-to-income ratio	47.0	42.7	
Loans-to-deposits ratio	84.3	92.5	
Non-performing loans ratio	0.4	1.1	
Return on equity ⁽¹⁾	7.6	9.0	
Return on total assets ⁽¹⁾	1.0	1.2	
Capital Adequacy Ratio	14.6	15.6	
Per Ordinary Share		Restated ⁽²⁾	
Basic earnings per share (cents)	14.05	15.73	
Net asset value per share (\$)	1.85	1.75	

(1) Return on equity and return on total assets are computed based on shareholders' equity and total assets at balance sheet date.

(2) Earnings and net asset value per share have been adjusted retrospectively for the 78,812,858 new ordinary shares issued pursuant to a bonus issue on 19 May 2023. Refer to Note 18 Share Capital for details.

EARNINGS FOR THE YEAR

For the financial year ended 31 December 2023, the Group reported a net profit after tax of \$33.2 million, marking a decline of \$4.0 million or 11% from the previous year. This decrease was primarily due to lower net interest margin, the impact of which was partially offset by higher loan volume. Total income fell to \$61.0 million, a reduction of \$4.6 million or 7%, compared to the prior year. Operating expenses saw a marginal increase of \$0.7 million or 2%, year over year. The Group recorded net write-back from credit losses and loan recoveries amounting to \$7.5 million in 2023, compared with write-back of \$6.5 million in the preceding year.

PERFORMANCE REVIEW

Net interest income (NII) decreased by \$5.9 million or 10% to \$54.9 million compared to \$60.8 million in 2022. The decline was primarily due to the cost of deposits increasing more rapidly than loan yields. As a result, net interest margin (NIM) narrowed to 1.68% from 2.19% in the previous year. Non-interest income rose by \$1.4 million or 29%, largely driven by increases in fees and commissions and rental income from investment properties. The growth in non-interest income was unable to offset the decline in NII resulting in total income falling by \$4.6 million or 7% to \$61.0 million.

Through effective cost control measures, operating expenses were maintained at \$28.7 million, registering a marginal increase of 2% year-on-year, despite the continuing inflationary pressures in 2023. The increase was primarily due to higher staff remuneration, reflective of the tight labour market conditions. Consequently, cost-to-income ratio rose by 4.3% to 47.0%.

Following successful loan recoveries and upgrading of classified loans due to improved credit risks, the Group was able to write back \$7.5 million of bad debts and credit losses. Asset quality remained resilient with the non-performing loan ratio improving from 1.1% to 0.4%. The Group continued to maintain adequate loss allowances for its loan portfolio and other assets.

LOANS AND DEPOSITS

In 2023, business momentum continued to be strong, with total loans and advances reaching a new peak of \$2.45 billion as of 31 December 2023. Customer deposits increased by \$305 million or 12%, to \$2.9 billion at year end. Correspondingly, loan-to-deposit ratio stood at 84.3% at the close of 2023, compared to 92.5% the previous year. The Group's liquidity position improved with the lower loan-to-deposit ratio and the excess funds were allocated to interest-yielding short-term assets.

SHAREHOLDERS' EQUITY AND DIVIDENDS

Our strong earnings and a net surplus in other comprehensive income contributed to a 5% increase in total shareholders' funds, reaching \$436.5 million at the end of 2023. Notably, the bond portfolio, primarily consisting of Singapore Government Securities (SGS), held to meet regulatory liquidity requirements, appreciated in value by \$5.3 million. This marks a significant turnaround from the \$19.1 million depreciation in the previous year.

Total assets increased by \$302.4 million or 10% to \$3.4 billion at the end of 2023 primarily due to the growth in loans and advances, cash and deposits with banks and Monetary Authority of Singapore, and SGS.

Return on equity declined from 9.0% to 7.6%, reflecting lower earnings compared to the previous year. Meanwhile, net asset value per share increased to \$1.85 on 31 December 2023, compared to \$1.75 a year ago.

The Group's capital adequacy ratio remained healthy at 14.6%, 2.6% points above the minimum regulatory requirement and 1.0% point lower than 2022, as capital was deployed to support loan growth. Our strong capital position will enable the Group to tap on opportunities to grow its business in the future.

The Board of Directors is pleased to recommend a first and final dividend of 6.0 cents per share one-tier tax exempt in respect of the financial year 2023 for approval by the shareholders at the forthcoming Annual General Meeting.

PERFORMANCE REVIEW

2. NET INTEREST INCOME

INTEREST-EARNING ASSETS & INTEREST-BEARING LIABILITIES

	2023			2022		
	Average Balance \$'000	Interest \$'000	Average Rate %	Average Balance \$'000	Interest \$'000	Average Rate %
Interest-Earning Assets						
Loans and advances	2,403,196	116,795	4.9	2,234,763	72,180	3.2
Singapore Government Securities	459,973	14,090	3.1	330,525	7,250	2.2
Other interest-earning assets	398,320	14,891	3.7	210,234	2,798	1.3
Total	3,261,489	145,776	4.5	2,775,522	82,228	3.0
Interest-Bearing Liabilities						
Deposits and balances of customers	2,875,741	90,606	3.2	2,268,997	21,099	0.9
Enterprise Singapore loans (unsecured) ⁽¹⁾	1,806	249	13.8	1,399	116	8.3
MAS funding loans	17,400	17	0.1	145,135	145	0.1
Other liabilities	116	8	6.9	1,140	35	3.1
Total	2,895,063	90,880	3.1	2,416,671	21,395	0.9
Net interest income/margin as a percentage of interest-earning assets		54,896	1.68		60,833	2.19

(1) Facility fees to Enterprise Singapore were included

Net interest income decreased by \$5.9 million or 9.8% from a year ago to \$54.9 million as the increase in cost of deposit outpaced the rise in loan yield. Net interest margin declined by 51 basis points to 1.68% in 2023.

PERFORMANCE REVIEW

VOLUME AND RATE ANALYSIS

The table below shows the changes in interest income and interest expenses in 2023 over 2022, attributable to changes in volume and rates. The increase in the cost of deposit, primarily due to rising interest rates, surpassed the growth in interest income and resulted in a decline of \$5.9 million in net interest income.

Increase / (Decrease) for 2023 over 2022	Volume \$'000	2023 Rate \$'000	Total \$'000
Interest Income			
Loans and advances	5,440	39,175	44,615
Singapore Government Securities	2,840	4,000	6,840
Other assets	2,503	9,590	12,093
Total	10,783	52,765	63,548
Interest Expense			
Deposits and balances of customers	5,637	63,837	69,474
Enterprise Singapore loans (unsecured)	34	99	133
MAS funding loans	(128)	-	(128)
Other liabilities	3	3	6
Total	5,546	63,939	69,485
Net interest income	5,237	(11,174)	(5,937)

3. NON-INTEREST INCOME

	2023 \$'000	2022 \$'000	Variance + / (-) %
Fees and commissions	2,086	1,648	27
Dividends	368	234	57
Rental income from investment properties	3,410	2,659	28
Others	232	191	21
Total non-interest income	6,096	4,732	29

Non-interest income increased by \$1.4 million or 29% mainly attributable to higher fees and commissions and rental income from investment properties during the year.

PERFORMANCE REVIEW

4. OPERATING EXPENSES

	2023 \$'000	2022 \$'000	Variance + / (-) %
Staff costs	20,055	18,634	8
Depreciation of property, plant and equipment	2,005	2,022	(1)
Depreciation of investment properties	377	378	(0)
Depreciation of right of use assets	30	24	25
Other expenses	6,212	6,932	(10)
Total operating expenses	28,679	27,990	2

In 2023, operating expenses experienced a marginal increase of \$0.7 million or 2%, despite continuing inflationary pressures. Higher operating expenses were mainly due to the rise in staff remuneration in a tight labour market. Cost-to-income ratio increased to 47.0% from 42.7% in the previous year.

5. WRITE BACK OF CREDIT LOSSES

	2023 \$'000	2022 \$'000	Variance + / (-) %
Bad debts recovered	446	5,787	(92)
Write back of impaired loans	7,054	708	NM
Total write back of loan losses and bad debts	7,500	6,495	15

NM: Not meaningful

Write back of credit losses and bad debts in 2023 amounted to \$7.5 million compared with \$6.5 million the previous year. The write back in 2023 was mainly due to the upgrading of classified loans and loan recoveries. The Group continued to maintain adequate credit loss allowance on its credit exposures.

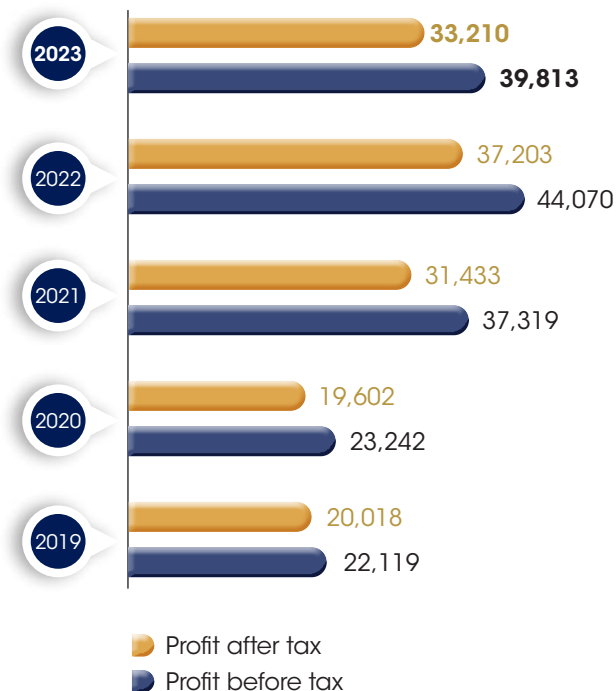
5 YEARS FINANCIAL SUMMARY

	2023 \$'000	2022 \$'000	2021 \$'000	2020 \$'000	2019 \$'000
Total Income	60,992	65,565	64,969	55,053	50,464
Profit					
Profit before Tax	39,813	44,070	37,319	23,242	22,119
Profit after Tax	33,210	37,203	31,433	19,602	20,018
Share Capital					
Issued and Fully Paid	180,008	180,008	180,008	180,008	180,008
Capital Employed					
Total Assets	3,412,383	3,109,956	2,920,103	2,850,450	2,915,796
Net Assets	436,455	414,819	405,765	387,464	372,981
Volume of Business					
Loans	2,450,789	2,405,641	2,140,813	2,077,683	2,186,617
Deposits	2,906,162	2,601,466	2,293,465	2,278,708	2,497,637
Dividend And Earnings Per Share					
Dividend (net) - One-tier Tax Exempt	14,186	15,763	12,610	5,675	9,458
Dividend per Share (cents) - Restated ⁽¹⁾	6.00	6.67	5.33	2.40	4.00
Earnings per Share (cents) - Restated ⁽¹⁾	14.05	15.73	13.29	8.29	8.47
Return After Tax On Total Assets (%)	0.97	1.20	1.08	0.69	0.69
Return After Tax On Net Assets (%)	7.61	8.97	7.75	5.06	5.37
Net Tangible Asset Per Share (\$) - Restated⁽¹⁾	1.85	1.75	1.72	1.64	1.58
Number of Employees	169	165	155	167	181

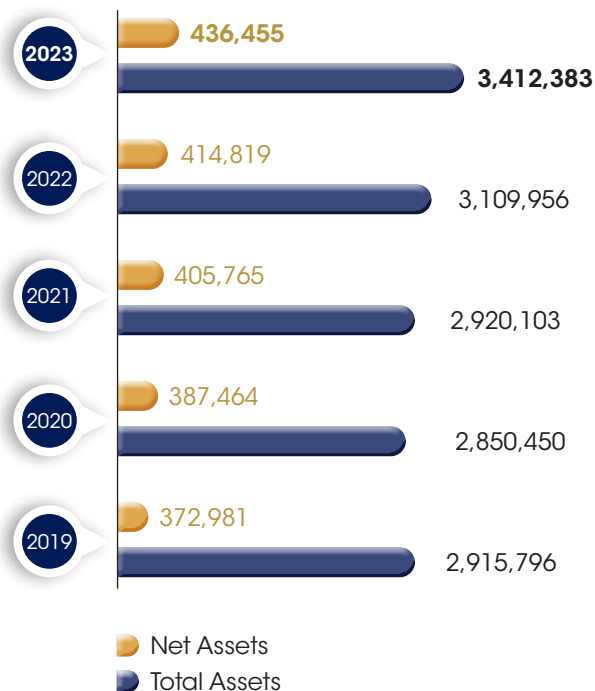
(1) Dividend, earnings and net tangible asset per share have been adjusted retrospectively for the 78,812,858 new ordinary shares issued pursuant to a bonus issue on 19 May 2023. Refer to Note 18 Share Capital for details.

5 YEARS FINANCIAL SUMMARY

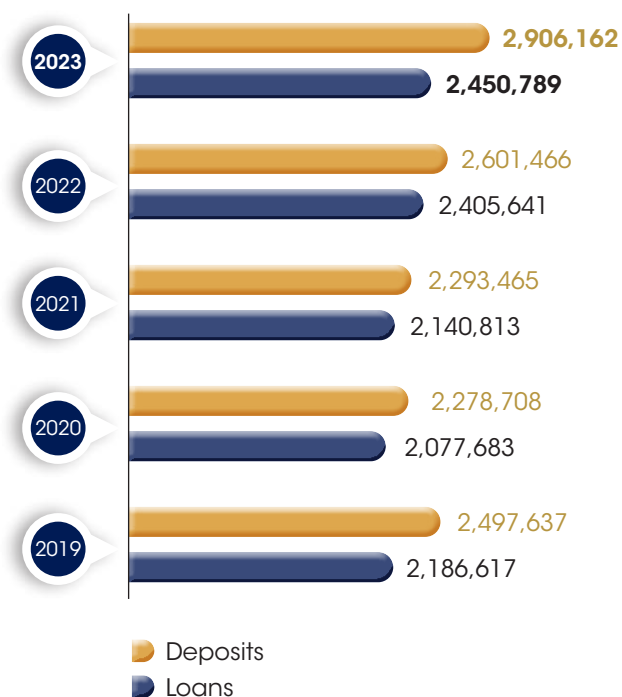
PROFIT (\$'000)



CAPITAL EMPLOYED (\$'000)



VOLUME OF BUSINESS (\$'000)



DIVIDEND AND EARNINGS PER SHARE (CENTS)



FINANCIAL REPORTS

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DIRECTORS' STATEMENT

The directors present their statement together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2023.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 98 to 180 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

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

Mr. Michael Lau Hwai Keong
Mr. Lee Sze Leong
Mr. Lee Sze Siong
Mr. Joseph Toh Kian Leong
Ms. Quan Wai Yee
Mr. Kuah Boon Wee (Appointed on 27 April 2023)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

DIRECTORS' STATEMENT

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Companies Act 1967 (the "Act") except as follows:

Name of directors and company in which interests are held	Shareholdings in the name of the directors or nominee		Shareholdings in which the directors are deemed to have an interest	
	At beginning of the year	At end of the year	At beginning of the year	At end of the year
Sing Investments & Finance Limited (Ordinary shares)				
Mr. Lee Sze Leong	651,131	1,023,696	47,426,868	71,140,302
Mr. Lee Sze Siong	681,142	1,061,713	47,426,868	71,140,302
Ms. Quan Wai Yee	–	–	15,800	10,000

The shareholdings in the name of the directors and in which the directors are deemed to have an interest at the end of the year included the new ordinary shares issued pursuant to a bonus issue on 19 May 2023.

By virtue of Section 7 of the Act, Messrs Lee Sze Leong and Lee Sze Siong are deemed to have an interest in the subsidiary of the Company at the beginning and at the end of the financial year.

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 23 February 2024.

4 SHARE OPTIONS

(a) *Options to take up unissued shares*

During the financial year, no options to take up unissued shares of the Company or its subsidiary were granted.

(b) *Options exercised*

During the financial year, there were no shares of the Company or its subsidiary issued by virtue of the exercise of an option to take up unissued shares.

(c) *Unissued shares under option*

At the end of the financial year, there were no unissued shares of the Company or its subsidiary under options.

DIRECTORS' STATEMENT

5 AUDIT COMMITTEE

The members of the Audit Committee at the date of this statement are:

Mr. Joseph Toh Kian Leong (Chairman)
Ms. Quan Wai Yee
Mr. Kuah Boon Wee (Appointed on 27 April 2023)

All members are non-executive independent directors.

The Audit Committee performs the functions specified by Section 201B of the Act, the Listing Manual and the Best Practices Guide of the Singapore Exchange, and the Code of Corporate Governance.

The Audit Committee has held 4 meetings during the financial year. In performing its functions, the Audit Committee met with the Company's executive directors, external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee reviewed the following:

- a) the audit plans and results of the internal auditors' examination and evaluation of the Group's systems of internal accounting controls;
- b) the Group's financial and operating results and accounting policies;
- c) the audit plan of the external auditor;
- d) the financial statements of the Company and the consolidated financial statements of the Group before their submission to the directors of the Company and external auditor's report on those financial statements;
- e) the financial statements announcements as well as the related press releases on the results and financial position of the Company and the Group;
- f) the co-operation and assistance given by the management to the Group's external auditor; and
- g) the re-appointment of the external auditor of the Group.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It has full discretion to invite any director or executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to directors the nomination of Deloitte & Touche LLP for re-appointment as external auditor of the Group at the forthcoming Annual General Meeting of the Company.

DIRECTORS' STATEMENT

6 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE BOARD OF DIRECTORS

Mr. Michael Lau Hwai Keong
Chairman

Mr. Lee Sze Leong
Director

23 February 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SING INVESTMENTS & FINANCE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sing Investments & Finance Limited (the "Company") and its subsidiary (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended and notes to the financial statements, including material accounting policy information, as set out on pages 98 to 180.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SING INVESTMENTS & FINANCE LIMITED

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
<p>Expected credit loss on non-credit impaired loans and advances</p> <p>Refer to Note 2 for the Group's accounting policy on impairment of loans and advances, Note 3 on critical judgements and estimation uncertainty and Note 4 for the Group's credit risk disclosures.</p> <p>Loans and advances constitute approximately 71.8% of the Group's total assets. SFRS(I) 9 Financial Instruments requires the Group to recognise Expected Credit Losses ("ECL") on these loans and advances. As at 31 December 2023, the expected credit losses on non-credit-impaired loans and advances was \$3.58 million.</p> <p>The determination of ECL involves the use of significant judgement and estimates including: forward looking macro-economic factors, criteria used to determine the significant increase in credit risk, probability of default, loss given default, and post model adjustments to account for limitations in the ECL models.</p> <p>Given the significant judgements and high degree of estimation uncertainty involved in the determination of ECL arising from the matters described above, and the size of the loan and advances, we have identified the expected credit losses on non-credit-impaired loans and advances to be a matter of significance in the audit, and therefore a key audit matter.</p>	<p>Our audit procedures include the following:</p> <ul style="list-style-type: none"> • We tested the design, implementation and operating effectiveness of key controls over the determination of ECL which includes the following: <ul style="list-style-type: none"> i. Accuracy of data inputs in the ECL model ii. Identification of significant increases in credit risk iii. Review and approval over post model adjustments by Risk Management Committee. • We involved our internal credit modelling specialist to assist us in understanding and evaluating the appropriateness of the Group's ECL methodology against the requirements of SFRS(I) 9 <i>Financial Instruments</i>. • We tested the accuracy of key inputs into the ECL model by comparing against source systems and documents. • We assessed the basis and appropriateness of management's post model adjustments. • For selected samples, we re-computed the ECL to test the mathematical accuracy of the ECL model.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SING INVESTMENTS & FINANCE LIMITED

Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed the key audit matter
<p>Loss allowances for Stage 3 credit-impaired loans and advances</p> <p>Refer to Note 2 for the Group's accounting policy on impairment of loans and advances, Note 3 on critical judgements and estimation uncertainty and Note 4 for the Group's credit risk disclosures.</p> <p>As at 31 December 2023, the loss allowances for impaired loans was \$0.78 million.</p> <p>The determination of stage 3 credit-impaired loans and advances and the resultant loss allowances involves the use of significant judgement and estimates including: identification of impairment indicators, classification of loan grading, and estimation of recoverable cash flows.</p> <p>Given the significant judgements and high degree of estimation uncertainty involved in determining the amount of impairment, we have identified the loss allowances for stage 3 credit impaired loans and advances to be a matter of significance in the audit, and therefore a key audit matter.</p>	<p>Our audit procedures include the following:</p> <ul style="list-style-type: none"> • We tested the design, implementation and operating effectiveness of key controls over allowances for credit-impaired loans and advances, which includes the following: <ul style="list-style-type: none"> i. Oversight of credit risk by Risk Management Committee ii. Classification of loan grading and monitoring iii. Identification of impairment indicators iv. Existence and valuation of collaterals • We tested selected loan files and credit reviews performed by the Group to assess the appropriateness of the classification of loan grading and challenged management's evaluations and conclusions on the credit worthiness, and classification of the selected loans. • For selected credit-impaired loans, we evaluated management's estimation of recoverable cash flows, including amount and timing of repayments, recoverable values of collaterals and other sources of repayment.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SING INVESTMENTS & FINANCE LIMITED

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Corporate Information, Performance Review, 5 Years Financial Summary, Directors' Statement and Board of Directors, but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Additional Information, Chairman's Statement, Corporate Governance Statement, Sustainability Report, and Statistics of Shareholdings, which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will 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.

When we read the Chairman's Statement, Corporate Governance Statement, Sustainability Report, and Statistics of Shareholdings, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, 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 directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SING INVESTMENTS & FINANCE LIMITED

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:

- (a) 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.
- (b) 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.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) 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.
- (e) 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.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SING INVESTMENTS & FINANCE LIMITED

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

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary corporation incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Jeremy Phua.

Public Accountants and
Chartered Accountants
Singapore

23 February 2024

STATEMENTS OF FINANCIAL POSITION

31 DECEMBER 2023

		Group		Company	
	Note	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
ASSETS					
Cash and deposits with banks and Monetary Authority of Singapore ("MAS")		375,626	243,061	375,568	242,984
Statutory deposits with the MAS Singapore Government		75,030	69,587	75,030	69,587
Securities and MAS Bills	7	451,023	335,017	451,023	335,017
Investment in equity securities	7	5,845	6,015	5,601	5,783
Loans and advances	8	2,450,789	2,405,641	2,450,789	2,405,641
Other receivables, deposits and prepayments	6	10,724	5,227	10,724	5,227
Subsidiary	11	-	-	25	25
Property, plant and equipment	9	21,761	22,722	21,761	22,722
Investment properties	10	21,054	21,431	21,054	21,431
Deferred tax assets	12	531	1,255	562	1,284
Total assets		3,412,383	3,109,956	3,412,137	3,109,701
LIABILITIES AND EQUITY					
Deposits and balances of customers	13	2,906,162	2,601,466	2,906,946	2,602,243
Other liabilities	14	60,835	29,501	60,350	28,999
Borrowings from MAS	15	-	55,484	-	55,484
Borrowings from Enterprise Singapore (unsecured)	16	1,977	1,576	1,977	1,576
Provision for employee benefits	17	176	170	176	170
Current tax payable		6,778	6,940	6,778	6,940
Total liabilities		2,975,928	2,695,137	2,976,227	2,695,412
Equity attributable to equity holders of the Company					
Share capital	18	180,008	180,008	180,008	180,008
Reserves	19	256,447	234,811	255,902	234,281
Total equity		436,455	414,819	435,910	414,289
Total liabilities and equity		3,412,383	3,109,956	3,412,137	3,109,701
OFF-BALANCE SHEET ITEMS					
Undrawn loan commitments	26	978,336	770,180	978,336	770,180
Guarantees issued	27	8,740	8,740	8,740	8,740
Total off-balance sheet items		987,076	778,920	987,076	778,920

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 \$'000	2022 \$'000
Revenue			
Interest income and hiring charges	22	145,776	82,228
Interest expense	22	(90,880)	(21,395)
Net interest income and hiring charges		54,896	60,833
Fees and commissions	22	2,086	1,648
Dividends	22	368	234
Rental income from investment properties	22	3,410	2,659
Other income	22	232	191
Income before operating expenses		60,992	65,565
Staff costs	22	(20,055)	(18,634)
Depreciation of property, plant and equipment	9	(2,005)	(2,022)
Depreciation of investment properties	10	(377)	(378)
Depreciation of right of use assets	6	(30)	(24)
Other operating expenses	22	(6,212)	(6,932)
Total operating expenses		(28,679)	(27,990)
Profit from operations before allowances		32,313	37,575
Bad debts recovered/Allowances for credit losses on loans and other assets		7,500	6,495
Profit before income tax		39,813	44,070
Income tax expense	23	(6,603)	(6,867)
Profit for the year attributable to equity holders of the Company		33,210	37,203
Earnings per share (cents)			(Restated)
– Basic/Diluted	24	14.05	15.73

The earnings per share for the financial year 2022 has been adjusted retrospectively for the 78,812,858 new ordinary shares issued pursuant to a bonus issue on 19 May 2023.

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2023

	Group	
	2023 \$'000	2022 \$'000
Profit for the year	33,210	37,203
<u>Other comprehensive income</u>		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Net change in fair value of equity investments at FVOCI	(222)	345
Income tax relating to items that will not be reclassified subsequently to profit or loss	38	(59)
	(184)	286
<i>Items that may be reclassified subsequently to profit or loss</i>		
Net change in fair value of debt investments at FVOCI	5,270	(19,067)
Income tax relating to items that may be reclassified subsequently to profit or loss	(896)	3,242
	4,374	(15,825)
Other comprehensive income for the year, net of tax	4,190	(15,539)
Total comprehensive income for the year	37,400	21,664

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2023

				Regulatory Loss			
	Note	Share capital \$'000	Statutory reserve \$'000	Allowance Reserve \$'000	Fair value reserve \$'000	Accumulated profits \$'000	Total \$'000
Group							
Balance at 1 January 2023		180,008	138,023	14,710	(9,372)	91,450	414,819
<i>Total comprehensive income for the year:</i>							
Profit for the year		-	-	-	-	33,210	33,210
Other comprehensive income for the year – net		-	-	-	4,190	-	4,190
Total		-	-	-	4,190	33,210	37,400
Transfer to Regulatory Loss Allowance Reserve		-	-	395	-	(395)	-
Transfer from accumulated profits to statutory reserve		-	8,301	-	-	(8,301)	-
<i>Transactions with owners, recognised directly in equity:</i>							
Final one-tier tax exempt dividend paid for financial year 2022 of 6.7 cents (restated)* per share	25	-	-	-	-	(15,764)	(15,764)
Balance at 31 December 2023		180,008	146,324	15,105	(5,182)	100,200	436,455

* The dividend per share for the financial year 2022 has been adjusted retrospectively for the 78,812,858 new ordinary shares issued pursuant to a bonus issue announced on 24 February 2023 and issued on 19 May 2023.

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2023

				Regulatory Loss			
	Note	Share capital \$'000	Statutory reserve \$'000	Allowance Reserve \$'000	Fair value reserve \$'000	Accumulated profits \$'000	Total \$'000
Group (Continued)							
Balance at 1 January 2022		180,008	128,723	11,716	6,167	79,151	405,765
<i>Total comprehensive income for the year:</i>							
Profit for the year		-	-	-	-	37,203	37,203
Other comprehensive income for the year – net		-	-	-	(15,539)	-	(15,539)
Total		-	-	-	(15,539)	37,203	21,664
Transfer to Regulatory Loss Allowance Reserve		-	-	2,994	-	(2,994)	-
Transfer from accumulated profits to statutory reserve		-	9,300	-	-	(9,300)	-
<i>Transactions with owners, recognised directly in equity:</i>							
Final one-tier tax exempt dividend paid for financial year 2021 of 5.3 cents (restated)* per share	25	-	-	-	-	(12,610)	(12,610)
Balance at 31 December 2022		180,008	138,023	14,710	(9,372)	91,450	414,819

* The dividend per share for the financial year 2021 has been adjusted retrospectively for the 78,812,858 new ordinary shares issued pursuant to a bonus issue announced on 24 February 2023 and issued on 19 May 2023.

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2023

				Regulatory Loss			
	Note	Share capital \$'000	Statutory reserve \$'000	Allowance Reserve \$'000	Fair value reserve \$'000	Accumulated profits \$'000	Total \$'000
Company							
Balance at 1 January 2023		180,008	138,023	14,710	(9,515)	91,063	414,289
<i>Total comprehensive income for the year:</i>							
Profit for the year		-	-	-	-	33,207	33,207
Other comprehensive income for the year – net		-	-	-	4,178	-	4,178
Total		-	-	-	4,178	33,207	37,385
Transfer to Regulatory Loss Allowance Reserve		-	-	395	-	(395)	-
Transfer from accumulated profits to statutory reserve		-	8,301	-	-	(8,301)	-
<i>Transactions with owners, recognised directly in equity:</i>							
Final one-tier tax exempt dividend paid for financial year 2022 of 6.7 cents (restated)* per share	25	-	-	-	-	(15,764)	(15,764)
Balance at 31 December 2023		180,008	146,324	15,105	(5,337)	99,810	435,910

* The dividend per share for the financial year 2022 has been adjusted retrospectively for the 78,812,858 new ordinary shares issued pursuant to a bonus issue announced on 24 February 2023 and issued on 19 May 2023.

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2023

				Regulatory Loss			
	Note	Share capital \$'000	Statutory reserve \$'000	Allowance Reserve \$'000	Fair value reserve \$'000	Accumulated profits \$'000	Total \$'000
<u>Company</u> (Continued)							
Balance at 1 January 2022		180,008	128,723	11,716	5,996	78,766	405,209
<i>Total comprehensive income for the year:</i>							
Profit for the year		-	-	-	-	37,201	37,201
Other comprehensive income for the year - net		-	-	-	(15,511)	-	(15,511)
Total		-	-	-	(15,511)	37,201	21,690
Transfer to Regulatory Loss Allowance Reserve		-	-	2,994	-	(2,994)	-
Transfer from accumulated profits to statutory reserve		-	9,300	-	-	(9,300)	-
<i>Transactions with owners, recognised directly in equity:</i>							
Final one-tier tax exempt dividend paid for financial year 2021 of 5.3 cents (restated)* per share	25	-	-	-	-	(12,610)	(12,610)
Balance at 31 December 2022		180,008	138,023	14,710	(9,515)	91,063	414,289

* The dividend per share for the financial year 2021 has been adjusted retrospectively for the 78,812,858 new ordinary shares issued pursuant to a bonus issue announced on 24 February 2023 and issued on 19 May 2023.

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 \$'000	2022 \$'000
Operating activities			
Profit before income tax		39,813	44,070
Adjustments for:			
Impact of accrual of interest income		(12,369)	(672)
Impact of accrual of interest expense		34,466	5,504
Interest expense on lease liabilities		6	2
Depreciation of property, plant and equipment	9	2,005	2,022
Depreciation of investment properties	10	377	378
Depreciation of right of use assets	6	30	24
Allowances for credit losses on loans and other assets		(7,054)	(708)
Gain on disposal of property, plant and equipment		(173)	-
Dividends		(368)	(234)
Operating cash flows before movements in working capital		56,733	50,386
Changes in working capital			
Deposits and balances of customers		304,696	308,001
Other liabilities		(3,103)	3,388
Borrowings from MAS		(55,484)	(135,322)
Borrowings from Enterprise Singapore		401	458
Statutory deposits with the MAS		(5,443)	(8,738)
Singapore Government Securities and MAS Bills		(103,927)	9,313
Loans and advances		(38,094)	(264,121)
Other assets		33	801
Provision for employee benefits		6	(79)
Cash generated from/(used in) operating activities		155,818	(35,913)
Income taxes paid		(6,899)	(6,065)
Net cash generated from/(used in) operating activities		148,919	(41,978)
Investing activities			
Purchase of property, plant and equipment	9	(1,045)	(1,180)
Dividends received		316	234
Proceeds from disposal of property, plant and equipment		173	-
Net cash used in investing activities		(556)	(946)
Financing activities			
Cash payments of lease liabilities		(34)	(28)
Dividends paid	25	(15,764)	(12,610)
Net cash used in financing activities		(15,798)	(12,638)
Net increase/(decrease) in cash and cash equivalents		132,565	(55,562)
Cash and cash equivalents at beginning of the year		243,061	298,623
Cash and cash equivalents at end of the year		375,626	243,061

Cash and cash equivalents comprise cash balances and bank deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

1 GENERAL

The Company (Registration Number 196400348D) is incorporated in the Republic of Singapore and has its principal place of business and registered office at 96 Robinson Road, #01-01 SIF Building, Singapore 068899. The Company is listed on the Main Board of Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore dollars, which is the functional currency of the Company.

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.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 31 December 2023 were authorised for issue by the Board of Directors on 23 February 2024.

2 MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of Accounting

The financial statements have been prepared in accordance with the historical cost basis except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)s").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.2 Adoption of New or Revised Standards

On 1 January 2023, the Group and Company adopted all the new and revised SFRS(I) pronouncements that are relevant to their operations. The adoption of these new and 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 years except as below.

Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 Disclosure of Accounting Policies

The Group has adopted the amendments to SFRS(I) 1-1 for the first time in the current year. The amendments change the requirements in SFRS(I) 1-1 with regard to disclosure of accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Adoption of New or Revised Standards (Continued)

Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 Disclosure of Accounting Policies (Continued)

The supporting paragraphs in SFRS(I) 1-1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The Group has applied materiality guidance in SFRS(I) Practice Statement 2 in identifying its material accounting policies for disclosures in the related notes. The previous term 'significant accounting policies' used throughout the financial statements has been replaced with 'material accounting policy information'.

2.3 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and an entity controlled by the Company (its subsidiary). Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

In the Company's separate financial statements, investments in subsidiary is carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of *SFRS(I) 1-16 Leases*, and measurements that have some similarities to fair value but are not fair value, such as value in use in *SFRS(I) 1-36 Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.5 Financial Instruments

Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are recognised and de-recognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Financial Instruments (Continued)

Classification of financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Group classifies its financial assets in the following measurement categories. The basis of classification and subsequent measurement of the financial assets are further described in the respective notes.

Measurement category	Criteria	Financial assets
Financial assets at amortised cost	Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI")	Cash and deposits with banks and Monetary Authority of Singapore ("MAS") Statutory deposits with the MAS Loans and advances (Note 8) Other receivables, deposits and prepayments (Note 6)
Debt instruments classified as at fair value through other comprehensive income ("FVOCI")	Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, and that have contractual cash flows that are SPPI	Singapore Government Securities and MAS Bills (Note 7)
Equity instruments designated as at FVOCI	Equity instruments that are not held for trading and on which the Group has made an irrevocable election (on an instrument-by-instrument basis) to present subsequent changes in the instruments' fair value in other comprehensive income	Investment in equity securities (Note 7)

By default, all other financial assets are subsequently measured at fair value through profit or loss ("FVTPL").

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Financial Instruments (Continued)

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the financial asset, or, where appropriate, a shorter period, to the gross carrying amount of the financial asset on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in the "Interest income and hiring charges" line item.

Impairment of financial assets

The Group recognises loss allowances for expected credit losses ("ECL") on the following financial assets that are not measured at FVTPL:

- cash on deposits with banks;
- loans and advances, as well as on loan commitments and financial guarantee contracts;
- debt instruments at FVOCI; and
- other receivables.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Financial Instruments (Continued)

Impairment of financial assets (Continued)

The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

No impairment loss is recognised on equity investments.

Financial instruments are classified into the three stages based on the changes in credit quality since the initial recognition as summarised below:

- ECL measurement for the Stage 1 financial instruments will be based on a 12-month horizon, while those in the Stage 2 and 3 categories will be measured based on the lifetime of the instruments.
- Financial instruments that are non-credit impaired on initial recognition are classified in "Stage 1" and its credit risk is continuously monitored by the Group.
- If a significant increase in credit risk since initial recognition is identified, the financial instruments will be transferred to "Stage 2" and remain as non-credit impaired. Further details on "significant increase in credit risk" is described below.
- If financial instrument is credit impaired, the financial instrument will be transferred to "Stage 3".

Measurement of ECL

The measurement of ECL is a function of probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD"). The 12-month PDs and lifetime PDs respectively represent the PD occurring over the next 12 months and the remaining maturity of the instrument. These inputs are generally derived from internally developed statistical models and other historical data and they are adjusted to reflect probability-weighted forward-looking information.

A loss allowance for lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Group if the holder of the commitment draws down the loan and the cash flows that the Group expects to receive if the loan is drawn down.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Financial Instruments (Continued)

Impairment of financial assets (Continued)

Measurement of ECL (Continued)

For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group expects to receive from the holder, the debtor or any other party.

The Group measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original effective interest rate, regardless of whether it is measured on an individual basis or a collective basis.

Definition of default

The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk (see Note 4).

The Group considers the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Group;
or
- the borrower is unlikely to pay its credit obligations to the Group in full.

This definition of default is used by the Group for accounting purposes as well as for internal credit risk management purposes and is aligned to the regulatory definition of default.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The Group uses credit risk grades as a primary input into the determination of the term structure of the PD for exposures. The credit risk grades are designed and calibrated to reflect the risk of default as credit risk deteriorates. As the credit risk increases, the difference in risk of default between grades changes. Each exposure is allocated to a credit risk grade at initial recognition, based on the available information about the counterparty. The exposures are monitored and the credit risk grades are updated to reflect the current information.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Financial Instruments (Continued)

Impairment of financial assets (Continued)

Significant increase in credit risk (Continued)

The Group calibrates and sets specific threshold for the downgrade of credit grading in the respective credit quality range of "Strong", "Satisfactory", "Higher Risk" and "Impaired" to determine whether the financial instrument has experienced a significant increase in credit risk.

A backstop is applied, and the financial instrument is assessed to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

Financial assets are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Financial Instruments (Continued)

Impairment of financial assets (Continued)

Presentation of allowance for ECL in the financial statements

Loss allowances for ECL are presented in the statement of financial position as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- for debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the fair value reserve; and
- where a financial instrument includes both a drawn and undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component.

The Group recognises an impairment loss and gain upon reversal of allowance in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on de-recognition of an investment in a debt instrument classified as at FVOCI, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVOCI, the cumulative gain or loss previously accumulated in the fair value reserve is not reclassified to profit or loss, but is transferred to retained earnings.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Financial Instruments (Continued)

Financial liabilities and equity instruments

Classification as debt or equity

Debts and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

(a) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

(b) Financial liabilities

Financial liabilities measured at amortised cost

Financial liabilities measured at amortise cost include:

- deposits and balances from customers;
- borrowings from MAS and Enterprise Singapore; and
- other liabilities

These are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial guarantee contract liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Financial Instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial guarantee contract liabilities (Continued)

Financial guarantee contract liabilities are measured initially at fair values and, if not designated as at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with SFRS(I) 9; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2.6 Leases

The Group enters its lease agreements as a lessor with respect to its investment property. Leases for which the Group is a lessor are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Subsequent to initial recognition, the Group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of SFRS(I) 9, recognising an allowance for expected credit losses on the lease receivables.

2.7 Impairment of Non-Financial Assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.7 Impairment of Non-Financial Assets (Continued)

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

2.8 Prepaid Commission On Loans And Advances

Commission paid on loans and advances are deferred and recognised as an expense over the tenor of the loans and advances.

For early settlement of loans, the remaining portion of the prepaid commission is expensed immediately to the profit or loss on the date of settlement.

2.9 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Management discussed with the Audit Committee the development, selection, disclosure, and application of the Group's critical accounting policies and estimates, and the application of these policies and estimates.

(a) Critical judgements in applying the entity's accounting policies

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

ECL is measured as an allowance equal to 12-month ECL for Stage 1 assets, or lifetime ECL assets 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 factors and 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.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, 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:

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 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 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 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.

The economic uncertainties has imposed a greater degree of judgement in estimating the ECL and the inputs used are inherently subject to change, which may materially change our estimate of Stage 1 and Stage 2 allowance for credit losses in future periods.

To address the uncertainties inherent in the current and future environment and to reflect all relevant risk factors not captured in our modelled results, we applied expert credit judgement in determining significant increases in credit risk since origination and our probability weighted allowance for credit losses. We applied quantitative and qualitative adjustments for the impacts of the macroeconomic scenarios.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Categories of financial instruments

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

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Financial assets				
At amortised cost:				
Cash and deposits with banks and Monetary Authority of Singapore ("MAS")	375,626	243,061	375,568	242,984
Statutory deposits with the MAS	75,030	69,587	75,030	69,587
Loans and advances	2,450,789	2,405,641	2,450,789	2,405,641
Other receivables, deposits and prepayments	9,103	3,543	9,103	3,543
At FVOCI:				
Singapore Government Securities and MAS Bills	451,023	335,017	451,023	335,017
Investment in equity securities	5,845	6,015	5,601	5,783
Financial liabilities				
At amortised cost:				
Deposits and balances of customers	2,906,162	2,601,466	2,906,946	2,602,243
Other liabilities	60,835	29,501	60,350	28,999
Borrowings from MAS	-	55,484	-	55,484
Enterprise Singapore loans	1,977	1,576	1,977	1,576

(b) Financial risk management policies and objectives

The Group has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk;
- market risk (including interest rate risk and equity price risk); and
- operational risk.

The Group's operations are denominated in Singapore dollars. Hence, the Group is not exposed to material foreign exchange movements.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks, and the Group's management of capital.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures such risks.

Risk governance

Under the Group's risk governance framework, the Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board delegates its authority to the Risk Management Committee ("RMC") to oversee the Group's risk management framework, policies, processes and guidelines.

The RMC is chaired by a non-executive independent director and is tasked to oversee the development of robust enterprise-wide risk management policies and processes. In addition, to credit risk, liquidity risk, market risk, capital and balance sheet management, the RMC also oversees the management of operational risk, information technology risk, outsourcing risk, reputational risk, environmental and climate risks, compliance and business continuity management. The RMC meets at least quarterly.

The RMC reviews and approves the implementation of the Group's policies, risk appetite, tolerance limits and key risk indicators to guide risk taking. A Risk Dashboard is set up in which responsible departments regularly compute and update the predefined risk indicators, allowing the RMC members to monitor the level of risks and be alerted of any breach of thresholds. The Risk Management Department ("RMD") assists the RMC in developing risk management measurements and control systems, monitoring limits set by the Board and reporting breaches, exceptions, and deviations. The RMD furnishes RMC with periodical reports and recommendations to enable RMC to make decisions on risk management issues. Compliance testing and internal audits are conducted on an on-going basis to confirm that these policies are being implemented effectively.

Senior management is accountable to the Board for ensuring the implementation of risk management policies. The business units are responsible for managing the risks of their respective activities and for ensuring compliance with the Group's policies. Credit Control Department assists senior management in providing checks and controls as well as independent risk assessments. Credit Collection Department assists in the proactive management and follow up of past due payments and recovery efforts for non-performing loans.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(i) Credit risk

Credit risk is one of the primary risks in the Group's lending activities. It is the risk of financial loss to the Group if a borrower or counter party to a credit exposure fails to meet its contractual obligations. Credit exposures also include the debt securities held by the Group. The performance of such debt securities may be impacted to varying degrees by any developments in the global financial markets.

Except for fund placements with banks, investment in Singapore Government Securities ("SGS") and Enterprise Singapore loans with 70% to 90% risk sharing with Enterprise Singapore, credit risk exposure of the Group is mostly secured and is concentrated in Singapore.

The Group assesses all credit risk exposures, including off balance sheet items and potential exposures using both internal information and information from external credit bureau, consolidating all elements of credit risk exposure including the default risk of the individual obligor, security risk, industry risk, market/interest rate risk and repayment behaviour.

Credit policies are formulated to cover concentration risk limits, collateral requirements, credit assessment, risk grading, stress testing, reporting, documentary and legal procedures and compliance with regulatory and statutory requirements. All credit facilities, majority fully secured, require the approval by management or the Loan Committee as appropriate. All collateral assets provided by obligors must be tangible and accessible or marketable in Singapore.

The Group has in place a monitoring system to identify early symptoms of problematic loan accounts. A risk grading system is used in determining whether impairment allowances may be required against specific credit exposures. Risk grades are subject to regular review and credit exposures take into consideration stress testing of the fair value of collateral and other security enhancements held against the loans and advances.

Bad debts will be written off when debt recovery is remote, e.g. borrower has been made bankrupt, or all recovery actions have been exhausted. Approval of the Managing Director or Loan Committee as appropriate is obtained for write off of bad debts above certain amounts. Any proposal for write off of director and director-related loans must be accepted by the Board of Directors and approved by the MAS.

Environmental, social and governance risk

The Group is exposed to environmental, social and governance ("ESG") related risk through its lending activities via the loans to customers, which operate in sectors with elevated ESG risk. The Group has established its ESG risk policies and processes based on the Association of Banks in Singapore's Guidelines on Responsible Financing and the Monetary Authority of Singapore's Guidelines on Environmental Risk Management. These policies and processes are fully embedded into the Group's Credit Risk Management Policy and Enterprise-wide Risk Management Framework.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(i) Credit risk (Continued)

Internal credit risk grading

The estimation of credit risk loss is complex and requires the use of credit grading model, as the exposure varies with changes in market conditions, expected cash flows, and the passage of time. The key assessment of the rating model entails estimations as to the likelihood of defaults occurring.

In order to better measure the credit risk exposure, the management has tasked the Risk Management team to develop, monitor and maintain the Group's credit risk gradings, which seek to reflect its assessment of the probability of default (PD) of the individual counterparties. The Group uses internal rating models tailored to various categories of counterparties. The Group's credit risk grading framework currently comprises ten categories. The credit rating information is based on a range of data that is determined to be predictive of the risk of default and applying experienced credit judgement. The nature of the exposure and type of borrower are taken into account in the analysis. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default.

The credit risk grades are designed and calibrated to reflect the risk of default as credit risk deteriorates. Each exposure is allocated to a credit risk grade at initial recognition, based on the available information about the counterparty. Borrower and loan specific information collated at the initial application (such as disposable income, type and level of collateral as well as financial information and industry sector for corporate borrowers) is fed into the credit model. This is also supplemented with external data such as credit bureau scoring information on individual borrowers. All exposures are monitored and the credit risk grade is updated to reflect current information obtained.

The Group uses credit risk grades as a primary input into the determination of the term structure of the PD for exposures. The Group collects performance and default information about its credit risk exposures analysed by type of product and borrower as well as by credit risk grading.

The Group analyses all data collected using statistical models and estimates the remaining lifetime PD of exposures and how these are expected to change over time. The factors taken into account in this process include macro-economic data such as GDP growth. The Group generates a 'base case' scenario of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. The Group then uses these forecasts, which are probability-weighted, to adjust its estimates of PDs.

The Group measures credit risk using a similar approach that is used to measure ECL under SFRS(I) 9.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(i) Credit risk (Continued)

Incorporation of forward-looking information

The Group uses forward-looking information that is available without undue cost or effort in its assessment of significant increase of credit risk as well as in its measurement of ECL. The Group uses external and internal information to generate a 'base case' scenario of future forecast of relevant economic variables along with a representative range of other possible forecast scenarios. The external information used includes economic data and forecasts published by governmental bodies and monetary authorities.

The Group applies probabilities to the forecast scenarios identified. The base case scenario is the single most-likely outcome and consists of information used by the Group for analysis and planning. The Group uses a three-scenario model to calculate ECL. The baseline scenario, one adverse scenario (Downturn) and one favourable scenario (Growth) are derived, with the associated probability weightage. The weightage given to the three scenarios are determined by management and the risk management team.

Measurement of ECL

The key inputs used for measuring ECL are:

- Probability of default ("PD");
- Loss given default ("LGD");
- Exposure at default ("EAD").

As explained above, these figures are generally derived from internally developed statistical models and other historical data and are adjusted to reflect probability-weight forward looking information.

Refer to Note 2 for more details.

Maximum exposure to credit risk

As at 31 December 2023, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arises from:

- the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position; and
- the maximum amount the Group would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised as disclosed as Contingent Liabilities. The related loss allowance is disclosed in the respective notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(i) Credit risk (Continued)

Maximum exposure to credit risk

The tables and paragraphs below detail the maximum exposure to credit risk of the Group's financial assets as well as the value of the collateral held against the respective exposure. Stage 3 credit-impaired assets with corresponding collateral is disclosed separately:

	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
Group			
31 December 2023			
At amortised cost:			
Cash and deposits with banks and MAS	375,786	160	375,626
Other receivables, deposits and prepayments	9,103	-	9,103
Loans and advances	2,455,149	4,360	2,450,789
Statutory deposits with MAS	75,030	-	75,030
At FVOCI:			
Singapore Government Securities and MAS Bills	451,023	-	451,023
Off Balance Sheet:			
Contingent liabilities	8,740	-	8,740
Undrawn commitments	978,336	-	978,336
31 December 2022			
At amortised cost:			
Cash and deposits with banks and MAS	243,221	160	243,061
Other receivables, deposits and prepayments	3,543	-	3,543
Loans and advances	2,417,086	11,445	2,405,641
Statutory deposits with MAS	69,587	-	69,587
At FVOCI:			
Singapore Government Securities and MAS Bills	335,017	-	335,017
Off Balance Sheet:			
Contingent liabilities	8,740	-	8,740
Undrawn commitments	770,180	-	770,180

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(i) Credit risk (Continued)

Maximum exposure to credit risk (Continued)

	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
Company			
31 December 2023			
At amortised cost:			
Cash and deposits with banks and MAS	375,728	160	375,568
Other receivables, deposits and prepayments	9,103	-	9,103
Loans and advances	2,455,149	4,360	2,450,789
Statutory deposits with MAS	75,030	-	75,030
At FVOCI:			
Singapore Government Securities and MAS Bills	451,023	-	451,023
Off Balance Sheet:			
Contingent liabilities	8,740	-	8,740
Undrawn commitments	978,336	-	978,336
31 December 2022			
At amortised cost:			
Cash and deposits with banks and MAS	243,144	160	242,984
Other receivables, deposits and prepayments	3,543	-	3,543
Loans and advances	2,417,086	11,445	2,405,641
Statutory deposits with MAS	69,587	-	69,587
At FVOCI:			
Singapore Government Securities and MAS Bills	335,017	-	335,017
Off Balance Sheet:			
Contingent liabilities	8,740	-	8,740
Undrawn commitments	770,180	-	770,180

Included in the gross carrying amount are the stage 3 credit-impaired assets amounting to \$9,028,000 (2022: \$25,984,000).

An estimate of the financial effect of collateral and other security enhancements held against loans and advances to customers on maximum credit risk exposure amounted to \$6,147,081,000 (2022: \$5,819,930,000). The Group's claim against collateral is limited to the obligations of the respective obligors.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(i) Credit risk (Continued)

Maximum exposure to credit risk (Continued)

The maximum amount the Group could be forced to settle under the financial guarantee contract in Note 27, if the full guaranteed amount is claimed by the counterparty to the guarantee is \$8,740,000 (2022: \$8,740,000). Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement.

Collaterals

The Group holds collateral against loans and advances to customers. The main types of collateral obtained by the Group are as follows:

- for personal housing loans, mortgages over residential properties and HDB flats;
- for commercial property loans, charges over the properties;
- for land and construction loans, charges over the developing properties;
- for motor vehicles loans and block discounting loans, charges over the vehicles;
- for share loans, charges over listed securities of Singapore; and
- for other loans, charges over business assets such as premises, barges and vessels, machineries, trade receivables or deposits.

All financial instruments in the Group subjected to the impairment requirements and recognition of loss allowance has been covered under the Group's expected credit loss model with no exception to the types of collateral held as at 31 December 2023 and 31 December 2022.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(i) Credit risk (Continued)

Possession of collateral held

The nature and carrying amount of collateral held against financial assets, obtained by taking possession of collateral held as security, which remain held at the reporting date are as follows. Claims against such collateral are limited to the outstanding obligations.

There was no collateral held against the financial assets of the Group and the Company as at 31 December 2023 and 2022.

Credit quality of assets

The Group manages the credit quality of deposits and placements with banks and financial institutions, loans and advances, loan commitments and financial guarantee contracts using internal credit ratings. The credit quality of financial assets exposed to credit risk is graded as "Strong, Satisfactory, Higher Risk and Impaired" as described below and shown in the following table:

Category	Description
Strong	The counterparty has very low risk of default and very high likelihood of assets being recovered in full as per the terms of the loan agreement.
Satisfactory	The counterparty has low risk of default and high likelihood of full repayment and is subjected to standard monitoring.
Higher Risk	There is evidence indicating potential credit weakness and concern over the counterparty's ability to make payments when due that warrant close monitoring.
Impaired	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(i) Credit risk (Continued)

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

	Stage 1 \$'000	Stage 2 \$'000	Stage 3 \$'000	Total \$'000
Cash and deposits with banks and MAS at amortised cost				
Group				
31 December 2023				
Strong	375,786	-	-	375,786
Satisfactory	-	-	-	-
Higher Risk	-	-	-	-
Impaired	-	-	-	-
Total gross carrying amount	375,786	-	-	375,786
Loss allowance	(160)	-	-	(160)
Carrying amount	375,626	-	-	375,626
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

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(i) Credit risk (Continued)

	Stage 1 \$'000	Stage 2 \$'000	Stage 3 \$'000	Total \$'000
Cash and deposits with banks and MAS at amortised cost				
<u>Company</u>				
31 December 2023				
Strong	375,728	-	-	375,728
Satisfactory	-	-	-	-
Higher Risk	-	-	-	-
Impaired	-	-	-	-
Total gross carrying amount	375,728	-	-	375,728
Loss allowance	(160)	-	-	(160)
Carrying amount	375,568	-	-	375,568
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

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(i) Credit risk (Continued)

	Stage 1 \$'000	Stage 2 \$'000	Stage 3 \$'000	Total \$'000
Singapore Government Securities ('SGS') and MAS Bills				
31 December 2023				
<u>Group and Company</u>				
Strong	451,023	-	-	451,023
Satisfactory	-	-	-	-
Higher Risk	-	-	-	-
Impaired	-	-	-	-
Total gross carrying amount	451,023	-	-	451,023
Loss allowance	-	-	-	-
Carrying amount	451,023	-	-	451,023
31 December 2022				
<u>Group and Company</u>				
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 allowances is provided for the SGS and MAS Bills as they are 'AAA' rated with no history of default.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(i) Credit risk (Continued)

	Stage 1 \$'000	Stage 2 \$'000	Stage 3 \$'000	Total \$'000
Loans and advances at amortised cost				
31 December 2023				
<u>Group and Company</u>				
Strong	119,165	9,905	-	129,070
Satisfactory	1,887,837	363,526	-	2,251,363
Higher Risk	15,831	49,857	-	65,688
Impaired	-	-	9,028	9,028
Total gross carrying amount	2,022,833	423,288	9,028	2,455,149
Loss allowance	(1,952)	(1,627)	(781)	(4,360)
Carrying amount	<u>2,020,881</u>	<u>421,661</u>	<u>8,247</u>	<u>2,450,789</u>
31 December 2022				
<u>Group and Company</u>				
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	<u>1,894,027</u>	<u>493,496</u>	<u>18,118</u>	<u>2,405,641</u>

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(i) Credit risk (Continued)

The tables below analyse the movement of the loss allowance during the year per class of assets.

	12-months ECL Stage 1 \$'000	Lifetime ECL Stage 2 \$'000	Lifetime ECL Stage 3 \$'000	Total \$'000
Loss allowance - Cash and deposits with banks and MAS at amortised cost				
<u>Group and Company</u>				
Loss allowance as at 1 January 2022	574	-	-	574
New financial assets originated	160	-	-	160
Financial assets that have been derecognised	(574)	-	-	(574)
Changes due to the exposure and risk parameters	-	-	-	-
Total net P&L charge	(414)	-	-	(414)
Loss allowance as at 31 December 2022	160	-	-	160
New financial assets originated	106	-	-	106
Financial assets that have been derecognised	(160)	-	-	(160)
Changes due to the exposure and risk parameters	54	-	-	54
Total net P&L charge	-	-	-	-
Loss allowance as at 31 December 2023	160	-	-	160

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(i) Credit risk (Continued)

	12-month ECL Stage 1 \$'000	Lifetime ECL Stage 2 \$'000	Lifetime ECL Stage 3 \$'000	Total \$'000
Loss allowance - Loans and advances				
Group and Company				
Loss allowance as at 1 January 2022	2,251	915	8,736	11,902
Movements with P&L impact				
Transfer:				
Transfer from Stage 1 to Stage 2	(77)	77	-	-
Transfer from Stage 1 to Stage 3	(17)	-	17	-
Transfer from Stage 2 to Stage 3	-	(24)	24	-
Transfer from Stage 2 to Stage 1	169	(169)	-	-
Transfer from Stage 3 to Stage 2	-	225	(225)	-
Remeasurement	(155)	(33)	464	276
New financial assets originated/ downgraded	127	34	159	320
Financial assets derecognised	(77)	(20)	(1,202)	(1,299)
Changes due to the exposure and risk parameters	(249)	602	55	408
Total net P&L charge	(279)	692	(708)	(295)
Write-offs	-	-	(162)	(162)
Loss allowance as at 31 December 2022	1,972	1,607	7,866	11,445
Movements with P&L impact				
Transfer:				
Transfer from Stage 1 to Stage 2	(28)	28	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 2 to Stage 1	100	(100)	-	-
Transfer from Stage 3 to Stage 2	-	3,788	(3,788)	-
Remeasurement	(93)	(3,506)	-	(3,599)
New financial assets originated/ downgraded	322	74	-	396
Financial assets derecognised	(43)	(32)	(3,196)	(3,271)
Changes due to the exposure and risk parameters	(278)	(232)	(70)	(580)
Total net P&L charge	(20)	20	(7,054)	(7,054)
Write-offs	-	-	(31)	(31)
Loss allowance as at 31 December 2023	1,952	1,627	781	4,360

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(i) Credit risk (Continued)

More information about the significant changes in the gross carrying amount of financial assets during the period that contributed to changes in the loss allowance, is provided at the table below:

	12-month ECL Stage 1 \$'000	Lifetime ECL Stage 2 \$'000	Lifetime ECL Stage 3 \$'000	Total \$'000
Loans and advances at amortised cost				
<u>Group and Company</u>				
Gross carrying amount as at				
1 January 2022	1,595,052	522,018	35,645	2,152,715
Transfer from Stage 1 to Stage 2	(81,391)	81,391	-	-
Transfer from Stage 1 to Stage 3	(4,743)	-	4,743	-
Transfer from Stage 2 to Stage 3	-	(2,371)	2,371	-
Transfer from Stage 2 to Stage 1	28,151	(28,151)	-	-
Transfer from Stage 3 to Stage 2	-	2,143	(2,143)	-
Net change in exposures	(33,712)	(29,104)	(5,631)	(68,447)
New financial assets originated/ downgraded	672,133	14,000	1,646	687,779
Financial assets derecognised during the period	(279,491)	(64,823)	(10,485)	(354,799)
Write-offs	-	-	(162)	(162)
Gross carrying amount as at				
31 December 2022	1,895,999	495,103	25,984	2,417,086
Transfer from Stage 1 to Stage 2	(77,263)	77,263	-	-
Transfer from Stage 1 to Stage 3	(77)	-	77	-
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 2 to Stage 1	74,586	(74,586)	-	-
Transfer from Stage 3 to Stage 2	-	11,015	(11,015)	-
Net change in exposures	(256,351)	(52,996)	(2,589)	(311,936)
New financial assets originated/ downgraded	679,264	41,327	-	720,591
Financial assets derecognised during the period	(293,325)	(73,838)	(3,398)	(370,561)
Write-offs	-	-	(31)	(31)
Gross carrying amount as at				
31 December 2023	2,022,833	423,288	9,028	2,455,149

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(i) Credit risk (Continued)

	12-month ECL Stage 1 \$'000	Lifetime ECL Stage 2 \$'000	Lifetime ECL Stage 3 \$'000	Total \$'000
Total net loss allowance charge to P&L				
<u>Group and Company</u>				
Bad debts recovered	-	-	(5,787)	(5,787)
Deposits, balances with and loans to bankers, agents and other financial institutions	(414)	-	-	(414)
Loans and advances	(279)	692	(708)	(295)
Total (recovered)/charged in 2022	(692)	692	(6,495)	(6,495)
Bad debts recovered	-	-	(446)	(446)
Deposits, balances with and loans to bankers, agents and other financial institutions	-	-	-	-
Loans and advances	(20)	20	(7,054)	(7,054)
Total (recovered)/charged in 2023	(20)	20	(7,500)	(7,500)

Loans with terms being renegotiated

As at 31 December 2023, the Group has loans and advances of \$7,141,000, which the terms have been renegotiated (2022: \$10,736,000). The loans were upgraded as performing loans with no stage 3 ECL allowance made in respect of the loans (2022: Individually impaired with credit allowance of \$3,767,000).

Regulatory Grading

Apart from internal credit grading, the Group also categorises its loans and advances in accordance with MAS Notice to Finance Companies No. 811 "Credit Files, Grading and Provisioning" issued by the Monetary Authority of Singapore (MAS).

(a) Performing loans

Pass grade indicates that the timely repayment of the outstanding credit facilities is not in doubt.

Special mention grade indicates that the credit facilities exhibit potential weaknesses that, if not corrected in a timely manner, may adversely affect future repayments and warrant close attention by the Group.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(i) Credit risk (Continued)

(b) Non-performing loans

Substandard grade indicates that the credit facilities exhibit definable weaknesses either in respect of business, cash flow or financial position of the borrower that may jeopardise repayment on existing terms.

Doubtful grade indicates that the credit facilities exhibit severe weaknesses such that the prospect of full recovery of the outstanding credit facilities is questionable and the prospect of a loss is high, but the exact amount remains undeterminable.

Loss grade indicates that the amount of loan recovery is assessed to be insignificant.

Concentration of credit risk

The Group monitors concentrations of credit risk by sector. An analysis of concentrations of credit risk at the end of the reporting period is shown below:

	Loans and advances	
	2023	2022
	\$'000	\$'000
Carrying amount	2,450,789	2,405,641
Concentration by sector		
Hire purchase/block discounting	578,319	580,359
Housing loans secured by property under finance	86,871	68,981
Other loans and advances:		
Building and construction	389,530	478,091
Financial institutions, and investment and holding companies	752,566	666,230
Professional and individuals	145,448	165,366
General commerce	248,416	249,431
Transport, storage and communication	84,020	104,538
Manufacturing	8,502	6,802
Others	161,477	97,288
	2,455,149	2,417,086
Less: Loss allowance	(4,360)	(11,445)
Total	2,450,789	2,405,641

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Group is unable to service its cash obligations in the present and future (both anticipated and unanticipated) without incurring substantial cost or damage to the Group's reputation. The Group's principal source of funds is from deposit collections in Singapore which is mainly utilised for funding loans and maintenance of reserves in compliance with statutory requirements.

The daily liquidity position is closely managed by Treasury and independently monitored by the RMD via daily report covering the next 30 days' funding needs. In addition, projected fund flow positions for the next 1 and 6 months are reviewed on a monthly basis. The RMC also reviews the Monthly Liquidity Gap Analysis (contractual and behavioural) and the Liquidity Stress Test to ensure that liquidity risk is managed within established tolerance levels and mismatch limits. Early Warning System and contingency funding plans are in place, with monitoring and triggering mechanisms to alert management of potential liquidity risk.

The Group's liquidity risk is mitigated by its maintenance of the minimum cash balances and minimum liquid assets balance as required by MAS, the latter being the key measure for liquidity risk.

Liquidity risk is also mitigated through the large number of customers in the Group's diverse loan and deposit bases and the close monitoring of exposures to avoid any undue concentration.

At 31 December 2023 and 2022, the Group has available funds from undrawn committed credit lines and will be able to raise funds from the public via Medium Term Note ("MTN") Programme which allow the Group to use the funds in the event of liquidity shortfall.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(ii) Liquidity risk (Continued)

The following table analyses the assets and liabilities of the Group and the Company into maturity time bands based on the remaining time to contractual maturity as at end of the reporting period:

	Total \$'000	Up to 1 month \$'000	Over 1 to 3 months \$'000	Over 3 to 12 months \$'000	Over 1 to 5 years \$'000	Over 5 years \$'000
Group						
31 December 2023						
Assets						
Cash and deposits with banks and MAS	375,626	211,700	16,992	146,934	-	-
Statutory deposits with the MAS	75,030	75,030	-	-	-	-
Singapore Government Securities and MAS Bills	451,023	182,628	9,907	3,979	125,991	128,518
Investment in equity securities	5,845	5,845	-	-	-	-
Loans and advances to customers	2,450,789	384,055	150,300	261,107	651,074	1,004,253
Other receivables, deposits and prepayments	9,103	3,132	2,440	3,531	-	-
Total assets	3,367,416	862,390	179,639	415,551	777,065	1,132,771
Liabilities						
Deposits and balances of customers	2,906,162	806,574	396,050	1,670,810	32,728	-
Other liabilities	60,835	12,067	7,147	40,486	1,135	-
Enterprise Singapore loans	1,977	-	7	15	1,955	-
Total liabilities	2,968,974	818,641	403,204	1,711,311	35,818	-
Net Liquidity						
Surplus/(Gap)	398,442	43,749	(223,565)	(1,295,760)	741,247	1,132,771
Off-balance sheet						
Undrawn loan commitments	978,336	978,336	-	-	-	-
Guarantees issued	8,740	8,740	-	-	-	-

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(ii) Liquidity risk (Continued)

	Total \$'000	Up to 1 month \$'000	Over 1 to 3 months \$'000	Over 3 to 12 months \$'000	Over 1 to 5 years \$'000	Over 5 years \$'000
Group						
31 December 2022						
Assets						
Cash and deposits with banks and MAS	243,061	127,157	29,975	85,929	-	-
Statutory deposits with the MAS	69,587	69,587	-	-	-	-
Singapore Government Securities and MAS Bills	335,017	69,831	29,829	14,913	110,944	109,500
Investment in equity securities	6,015	6,015	-	-	-	-
Loans and advances to customers	2,405,641	352,984	112,217	243,390	769,080	927,970
Other receivables, deposits and prepayments	3,543	233	2,172	1,138	-	-
Total assets	3,062,864	625,807	174,193	345,370	880,024	1,037,470
Liabilities						
Deposits and balances of customers	2,601,466	478,382	354,502	1,531,110	237,472	-
Borrowings from MAS	55,484	12,375	10,975	32,134	-	-
Other liabilities	29,501	7,749	2,060	17,690	2,002	-
Enterprise Singapore loans	1,576	13	30	270	1,263	-
Total liabilities	2,688,027	498,519	367,567	1,581,204	240,737	-
Net Liquidity Surplus/ (Gap)	374,837	127,288	(193,374)	(1,235,834)	639,287	1,037,470
Off-balance sheet						
Undrawn loan commitments	770,180	770,180	-	-	-	-
Guarantees issued	8,740	8,740	-	-	-	-

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(ii) Liquidity risk (Continued)

	Total \$'000	Up to 1 month \$'000	Over 1 to 3 months \$'000	Over 3 to 12 months \$'000	Over 1 to 5 years \$'000	Over 5 years \$'000
Company						
31 December 2023						
Assets						
Cash and deposits with banks and MAS	375,568	211,642	16,992	146,934	-	-
Statutory deposits with the MAS	75,030	75,030	-	-	-	-
Singapore Government Securities and MAS Bills	451,023	182,628	9,907	3,979	125,991	128,518
Investment in equity securities	5,601	5,601	-	-	-	-
Loans and advances to customers	2,450,789	384,055	150,300	261,107	651,074	1,004,253
Other receivables, deposits and prepayments	9,103	3,132	2,440	3,531	-	-
Total assets	3,367,114	862,088	179,639	415,551	777,065	1,132,771
Liabilities						
Deposits and balances of customers	2,906,946	807,101	396,050	1,671,067	32,728	-
Other liabilities	60,350	11,581	7,148	40,486	1,135	-
Enterprise Singapore loans	1,977	-	7	15	1,955	-
Total liabilities	2,969,273	818,682	403,205	1,711,568	35,818	-
Net Liquidity Surplus/ (Gap)	397,841	43,406	(223,566)	(1,296,017)	741,247	1,132,771
Off-balance sheet						
Undrawn loan commitments	978,336	978,336	-	-	-	-
Guarantees issued	8,740	8,740	-	-	-	-

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(ii) Liquidity risk (Continued)

	Total \$'000	Up to 1 month \$'000	Over 1 to 3 months \$'000	Over 3 to 12 months \$'000	Over 1 to 5 years \$'000	Over 5 years \$'000
Company						
31 December 2022						
Assets						
Cash and deposits with banks and MAS	242,984	127,080	29,975	85,929	-	-
Statutory deposits with the MAS	69,587	69,587	-	-	-	-
Singapore Government Securities and MAS Bills	335,017	69,831	29,829	14,913	110,944	109,500
Investment in equity securities	5,783	5,783	-	-	-	-
Loans and advances to customers	2,405,641	352,984	112,217	243,390	769,080	927,970
Other receivables, deposits and prepayments	3,543	233	2,172	1,138	-	-
Total assets	3,062,555	625,498	174,193	345,370	880,024	1,037,470
Liabilities						
Deposits and balances of customers	2,602,243	478,903	354,502	1,531,366	237,472	-
Borrowings from MAS	55,484	12,375	10,975	32,134	-	-
Other liabilities	28,999	7,247	2,060	17,690	2,002	-
Enterprise Singapore loans	1,576	13	30	270	1,263	-
Total liabilities	2,688,302	498,538	367,567	1,581,460	240,737	-
Net Liquidity Surplus/ (Gap)	374,253	126,960	(193,374)	(1,236,090)	639,287	1,037,470
Off-balance sheet						
Undrawn loan commitments	770,180	770,180	-	-	-	-
Guarantees issued	8,740	8,740	-	-	-	-

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(ii) Liquidity risk (Continued)

The following is the expected contractual undiscounted cash outflow of financial liabilities, including interest payments:

	Carrying amount \$'000	Gross nominal outflow \$'000	Up to 1 month \$'000	Over 1 to 3 months \$'000	Over 3 to 12 months \$'000	Over 1 to 5 years \$'000
Group						
31 December 2023						
Deposits and balances of						
customers	2,906,162	(2,951,818)	(808,454)	(398,920)	(1,710,899)	(33,545)
Borrowings from MAS	-	-	-	-	-	-
Other liabilities	60,835	(60,835)	(12,066)	(7,146)	(40,487)	(1,136)
Enterprise Singapore loans	1,977	(2,022)	-	(7)	(15)	(2,000)
Total liabilities	2,968,974	(3,014,675)	(820,520)	(406,073)	(1,751,401)	(36,681)
Undrawn loan						
commitments	978,336	(978,336)	(978,336)	-	-	-
	3,947,310	(3,993,011)	(1,798,856)	(406,073)	(1,751,401)	(36,681)
31 December 2022						
Deposits and balances of						
customers	2,601,466	(2,645,613)	(478,879)	(356,156)	(1,565,977)	(244,601)
Borrowings from MAS	55,484	(55,595)	(12,400)	(10,997)	(32,198)	-
Other liabilities	29,501	(29,501)	(7,748)	(2,060)	(17,690)	(2,003)
Enterprise Singapore loans	1,576	(1,612)	(13)	(32)	(278)	(1,289)
Total liabilities	2,688,027	(2,732,321)	(499,040)	(369,245)	(1,616,143)	(247,893)
Undrawn loan						
commitments	770,180	(770,180)	(770,180)	-	-	-
	3,458,207	(3,502,501)	(1,269,220)	(369,245)	(1,616,143)	(247,893)

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(ii) Liquidity risk (Continued)

	Carrying amount \$'000	Gross nominal outflow \$'000	Up to 1 month \$'000	Over 1 to 3 months \$'000	Over 3 to 12 months \$'000	Over 1 to 5 years \$'000
Company						
31 December 2023						
Deposits and balances of						
customers	2,906,946	(2,952,605)	(808,983)	(398,920)	(1,711,157)	(33,545)
Borrowings from MAS	-	-	-	-	-	-
Other liabilities	60,350	(60,350)	(11,581)	(7,146)	(40,487)	(1,136)
Enterprise Singapore loans	1,977	(2,022)	-	(7)	(15)	(2,000)
Total liabilities	2,969,273	(3,014,977)	(820,564)	(406,073)	(1,751,659)	(36,681)
Undrawn loan						
Commitments	978,336	(978,336)	(978,336)	-	-	-
	3,947,609	(3,993,313)	(1,798,900)	(406,073)	(1,751,659)	(36,681)
31 December 2022						
Deposits and balances of						
customers	2,602,243	(2,646,390)	(479,400)	(356,156)	(1,566,233)	(244,601)
Borrowings from MAS	55,484	(55,595)	(12,400)	(10,997)	(32,198)	-
Other liabilities	28,999	(28,999)	(7,246)	(2,060)	(17,690)	(2,003)
Enterprise Singapore loans	1,576	(1,612)	(13)	(32)	(278)	(1,289)
Total liabilities	2,688,302	(2,732,596)	(499,059)	(369,245)	(1,616,399)	(247,893)
Undrawn loan						
Commitments	770,180	(770,180)	(770,180)	-	-	-
	3,458,482	(3,502,776)	(1,269,239)	(369,245)	(1,616,399)	(247,893)

Actual maturity dates may differ from contractual maturity dates due to behavioural patterns such as premature redemption of deposits and savings accounts of customers.

The negative net liquidity gap for the maturity band for up to 12 months as at 31 December 2023 (2022: up to 12 months) is due to the fact that most of the fixed deposits constituting the main liability on the Group's statement of financial position have relatively shorter maturity periods of up to 12 months as at 31 December 2023 (2022: up to 12 months), as compared to the tenures of loans and advances which constitute the Group's main asset. In addition, the table does not reflect the expected cash flows indicated by the Group's deposit retention history.

On a quarterly basis, the Quarterly Liquidity Stress Test is done based on varying renewal rates to evaluate if the net liquidity gap is at an acceptable level. The stress test in 2023 concluded that the liquidity gap was at an acceptable level.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(iii) Market risk

(1) Interest rate risk

The Group's core operations are deposit taking and extension of credit facilities.

The Group's exposure to interest rate risk results from potential changes in value of these assets and liabilities as a result of movements in interest rates in the financial market in which it operates.

As interest rates changes over time, the Group may be exposed to a loss in earnings due to effects of fixed and floating interest rates of these assets and liabilities. As such, the interest rate spread between these two activities is monitored closely on an on-going basis to optimise its yields and manage its risk within the risk tolerance levels set by the RMC and the Board.

The Interest Rate Working Committee ("IRWC") is tasked to track market interest rate trends, plan and manage product mix, product pricing and re-pricing strategies.

The RMC meets periodically to review the interest rate repricing gap report and interest rate sensitivity analysis to ensure that they are within risk tolerance and limits set, and to make decisions on appropriate mitigation actions to be taken in anticipation of changes in market trends.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(iii) Market risk (Continued)

(1) Interest rate risk (Continued)

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective weighted average interest rates at the end of the reporting period and the periods in which they reprice, or if earlier, the dates on which the instruments mature.

	Effective weighted average interest %	Non- interest bearing \$'000	0 to 3 months \$'000	3 to 12 months \$'000	1 to 5 years \$'000	> 5 years \$'000	Total \$'000
Group							
31 December 2023							
Financial assets							
Cash and deposits with banks and MAS	3.97%	1,650	227,041	146,935	-	-	375,626
Statutory deposits with the MAS	-	75,030	-	-	-	-	75,030
Singapore Government Securities and MAS Bills	1.62%	-	192,535	3,979	125,991	128,518	451,023
Investment in Equity Securities	-	5,845	-	-	-	-	5,845
Loans and advances to customers	4.19%	-	1,591,303	171,846	501,020	186,620	2,450,789
Other receivables, deposits and prepayments	-	9,103	-	-	-	-	9,103
		<u>91,628</u>	<u>2,010,879</u>	<u>322,760</u>	<u>627,011</u>	<u>315,138</u>	<u>3,367,416</u>
Financial liabilities							
Deposits and balances of customers	3.29%	100,700	1,101,924	1,670,810	32,728	-	2,906,162
Other liabilities	-	60,835	-	-	-	-	60,835
Enterprise Singapore loans	2.27%	-	7	15	1,955	-	1,977
Borrowings from MAS	-	-	-	-	-	-	-
		<u>161,535</u>	<u>1,101,931</u>	<u>1,670,825</u>	<u>34,683</u>	<u>-</u>	<u>2,968,974</u>

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(iii) Market risk (Continued)

(1) Interest rate risk (Continued)

	Effective weighted average interest %	Non- interest bearing \$'000	0 to 3 months \$'000	3 to 12 months \$'000	1 to 5 years \$'000	> 5 years \$'000	Total \$'000
Group							
31 December 2022							
Financial assets							
Cash and deposits with banks and MAS	2.09%	3,213	153,919	85,929	-	-	243,061
Statutory deposits with the MAS	-	69,587	-	-	-	-	69,587
Singapore Government Securities and MAS Bills	1.99%	-	99,660	14,913	110,944	109,500	335,017
Investment in Equity Securities	-	6,015	-	-	-	-	6,015
Loans and advances to customers	2.92%	-	1,037,140	626,600	578,861	163,040	2,405,641
Other receivables, deposits and prepayments	-	3,543	-	-	-	-	3,543
		<u>82,358</u>	<u>1,290,719</u>	<u>727,442</u>	<u>689,805</u>	<u>272,540</u>	<u>3,062,864</u>
Financial liabilities							
Deposits and balances of customers	2.59%	98,663	734,221	1,531,110	237,472	-	2,601,466
Other liabilities	-	29,501	-	-	-	-	29,501
Enterprise Singapore loans	2.28%	-	43	270	1,263	-	1,576
Borrowings from MAS	0.10%	-	23,350	32,134	-	-	55,484
		<u>128,164</u>	<u>757,614</u>	<u>1,563,514</u>	<u>238,735</u>	<u>-</u>	<u>2,688,027</u>

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(iii) Market risk (Continued)

(1) Interest rate risk (Continued)

	Effective weighted average interest %	Non- interest bearing \$'000	0 to 3 months \$'000	3 to 12 months \$'000	1 to 5 years \$'000	> 5 years \$'000	Total \$'000
Company							
31 December 2023							
Financial assets							
Cash and deposits with banks and MAS	3.97%	1,592	227,041	146,935	-	-	375,568
Statutory deposits with the MAS	-	75,030	-	-	-	-	75,030
Singapore Government Securities and MAS Bills	1.62%	-	192,535	3,979	125,991	128,518	451,023
Investment in Equity Securities	-	5,601	-	-	-	-	5,601
Loans and advances to customers	4.19%	-	1,591,303	171,846	501,020	186,620	2,450,789
Other receivables, deposits and prepayments	-	9,103	-	-	-	-	9,103
		<u>91,326</u>	<u>2,010,879</u>	<u>322,760</u>	<u>627,011</u>	<u>315,138</u>	<u>3,367,114</u>
Financial liabilities							
Deposits and balances of customers	3.29%	100,700	1,102,452	1,671,066	32,728	-	2,906,946
Other liabilities	-	60,350	-	-	-	-	60,350
Enterprise Singapore loans	2.27%	-	7	15	1,955	-	1,977
Borrowings from MAS	-	-	-	-	-	-	-
		<u>161,050</u>	<u>1,102,459</u>	<u>1,671,081</u>	<u>34,683</u>	<u>-</u>	<u>2,969,273</u>

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(iii) Market risk (Continued)

(1) Interest rate risk (Continued)

	Effective weighted average interest %	Non- interest bearing \$'000	0 to 3 months \$'000	3 to 12 months \$'000	1 to 5 years \$'000	> 5 years \$'000	Total \$'000
Company							
31 December 2022							
Financial assets							
Cash and deposits with banks and MAS	2.09%	3,136	153,919	85,929	-	-	242,984
Statutory deposits with the MAS	-	69,587	-	-	-	-	69,587
Singapore Government Securities and MAS Bills	1.99%	-	99,660	14,913	110,944	109,500	335,017
Investment in Equity Securities	-	5,783	-	-	-	-	5,783
Loans and advances to customers	2.92%	-	1,037,140	626,600	578,861	163,040	2,405,641
Other receivables, deposits and prepayments	-	3,543	-	-	-	-	3,543
		<u>82,049</u>	<u>1,290,719</u>	<u>727,442</u>	<u>689,805</u>	<u>272,540</u>	<u>3,062,555</u>
Financial liabilities							
Deposits and balances of customers	2.59%	98,663	734,742	1,531,366	237,472	-	2,602,243
Other liabilities	-	28,999	-	-	-	-	28,999
Enterprise Singapore loans	2.28%	-	43	270	1,263	-	1,576
Borrowings from MAS	0.10%	-	23,350	32,134	-	-	55,484
		<u>127,662</u>	<u>758,135</u>	<u>1,563,770</u>	<u>238,735</u>	<u>-</u>	<u>2,688,302</u>

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(iii) Market risk (Continued)

(1) Interest rate risk (Continued)

Interest rate sensitivity analysis

A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

As at 31 December 2023, a 100 basis points increase/(decrease) in the interest rate at the end of the reporting period would increase/(decrease) profit by \$173,000 (2022: increase/(decrease) profit by \$856,000) and (decrease)/increase fair value reserves by \$4,510,000 (2022: (decrease)/increase fair value reserves by \$3,350,000) mainly a result of the changes in the fair value of FVOCI fixed rate instruments.

(2) Equity price risk on investments

Market risk is the risk that the value of a portfolio will decrease due to the change in value of the market risk factors. The market risk factors are credit spreads, interest rates, equity prices, foreign exchange rates, commodity prices and their associated volatility.

The objective of market risk management is to manage and control the Group's market risk exposures within acceptable parameters, while optimising the return on its investments. The Group adopts a prudent investment policy to generate a stable yearly return with minimal downside in capital loss. In addition, as these investments are held for a long term basis, the risk of price fluctuation is mitigated.

The Group's investment portfolio comprises mainly Singapore Government Securities and securities listed on the Singapore Exchange Securities Trading Limited (SGX).

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(iii) Market risk (Continued)

(2) Equity price risk on investments (Continued)

Singapore Government Securities ("SGS") & MAS Bills

The Group purchases SGS and MAS Bills as part of its liquid assets for purpose of maintaining the minimum liquid assets required under the Finance Companies Act 1967.

Securities listed on the SGX

Acceptable securities include stocks and shares, bonds and such other financial derivative instruments of any companies which are listed on the SGX.

The Board of Directors is responsible for formulating investment policy, strategies and guidelines and periodically reviews the investment portfolio. The Group adopts a prudent investment policy and invests in reputable companies with substantial market capitalisation, acceptable valuation, good operating track record and consistent dividend payout. These investments are held generally for dividend income and capital appreciation.

The Group is exposed to equity risks arising from equity investments classified as FVOCI. Equity investments are not held for trading purposes. The Group does not actively trade FVOCI investments.

As at 31 December 2023, a 10% increase/(decrease) in the equity prices at the end of the reporting period would increase/(decrease) fair value reserves by \$585,000 (2022: increase/(decrease) fair value reserves by \$601,000). The Group's net profit for the year ended 31 December 2023 would have been unaffected as the quoted equity securities are classified as FVOCI and any gain on disposal would not be recycled to profit or loss.

(iv) Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people, and systems, or from external events. Potential loss may be in the form of financial loss or other damages, for example, loss of reputation and public confidence that will impact the Group's credibility and ability to transact, maintain liquidity and develop new businesses.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(iv) Operational risk (Continued)

The Operational Risk Framework uses several tools, including operational risk event management and key risk indicator monitoring to manage and control operational risk. To pro-actively manage operational risk, the Group uses risk control self-assessment and process risk mapping to identify and resolve material weaknesses in existing operations. In addition, all policy changes, new products, and outsourcing arrangements are subjected to approval by the RMC to ensure checks and controls are adequate and risks are adequately mitigated.

The RMC reviews all material outsourcing arrangements before the appointment of the vendors to ensure due diligence is carried out to determine the vendor's viability, capability, reliability, track record and financial position. Periodical reviews of existing material outsourcing arrangements are also subject to the RMC's approval.

The RMC reviews and approves all Business Continuity Plans ("BCPs") to ensure that they cover reasonably estimated and probable events that could significantly impact the normal operations of the Group. RMD makes recommendations to the RMC to enhance the Business Continuity Management ("BCM") policies and procedures and carries out periodical BCP tests and ensures Disaster Recovery ("DR") arrangements and tests are adequate.

All units and operations of the Group are subjected to compliance testing by the Compliance Department and inspection by the Internal Auditors who prioritise their audit tasks by developing a risk-based audit plan. The compliance testing and internal audit plans for the year are approved by the RMC and the Group's Audit Committee respectively.

The objectives of such periodic reviews undertaken by the Internal Auditor and the Compliance Department are to assist the management in assessing and evaluating the internal controls of the Group. The findings of the Internal Audit and the Compliance teams are discussed with the Heads of the business and operation units and submitted to the Group's management for information and action. The Internal Auditor's independent summary reports are tabled for the deliberation of the Group's Audit Committee before any recommendation of follow up action is made to the Board of Directors.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(v) Fair value of financial assets and financial liabilities

In assessing the fair value of financial instruments, the Group uses a variety of methods and make assumptions that are based on market conditions existing at the end of each reporting period.

Although the management has employed its best judgement in the estimation of fair values, there is inevitably a significant element of subjectivity involved in the calculations. Therefore, the fair value estimates presented below are not necessarily indicative of the amounts the Group could have realised in a transaction as at 31 December 2023.

Methodologies

The methodologies and assumptions used depend on the terms and risk characteristics of the various instruments and include the following:

(1) Liquid assets

The carrying values of certain on-balance sheet financial instruments approximate fair values. These include statutory deposits with the Monetary Authority of Singapore, cash on deposit, at banks and in hand, and other receivables, deposits and prepayments. These financial instruments are short-term in nature or are receivable on demand and the related amounts approximate fair value.

(2) Investments

The fair values of quoted debt and equity securities are determined based on bid prices at the end of the reporting period without any deduction for transaction costs.

(3) Loans and advances

The fair value of loans and advances that reprice within six months from the end of the reporting period approximates the carrying value. The fair value of all other loans and advances were calculated using discounted cash flow techniques based on the maturity of the loans. The discount rates are based on market related rates for similar types of loans at the end of the reporting period.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(v) Fair value of financial assets and financial liabilities (Continued)

Methodologies (Continued)

(4) Deposits and other borrowings

The fair value of non-interest bearing deposits, saving accounts, Enterprise Singapore loans and fixed deposits which mature within six months is estimated to be the carrying value at the end of the reporting period. The fair value of the remaining interest bearing deposits and Enterprise Singapore loans were calculated using discounted cash flow techniques, based on its related maturity. The discount rates are based on market related rates of Enterprise Singapore loans at the end of the reporting period.

The fair value of the borrowings from MAS were calculated using discounted cash flow techniques, based on its related maturity. The discount rates are based on market related rates of prevailing bank loans at the end of the reporting period.

(5) Guarantees and commitments to extend credit

These financial instruments are generally not sold nor traded. Fair value of these items is considered insignificant for the following reasons:

- commitments extending beyond six months that would commit the Company to a predetermined rate of interest are insignificant;
- the fees attached to these commitments are the same as those currently charged to enter into similar arrangements; and
- the quantum of fees collected under these agreements, upon which a fair value would be based, is insignificant.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(v) Fair value of financial assets and financial liabilities (Continued)

Summary

The following table provides an analysis of carrying and fair values for each item discussed above, where applicable, and the categories of financial instruments:

	Carrying amount 2023 \$'000	Fair value 2023 \$'000	Carrying amount 2022 \$'000	Fair value 2022 \$'000
Group				
Financial assets				
Amortised costs:				
Cash and deposits with banks and Monetary Authority of Singapore ("MAS")	375,626	375,626	243,061	243,061
Statutory deposits with the MAS	75,030	75,030	69,587	69,587
Loans and advances	2,450,789	2,455,897	2,405,641	2,359,616
Other receivables, deposits and prepayments	9,103	9,103	3,543	3,543
At FVOCI:				
Singapore Government Securities and MAS Bills	451,023	451,023	335,017	335,017
Investments in Equity Securities	5,845	5,845	6,015	6,015
	3,367,416	3,372,524	3,062,864	3,016,839
Financial liabilities				
Amortised costs:				
Deposits and balances of customers	2,906,162	2,939,864	2,601,466	2,644,722
Other liabilities	60,835	60,835	29,501	29,501
Borrowings from MAS Enterprise Singapore loans	-	-	55,484	55,484
	1,977	1,977	1,576	1,576
	2,968,974	3,002,676	2,688,027	2,731,283

NOTES TO FINANCIAL STATEMENTS

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4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(v) Fair value of financial assets and financial liabilities (Continued)

	Carrying amount 2023 \$'000	Fair value 2023 \$'000	Carrying amount 2022 \$'000	Fair value 2022 \$'000
Company				
Financial assets				
Amortised costs:				
Cash and deposits with banks and Monetary Authority of Singapore ("MAS")	375,568	375,568	242,984	242,984
Statutory deposits with the MAS	75,030	75,030	69,587	69,587
Loans and advances	2,450,789	2,455,897	2,405,641	2,359,616
Other receivables, deposits and prepayments	9,103	9,103	3,543	3,543
At FVOCI:				
Singapore Government Securities and MAS Bills	451,023	451,023	335,017	335,017
Investments in Equity Securities	5,601	5,601	5,783	5,783
	3,367,114	3,372,222	3,062,555	3,016,530
Financial liabilities				
Amortised costs:				
Deposits and balances of customers	2,906,946	2,940,653	2,602,243	2,645,501
Other liabilities	60,350	60,350	28,999	28,999
Borrowings from MAS	-	-	55,484	55,484
Enterprise Singapore loans	1,977	1,977	1,576	1,576
	2,969,273	3,002,980	2,688,302	2,731,560

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(v) Fair value of financial assets and financial liabilities (Continued)

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group				
2023				
Financial instruments measured at FVOCI:				
Financial assets				
Quoted equity securities	5,845	-	-	5,845
Singapore Government Securities and MAS Bills	451,023	-	-	451,023
Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis:				
Financial assets				
Loans and advances	-	2,455,897	-	2,455,897
Financial liabilities				
Deposits and savings accounts of customers	-	2,939,864	-	2,939,864
2022				
Financial instruments measured at FVOCI:				
Financial assets				
Quoted equity securities	6,015	-	-	6,015
Singapore Government Securities and MAS Bills	335,017	-	-	335,017
Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis:				
Financial assets				
Loans and advances	-	2,359,616	-	2,359,616
Financial liabilities				
Deposits and savings accounts of customers	-	2,644,722	-	2,644,722

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(v) Fair value of financial assets and financial liabilities (Continued)

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Company				
2023				
Financial instruments measured at FVOCI:				
Financial assets				
Investments at FVOCI:				
Quoted equity securities	5,601	-	-	5,601
Singapore Government Securities and MAS Bills	451,023	-	-	451,023
Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis:				
Financial assets				
Loans and advances	-	2,455,897	-	2,455,897
Financial liabilities				
Deposits and savings accounts of customers	-	2,940,653	-	2,940,653
2022				
Financial instruments measured at FVOCI:				
Financial assets				
Investments at FVOCI:				
Quoted equity securities	5,783	-	-	5,783
Singapore Government Securities and MAS Bills	335,017	-	-	335,017
Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis:				
Financial assets				
Loans and advances	-	2,359,616	-	2,359,616
Financial liabilities				
Deposits and savings accounts of customers	-	2,645,501	-	2,645,501

NOTES TO FINANCIAL STATEMENTS

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4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(c) Capital risk management policies and objectives

The Group maintains a capital adequacy ratio ("CAR") in excess of the prescribed minimum regulatory requirement in accordance with MAS Notice to Finance Companies No. 832 "Risk Based Capital Adequacy Requirements for Finance Companies Incorporated in Singapore" issued by the Monetary Authority of Singapore (MAS). CAR is the percentage of adjusted core capital to total risk-weighted assets.

- (i) The Group's adjusted core capital includes share capital, statutory reserves, fair value reserve relating to unrealised losses on equity securities classified as FVOCI and retained earnings.
- (ii) Risk-weighted assets are determined according to specified requirements by MAS that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures.

The Group's policy is to maintain a strong capital base so as to ensure investor, creditor and market confidence and to sustain future development of the business as well as to generate an optimal return on its assets.

The Group has complied with all externally imposed capital requirements throughout the year and there have been no material changes in the management of capital during the year.

The Group's capital position at 31 December was as follows:

	Group	
	2023	2022
	\$'000	\$'000
<u>Capital element</u>		
Core capital		
Share capital	180,008	180,008
Disclosed reserves	232,091	229,374
	412,099	409,382
Risk weighted assets	2,822,400	2,626,395
Capital adequacy ratio:		
Core capital/risk weighted assets (%)	14.6	15.6

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(c) Capital risk management policies and objectives (Continued)

Capital allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each activity is based primarily on the regulatory capital. The Group sets the internal guidelines for monitoring the mix of assets and liabilities. The RMC reviews the assets portfolio and the compliance to the guidelines on a quarterly basis.

The Board of Directors monitors the Group's performance and recommends the level of dividends to shareholders.

5 RELATED COMPANY AND RELATED PARTY TRANSACTIONS

Related company in these financial statements refer to the Company's subsidiary. Related parties include entities with common direct or indirect shareholders and/or directors. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Transactions entered into by the Group and the Company with other related parties incurred in the ordinary course of business from time to time and at market value.

Other than disclosed elsewhere in the financial statements, the transactions with directors of the Company and other related parties are as follows:

	Group and Company	
	2023	2022
	\$'000	\$'000
At 31 December		
(a) Deposits	63,209	83,465
For the year ended 31 December		
(b) Profit or loss transactions		
– Interest expenses on deposits	3,371	812
– Professional fee	8	4
– Rental income	248	233

NOTES TO FINANCIAL STATEMENTS

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6 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group and Company	
	2023	2022
	\$'000	\$'000
Accrued interest receivables	9,103	3,543
Prepaid commission	511	797
Prepayments, deposits and other receivables	1,010	757
Right of use assets	100	130
	10,724	5,227

Interest receivables are recognised using the effective interest method for financial assets and debt instruments measured subsequently at amortised cost and at FVOCI.

Right of use assets

	Group and Company	
	2023	2022
	\$'000	\$'000
Cost:		
At 1 January	141	132
Additions	-	128
Adjustments	-	(119)
At 31 December	141	141
Accumulated depreciation:		
At 1 January	11	86
Depreciation	30	24
Adjustments	-	(99)
At 31 December	41	11
Carrying amount:		
At 31 December	100	130

The Company leases assets of office equipment with an average lease term of 5 years (2022: 5 years).

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

7 FINANCIAL ASSETS AT FVOCI

	Group and Company	
	2023	2022
	\$'000	\$'000
Debt Instruments at FVOCI:		
Singapore Government Securities and MAS Bills	451,023	335,017

The Singapore Government Securities and MAS Bills are not held for trading. Instead, they are held for medium to long-term. Accordingly, the management has elected to designate these instruments as at FVOCI as they believe that recognising short-term fluctuations in these instruments' fair value in profit or loss would not be consistent with the Group's strategy of holding these instruments for liquidity purposes.

The debt instruments are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these debt instruments as a result of impairment gains or losses, and interest income calculated using the effective interest method are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these debt instruments had been measured at amortised cost. All other changes in the carrying amount of these debt instruments are recognised in other comprehensive income and accumulated under the heading of fair value reserve. When these debt instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Equity Securities at FVOCI:				
Quoted equity securities	5,845	6,015	5,601	5,783
Unquoted equity investments	121	121	121	121
Net change in fair value of unquoted investments at FVOCI	(121)	(121)	(121)	(121)
	5,845	6,015	5,601	5,783

These investments in equity securities are not held for trading. Instead, they are held for medium to long-term, with unquoted equity securities being held only for long term. Accordingly, the management has made an irrevocable election (on an instrument-by-instrument basis) to designate these investments as at FVOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

No impairment loss is recognised on equity investment.

NOTES TO FINANCIAL STATEMENTS

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8 LOANS AND ADVANCES

	Group and Company	
	2023	2022
	\$'000	\$'000
Housing, factoring receivables and other loans	1,876,991	1,837,010
Hire purchase receivables	634,642	629,415
Unearned interests and charges	(56,484)	(49,339)
Allowances for impairment on loans and advances	(4,360)	(11,445)
	2,450,789	2,405,641
Due within 12 months	795,462	708,591
Due after 12 months	1,655,327	1,697,050
	2,450,789	2,405,641

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 year	(7,054)	(708)
Receivables written off against allowances	(31)	(162)
At 31 December	781	7,866
Stage 1 and 2 loss allowance		
At 1 January	3,579	3,166
Allowances for impairment losses during the year	-	413
At 31 December	3,579	3,579
Total allowances for impairment on loans and advances		
At 1 January	11,445	11,902
At 31 December	4,360	11,445

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

8 LOANS AND ADVANCES (CONTINUED)

The hire purchase receivables are as follows:

	Group and Company		
	Gross \$'000	Interest \$'000	Principal \$'000
31 December 2023			
Within 1 year	38,802	349	38,453
After 1 year but within 5 years	431,409	31,340	400,069
After 5 years	164,431	23,049	141,382
	634,642	54,738	579,904
31 December 2022			
Within 1 year	31,636	249	31,387
After 1 year but within 5 years	460,710	29,796	430,914
After 5 years	137,069	17,205	119,864
	629,415	47,250	582,165

The Group's and Company's leasing arrangements comprise hire purchase contracts mainly for motor vehicles and equipment.

9 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings \$'000	Freehold land and buildings \$'000	Furniture and office equipment \$'000	Motor vehicles \$'000	Renovation \$'000	Computers \$'000	Total \$'000
Group and Company							
Cost:							
At 1 January 2022	15,321	8,530	547	1,070	2,839	8,793	37,100
Additions	-	-	62	-	7	1,111	1,180
Disposal/Write off	-	-	(26)	-	-	(12)	(38)
At 31 December 2022	15,321	8,530	583	1,070	2,846	9,892	38,242
Additions	-	-	-	480	-	572	1,052
Adjustments	-	-	-	-	(8)	-	(8)
Disposal/Write off	-	-	(4)	(368)	-	(211)	(583)
At 31 December 2023	15,321	8,530	579	1,182	2,838	10,253	38,703
Accumulated depreciation:							
At 1 January 2022	2,901	2,497	470	572	2,578	4,518	13,536
Depreciation for the year	140	218	41	127	133	1,363	2,022
Disposal/Write off	-	-	(26)	-	-	(12)	(38)
At 31 December 2022	3,041	2,715	485	699	2,711	5,869	15,520
Depreciation for the year	140	218	37	195	78	1,337	2,005
Disposal/Write off	-	-	(4)	(368)	-	(211)	(583)
At 31 December 2023	3,181	2,933	518	526	2,789	6,995	16,942
Carrying amount:							
At 31 December 2023	12,140	5,597	61	656	49	3,258	21,761
At 31 December 2022	12,280	5,815	98	371	135	4,023	22,722

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

9 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Freehold land is not depreciated.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Freehold land	-	no depreciation
Leasehold land	-	remaining life of the lease
Buildings	-	shorter of 50 years or remaining life of the lease
Furniture and office equipment	-	5 years
Motor vehicles	-	5 years
Renovation	-	5 years
Computers	-	3 to 8 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

10 INVESTMENT PROPERTIES

	Group and Company	
	2023	2022
	\$'000	\$'000
At cost:		
At 1 January and 31 December	28,794	28,794
Accumulated depreciation:		
At 1 January	7,363	6,985
Depreciation charge for the year	377	378
At 31 December	7,740	7,363
Carrying amount:		
At 31 December	21,054	21,431

The investment properties relate to the office spaces at the head office and part of the premise 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.

The properties are held either to earn rental income or capital appreciation or both.

Investment property is stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the asset.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

10 INVESTMENT PROPERTIES (CONTINUED)

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

Freehold land	-	no depreciation
Leasehold land	-	remaining life of the lease
Buildings	-	shorter of 50 years or remaining life of the lease

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Fully depreciated assets still in use are retained in the financial statements.

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 fair value measurements of the Group's leasehold land and buildings as at 31 December 2023 and 31 December 2022 were performed by independent valuers not connected with the Group, who have appropriate qualifications and recent experience in the fair value measurement of the properties in the relevant locations.

The fair value of the leasehold land and building of 17-storey office building at 96 Robinson Road, Singapore 068899 were determined based on the direct comparison method, which makes comparison with transactions of similar properties in the comparable localities.

The fair value of the leasehold land and building of Block 202, Bedok North Street 1, #01-479 to 485, Singapore 460202 was determined based on the direct comparison method and income method. The fair value was cross-checked using the income capitalisation method, which is based on capitalisation of estimated annual market rent after deducting property tax and other relevant expenses.

In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the year.

Management considers that certain inputs used in the fair value measurement of the Group's leasehold land and buildings are sensitive to the fair value measurement. A change in these inputs will have a corresponding increase/decrease in the fair valuation.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

10 INVESTMENT PROPERTIES (CONTINUED)

Details of the Group's leasehold land and buildings and information about the fair value hierarchy as at 31 December 2023 are as follows:

	Level 1	Level 2	Level 3	Fair value as at 31 December 2023 \$'000	Fair value as at 31 December 2022 \$'000
A 17-storey office building at 96 Robinson Road, Singapore, 068899, on freehold and leasehold land, with an estimated gross floor area of 7,844.38 square metres. Approximately 38.23% (2022: 38.23%) of the lettable space is used as the head office of the Company and the remaining area is for rental. Tenure of lease is 99 years commencing 1 October 1996.	-	105,009	-	105,009	105,009
A shop at Block 202, Bedok North Street 1, #01-479 to 485, Singapore 460202, with a floor area of approximately 267 square metres on leasehold land. Approximately 50% (2022: 50%) of the lettable space is used as branch premises of the Company and the remaining area is for rental. Tenure of lease is 86 years commencing 1 July 1992.	-	2,500	-	2,500	2,500
	-	107,509	-	107,509	107,509

The fair value of the entire 17-storey office building at 96 Robinson Road, Singapore 068899, is \$170,000,000 (2022: \$170,000,000). The fair value of the shop at Block 202, Bedok North Street 1, #01-479 to 485, Singapore 460202, is \$5,000,000 (2022: \$5,000,000).

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11 SUBSIDIARY

	Company	
	2023	2022
	\$'000	\$'000
Unquoted equity investments, at cost	<u>25</u>	<u>25</u>

Details of the subsidiary are as follows:

Name of subsidiary	Sing Investments & Finance Nominees (Pte.) Ltd.
Principal activity	Nominee services
Country of incorporation/business	Singapore
Proportion of ownership interest	100% (2022: 100%)

The subsidiary is audited by Deloitte & Touche LLP, Singapore.

12 DEFERRED TAX ASSETS/(LIABILITIES)

Movements in deferred tax assets and liabilities during the year are as follows:

	At 1 January 2022 \$'000	Recognised in profit or loss for the year \$'000	Recognised in other comprehensive income \$'000	At 31 December 2022 \$'000	Recognised in profit or loss for the year \$'000	Recognised in other comprehensive income \$'000	At 31 December 2023 \$'000
Group							
Deferred tax assets (liabilities)							
Employee benefits	42	(14)	-	28	1	-	29
Property, plant and equipment	(745)	52	-	(693)	132	-	(561)
Investments	(1,263)	-	3,183	1,920	-	(857)	1,063
	<u>(1,966)</u>	<u>38</u>	<u>3,183</u>	<u>1,255</u>	<u>133</u>	<u>(857)</u>	<u>531</u>
Company							
Deferred tax assets (liabilities)							
Employee benefits	42	(14)	-	28	1	-	29
Property, plant and equipment	(745)	52	-	(693)	132	-	(561)
Investments	(1,229)	-	3,178	1,949	-	(855)	1,094
	<u>(1,932)</u>	<u>38</u>	<u>3,178</u>	<u>1,284</u>	<u>133</u>	<u>(855)</u>	<u>562</u>

Refer to Note 23 for more details on deferred tax.

NOTES TO FINANCIAL STATEMENTS

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13 DEPOSITS AND BALANCES OF CUSTOMERS

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Fixed deposits	2,654,740	2,370,233	2,654,740	2,370,233
Fixed deposits and current accounts from subsidiary	-	-	773	766
Savings accounts and other balances with customers	234,772	207,134	234,783	207,145
Project accounts	16,650	24,099	16,650	24,099
	2,906,162	2,601,466	2,906,946	2,602,243

14 OTHER LIABILITIES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Accrued interest payable	47,824	13,359	47,826	13,360
Accrued operating expenses	9,603	8,609	9,587	8,600
Amount due to subsidiary	-	-	53	24
Deposits for safe deposit boxes and rental deposits	870	836	870	836
Unclaimed dividends	641	632	117	114
Lease liabilities	102	130	102	130
Deferred income from rental	205	211	205	211
Others	1,590	5,724	1,590	5,724
	60,835	29,501	60,350	28,999

Interest payable is recognised using the effective interest method for financial liabilities and remeasured at amortised cost.

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14 OTHER LIABILITIES (CONTINUED)

Maturity analysis for lease liability:

	Group and Company	
	2023	2022
	\$'000	\$'000
Year 1	31	35
Year 2	29	30
Year 3	29	29
Year 4	24	29
Year 5	-	24
	113	147
Less: Unearned interest	(11)	(17)
	102	130
Due within 12 months	27	29
Due after 12 months	75	101
	102	130

The weighted average lessee's incremental borrowing rate applied to the lease liabilities recognised in the statement of financial position on 31 December 2023 and 2022 is 5%.

15 BORROWINGS FROM MAS

	Group and Company	
	2023	2022
	\$'000	\$'000
Due within 12 months	-	55,484
Due after 12 months	-	-
	-	55,484

Borrowings from MAS represents amounts advanced by MAS to the Group in order to partially finance the Enterprise Singapore ("ESG") loan schemes for Small and Medium Enterprises ("SMEs"), 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"). These had been fully repaid during the year 2023.

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16 ENTERPRISE SINGAPORE LOANS

	Group and Company	
	2023	2022
	\$'000	\$'000
Due within 12 months	21	313
Due after 12 months	1,956	1,263
	1,977	1,576

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.

These borrowings are unsecured.

17 PROVISION FOR EMPLOYEE BENEFITS

	Group and Company	
	2023	2022
	\$'000	\$'000
Provision for unutilised leave	176	170

18 SHARE CAPITAL

	Group and 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 year	78,813	-	-	-
At 31 December	236,439	157,626	180,008	180,008

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 receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

NOTES TO FINANCIAL STATEMENTS

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19 RESERVES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Statutory reserve	146,324	138,023	146,324	138,023
Fair value reserve	(5,182)	(9,372)	(5,337)	(9,515)
Accumulated profits	100,200	91,450	99,810	91,063
Regulatory Loss Allowance Reserve	15,105	14,710	15,105	14,710
	256,447	234,811	255,902	234,281

The statutory reserve is maintained in compliance with the provision of Section 18 of the Finance Companies Act 1967, 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. Under the notice, finance companies are required to maintain the Minimum Regulatory Loss Allowances ("MRLA") of at least 1.5% of the gross carrying amount of selected credit exposures net of collaterals allowed by the MAS. For periods when Stage 1 and 2 ECL fall below MRLA, the shortfall is appropriated from retained earnings in the shareholders' funds into the non-distributable RLAR account.

20 SEGMENT REPORTING

Segment reporting is not required for the Group and the Company as majority of the income is from the same business segment, which is credit and lending. All activities are carried out in the Republic of Singapore.

21 DIRECTORS' AND KEY MANAGEMENT PERSONNEL'S REMUNERATION

	Group	
	2023 \$'000	2022 \$'000
Salaries and other benefits	2,714	2,537
Contribution to defined contribution plan	22	20
Directors' fees	405	480
Others	61	55
	3,202	3,092

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

22 PROFIT BEFORE INCOME TAX

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

	Group	
	2023 \$'000	2022 \$'000
Interest income and hiring charges		
Loans and advances and others measured at amortised cost	116,795	72,180
Cash and bank deposits at amortised cost	14,890	2,798
Singapore Government Securities and MAS Bills measured at FVOCI	14,091	7,250
	145,776	82,228
Interest expense		
Deposits and others	90,880	21,395

Interest income and hiring charges

Interest income are recognised in the profit or loss as they accrue, taking into account the effective yield of the asset or an applicable fixed or floating rate. Where charges are added to the principal financed at the commencement of the period, the general principle adopted for crediting income to the profit or loss is to spread the income over the period in which the repayments are due using the following bases for the various categories of financing business:

Income earned on hire purchase

Term charges on hire purchase transactions are accounted for using the Rule of 78 (sum of digits) method. The balance of such term charges at the financial year end is carried forward as unearned charges.

Income earned on loans, factoring accounts and debt securities

Interest income is recognised in the profit or loss using the effective interest rate method.

Income from bank deposits

Interest income from bank deposits is accrued on a time-apportioned basis using the effective interest rate method.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

22 PROFIT BEFORE INCOME TAX (CONTINUED)

Interest expense

Interest expense is recognised in profit or loss as they accrue, taking into account the effective yield of the liability or an applicable fixed or floating rate.

	Group	
	2023	2022
	\$'000	\$'000
Fees and commission		
Fees and commissions from customers	2,086	1,648

Fee and commission income are recognised in the profit or loss on an accrual basis when the services are rendered.

Rental income

Investment properties	3,410	2,659
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Rental income receivable under operating leases is recognised in the profit or loss on a straight-line basis over the term of the lease.

Dividends

Equity investments	368	234
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Dividend income is recognised when the Group's right to receive payment is established.

	Group	
	2023	2022
	\$'000	\$'000
Other income		
Government grant	53	145
Net gain on property, plant and equipment disposed	173	-
Others	6	46
	232	191
Staff costs		
Salaries and other benefits	18,198	17,020
Contributions to defined contribution plan	1,851	1,693
Provision for unutilised leave	6	(79)
	20,055	18,634

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

22 PROFIT BEFORE INCOME TAX (CONTINUED)

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

	Group	
	2023 \$'000	2022 \$'000
Other operating expenses		
Audit fees	188	138
Audit related fees	18	18
Non-audit fees	42	47
Operating expenses on investment properties	708	707
Maintenance, utilities and property tax	1,712	1,863
Legal and professional fees	256	432
Commission expense	1,023	1,356
Others	2,265	2,371
	6,212	6,932

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

23 INCOME TAX EXPENSE

	Group	
	2023 \$'000	2022 \$'000
Current tax expense		
Current year	6,717	6,905
Prior years	19	-
	6,736	6,905
Deferred tax Debit		
Reversal of temporary differences (Note 12)	(133)	(38)
Total income tax expense	6,603	6,867
Reconciliation of effective tax rate		
Profit before income tax	39,813	44,070
Income tax using Singapore tax rate of 17% (2022: 17%)	6,768	7,492
Expenses not deductible for tax purposes	311	380
Effects of tax benefits	(37)	(15)
Income not subject to tax	(13)	(15)
Tax effect of income subject to concessionary tax rate of 10% (2022: 10%)	(218)	(250)
Section 14I tax deductions	(67)	(509)
Prior year adjustment	19	-
Others	(160)	(216)
	6,603	6,867
Total income tax expense	6,603	6,867

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in Singapore where the Company and subsidiary operate by the end of the reporting period.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

23 INCOME TAX EXPENSE (CONTINUED)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity).

24 EARNINGS PER SHARE

	Group	
	2023 \$'000	2022 \$'000
Basic and diluted earnings per share are based on:		
Net profit attributable to ordinary shareholders	33,210	37,203
		(Restated)
Number of ordinary shares	236,439	236,439
Annualised earnings per share (cents)	14.05	15.73

The weighted average numbers of ordinary shares outstanding during the period and 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 announced on 24 February 2023 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 years ended 31 December 2023 and 2022.

25 DIVIDENDS

On 11 May 2023, a dividend of 6.7 cents per share (restated), one-tier tax exempt (total dividend \$15,763,000) was paid to shareholders. On 11 May 2022, a dividend of 5.3 cents per share (restated), one-tier tax exempt (total dividend \$12,610,000) was paid to shareholders.

In respect of the current year, the directors propose that a dividend of 6 cents per share. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

Annual dividend proposed of:

2023: 6 cents per share, one-tier tax exempt	<u>\$14,186,000</u>
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The dividend per share for the financial year 2022 has been adjusted retrospectively for the 78,812,858 new ordinary shares issued pursuant to a bonus issue on 19 May 2023. Refer to Note 24 for details.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

26 COMMITMENTS

	Group	
	2023	2022
	\$'000	\$'000
Capital commitments		
Commitments for capital expenditure contracted but not provided for in the financial statements	425	1,187

The Group as lessor

The Group and the Company leases out its investment properties. Non-cancellable operating lease rentals are receivable as follows:

	Group and Company	
	2023	2022
	\$'000	\$'000
Receivable:		
Within 1 year	2,677	2,582
After 1 year but within 5 years	823	2,000
	3,500	4,582
Other commitment		
Undrawn loan commitments	978,336	770,180

Undrawn loan commitments include commitments that are unconditionally cancellable at any time.

27 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	
	2023	2022
	\$'000	\$'000
Guarantees issued and financing of goods imported	8,740	8,740

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

28 CURRENT ASSETS AND CURRENT LIABILITIES

The current assets and current liabilities of the Group and Company are as follows:

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current assets				
Cash and deposits with banks and Monetary Authority of Singapore ("MAS")	375,626	243,061	375,568	242,984
Statutory deposits with the MAS	75,030	69,587	75,030	69,587
Singapore Government Securities and MAS Bills	196,514	114,573	196,514	114,573
Investment in equity securities	5,845	6,015	5,601	5,783
Loans and advances due within twelve months	795,462	708,591	795,462	708,591
Other receivables, deposits and prepayments	10,724	5,227	10,724	5,227
Total current assets	1,459,201	1,147,054	1,458,899	1,146,745
Current liabilities				
Deposits and balances of customers	2,873,434	2,363,994	2,874,218	2,364,771
Other liabilities	59,700	27,499	59,215	26,997
Enterprise Singapore loans due within twelve months	22	313	22	313
Borrowings from MAS due within twelve months	-	55,484	-	55,484
Provision for employee benefits	176	170	176	170
Current tax payable	6,778	6,940	6,778	6,940
Total current liabilities	2,940,110	2,454,400	2,940,409	2,454,675

29 NEW STANDARDS ISSUED BUT NOT YET ADOPTED

At the date of authorisation of these financial statements, the following SFRS(I) pronouncement was issued but effective for financial periods beginning on or after 1 January 2024:

Annual periods beginning on or after 1 January 2024

- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*

Management anticipates that the adoption of the above amendments to the SFRS(I) in future periods will not have a material impact on the financial statements of the Group and the Company in the period of their initial adoption.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2023

30 SUBSEQUENT EVENTS REPORTING

There are no known subsequent events which have led to adjustments or disclosures to this set of consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company.

ADDITIONAL INFORMATION

	Total Remuneration	Basic Salary/ Employer's CPF/AWS	Variable Bonuses	Directors' Fee	Other Benefits	Total
Name of Director	\$	%	%	%	%	%
Executive Directors						
Lee Sze Leong	1,712,583	53.2%	41.0%	3.8%	2.0%	100.0%
(Managing Director/ Chief Executive Officer)						
Lee Sze Siong	1,210,220	52.4%	40.3%	5.0%	2.3%	100.0%
(Deputy Managing Director)						
Non-executive Directors						
Michael Lau Hwai Keong	97,500	-	-	100%	-	100%
Joseph Toh Kian Leong	65,000	-	-	100%	-	100%
Quan Wai Yee	65,000	-	-	100%	-	100%
Kuah Boon Wee	52,500	-	-	100%	-	100%

STATISTICS OF SHAREHOLDINGS

AS AT 11 MARCH 2024

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	69	3.22	1,891	0.00
100 – 1,000	129	6.02	57,099	0.02
1,001 – 10,000	795	37.10	4,002,970	1.69
10,001 – 1,000,000	1,123	52.40	72,545,759	30.69
1,000,001 AND ABOVE	27	1.26	159,830,903	67.60
TOTAL	2,143	100.00	236,438,622	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	F. H. LEE HOLDINGS (PTE) LTD	66,872,952	28.28
2	RAFFLES NOMINEES (PTE) LIMITED	17,239,900	7.29
3	PHILLIP SECURITIES PTE LTD	12,692,016	5.37
4	DBS NOMINEES (PRIVATE) LIMITED	8,420,167	3.56
5	EDY HARTONO	6,091,966	2.58
6	LEE HENG WAH @ LEE HENG GUAN	4,500,000	1.90
7	SING HOLDINGS LIMITED	4,267,350	1.80
8	ARIS SUNARKO @ KO TJI KIM	4,062,900	1.72
9	CITIBANK NOMINEES SINGAPORE PTE LTD	3,591,731	1.52
10	MORPH INVESTMENTS LTD	2,934,000	1.24
11	COSMOS INVESTMENT PTE LTD	2,677,725	1.13
12	KIMANIS MARINE PTE LTD	2,670,300	1.13
13	ANG CHIAN POH	2,319,525	0.98
14	AW SEOH BEE	1,935,000	0.82
15	TAI MAH SAWMILL COMPANY (PRIVATE) LTD	1,914,000	0.81
16	NG POH CHENG	1,866,850	0.79
17	ANG HAO YAO (HONG HAOYAO)	1,860,000	0.79
18	LIM HWEE SIN	1,773,000	0.75
19	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,663,350	0.70
20	OCBC SECURITIES PRIVATE LIMITED	1,633,300	0.69
TOTAL		150,986,032	63.85

STATISTICS OF SHAREHOLDINGS

AS AT 11 MARCH 2024

SUBSTANTIAL SHAREHOLDERS AS AT 11 MARCH 2024

Name	Shareholdings registered in the name of Substantial Shareholders or their nominees	Number of shares		
		%	Shareholdings in which Substantial Shareholders are deemed to have an interest	%
Lee Sze Leong ⁽¹⁾	973,696	0.41	71,140,302	30.09
Lee Sze Siong ⁽²⁾	1,061,713	0.45	71,140,302	30.09
Lee Sze Hao ⁽³⁾	967,144	0.41	71,140,302	30.09
F.H. Lee Holdings (Pte) Limited ⁽⁴⁾	66,872,952	28.28	4,267,350	1.80

Notes:

- (1) Lee Sze Leong is deemed to be interested in 66,872,952 shares held by F.H. Lee Holdings (Pte) Limited and 4,267,350 shares held by Sing Holdings Limited.
- (2) Lee Sze Siong is deemed to be interested in 66,872,952 shares held by F.H. Lee Holdings (Pte) Limited and 4,267,350 shares held by Sing Holdings Limited.
- (3) Lee Sze Hao is deemed to be interested in 66,872,952 shares held by F.H. Lee Holdings (Pte) Limited and 4,267,350 shares held by Sing Holdings Limited.
- (4) F.H. Lee Holdings (Pte) Limited is deemed to be interested in 4,267,350 shares held by Sing Holdings Limited.

Shareholdings held in hands of public

As at 11 March 2024, approximately 68.38% of issued share capital of the Company was held in the hands of the public (on the basis of information available to the Company). Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Treasury shares

The Company does not hold any treasury shares as at 11 March 2024.

Subsidiary holdings

The Company does not hold any subsidiary holdings as at 11 March 2024.

Directors' shareholdings as at 23 February 2024

As shown in the Directors' Statement in the Company's Annual Report for the financial year ended 31 December 2023, the shares held by the Directors as at 31 December 2023 remain unchanged as at 23 February 2024. Mr Lee Sze Leong transferred 50,000 shares in the Company by way of a gift on 27 February 2024.

NOTICE OF ANNUAL GENERAL MEETING

TO ALL SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Sing Investments & Finance Limited will be held at Seminar Rooms 1 & 2 @ SBF Center, 160 Robinson Road #06-01 Singapore 068914 on Thursday, 25 April 2024 at 3.00 p.m. to transact the following businesses as set out below.

This Notice has been made available on SGXNet and the Company's website and may be accessed at the URL <https://www.singfinance.com.sg/annual-general-meeting/>. A printed copy of this Notice will also be sent to members.

AS ORDINARY BUSINESS

1. To receive and, if approved, to adopt the Directors' statement and audited financial statements for the year ended 31 December 2023 together with the auditor's report thereon. (Resolution 1)
2. To approve the payment of \$405,000 as Directors' fees for the year ended 31 December 2023 (2022: \$480,000). (Resolution 2)
3. To declare a first and final one-tier tax exempt dividend of 6.0 cents per ordinary share for the financial year ended 31 December 2023. (Resolution 3)
4. To re-elect Mr Lee Sze Leong as Director, who retires pursuant to Regulation 109 of the Constitution of the Company. (Resolution 4)
[See Explanatory Note 11]
5. To re-elect Mr Joseph Toh Kian Leong as Director, who retires pursuant to Regulation 109 of the Constitution of the Company. (Resolution 5)
[See Explanatory Note 12]
6. To re-elect Mr Kuah Boon Wee as Director, who retires pursuant to Regulation 119 of the Constitution of the Company. (Resolution 6)
[See Explanatory Note 13]
7. To re-appoint Messrs Deloitte & Touche LLP as auditors of the Company for the next financial year and to authorise the Directors to fix their remuneration. (Resolution 7)
8. To transact any other business of an Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modifications, the following resolutions which will be proposed as Ordinary Resolutions:

9. General mandate to authorise the Directors to issue shares or convertible instruments

"That pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), authority be and is hereby given to the Directors of the Company to: (Resolution 8)

- (a) (i) allot and issue shares in the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time to such persons and upon such terms and conditions and for such purposes as the Directors of the Company may in their absolute discretion consider fit; and

- (b) for the avoidance of doubt, notwithstanding the authority conferred by this Resolution may have ceased to be in force, issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to the existing shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this authority) does not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

NOTICE OF ANNUAL GENERAL MEETING

- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed, after adjusting for:
- (i) new shares arising from the conversion or exercise of any convertible securities;
 - (ii) new shares arising from exercise of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and
 - (iii) any subsequent bonus issue, consolidation or sub-division of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) this authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier."

[See Explanatory Note 14]

10. **Authority to issue shares under Sing Investments & Finance Limited Performance Share Plan 2020**

"That pursuant to Section 161 of the Companies Act 1967, the Directors of the Company be authorised and empowered to grant awards in accordance with the provisions of the Sing Investments & Finance Limited Performance Share Plan 2020 (the "**PSP**") and to allot and issue from time to time such number of fully paid-up shares in the capital of the Company as may be required to be allotted and/or issued pursuant to the vesting of the awards provided that the aggregate number of shares available under the PSP and any other share-based schemes which the Company may implement from time to time, and the PSP, shall not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company on the day preceding the date of the awards"

(Resolution 9)

[See Explanatory Note 15]

BY ORDER OF THE BOARD

Ong Beng Hong
Lee Yuan
 Company Secretaries

Singapore, 27 March 2024

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- (1) Members of the Company are invited to attend the Annual General Meeting (AGM) in person, as there will be no virtual participation option. Printed copies of the Annual Report will not be mailed to members. Access to the Notice, Proxy Form and Annual Report is provided electronically through SGXNet at <https://www.sgx.com/securities/company-announcements> or on the Company's website at <https://www.singfinance.com.sg/annual-general-meeting/> and <https://www.singfinance.com.sg/annual-reports/>. Members can view these documents with an internet browser and a PDF reader. While electronic access is encouraged, physical copies of the Notice and Proxy Form will be sent to members of the Company.

- (2) Arrangements **for participation in the AGM physically**

Members (including CPFIS and SRS investors) may participate in the AGM by:

- (a) attending the AGM in person;
- (b) submitting questions to the Chairman of the Meeting in advance of, or at, the AGM; and/or
- (c) voting at the AGM
 - (i) themselves personally; or
 - (ii) through their duly appointed proxy(ies).

CPFIS and SRS investors who wish to appoint the Chairman of the Meeting (and not third party proxy(ies)) as proxy to approach their respective CPF Agent Banks or SRS Operators to submit their votes. Please see item 5 below for details.

In the event members encounter Covid-19 like symptoms prior to the Meeting, members are strongly encouraged to exercise social responsibility to rest at home and consider appointing a proxy(ies) to attend the Meeting. We encourage members to mask up when attending the Meeting.

- (3) **Relevant Intermediary**

- (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote in his/her stead at the AGM.
- (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

- (4) A proxy need not be a member of the Company.

- (5) CPFIS/SRS investors who hold the Company shares through CPF Agent Banks/SRS Operators:

- (a) may vote at the Meeting if they are appointed as proxies by their respective CPF Agent Banks/SRS Operators, and should contact their respective CPF Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies; or
- (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the Meeting, in which case they should approach their CPF Agent Banks/SRS Operators to submit their votes at least 7 working days prior to the date of AGM i.e. by 3.00 p.m. on 15 April 2024.

- (6) Submission of instrument of proxy or proxy ("**Proxy Form**") – **by 3.00 p.m. on 22 April 2024**

The Proxy Form must be submitted through any one of the following means:

- (a) if submitted personally or by post, be deposited at the Registered Office of the Company at 96 Robinson Road #01-01 SIF Building, Singapore 068899; or
- (b) if submitted by email, be received by the Company at singfinance-agm2024@singfinance.com.sg

in either case, not less than 72 hours before the time appointed for holding the Meeting i.e. by 3.00 p.m. on 22 April 2024, and failing which, the Proxy Form will not be treated as valid.

- (7) The Company shall be entitled to, and will, treat any valid Proxy Form which was delivered by a member to the Company **by 3.00 p.m. on 22 April 2024** as a valid instrument as the member's proxy to attend, speak and vote at the Meeting if: (a) the member had indicated how he/she/it wished to vote for or vote against or abstain from voting on each resolution; and (b) the member has not withdrawn the appointment by 3.00 p.m. on 22 April 2024.

NOTICE OF ANNUAL GENERAL MEETING

- (8) If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorised.
- (9) Completion and return of the Proxy Form by a member will not prevent him/her from attending, speaking and voting at the Meeting if he/she so wishes. The appointment of the proxy(ies) for the Meeting will be deemed to be revoked if the member attends the Meeting in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the Meeting.
- (10) Submission of questions by members in advance of the Meeting – **by 5 April 2024**
- (a) Members may also submit questions related to the resolutions to be tabled for approval at the Meeting. All questions, together with the members' full names, identification numbers, contact numbers and email addresses and manner in which they hold shares in the Company ("**Shares**"), must be submitted by 5 April 2024 via email to singfinance-agm2024@singfinance.com.sg or by post to the registered office of the Company at 96 Robinson Road #01-01 SIF Building, Singapore 068899.
- (b) The Company will publish the responses to substantial and relevant questions on the SGX website at <https://www.sgx.com/securities/company-announcements> or at the Company's website at the URL <https://www.singfinance.com.sg/annual-general-meeting/> by 3.00 p.m. on 19 April 2024.
- (c) The Company endeavours to address (i) subsequent clarifications sought (ii) follow-up questions or (iii) subsequent substantial and relevant questions which are received after its responses referred to at (b) above, at the Meeting itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.
- (d) Minutes of AGM – The Company will, within one month after the date of the AGM, publish the minutes of the AGM on SGXNet, and the minutes will include the responses to the questions which are addressed during the AGM, if any.
- (11) Mr Lee Sze Leong, an Executive Director of the Company, will upon re-election under Resolution 4 above proposed in item 4, continue to serve as the Chairman of the Loan Committee and as a Member of the Risk Management Committee and the Nominating Committee. Mr Lee Sze Leong is the Managing Director and Chief Executive Officer of the Company.
- (12) Mr Joseph Toh Kian Leong, a Non-Executive and Independent Director of the Company, will upon re-election under Resolution 5 above proposed in item 5, continue to serve as the Chairman of the Audit Committee and as a Member of the Nominating Committee.
- (13) Mr Kuah Boon Wee, a Non-Executive and Independent Director of the Company, will upon re-election under Resolution 6 above proposed in item 6, continue to serve as the Chairman of the Remuneration Committee and as a Member of the Audit Committee and the Loan Committee.
- (14) The Ordinary Resolution 8 proposed in item 9 above, if passed, will empower the Directors of the Company from the date of the AGM until the next AGM, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue shares and convertible securities in the Company up to a number not exceeding in total 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company for the time being for such purposes as they consider would be in the interest of the Company, provided that the aggregate number of shares to be issued other than on a pro-rata basis to existing shareholders pursuant to this Resolution shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company.
- For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the Company's total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed after adjusting for (a) new shares arising from the conversion of convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that the resolution is passed, and (b) any subsequent bonus issue, consolidation or subdivision of shares.
- (15) The proposed Ordinary Resolution 9 in item 10 aims to grant authorisation to the Directors of the Company to grant awards in accordance with provisions of the Sing Investments & Finance Limited Performance Share Plan 2020 (PSP). The authority extends from the AGM date until the next AGM or the legally mandated AGM date, or until the Company revokes or alters this authority in a general meeting, whichever occurs first. The Directors may allocate fully paid-up shares as necessary for the awards' vesting, provided that the aggregate number of shares does not exceed 15% of the total issued shares (excluding treasury shares and subsidiary holdings) in the Company's capital. The PSP was first approved by the shareholders of the company at the AGM held on 20 May 2020. Please refer to the Company's Letter to Shareholder dated 28 April 2020 for future reference.
- (16) The Annual Report have been published and may be accessed at the Company's website at the URL <https://www.singfinance.com.sg/annual-reports/>.

NOTICE OF ANNUAL GENERAL MEETING

Additionally, you can access the Annual Report on the SGX website at <https://www.sgx.com/securities/company-announcements>. Shareholders who prefer printed copies may request them by sending an email to singfinance-agm2024@singfinance.com.sg by 5 April 2024. To ensure the validity of the request, please:

- (a) specify "Request for Printed Copies of the Annual Report" as the subject of the email; and
- (b) state the following:
 - (i) the full name of the shareholder (as per CDP, CPF, SRS and/or scrip-based records);
 - (ii) the mailing address of the shareholder;
 - (iii) the telephone or mobile number of the shareholder; and
 - (iv) the manner in which the shareholder holds shares in the Company (e.g., via CDP, CPF, SRS and/or scrip).

By submitting such request, a shareholder agrees and acknowledges that the Company and/or its service provider may collect, use and disclose his/her personal data, as contained in the submitted request or which is otherwise collected from him/her (or his/her authorised representative(s)), for the purpose of processing and effecting his/her request.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

DIRECTOR STANDING FOR RE-ELECTION AT THE ANNUAL GENERAL MEETING

The following information relating to Mr Lee Sze Leong, Mr Joseph Toh Kian Leong and Mr Kuah Boon Wee who will be standing for re-election as a Director ("**Retiring Directors**") at the Annual General Meeting of the Company on 25 April 2024, is provided pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the information as set out in Appendix 7.4.1.

Name of Director	Mr Lee Sze Leong
Date of Appointment	20 February 1989
Date of last re-appointment	26 April 2021
Age	65
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board of Directors (the " Board "), having considered the recommendation of the Nominating Committee (the " NC "), is of the view that Mr Lee is able to provide confident and decisive leadership to the Company. Mr Lee is able to balance risks and opportunities well and he has the relevant knowledge and experiences.
Whether appointment is executive, and if so, the area of responsibility	Managing Director/Chief Executive Officer. Mr Lee is responsible for managing the business and operations of the Company, in particular, driving the financial performance and spearheading the strategic development of the Company and execution of the strategic plans set out by the Board.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	<ul style="list-style-type: none"> - Managing Director/Chief Executive Officer - Loan Committee (Chairman) - Nominating Committee (Member) - Risk Management Committee (Member)
Professional qualifications	Bachelor of Business Administration, University of Hawaii
Working experience and occupation(s) during the past 10 years	Managing Director/Chief Executive Officer of the Company
Shareholding interest in the listed issuer and its subsidiaries	<p><u>Direct interest:</u> 973,696 shares*</p> <p><u>Deemed interest:</u></p> <ul style="list-style-type: none"> - 66,872,952 shares held by F.H. Lee Holdings (Pte) Limited* - 4,267,350 shares held by Sing Holdings Limited* <p>* As at 11 Mar 2024</p>
Any relationship (including immediate family relationships with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Sibling of Mr Lee Sze Siong, Deputy Managing Director

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr Lee Sze Leong
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments (including directorships) – Present	<ul style="list-style-type: none"> • Sing Investments & Finance Nominees (Pte.) Ltd. (Director) • Sing Holdings Limited (Non-Executive Chairman) • F.H. Lee Holdings (Pte) Limited (Director) • Hire Purchase, Finance and Leasing Association of Singapore (Chairman) • Finance Houses Association of Singapore (Honorary Treasurer) • Singapore Chinese Chamber of Commerce & Industry (Vice-President, 61st Council) • Chinese Development Assistance Council (Board of Trustees) • Tanjong Pagar – Tiong Bahru Citizens' Consultative Committee (Honorary Chairman) • Singapore Hokkien Huay Kuan (Vice-President, 44th Term Council) • Singapore Chinese Dance Theatre (Chairman)
Other principal commitments (including directorships) – Past, for the last 5 years	None
a. Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
b. Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr Lee Sze Leong
c. Whether there is any unsatisfied judgment against him?	No
d. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
e. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
f. Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
g. Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
h. Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
i. Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr Lee Sze Leong
<p>j. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:</p> <p>(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No
<p>k. Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?</p>	No
<p>Any prior experience as a director of a listed company?</p> <p>If yes, please provide details of prior experience.</p> <p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p> <p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p>	Not applicable as Mr Lee Sze Leong is a Retiring Director seeking re-election

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr Joseph Toh Kian Leong
Date of Appointment	2 January 2019
Date of last re-appointment	26 April 2022
Age	68
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	<p>The Board of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the performance and contribution of Mr Joseph Toh Kian Leong to the Board and Board Committees for re-appointment as a Non-Executive and Independent Director of the Company. Accordingly, the Board has recommended Mr Joseph Toh Kian Leong for re-election at the forthcoming Annual General Meeting.</p> <p>The Board considers Mr Joseph Toh Kian Leong to be independent.</p>
Whether appointment is executive, and if so, the area of responsibility	Non-Executive and Independent Director
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	<ul style="list-style-type: none"> Audit Committee (Chairman) Nominating Committee (Member)
Professional qualifications	<ul style="list-style-type: none"> Association of Chartered Certified Accountants Fellow, Institute of Singapore Chartered Accountants
Working experience and occupation(s) during the past 10 years	Senior Assurance Partner of Baker Tilly TFW LLP
Shareholding interest in the listed issuer and its subsidiaries	None
Any relationship (including immediate family relationships with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments (including directorships) – Present	None

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr Joseph Toh Kian Leong
Other principal commitments (including directorships) – Past, for the last 5 years	None
a. Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
b. Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
c. Whether there is any unsatisfied judgment against him?	No
d. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
e. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr Joseph Toh Kian Leong
f. Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
g. Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
h. Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
i. Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
<p>j. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:</p> <p>(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p>	<p>Yes to (i) and (ii). No to (iii) and (iv).</p> <p>In relation to (i), Mr Joseph Toh Kian Leong was interviewed by Commercial Affairs Department ("CAD") more than 10 years ago for fraud by a client company's employee, in his capacity as audit engagement partner for this client company.</p> <p>In relation to (ii), Mr Joseph Toh Kian Leong was interviewed by CAD in October 2013 as a potential witness for the Deputy Public Prosecutor ("DPP") in relation to the trial of a client, for which he was the audit engagement partner from around 1994 to 2005. However, he was subsequently not called up as a witness by the DPP.</p>

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr Joseph Toh Kian Leong
<p>(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	
<p>k. Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?</p>	<p>No</p>
<p>Any prior experience as a director of a listed company?</p> <p>If yes, please provide details of prior experience.</p> <p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p> <p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p>	<p>Not applicable as Mr Joseph Toh Kian Leong is a Retiring Director seeking re-election.</p>

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr Kuah Boon Wee
Date of Appointment	27 April 2023
Date of last re-appointment	Not Applicable
Age	57
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	<p>The Board of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the performance and contribution of Mr Kuah Boon Wee to the Board and Board Committees for re-appointment as a Non-Executive and Independent Director of the Company. Accordingly, the Board has recommended Mr Kuah Boon Wee for re-election at the forthcoming Annual General Meeting.</p> <p>The Board considers Mr Kuah Boon Wee to be independent.</p>
Whether appointment is executive, and if so, the area of responsibility	Non-Executive and Independent Director
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	<ul style="list-style-type: none"> • Remuneration Committee (Chairman) • Audit Committee (Member) • Loan Committee (Member)
Professional qualifications	<ul style="list-style-type: none"> • Bachelor of Engineering Degree (1st Class Honours) from Imperial College of Science and Technology, London (1987 to 1990) • Fellow of the Institute of Chartered Accountants of England and Wales • Advanced Management Programme at the Wharton School, University of Pennsylvania (2001)
Working experience and occupation(s) during the past 10 years	<ul style="list-style-type: none"> • Director (since 2006) and Group Chief Executive Officer (since 2010) of MTQ Corporation Limited • Audit Committee Chairman of UOB-Kay Hian Holdings Limited (since May 2016) • Director of The Hour Glass Limited (since 2011) • Council member of Singapore National Employers Federation • Chairman of the Migrant Workers Assistance Fund (since 2018) • Vice President of the Singapore Chinese Chamber of Commerce and Industry (2017 to 2022) • Chairman of NTUC Learning Hub (2013 to 2020) • Directors of Business China (2016 to 2019)

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr Kuah Boon Wee
Shareholding interest in the listed issuer and its subsidiaries	None
Any relationship (including immediate family relationships with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments (including directorships) – Present	<ul style="list-style-type: none"> • Executive Director/Group CEO of MTQ Corporation Limited • Director of MTQ Engineering Pte. Ltd. • Director of MTQ Fabrication Pte. Ltd. • Director of MTQ Equipment Rental Pte. Ltd. • Director of Blossomvale Investments Pte. Ltd. • Director of Violetbloom Investments Pte Ltd. • Director of Everfield Pte. Ltd. • Director of MTQ Oilfield Services W.L.L • Director of Premier Estate Private Limited • Director of Pemac Pte. Ltd. • Director of Premier Sea & Land Pte. Ltd. • Director of Binder Group Pty Limited • Director of Binder Holdings Pte. Ltd. • Director of Binder Asia Pte. Ltd. • Director of MTQ Binder Holdings Pte. Ltd. • Director of In-Line Valve Company Limited • Director of Mid-Continent Distribution Pte. Ltd. • Director of Blossomvale (NAH) Pte. Ltd. • Director of Blossomvale (NMO) Pte. Ltd. • Director of The Hour Glass Limited • Council member of Singapore Chinese Chamber of Commerce & Industry • Chairman of Singapore Chinese Chamber Institute of Business • Member of Singapore National Employers Federation • Director of UOB-Kay Hian Holdings Limited • Member of Pro-Enterprise Panel (PEP) • Vice-Chairman of Singapore Business Federation Middle East Business Group

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr Kuah Boon Wee
Other principal commitments (including directorships) – Past, for the last 5 years	None
a. Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
b. Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
c. Whether there is any unsatisfied judgment against him?	No
d. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
e. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr Kuah Boon Wee
f. Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
g. Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
h. Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
i. Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
j. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr Kuah Boon Wee
<p>(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	
<p>k. Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?</p>	No
<p>Any prior experience as a director of a listed company?</p> <p>If yes, please provide details of prior experience.</p> <p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p> <p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p>	Not applicable as Mr Kuah Boon Wee is a Retiring Director seeking re-election.

SING INVESTMENTS & FINANCE LIMITED

(Incorporated in the Republic of Singapore -
Company Registration No: 196400348D)

PROXY FORM

This form of proxy has been made available on SGXNet and the Company's website and may be accessed at the URL <https://www.singfinance.com.sg/annual-general-meeting/>. A printed copy of this form of proxy will be despatched to members.

IMPORTANT

1. The Annual General Meeting ("AGM") will be held physically at Seminar Rooms 1 & 2 @ SBF Center, 160 Robinson Road #06-01 Singapore 068914. Members have no option to participate virtually.
2. For CPF Investors/SRS Investors who have used their CPF/SRS monies to buy the Company's shares, this Proxy Form is not valid for use by CPF Investors/SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF Investors/SRS Investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

I/We _____ (Name) _____ (NRIC/PP/UEN No.)
of _____ (Address)
being a member/members of Sing Investments & Finance Limited (the "Company") hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholding	
		No. of Shares	(%)
Address			

and/or

Name	NRIC/Passport No.	Proportion of Shareholding	
		No. of Shares	(%)
Address			

or failing the person, or either or both of the persons referred to above, the Chairman of the Annual General Meeting ("AGM") as my/our proxy/proxies* to attend, speak or vote for me/us* on my/our* behalf at the AGM of the Company to be held physically at Seminar Rooms 1 & 2 @ SBF Center, 160 Robinson Road #06-01 Singapore 068914 on Thursday, 25 April 2024 at 3.00 p.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for, against or abstain the Resolutions proposed at the Annual General Meeting as indicated hereunder.

If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the AGM. All resolutions put to the vote at the Annual General Meeting shall be decided by way of poll.

No.	Resolutions relating to:	For*	Against*	Abstaining*
Ordinary Business				
1	Adoption of Directors' statement and audited financial statements			
2	Approval of Directors' fees			
3	Declaration of final dividend			
4	Re-election of Mr Lee Sze Leong as a Director			
5	Re-election of Mr Joseph Toh Kian Leong as a Director			
6	Re-election of Mr Kuah Boon Wee as a Director			
7	Re-appointment of Messrs Deloitte & Touche LLP as Auditors and to authorise Directors to fix their remuneration			
Special Business				
8	General mandate to authorise the Directors to issue new shares or convertible instruments			
9	Authority to issue shares under Sing Investments & Finance Limited Performance Share Plan 2020			

* Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution or to abstain from voting on the resolution in respect of all your votes, please indicate a tick (✓) or a cross (x) within the relevant box provided. Alternatively, if you wish to exercise some and not all of your votes "For" and/or "Against" the relevant resolution and/or to abstain from voting in respect of the resolution, please indicate the number of shares in the boxes provided.

Dated this _____ day of _____ 2024.

Total Number of Shares Held

Signature(s) of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES:

- Each of the resolutions to be put to the vote of members at the AGM (and at any adjournment thereof) will be voted on by way of poll.
- Please insert the total number of shares of the Company ("**Shares**") held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
- A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the Company.
- Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. The proxy form may be accessed on the SGX website.
- A member who is a relevant intermediary entitled to attend the meeting and vote, is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

"Relevant intermediary" means:

- a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

A member can appoint the Chairman of the Meeting as his/her/its proxy but this is not mandatory.

- The instrument appointing a proxy(ies) ("**Proxy Form**") must be submitted to the Company in the following manner:-
 - if submitted personally or by post, be deposited at the Registered Office of the Company at 96 Robinson Road #01-01 SIF Building, Singapore 068899; or
 - if submitted by email, be received by the Company at singfinance-agm2024@singfinance.com.sgin either case, not less than 72 hours before the time appointed for holding the AGM, that is by 3.00 p.m. on 22 April 2024, failing which, the Proxy Form will not be treated as valid.
- Completion and return of the Proxy Form by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the AGM.
- The Proxy Form must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
- A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore.

PERSONAL DATA PRIVACY:

By attending the AGM and/or any adjournment thereof or submitting an instrument appointing a proxy, the member accepts and agrees to the personal data privacy terms as set out in the Notice of AGM dated 27 March 2024.

Please fold inwards along dotted line

**PROXY FORM FOR
ANNUAL GENERAL MEETING**

Affix
Postage
Stamp

The Company Secretary
SING INVESTMENTS & FINANCE LIMITED
96 Robinson Road #01-01
SIF Building
Singapore 068899

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SingFinance

SING INVESTMENTS & FINANCE LIMITED

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