



**SING INVESTMENTS
& FINANCE LIMITED**

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SING INVESTMENTS & FINANCE LIMITED

SECOND HALF & FULL YEAR ANNOUNCEMENT

Condensed Interim Financial Statements for Six-month & Full Year ended

31 December 2023



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1. Performance Review

a) Performance highlights

	2nd Half 2023			2nd Half 2022			1st Half 2023			Year 2023			Year 2022		
	\$'000	\$'000	+ / (-) (%)	\$'000	\$'000	+ / (-) (%)	\$'000	\$'000	+ / (-) (%)	\$'000	\$'000	+ / (-) (%)	\$'000	\$'000	+ / (-) (%)
Summary Statement of P&L & OCI ¹															
Interest income and hiring charges	74,725	47,826	56	71,051	5	5	145,776	82,228	77						
Interest expense	(47,700)	(15,149)	215	(43,180)	10	(3)	(90,880)	(21,395)	325						
Net interest income	27,025	32,677	(17)	27,871	(3)	(3)	54,896	60,833	(10)						
Non-interest income	3,103	2,410	29	2,993	4	4	6,096	4,732	29						
Total Income	30,128	35,087	(14)	30,864	(2)	(2)	60,992	65,565	(7)						
Operating expenses	(14,339)	(14,680)	(2)	(14,340)	(0)	(0)	(28,679)	(27,990)	2						
Profit from operations before allowances	15,789	20,407	(23)	16,524	(4)	(4)	32,313	37,575	(14)						
Bad debts recovered / Allowances for credit losses	4,195	12	NM	3,305	27	27	7,500	6,495	15						
Profit before income tax	19,984	20,419	(2)	19,829	1	1	39,813	44,070	(10)						
Profit after tax	16,789	17,519	(4)	16,421	2	2	33,210	37,203	(11)						
Other comprehensive income	4,699	(333)	NM	(509)	NM	NM	4,190	(15,539)	NM						
Total comprehensive income	21,488	17,186	25	15,912	35	35	37,400	21,664	73						

	31-Dec-23	31-Dec-22		30-Jun-23		31-Dec-23	31-Dec-22	
Selected Balance Sheet Items								
Total equity	436,455	414,819	5	414,969	5	436,455	414,819	5
Total assets	3,412,383	3,109,956	10	3,344,946	2	3,412,383	3,109,956	10
Loans and advances	2,450,789	2,405,641	2	2,365,582	4	2,450,789	2,405,641	2
Customer deposits	2,906,162	2,601,466	12	2,864,214	1	2,906,162	2,601,466	12

	%	%		%		%	%
Key Financial Ratios							
Net interest margin	1.65	2.28		1.72		1.68	2.19
Non-interest income to total income	10.3	6.9		9.7		10.0	7.2
Cost to income ratio	47.6	41.8		46.5		47.0	42.7
Loan-to-deposit ratio ²	84.3	92.5		82.6		84.3	92.5
Non-performing loans ratio ²	0.4	1.1		0.8		0.4	1.1
Return on Equity ²	7.7	8.4		7.9		7.6	9.0
Return on Assets ²	1.0	1.1		1.0		1.0	1.2
Capital Adequacy Ratio	14.6	15.6		14.3		14.6	15.6

	Restated			Restated			
Per Ordinary Share							
Annualised basic/diluted earnings per share (cents) ³	14.20	14.82		13.89		14.05	15.73
Net asset value per share (\$) ^{2&3}	1.85	1.75		1.76		1.85	1.75

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

(2) The ratios are computed based on the balances at balance sheet dates.

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

NM: Not meaningful



b) Full year 2023

The Group reported a net profit after tax of \$33.2 million for the financial year ended 31 December 2023, 11% lower than 2022. Net interest income (NII) fell by 10% to \$54.9 million due mainly to lower net interest margin ("NIM"). The decline in NII was offset in part by higher non-interest income, which increased by 29% to \$6.1 million. Bad debts and allowances amounting to \$7.5 million was written back in 2023, compared to \$6.5 million in 2022. Business momentum remained strong. The Group continued to set new records in our loan business, posting 7.5% and 2.0% growth in our full year average volume and year-end balances, respectively.

NII fell as NIM narrowed by 51 basis points to 1.68%, with the rise in cost of deposit surpassing that in asset yield. The impact of lower NIM on NII was partly cushioned by higher loan volume. In contrast, non-interest income rose by 29% to \$6.1 million, fueled mainly by higher rental income and fees and commissions. Total income was \$61.0 million for the year 2023, 7.0% lower than the previous year.

Effective cost control measures kept the Group's operating costs at \$28.7 million, marking a marginal 2% year-on-year increase, despite continuing inflationary pressure in 2023. Staff remuneration increased by 8% in a tight labour market while business expenditure dropped by 10%. Consequently, the cost to income ratio increased by 4.3 percentage points to 47.0%.

Customer loans reached a new high of \$2.45 billion as at 31 December 2023 while deposits from customers grew by 12% to \$2.91 billion. The Group's liquidity position improved significantly, with the loan-deposit ratio declining from 92.5% to 84.3%. The surplus funds were placed into interest-yielding short-term assets.

Asset quality was resilient with non-performing loan (NPL) ratio improving to 0.4% from 1.1% a year ago. Following loan recoveries and upgrading of classified loans with improved credit risks, \$7.5 million of bad debts and credit allowances was written back. The Group continued to maintain adequate credit loss allowances on its credit exposures.

Other comprehensive income turned to a surplus of \$4.2 million from \$15.5 million deficit a year ago as our bond portfolio, comprising Singapore Government Securities and MAS Bills held as regulatory liquidity reserves, appreciated by \$5.3 million in 2023, compared to the \$19.1 million depreciation last year.

The Group's capital adequacy ratio ("CAR") remained healthy throughout 2023 and closed at 14.6% on 31 December 2023, 2.6% points above the minimum regulatory requirement of 12.0%. The CAR was 1.0% point lower than the prior year end as we deployed capital to support loan growth. Our strong capital position will enable the Group to tap on opportunities for future growth.

c) Second half 2023

2H 2023 vs 2H 2022

In the second half of 2023 (2H '23), the Group reported a net profit after tax of \$16.8 million, representing a 4% decrease from the \$17.5 million reported in the previous year. A key factor was the 17% drop in NII, to \$27.0 million, attributable primarily to lower NIM. Non-interest income registered a 29% increase to \$3.1 million, lifted by higher rental income. Operating expenses declined by 2%. Additionally, the write-back of bad debts and credit loss allowances increased significantly to \$4.2 million, a notable improvement from the comparative period last year.

2H 2023 vs 1H 2023

Compared with the preceding six-month period, the Group's net profit improved by 2% to \$16.8 million. NII declined by 3% from 1H '23 as NIM eased by 7 basis points to 1.65%. Non-interest income grew by 4% to \$3.1 million due mainly to higher rental income. Operating costs remained little changed at \$14.3 million. A further \$4.2 million of bad debts and credit allowances was written back after the \$3.3 million write-back in 1H '23.



2. Audit or Review

The condensed financial statements of Sing Investments & Finance Ltd (“the Company”) and its subsidiary (collectively, the “Group”), which comprise the condensed consolidated statement of financial position of the Group and the condensed statement of financial position of the Company as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows of the Group and the condensed statement of changes in equity of the Company for the financial year then ended and the explanatory notes have been audited by Deloitte & Touche LLP, the Group’s external auditors. Please refer to the attached auditor’s report for the financial year ended 31 December 2023.

The condensed interim financial statements as at and for the six months period ended 31 December 2023 have not been audited or reviewed.

3. Significant Trends and Competitive Conditions in Industry

The Singapore economy grew by 1.1% in 2023, slowing from the 3.8% expansion in 2022. Starting the year with a 0.5% quarter-on-quarter contraction, the economy avoided a technical recession with 0.4% expansion in the second quarter, before growing by 1.0% and 1.2% in the third and fourth quarters respectively.

Inflation continued to moderate in 2023, while remaining relatively high. The Singapore Consumer Price Index (“CPI”) - All Items annual inflation declined from 6.5% in December 2022 to 3.7% in December 2023. Concurrently, interest rates continued to rise and remained elevated in Singapore. The 3-month compounded SORA rose by 60 basis points to reach 3.7% at the year end.

In the Financial Stability Review 2023, the Monetary Authority of Singapore (“MAS”) reported a 6.2% year-on-year drop in non-banking lending in September, amidst slower growth and rising interest rates. Likewise, credit demand from Singapore corporates also declined in the past year and is expected to stay relatively subdued in the near term. Despite these challenges, local employment remained relatively strong during the year. Overall, the corporates, households and financial sector in Singapore demonstrated resilience in the backdrop of a challenging economic climate.

Looking ahead, MAS predicts that the Singapore economy will improve gradually in 2024, barring materialization of downside risks. According to the Ministry of Trade and Industry, the Singapore economy is expected to grow by 1.0 to 3.0 per cent in 2024.

Despite the fall in credit demand in Singapore, SIF’s loan business in 2023 improved, both in terms of business volume and year-end balances (refer to Performance Review). Our NPL ratio has also improved due mainly to write back of bad debts and credit allowances. In 2024, our focus remains on achieving long-term growth. Mindful of the fragile macro-economic conditions, we will continue to be vigilant in managing our risk exposures in the new year.

4. Dividends

The Board of Directors is pleased to recommend a first and final dividend of 6 cents per share one-tier tax exempt in respect of the financial year 2023 for approval by the shareholders at the next Annual General Meeting.



4. Dividends (Cont'd)

	<u>Latest Year (2023)</u> \$'000	<u>Previous Year (2022)</u> \$'000
Name of dividend	First and final	First and final
Dividend type	Cash	Cash
Dividend per share	6.0 cents	6.7 cents (Restated)
Tax rate	Tax exempt one-tier	Tax exempt one-tier
Total annual dividend ('000)		
- Ordinary shareholders	\$14,186	\$15,763

The dividend per share for the year 2022 was restated to reflect the bonus issue allotted in May 2023 as it changed the number of ordinary shares outstanding without a corresponding change in resources. Refer to Note 9 of the Condensed Consolidated Financial Statements.

The books closure date and date payable are subject to approval by the shareholders at the forthcoming Annual General Meeting and to be announced at a later date.

5. Other Information Required by SGX-ST Listing Rules Appendix 7.2

a) Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

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

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

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

There has been no other change in the Company's share capital arising from the above issues (2022: No change). As at the end of the financial period, there were no outstanding share options or convertibles (31 December 2022: Nil).

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

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

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

The Group has not sought any shareholders' mandate for IPTs pursuant to Rule 920 of the SGX-ST Listing Rules nor does it have any IPTs (31 December 2022: Nil).

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

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



5. Other Information Required by SGX-ST Listing Rules Appendix 7.2 (Cont'd)

f) Half-yearly income and profit after tax

	2023 \$'000	2022 \$'000	+ / (-) %
Total Income:			
First half year	30,864	30,478	1
Second half year	30,128	35,087	(14)
Full Year	60,992	65,565	(7)
Profit After Tax:			
First half year	16,421	19,684	(17)
Second half year	16,789	17,519	(4)
Full Year	33,210	37,203	(11)

g) Disclosure of person occupying a managerial position in the issuer or any of its subsidiaries who is a relative of a Director or Chief Executive Officer or Substantial Shareholder of the issuer pursuant to Rule 704(13)

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties and the year the position was first held	Details of changes in duties and position held, if any, during the year
Lee Sze Leong	65	Director/shareholder of F H Lee Holdings Pte Ltd, substantial shareholder. Brother of: <ul style="list-style-type: none"> Lee Sze Siong (Deputy Managing Director & substantial shareholder) Lee Sze Hao (Substantial shareholder) 	Managing Director/CEO. Year appointed: 1997 Oversees the operations of the Company.	Nil.
Lee Sze Siong	62	Director/shareholder of F H Lee Holdings Pte Ltd, substantial shareholder. Brother of: <ul style="list-style-type: none"> Lee Sze Leong (Managing Director & substantial shareholder) Lee Sze Hao (Substantial shareholder) 	Deputy Managing Director Year appointed: 2010 Assists the Managing Director/CEO in overseeing the operations of the Company.	Nil.

By order of the Board

Lee Sze Leong
Managing Director
23 February 2024



Condensed Interim Statements of Financial Position

	Note	Group		Company	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'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		75,030	69,587	75,030	69,587
Singapore Government Securities and MAS Bills	11	451,023	335,017	451,023	335,017
Investment in equity securities	11	5,845	6,015	5,601	5,783
Loans and advances	14	2,450,789	2,405,641	2,450,789	2,405,641
Other receivables, deposits and prepayments		10,724	5,227	10,724	5,227
Subsidiary		-	-	25	25
Property, plant and equipment	15	21,761	22,722	21,761	22,722
Investment properties	16	21,054	21,431	21,054	21,431
Deferred tax assets		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		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	17	-	55,484	-	55,484
Borrowings from Enterprise Singapore (unsecured)	18	1,977	1,576	1,977	1,576
Provision for employee benefits		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	19	180,008	180,008	180,008	180,008
Reserves	20	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	22	978,336	770,180	978,336	770,180
Guarantees issued	22	8,740	8,740	8,740	8,740
Total off-balance sheet items		987,076	778,920	987,076	778,920



Condensed Interim Consolidated Statement of Profit or Loss

Note	2nd Half *	2nd Half *	+/-	Year	Year	+/(-)	
	2023	2022		2023	2022		
	\$'000	\$'000	%	\$'000	\$'000	%	
Revenue							
Interest income and hiring charges	7	74,725	47,826	56	145,776	82,228	77
Interest expense	7	(47,700)	(15,149)	215	(90,880)	(21,395)	325
Net interest income and hiring charges		27,025	32,677	(17)	54,896	60,833	(10)
Fees and commissions		1,130	846	34	2,086	1,648	27
Dividends	7	209	115	82	368	234	57
Rental income from investment properties		1,750	1,416	24	3,410	2,659	28
Other income	7	14	33	(58)	232	191	21
Income before operating expenses		30,128	35,087	(14)	60,992	65,565	(7)
Staff costs	7	(9,888)	(9,850)	0	(20,055)	(18,634)	8
Depreciation of property, plant and equipment		(1,028)	(1,013)	1	(2,005)	(2,022)	(1)
Depreciation of investment properties	16	(188)	(189)	(1)	(377)	(378)	-
Depreciation of right of use assets		(14)	(10)	40	(30)	(24)	25
Other operating expenses	7	(3,221)	(3,618)	(11)	(6,212)	(6,932)	(10)
Total Operating Expenses		(14,339)	(14,680)	(2)	(28,679)	(27,990)	2
Profit from operations before allowances		15,789	20,407	(23)	32,313	37,575	(14)
Bad debts recovered / Allowances for credit losses on loans and other assets	7	4,195	12	NM	7,500	6,495	15
Profit before income tax		19,984	20,419	(2)	39,813	44,070	(10)
Income tax expense	8	(3,195)	(2,900)	10	(6,603)	(6,867)	(4)
Profit for the period attributable to equity holders of the Company		16,789	17,519	(4)	33,210	37,203	(11)
		2nd Half *	2nd Half *		Year	Year	
		2023	2022		2023	2022	
			(Restated)			(Restated)	
Annualised earnings per share (cents)							
- Basic / Diluted	9	14.20	14.82		14.05	15.73	

NM: Not meaningful

* Unaudited



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

	2nd Half * 2nd Half *			Year		
	2023	2022	+ / (-)	2023	2022	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Profit for the period	16,789	17,519	(4)	33,210	37,203	(11)
<u>Other comprehensive income</u>						
Items that will not be reclassified subsequently to profit or loss						
Net change in fair value of equity investments at FVOCI	262	320	(18)	(222)	345	NM
Income tax relating to items that will not be reclassified subsequently to profit or loss	(44)	(55)	(20)	38	(59)	NM
	218	265	(18)	(184)	286	NM
Items that may be reclassified subsequently to profit or loss						
Net change in fair value of debt investments at FVOCI	5,399	(721)	NM	5,270	(19,067)	NM
Income tax relating to items that may be reclassified subsequently to profit or loss	(918)	123	NM	(896)	3,242	NM
	4,481	(598)	NM	4,374	(15,825)	NM
Other comprehensive income for the period - net of tax	4,699	(333)	NM	4,190	(15,539)	NM
Total comprehensive income for the period	21,488	17,186	25	37,400	21,664	73

NM: Not meaningful

FVOCI: Fair Value through Other Comprehensive Income

* Unaudited



Condensed Interim Statements of Changes in Equity

Group	Share capital	Statutory reserve	Regulatory Loss Allowance Reserve	Fair value reserve	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2023						
Balance at 1 January 2023	180,008	138,023	14,710	(9,372)	91,450	414,819
Total comprehensive income for the year:						
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)	-
Transactions with owners, recognised directly in equity:						
Final one-tier tax exempt dividend paid for financial year 2022 of 6.7 cents (restated) per share	-	-	-	-	(15,764)	(15,764)
Balance at 31 December 2023	180,008	146,324	15,105	(5,182)	100,200	436,455
2022						
Balance at 1 January 2022	180,008	128,723	11,716	6,167	79,151	405,765
Total comprehensive income for the year:						
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)	-
Transactions with owners, recognised directly in equity:						
Final one-tier tax exempt dividend paid for financial year 2021 of 5.3 cents (restated) per share	-	-	-	-	(12,610)	(12,610)
Balance at 31 December 2022	180,008	138,023	14,710	(9,372)	91,450	414,819

The dividend paid for the financial year 2022 and 2021 per share were restated to reflect the bonus issue allotted in May 2023 as it changed the number of ordinary shares outstanding without a corresponding change in resources. Refer to Note 9 of the Condensed Consolidated Financial Statements.



Condensed Interim Statements of Changes in Equity (Cont'd)

	Share capital	Statutory reserve	Regulatory Loss Allowance Reserve	Fair value reserve	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Company						
2023						
Balance at 1 January 2023	180,008	138,023	14,710	(9,515)	91,063	414,289
Total comprehensive income for the year:						
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)	-
Transactions with owners, recognised directly in equity:						
Final one-tier tax exempt dividend paid for financial year 2022 of 6.7 cents (restated) per share	-	-	-	-	(15,764)	(15,764)
Balance at 31 December 2023	180,008	146,324	15,105	(5,337)	99,810	435,910
2022						
Balance at 1 January 2022	180,008	128,723	11,716	5,996	78,766	405,209
Total comprehensive income for the year:						
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)	-
Transactions with owners, recognised directly in equity:						
Final one-tier tax exempt dividend paid for financial year 2021 of 5.3 cents (restated) per share	-	-	-	-	(12,610)	(12,610)
Balance at 31 December 2022	180,008	138,023	14,710	(9,515)	91,063	414,289

The dividend paid for the financial year 2022 and 2021 per share were restated to reflect the bonus issue allotted in May 2023 as it changed the number of ordinary shares outstanding without a corresponding change in resources. Refer to Note 9 of the Condensed Consolidated Financial Statements.

Condensed Interim Consolidated Statement of Cash Flows

	Group	
	Year 2023	Year 2022
	\$'000	\$'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	2,005	2,022
Depreciation of investment properties	377	378
Depreciation of right of use assets	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 and investment properties	(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)
Dividend paid	(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



Notes to the Condensed Interim Consolidated Financial Statements

1. Corporate Information

Sing Investments & Finance Limited, (the 'Company') is incorporated and domiciled in Singapore, and is listed on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months ended 31 December 2023 cover the Company and its wholly owned subsidiary, Sing Investments & Finance Nominees (Pte.) Ltd, (collectively, the 'Group'). The principal activities of the Company are those of a licensed finance company. The principal activities of the subsidiary are those of a nominee service company.

2. Basis of Preparation

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

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

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

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

3. Accounting Policies, Adoption of New and Revised Standards

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

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

4. Critical Accounting Judgements and Estimates

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

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



4. Critical Accounting Judgements and Estimates (Cont'd)

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

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

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

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

In assessing whether the credit risk of an asset has significantly increased, the Group takes into account reasonable and supportable qualitative and quantitative forward looking information. 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 assumptions that relate to key drivers of credit risk.

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

Calculation of loss allowance

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

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



5. Seasonal Operations

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

6. Segmented Revenue and Results for Business or Geographical Segments

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

7. Profit before Income Tax

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

	Group		Group	
	2 nd Half 2023	2 nd Half 2022	Year 2023	Year 2022
	\$'000	\$'000	\$'000	\$'000
Interest income and hiring charges				
Loans and advances measured at amortised cost	60,215	41,448	116,795	72,180
Cash and bank deposits at amortised cost	7,531	2,063	14,890	2,798
Singapore Government Securities and MAS Bills measured at FVOCI	6,979	4,315	14,091	7,250
	<u>74,725</u>	<u>47,826</u>	<u>145,776</u>	<u>82,228</u>
Interest expense				
Deposits and others	47,697	15,116	90,877	21,362
Borrowings from banks	3	33	3	33
	<u>47,700</u>	<u>15,149</u>	<u>90,880</u>	<u>21,395</u>
Dividends				
Equity investments	<u>209</u>	<u>115</u>	<u>368</u>	<u>234</u>
Other income				
Government grants	12	11	53	145
Net gain on property, plant and equipment disposed	-	-	173	-
Others	2	22	6	46
	<u>14</u>	<u>33</u>	<u>232</u>	<u>191</u>
Staff costs				
Salaries and other benefits	8,984	9,090	18,198	17,020
Contributions to defined contribution plan	898	839	1,851	1,693
Additional/(Write-back) of provision for unutilised leave	6	(79)	6	(79)
	<u>9,888</u>	<u>9,850</u>	<u>20,055</u>	<u>18,634</u>



7. Profit before Income Tax (Cont'd)

	Group		Group	
	2 nd Half 2023 \$'000	2 nd Half 2022 \$'000	Year 2023 \$'000	Year 2022 \$'000
Other operating expenses				
Audit fees	64	79	206	156
Non-audit fees	21	32	42	47
Operating expenses on investment properties	362	386	708	707
Maintenance, utilities and property tax	969	901	1,712	1,863
Legal and professional fees	107	259	256	432
Commission expense	465	708	1,023	1,356
Others	1,233	1,253	2,265	2,371
	<u>3,221</u>	<u>3,618</u>	<u>6,212</u>	<u>6,932</u>
Total net loss allowance write-back to P&L				
Non-impaired assets (ECL Stage 1 & 2)				
Cash and deposits with banks	-	(413)	-	(413)
Loans and advances	-	413	-	413
Impaired assets (Stage 3)				
Bad debts recovered	(298)	(474)	(446)	(5,787)
Loans and advances	(3,897)	462	(7,054)	(708)
Write-back to P&L	<u>(4,195)</u>	<u>(12)</u>	<u>(7,500)</u>	<u>(6,495)</u>

8. Income Tax Expense

	Group		Group	
	2 nd Half 2023 \$'000	2 nd Half 2022 \$'000	Year 2023 \$'000	Year 2022 \$'000
Current tax expense				
Current period	3,309	2,938	6,717	6,905
Prior periods	19	-	19	-
	<u>3,328</u>	<u>2,938</u>	<u>6,736</u>	<u>6,905</u>
Deferred tax debit				
Reversal of temporary differences	(133)	(38)	(133)	(38)
Total income tax expense	<u>3,195</u>	<u>2,900</u>	<u>6,603</u>	<u>6,867</u>



9. Earnings per Share

	Group		Group	
	2nd Half 2023	2nd Half 2022	Year 2023	Year 2022
	\$'000	\$'000	\$'000	\$'000
Basic and diluted earnings per share are based on:				
Net profit attributable to ordinary shareholders	16,789	17,519	33,210	37,203
		(Restated)		(Restated)
Number of ordinary shares:				
Weighted average number of ordinary shares	236,439	236,439	236,439	236,439
Annualised earnings per share (cents)	14.20	14.82	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 was allotted without consideration in May 2023, it is treated as if it has occurred at the beginning of 2022, the earliest period presented.

There were no potential dilutive ordinary shares for the period ended 31 December 2023 (31 December 2022: Nil).

10. Categories of Financial Instruments

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	\$'000	\$'000	\$'000	\$'000
Financial assets				
<u>At amortised cost:</u>				
Cash and deposits with banks and Monetary Authority of Singapore ("MAS")	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
<u>At FVOCI:</u>				
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				
<u>At amortised cost:</u>				
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
Borrowings from Enterprise Singapore	1,977	1,576	1,977	1,576



11. Financial Assets at Fair Value through Other Comprehensive Income

	Group		Company	
	31 Dec	31 Dec	31 Dec	31 Dec
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Financial assets at FVOCI				
<u>At FVOCI:</u>				
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

During the year ended 31 December 2023, no disposal of the Group's investment in equity securities was made (2022: Nil).

12. Fair Value Measurement

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

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

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

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
<u>Group</u>				
31 December 2023				
Financial instruments measured at FVOCI				
<u>Financial Assets</u>				
Quoted equity securities	5,845	-	-	5,845
Singapore Government Securities and MAS Bills	451,023	-	-	451,023
31 December 2022				
Financial instruments measured at FVOCI				
<u>Financial Assets</u>				
Quoted equity securities	6,015	-	-	6,015
Singapore Government Securities and MAS Bills	335,017	-	-	335,017



12. Fair Value Measurement (Cont'd)

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
<u>Company</u>				
31 December 2023				
Financial instruments measured at FVOCI				
<u>Financial Assets</u>				
Quoted equity securities	5,601	-	-	5,601
Singapore Government Securities and MAS Bills	451,023	-	-	451,023
31 December 2022				
Financial instruments measured at FVOCI				
<u>Financial Assets</u>				
Quoted equity securities	5,783	-	-	5,783
Singapore Government Securities and MAS Bills	335,017	-	-	335,017

13. Capital Adequacy Ratio (CAR)

The Group's capital position was as follows:

	Group	
	31 Dec 2023	31 Dec 2022
	\$'000	\$'000
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



14. Loans and Advances

	Group and Company	
	31 Dec 2023	31 Dec 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)
	<u>2,450,789</u>	<u>2,405,641</u>
Due within 12 months	795,462	708,591
Due after 12 months	1,655,327	1,697,050
	<u>2,450,789</u>	<u>2,405,641</u>

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

	Group and Company	
	2023	2022
	\$'000	\$'000
Stage 3 loss allowance		
At 1 January	7,866	8,736
Write back of impairment losses during the period	(3,157)	(1,170)
Receivables written off against allowances	-	(54)
At 30 June	4,709	7,512
(Write back) of / Allowances for impairment losses during the period	(3,897)	462
Receivables written off against allowances	(31)	(108)
At 31 December	<u>781</u>	<u>7,866</u>
Stage 1 and 2 loss allowance		
At 1 January	3,579	3,166
Write back of impairment losses during the period	-	-
At 30 June	3,579	3,166
Allowances for impairment losses during the period	-	413
At 31 December	<u>3,579</u>	<u>3,579</u>
Total allowances for impairment on loans and advances		
At 1 January	<u>11,445</u>	<u>11,902</u>
At 30 June	<u>8,288</u>	<u>10,678</u>
At 31 December	<u>4,360</u>	<u>11,445</u>

15. Property, Plant and Equipment

During the six months ended 31 December 2023, the Group acquired assets amounting to \$659,768 (2nd Half 2022: \$331,829) and disposed and wrote off assets with nil net book value (2nd Half 2022: wrote off assets with nil book value).

During the year 2023, the Group acquired assets amounting to \$1,044,900 (2022: \$1,180,172) and disposed and wrote off assets with nil net book value at \$173,000 gain (2022: wrote off assets with nil book value).



16. Investment Properties

	Group and Company		Group and Company	
	2 nd Half 2023	2 nd Half 2022	Year 2023	Year 2022
	\$'000	\$'000	\$'000	\$'000
At cost:				
At beginning of period	28,794	28,794	28,794	28,794
Accumulated depreciation:				
At beginning of period	7,552	7,174	7,363	6,985
Depreciation charge	188	189	377	378
At the end of December	7,740	7,363	7,740	7,363
Carrying amount:				
At the end of December	21,054	21,431	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 initial non-cancellable periods of 2 to 3 years. Subsequent renewals are negotiated with the lessee.

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

The Group's land and buildings are stated at cost less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at every year end, based on the property's highest and best use. There has been no significant change to the fair value as described in the annual financial statements for 2022 and based on the fair value hierarchy, it is considered in the Level 2 hierarchy.

17. Borrowings from MAS

	Group and Company	
	31 Dec 2023	31 Dec 2022
	\$'000	\$'000
Due within 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").

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



18. Borrowings from Enterprise Singapore

	Group and Company	
	31 Dec	31 Dec
	2023	2022
	\$'000	\$'000
Due within 12 months	21	313
Due after 12 months	1,956	1,263
	<u>1,977</u>	<u>1,576</u>

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

These borrowings are unsecured.

19. Share Capital

	Group and Company			
	31 Dec	31 Dec	31 Dec	31 Dec
	2023	2022	2023	2022
	No. of shares	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	<u>236,439</u>	<u>157,626</u>	<u>180,008</u>	<u>180,008</u>

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

The holders of ordinary shares are entitled to 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.



20. Reserves

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	\$'000	\$'000	\$'000	\$'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, 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.

21. Related Company and Related Party Transactions

There were no changes in the related party transactions described in the Annual Report 2022 that have had a material effect on the financial position or performance of the Group in the year ended 31 December 2023. All related party transactions that have taken place in the period were similar in nature to those disclosed in the Annual Report 2022.

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

	Group and Company	
	31 Dec 2023	31 Dec 2022
	\$'000	\$'000
(a) Deposits for the year	63,209	83,465
(b) Profit or loss transactions for the year		
- Interest expenses on deposits	3,371	812
- Professional fee	8	4
- Rental income	248	233



22. Off-Balance Sheet Items

Undrawn loan commitments include commitments that are unconditionally cancellable at any time.

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:

	<u>Group and Company</u>	
	<u>31 Dec</u>	<u>31 Dec</u>
	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Guarantees issued and financing of goods imported	8,740	8,740

23. Dividends

	<u>Group and Company</u>	
	<u>Year</u>	<u>Year</u>
	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Ordinary dividends paid:		
First and final exempt dividends	15,763	12,610
	(Restated)	(Restated)
Dividend per share (cents)	6.7	5.3

The dividends per share paid in the year 2023 and 2022 were restated to reflect the bonus issue allotted in May 2023 as it changed the number of ordinary shares outstanding without a corresponding change in resources. Refer to Note 9 of the Condensed Consolidated Financial Statements.

24. Net Asset Value

	<u>Group</u>		<u>Company</u>	
	<u>31 Dec</u>	<u>31 Dec</u>	<u>31 Dec</u>	<u>31 Dec</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
		(Restated)		(Restated)
Net asset value per ordinary share	1.85	1.75	1.85	1.75

Net asset values per share are computed based on the number of ordinary shares outstanding as at the period end adjusted for events that have changed the number of ordinary shares outstanding without a corresponding change in resources.

Refer to Note 9 of the Condensed Interim Consolidated Financial Statements.

25. Subsequent Events

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

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.

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 (cont’d)

<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.
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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 (cont'd)

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