



# Bridging futures, *together.*

For our clients, our people, and our communities.

**2024** | ANNUAL REPORT



**SingFinance**  
SING INVESTMENTS & FINANCE LIMITED

# BRIDGING FUTURES

We are dedicated to one promise – shaping the future together with you.

Because we are all about building relationships, we see your future as our very own.

We enable businesses, create opportunities, and empower dreams.

Let's bridge the future together and discover the bountiful wonders that success brings.



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## ABOUT US

**Sing Investments & Finance Limited (“SingFinance”) was incorporated in Singapore on 13 November 1964 and was publicly listed on the Singapore Stock Exchange in July 1983. With over six decades of expertise in the finance sector, SingFinance has built a strong presence in Singapore.**

SingFinance operates four strategically located branches at:

- 96 Robinson Road (Head Office)
- Ang Mo Kio Avenue 6
- Bedok North Street 1
- Jurong Gateway Road

The Company has a subsidiary, Sing Investments & Finance Nominees (Pte.) Ltd., which primarily provides nominee services.

### WHAT WE DO

SingFinance is a licensed finance company under the Finance Companies Act 1967. The Company provides a wide range of financial products and services, including deposits, personal financing, and corporate financing specifically tailored for the small and medium-sized enterprises (“SME”) in Singapore.

SingFinance utilises digital technology to enhance transaction convenience and elevate customer experience. The Company’s digital applications and platforms cater to both individual and corporate customers, allowing them to manage their finances effortlessly from any location at any time. These digital tools offer a comprehensive range of online services, such as transferring funds, checking account balances, viewing transaction history and placing fixed deposits.

In addition to leveraging on technology, SingFinance places strong emphasis on building and nurturing relationships with its customers. The Company believes that personal connections and human touch are essential in providing good service to its customers. Through dedicated customer support teams, personalised financial services, and community engagement initiatives, SingFinance ensures that every customer feels valued and appreciated. This commitment to human interaction complements its digital offerings, creating a holistic and customer-centric approach to business.

### OUR OBJECTIVE

SingFinance is committed to delivering competitive products and services that enabling its customers to conduct financial transactions with ease. Over the years, SingFinance has built a strong following of loyal customers who place their trust in the Company. SingFinance will continue to grow its business with integrity and uphold high business ethical standards. The Company will remain attentive to its customers’ needs and provide flexible financing solutions to meet their financing requirements, solidifying its role as a trusted financial partner.



# ABOUT US

## OUR PRODUCTS & SERVICES

SingFinance provides a full range of products and services tailored for both individual 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 proud to be acknowledged for its outstanding achievements. The Company received the following awards in the past years.

#### 2024

- The Edge Singapore Centurion Club Awards 2024 (Banking & Investment Services, Collective Investments, Fintech & Infrastructure, and Insurance Sector)
  - Highest Returns to Shareholders over three (3) years
  - Highest Growth in Profit After Tax over three (3) years
  - Highest Weighted Return on Equity over three (3) years
  - Overall Sector Winner
- Singapore Corporate Awards 2024 (in the less than \$300 million market capitalisation category)
  - Best Annual Report Award (Silver)
- SIAS Investors' Choice Awards 2024
  - Most Transparent Company Award (Financials Category) – Winner

#### 2023

- The Edge Singapore Centurion Club Awards 2023 (Banking & Investments Services, Collective Investments, Fintech & Infrastructure, and Insurance Sector)
  - Highest Returns to Shareholders over three (3) years
  - Highest Growth in Profit After Tax over three (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 2023
  - Special Commendation Award – Small Cap

#### 2022

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

#### 2021

- Singapore Corporate Awards 2021 (in the less than \$300 million market capitalisation category)
  - Special Edition Corporate Excellence And Resilience Award
- SIAS Investors' Choice Awards 2021
  - Singapore Corporate Governance Award (Small Cap) – Winner
- Singapore Governance and Transparency Index 2021
  - Special Commendation Award – Small Cap

#### 2019

- 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





## ABOUT US



### 2018

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

### 2017

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

### 2016

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

### 2015

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

# CHAIRMAN'S STATEMENT

**“Capitalising on the strength of the Singapore economy, SingFinance delivered a robust financial performance in 2024 while staying committed to pursuing sustainable growth and new opportunities.”**



On behalf of the Board of Directors, I am pleased to present the annual report of the Group and the Company for the financial year ended 31 December 2024.

## ACHIEVING NEW MILESTONES DESPITE CHALLENGES

2024 was characterised by significant global challenges and uncertainties. The silver lining was the moderation of inflationary pressure which allowed several central banks of major economies to start reducing interest rates.

As an open economy, Singapore is inevitably affected by the global uncertainties. Despite the challenges, the Singapore economy grew strongly by 4.4% in 2024, a significant improvement from the 1.8% expansion recorded in 2023, surpassing earlier forecasts. The growth was underpinned by broad-based expansion across most sectors and was accompanied by a gradual decline in both inflation and interest rates, which helped ease cost of living while stimulating investments and business spending.

Capitalising on the strength of the Singapore economy, SingFinance delivered a robust financial performance in 2024.

I am pleased to present the key elements of our financial results below.

<b>+9%</b> <b>\$36.3m</b> <b>Net profit</b> <small>rose despite a high comparative base with significant writeback of credit allowances in 2023</small>	<b>+35%</b> <b>\$43.7m</b> <b>Operating profit</b> <small>grew to set a record, with healthy loan growth and NIM expansion</small>	<b>+9%</b> <b>\$2.67b</b> <b>Customer loans</b> <small>reached a high watermark with strong business momentum</small>
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In 2024, the Group reported a record profit from operations before allowances and income tax of \$43.7 million, representing a 35% increase from last year. This milestone was achieved on the back of strong business momentum, leading to a 9% growth in customer loans, which reached a record \$2.67 billion as at 31 December 2024, and a 31 basis points increase in net interest margin (“NIM”) to 1.99% in 2024.

Net profit after tax reached \$36.3 million, surpassing 2023 by 9%. The increase was commendable given that the net profit of \$33.2 million recorded in 2023 was bolstered by a \$7.5 million recovery of bad debts and credit allowances compared with an immaterial credit charge this year.



# CHAIRMAN'S STATEMENT

The Group's total income grew by 18% to a record \$72.0 million, with net interest income and non-interest income increasing by 18% and 20%, respectively. The higher non-interest income of \$7.3 million was attributed primarily to a 58% increase in fees and commissions to \$3.3 million. Despite the growth in loans, the Group's disciplined approach to lending has kept non-performing loan ratio low at 0.2%, down from 0.4% a year ago. With effective cost management, operating expenses at \$28.3 million was 1% less than in 2023, due partly to lower variable staff costs. As a result of higher income and lower cost, cost to income ratio improved to 39.3% from 47.0% in 2023.

## DIVIDENDS

In line with the financial results of the Group for the year 2024, the Board of Directors has proposed a first and final dividend of 6.5 cents per share for shareholder approval at the forthcoming Annual General Meeting. The proposed dividend is 8% higher as compared with the 6.0 cents per share for 2023 and translates into a dividend yield of 6.1% based on the share price of \$1.06 at the end of 2024. Based on the proposed dividend, 42% of the net profit earned in 2024 will be returned to our shareholders.

## STEERING OUR BUSINESS FOR SUSTAINABLE GROWTH

The Group remains committed to its strategic focus on ensuring the long-term sustainable growth of its business. We will continue to invest in technology to digitise our operations to enhance efficiency, enable customers to transact with us with greater ease and improve customer experience. We will also continue to expand our market presence and seek new opportunities for growth.

### +11%

10-year CAGR  
Net profit growth

### +58%

2014 – 2024  
Customer loan growth

Over the past decade, the Group has consistently achieved steady growth. Our net profit has nearly tripled, increasing from \$12.7 million in 2014 to \$36.3 million in 2024, representing 11% compound annual growth rate ("CAGR") over 10 years. Over the same period, customer loans grew by 58%.

Our people are the cornerstone of our continual success. Many members of our management team and staff have been with us for many years, helping us to develop strong relationships with our customers and tailoring financing solutions to meet their needs. Our focus on maintaining good asset quality and implementing sound financial management policies have helped to bolster Group's financial position, laying a strong foundation for sustainable growth.

## AWARDS & RECOGNITION

We are honoured to have received the following awards in 2024 for our financial performance.

### THE EDGE CENTURION CLUB AWARDS

- Overall Sector Winner
- Highest Returns to Shareholders over 3 Years
- Highest Growth in Profit After Tax over 3 years
- Highest Weighted Return on Equity over 3 Years

*Banking & Investment Services, Collective Investments, Fintech & Infrastructure Sector  
Organised by The Edge Singapore*

In addition, we are proud to have received the following corporate awards for excellence in corporate reporting in 2024 and to remain in the top tier of the 2024 Singapore Governance & Transparency Index, a leading index for assessing the corporate governance practices of Singapore listed companies.

### MOST TRANSPARENT COMPANY

SIAS Investors' Choice Awards  
*Organised by SIAS*

### BEST ANNUAL REPORT – SILVER

Singapore Corporate Awards  
*Organised by ISCA, SID & Business Times*

### TOP 5% FOR 11TH CONSECUTIVE YEAR

Singapore Governance & Transparency Index  
*Organised by CPA Australia, NUS Business School's Centre for Governance and Sustainability & SID*

SIAS: Securities Investors Association (Singapore)  
ISCA: Institute of Singapore Chartered Accountants  
SID: Singapore Institute of Directors

## TRANSFORMING THROUGH TECHNOLOGY

Technology plays a pivotal role in driving innovation, efficiency and customer satisfaction in all business sectors, and particularly in financial services.

SingFinance has leveraged on fintech to stay competitive, adapt to changing market dynamics and most importantly, tap into new market segments.

In 2024, SingFinance joined the Financial Transparency Corridor ("FTC") established by the Monetary Authority of Singapore ("MAS") and the National Bank of Cambodia ("NBC") to facilitate trade and cross-border financial services for small and medium-sized enterprises ("SMEs") in both countries. In addition, we were onboarded onto Business Sans Border ("BSB"), a digital hub that connects regional and local trade portals for SMEs. Our participation in FTC and BSB would enable us to explore financing opportunities for Singapore SMEs engaged in cross-border trade.

# CHAIRMAN'S STATEMENT

While fintech has helped improve efficiency and opened new opportunities, there are also attendant risks, particularly cyber security threats. As the pioneer among the Singapore finance companies in offering mobile apps and internet banking, SingFinance is keenly aware of the risks. We have invested in cybersecurity to protect our system and customers from such potential threats, so as to provide a secure and reliable environment for our customers to carry out digital transactions. We also continue to send out alerts to remind our customers to stay vigilant against scams and frauds.

One of our initiatives to help customers protect their savings from online scams is our GoVault account. This account allows our customers to enjoy digital banking services such as online transfer of funds into their accounts and making enquiries online, but without the ability to transfer funds out of their accounts digitally to prevent loss of savings through unauthorised transfers by scammers.



## DRIVING GROWTH SUSTAINABLY

Sustainability is a key part of our growth strategy. Over the years, we have accelerated our progress on our environmental, social and governance ("ESG") agenda. We are committed to doing our part in mitigating the climate crisis caused by human activities. We have integrated ESG considerations into our Enterprise-wide Risk Management Framework and strive to balance business priorities with our ESG responsibilities in daily decision making.

From a steep learning curve at the start of our ESG journey, we now conduct climate-related scenario analysis in our strategic planning to avert risks and tap into opportunities.

ESG reporting requirements by the Singapore Stock Exchange ("SGX") will be stepped up considerably in the coming years. We believe that greater transparency in ESG reporting helps foster accountability and stakeholder trust in the long run.

## LOOKING FORWARD

Looking ahead to 2025, there remains numerous uncertainties and challenges, including some due to potential policy changes that may impact global trade and investments. The global economy is projected to continue with modest growth while Singapore's economy is forecasted to grow between 1% and 3% in 2025.

While our business is dependent on the health of the Singapore economy, global developments will have an impact as Singapore is a highly open economy. While interest rates had started to trend down in 2024, the pace and extent of any further reduction in benchmark interest rates by major central banks remain uncertain especially if inflation proves to be more sticky than earlier anticipated. We hold a cautious view and will stay vigilant in managing our business and risks for sustainable long-term growth.

## APPRECIATION

On behalf of the Board, I wish to express our heartfelt appreciation to all our valued customers and shareholders for their continued support and trust. I would like to thank my fellow directors for their valuable guidance and counsel during the year. I would also like to record my sincere appreciation to the management and our colleagues at SingFinance for their hard work and dedication which have enabled our Company to deliver a credible set of results in 2024.

I thank all stakeholders for reading this report and for taking a keen interest in SingFinance. I wish you 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](http://www.singfinance.com.sg)

## BRANCH OFFICES

### Ang Mo Kio Branch

Blk 715 Ang Mo Kio Ave 6  
#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](mailto:investor_relations@singfinance.com.sg)

# BOARD OF DIRECTORS

AS AT 20 FEBRUARY 2025



## MR MICHAEL LAU HWAI KEONG, 64

### 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:

6 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:

- Fraser & Neave Holdings Bhd (Independent Director)

### 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

# BOARD OF DIRECTORS

AS AT 20 FEBRUARY 2025



## MR LEE SZE LEONG, 66

### 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:

25 April 2024

### Length of service as a director:

36 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 (Chairman)
- Singapore Chinese Chamber of Commerce & Industry (Vice-President, 62<sup>nd</sup> Council)
- Tanjong Pagar – Tiong Bahru Citizens' Consultative Committee (Honorary Chairman)
- Singapore Hokkien Huay Kuan (Vice-President, 45<sup>th</sup> Term Council)
- Singapore Chinese Dance Theatre (Chairman)

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

- Nil

# BOARD OF DIRECTORS

AS AT 20 FEBRUARY 2025



**MR LEE SZE SIONG, 63**

**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:**

27 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, 69**

**Role:**

- Non-Executive and Independent Director

**Date of first appointment as a director:**

2 January 2019

**Date of last re-election as a director:**

25 April 2024

**Length of service as a director:**

6 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 20 FEBRUARY 2025



**MS QUAN WAI YEE, 59**

**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:**

3 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, 58**

**Role:**

- Non-Executive and Independent Director

**Date of first appointment as a director:**

27 April 2023

**Date of last re-election as a director:**

25 April 2024

**Length of service as a director:**

1 year 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

**Present Directorships in other listed companies:**

- MTQ Corporation Limited (Director)
- The Hour Glass Limited (Director)
- UOB-Kay Hian Holdings Limited (Director)

**Other Principal Commitments:**

- Singapore National Employers Federation (Vice-President)
- National Wages Council (Council Member)
- Migrant Workers Assistance Fund (Chairman)

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

- Nil

**We See Your Future  
As Our Very Own**





# 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 2024 ("FY2024"), 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 38 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 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 of 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 their rights and interests. 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 (Orientation) 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.

In compliance with Provision 1.2 of the Code, 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 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 businesses and operations of the Company.

There are no new directors in 2024 and therefore no induction programme was held during the year.

## Continuous Development Programme 2024

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 Money Laundering & Countering the Finance of Terrorism, Fraud & Anti-Bribery and Corruption", were conducted in 2024 for directors.

In addition to the above, directors also attended external course and seminars in 2024. These include "Audit & Risk Committee Seminar 2024", "SID Directors Conference 2024", "Top Executive WSH Programme", "IFRS Sustainability Disclosure Standards Training", "How CFOs and finance teams can help meet corporate ESG goals", "Nominating and Remuneration Committee (NRC) Seminar", "Updates of FY 2023 Illustrative Financial Statements", "Data Governance and Management Practice", "SISV Real Estate Conference 2024", "SID: A Briefing for SGX ListCo Directors on CG Watch Report for Asean", "SkillsFuture – Lunch & Learn", "FinTech x AI: Latest Trends, Opportunities & Challenges", "AI Series: AI and Generative AI's impacts on jobs in accounting and beyond" and "Overview on Sustainability Reporting".



# CORPORATE GOVERNANCE STATEMENT

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 FY2024 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; 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 FY2024. 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 FY2024 are set out as follows:

## Attendance at the Board and Board Committee Meetings

Board/Board Committees	Board	Audit Committee	Risk Management Committee	Nominating Committee	Remuneration Committee	Non-Executive Directors' meeting (without presence of management) <sup>(1)</sup>	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	4	4	–	–	1	3	1

### Note:

(1) Inclusive of meetings with external and internal auditors

# 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 complies 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<sup>(1)</sup>
2. Mr. Lee Sze Leong
3. Mr. Lee Sze Siong
4. Mr. Joseph Toh Kian Leong<sup>(1)</sup>
5. Ms. Quan Wai Yee<sup>(1)</sup>
6. Mr. Kuah Boon Wee<sup>(1)</sup>

### 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.

# CORPORATE GOVERNANCE STATEMENT

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 necessary and appropriate. 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.

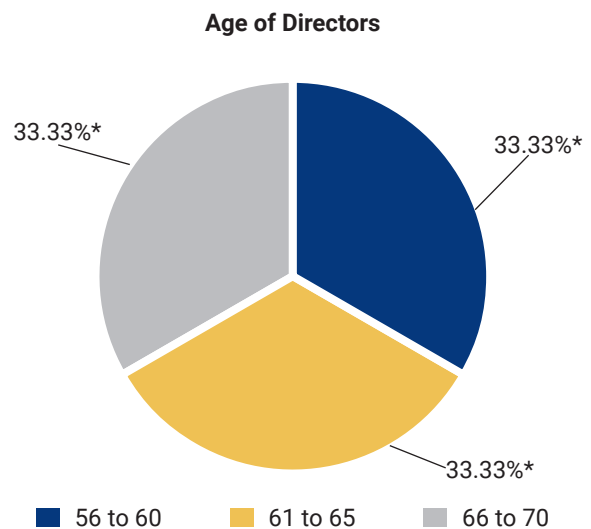
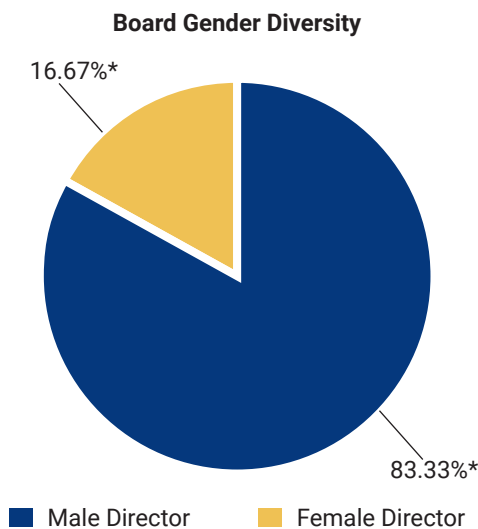
### Diversity

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 the 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.

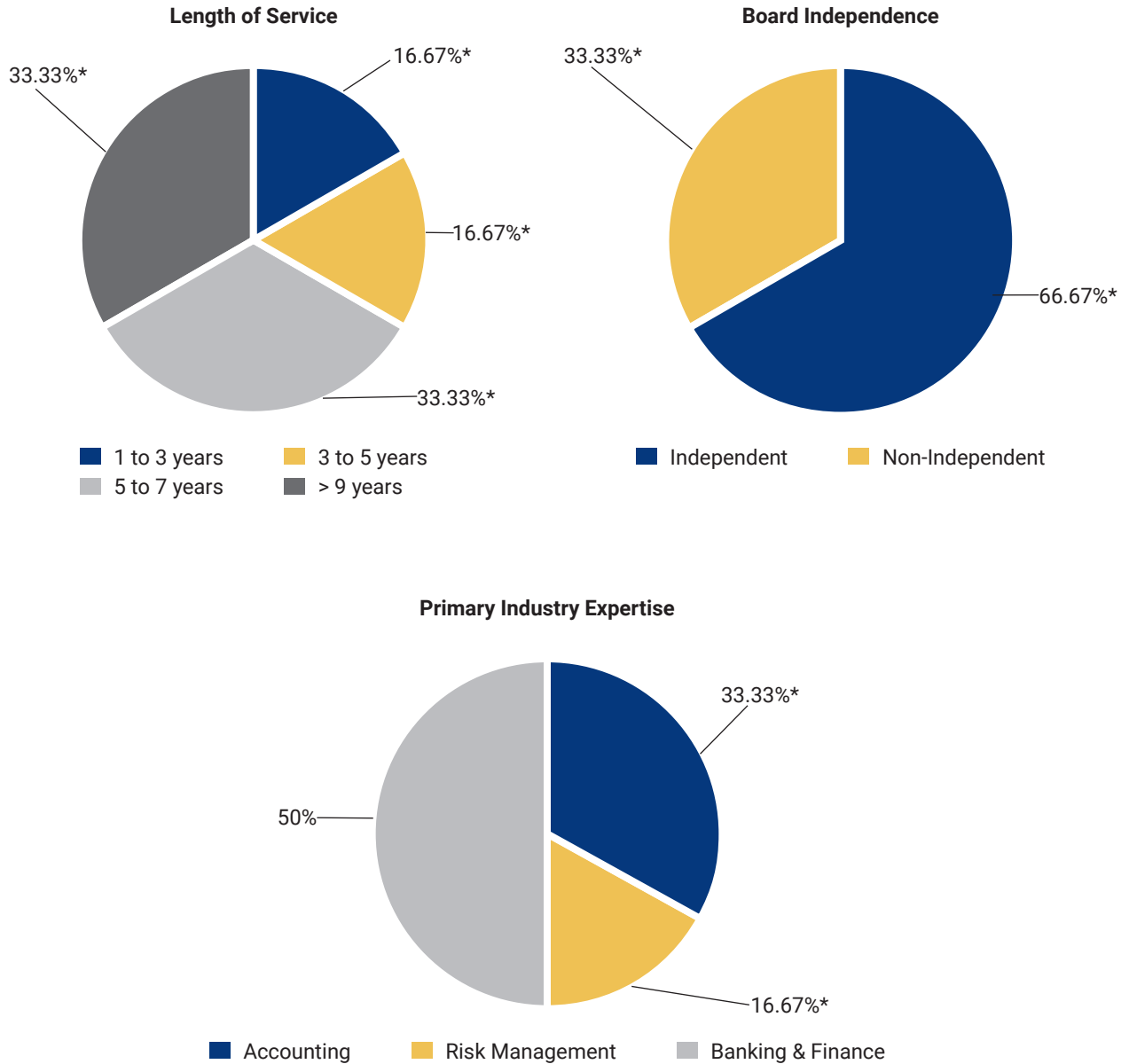
The Board is of the view that gender is an important aspect of diversity and will endeavour to have at least one female director. Currently, one out of the six directors on the Board is a female. The appointment of Ms Quan Wai Yee since April 2021 has broadened the composition and diversity of the Board. Following Ms Quan Wai Yee’s appointment, we have 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 Board consists of individuals with various qualifications and backgrounds. Their current and previous professions include accountant, banker, consultant, audit partner, senior management of financial institutions and senior management of an engineering company. Half of the Independent Directors have experience in the finance and banking industry, being the industry that the Company operates in.



\*Rounded up to 2 decimal places.

# CORPORATE GOVERNANCE STATEMENT



\*Rounded up to 2 decimal places.

### 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 annually without the presence of the Executive Directors and Management. Feedback from the meeting is shared by the Non-Executive and Independent Chairman of the Board with all 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.



# CORPORATE GOVERNANCE STATEMENT

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, accountability and greater capacity of the Board for independent decision making.

Mr. Michael Lau Hwai Keong is a Chartered Financial Analyst charter holder. He has 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 the 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 non-executive and 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 for 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, 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.

# CORPORATE GOVERNANCE STATEMENT

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, and the additional skills and experience that will enhance the competencies and effectiveness of the Board. To achieve the objectives set out in the Board Diversity Policy, 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.

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 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. Michael Lau Hwai Keong (Non-Executive and Independent Director), and Ms. Quan Wai Yee (Non-Executive and Independent Director).

The NC has evaluated and recommended to the Board that Mr. Michael Lau Hwai Keong and Ms. Quan Wai Yee be re-elected as directors at the forthcoming AGM by virtue of their skills, experience and contributions to the Board. Pursuant to Rule 720(6) of the Listing Manual, the information as set out in Appendix 7.4.1 of the Listing Manual relating to Mr. Michael Lau Hwai Keong and Ms. Quan Wai Yee, who are the directors seeking re-election at the forthcoming AGM, is set out in pages 183 to 191.

## 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 in determining the independent status of directors and consider any potential material relationships;
- Review and evaluate the independent status of directors based on the guidance in the Code and provisions in the Listing Manual; and
- Report to the Board on the independent status of the directors.

# CORPORATE GOVERNANCE STATEMENT

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 FY2024.

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 (including directorship in the Company) 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 FY2024. 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.

## 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.

# CORPORATE GOVERNANCE STATEMENT

## PRINCIPLE 5

### BOARD PERFORMANCE

The NC ensures that the Board consists of directors who 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 FY2024.

#### 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 FY2024.

#### 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 FY2024 performed by the NC.

## 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 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;



# CORPORATE GOVERNANCE STATEMENT

- 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 FY2024.

## 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 directors with the relevant capabilities, skill sets and experience 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 for their added 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.

The variable component of the compensation package may consist of SingFinance Performance Share Plan (long-term incentives) and/or cash incentives, such as variable bonus (short-term incentives). For FY2024, 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.

# CORPORATE GOVERNANCE STATEMENT

## 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 the financial and non-financial performance indicators. Amongst other factors, the financial performance indicators comprise the profitability of the Company, loan growth, return on equity and quality of loans. 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 control and risk taking and to ensure that the structure of the remuneration is aligned with the 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 Annual Report in the exact dollar amount in total and 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 FY2024.

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 and Independent 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 174.

#### 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 FY2024, 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 disclosed in this Annual Report.

#### 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 174, 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 objectives of the Plan are as follows:

- (a) Recognise and reward past contributions and services of participants;
- (b) Motivate participants to improve their performance;
- (c) Retain key Group employees whose contributions are important to the long-term growth and success of the Group;
- (d) Attract potential employees with relevant skills and talents necessary to enhance the Group's business; and
- (e) Align the interests of the participants with the interests of shareholders.

# CORPORATE GOVERNANCE STATEMENT

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; or
- (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 set out above are eligible to participate in the Plan.

The Plan is 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.

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.

To-date, no performance shares and 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 in the Company. The Board is assisted by the RMC to oversee the development of a robust Enterprise-Wide Risk Management ("EWRM") framework, along with systems, policies and processes which are aligned with the strategic direction set by the Board. This is 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.

##### 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 Siang (Deputy Managing Director) and Heads of Risk Management, Compliance, Product Management, Finance and Treasury/Branches Departments.

# CORPORATE GOVERNANCE STATEMENT

In line with its terms of reference, the RMC assists the Board in identifying the principal risks of the Company's business and instituting 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, conduct risk and environmental 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.

## 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 on 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 FY2024, 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

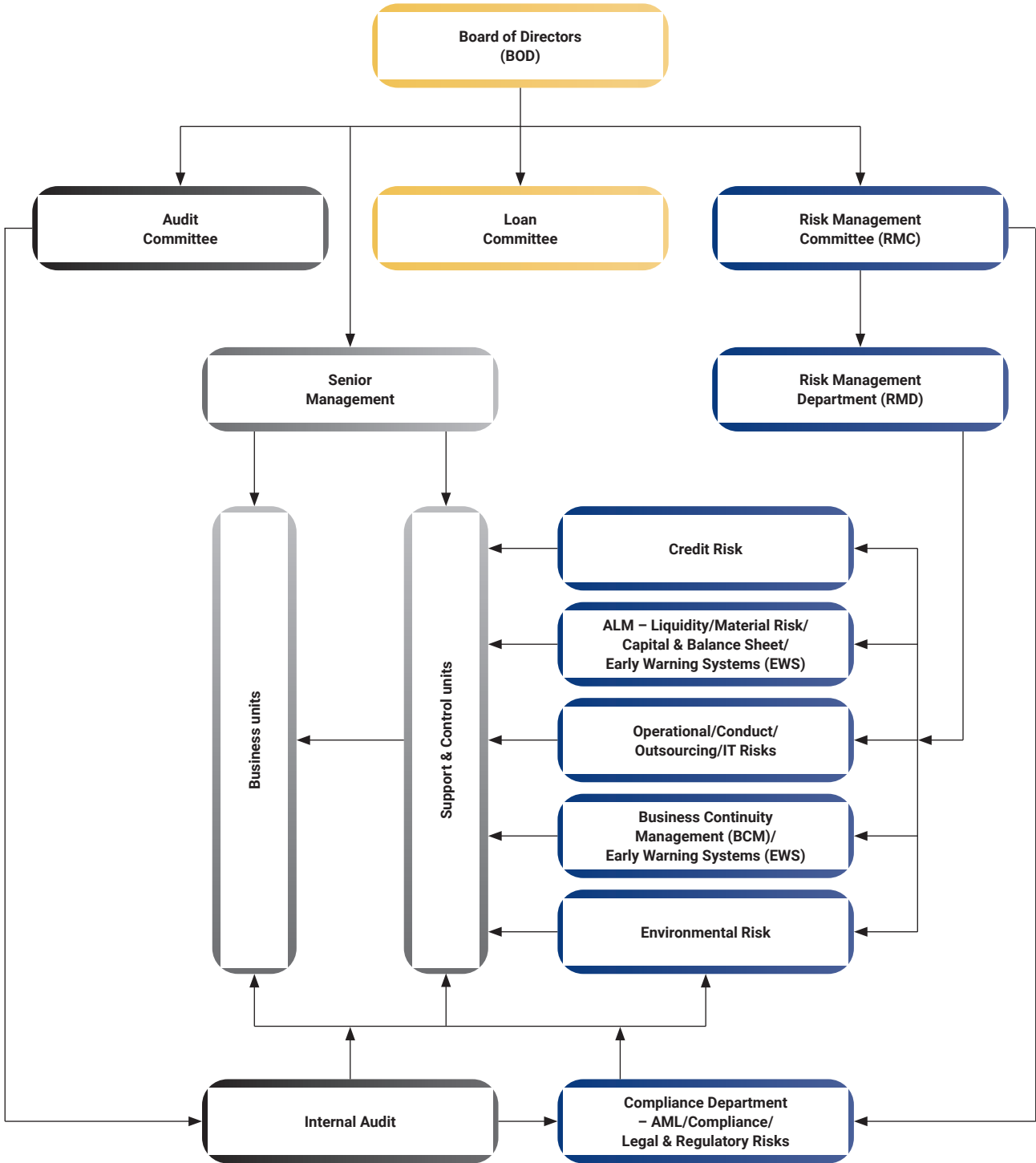
An effective EWRM framework is critical in ensuring the overall financial soundness of the Group's business operations and in creating sustainable growth in shareholders' value. In addition, it encourages sound business practices and decision making that adequately balances risk and reward.

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 the Management with the necessary tools to anticipate and manage both the existing and potential risks.



# CORPORATE GOVERNANCE STATEMENT

## ENTERPRISE-WIDE RISK MANAGEMENT FRAMEWORK



# CORPORATE GOVERNANCE STATEMENT

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 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.

The Board and the RMC review and rank key material risks, formulate and endorse the risk tolerance levels for all key risk types, set KRI thresholds for each risk type and approve 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 risks within acceptable levels.

Both the Board and the RMC monitor risk exposures and profile against relevant risk thresholds presented on the 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 FY2024, 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 the 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. These are aimed at giving shareholders an assessment of the Group's performance and financial position. The reports also contain a commentary on the Company's operating environment.

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.

# CORPORATE GOVERNANCE STATEMENT

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 finance industry. Her expertise spans 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 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.

None of the members of the AC is a former partner or director 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 review and 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, as well as policies, 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 the 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 FY2024, 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 report 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 the 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 the 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 determination of ECL allowances for non-credit impaired loans and advances involves the use of significant judgement and estimates. Given the significant judgements and high degree of estimation uncertainty involved, and the size of the loans and advances, the ECL for non-impaired assets is considered to be a significant financial reporting matter.</p> <p>The AC together with the RMC have considered carefully the following matters:</p> <ul style="list-style-type: none"> <li>– 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;</li> <li>– The post model adjustments, which were applied to account for the limitations in the ECL models.</li> </ul> <p>In addition, the AC has discussed the above matters with the 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 the 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 FY2024.



# 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 Company is to evaluate the effectiveness of the Company'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 Company's financial system and operating procedures as well as the soundness of the Company'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. The 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 on 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 (including EY) 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 FY2024 and the fees paid for such services. The total fees paid to the external auditors, Deloitte & Touche LLP, are disclosed in Note 21 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. The Audit Committee is responsible for the oversight and monitoring of whistleblowing matters.

# 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 and members of the public making such reports will be treated fairly and protected from reprisal. The Internal Audit Department and the Compliance Department, both with independent reporting line to the board sub-committees, are in-charge of investigating whistleblowing reports, if any. 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 with all staff members 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 and wrongdoings 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 FY2024.

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 the 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 evaluate and recommend dividends to be paid to shareholders by taking into consideration the following factors:

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

The annual dividend proposed for FY2024 is shown in page 171 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 process through which shareholders may contact the Company with questions and through which the Company may respond to such questions. The Investor Relations Policy is established to ensure that pertinent information is conveyed regularly to shareholders. 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](http://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. Physical copies of the notice of AGM and proxy form are despatched to shareholders. In addition, all shareholders can elect to receive the physical copies of the Annual Report upon request. Electronic copies of the notice of AGM, proxy form and Annual Report are also published on the Company's website and 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](mailto:investor_relations@singfinance.com.sg). Policies and processes are in place to facilitate 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 to build and sustain the relationships and their trust.

# CORPORATE GOVERNANCE STATEMENT

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](http://www.singfinance.com.sg) to communicate and engage with stakeholders.

Please refer to the section on "Stakeholder Engagement" in page 42 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.

In accordance with the Related Party Transactions procedures, directors who have interests in any related party transactions shall abstain and absent themselves from any discussion and approval of the aforesaid transactions.

### 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.

The following are details of interested person transaction during FY2024 for which disclosure is required:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during FY2024 (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Sing Holdings Limited	As Mr Lee Sze Leong, the Managing Director/CEO, and Mr Lee Sze Siong, the Deputy Managing Director, and their immediate family together have an interest of 30% or more (directly or indirectly) in SHL, SHL is an associate of both Mr Lee Sze Leong and Mr Lee Sze Siong and is accordingly an "interested person" under Chapter 9 of the SGX-ST Listing Manual.	\$141,372.00	Not applicable

The above transaction was in respect of a tenancy agreement for a 1-year lease of office space at SIF Building commencing from 1 April 2024 to 31 March 2025. The AC has reviewed the terms of the above transaction and was of the view that the transaction was carried out at arm's length and at a rate compared with the rental of a similar office space in the market.

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

The AC is responsible for reviewing all related party transactions and recommending them (including any material amendments) to the Board of Directors for approval. A special majority of three-fourths of the Board is required for the approval of related party transactions.

During FY2024, the Company had collected deposits from its directors and their related parties. No preferential treatments have been extended to the directors and their related parties for these deposits.

None of the Related Party Transactions during FY2024 can be classified as financial assistance provided to the related parties.

Please refer to Note 5 to the financial statements in the Annual Report in page 154 for the disclosure of related party transactions during FY2024.



# CORPORATE GOVERNANCE STATEMENT

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

Except for the 3-year and 1-year tenancy agreements entered into with Sing Holdings Limited in 2022 and 2024, respectively, 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 FY2024.

## 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 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 in the Finance Houses Association of Singapore's ("FHAS") Code of Conduct. The principles covered in the FHAS Code of Conduct include confidentiality of information, conflict of interests, relationships with customers and insider trading. The Company's staff members are expected to observe high standards of professionalism and integrity in their dealings with the customers, business associates and colleagues.

Date: 20 February 2025

# 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.

### Board Matters

#### The Board’s Conduct of Affairs

##### Principle 1

Provision 1.1	Page 15 to 16
Provision 1.2	Page 16 to 17
Provision 1.3	Page 17
Provision 1.4	Page 17
Provision 1.5	Page 17 & 23
Provision 1.6	Page 18
Provision 1.7	Page 18

#### Board Composition and Guidance

##### Principle 2

Provision 2.1	Page 18
Provision 2.2	Page 18
Provision 2.3	Page 18
Provision 2.4	Page 18 to 20
Provision 2.5	Page 20

#### Chairman and Chief Executive Officer

##### Principle 3

Provision 3.1	Page 20 to 21
Provision 3.2	Page 21
Provision 3.3	Page 21

#### Board Membership

##### Principle 4

Provision 4.1	Page 21
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# SUSTAINABILITY REPORT

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## ABOUT THIS REPORT

### CORPORATE PROFILE

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.

Refer to the “About Us” and “Corporate Information” of this Annual Report for more details about our corporate profile and business.

### REPORT SCOPE

This is the eighth Sustainability Report (“SR”) of 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”). All information presented in this report aligns to the Group’s financial year from 1 January 2024 to 31 December 2024 and is reported together with our Annual Report.

This report covers the operations of the Group and seeks to provide our stakeholders with an overview of the Group’s strategies, management and monitoring of material factors related to Environmental, Social and Governance (“ESG”) matters.

The SR supplements the financial performance reported elsewhere in the Annual Report to present a balanced perspective of how the Group strives to create value and invest for growth while supporting our stakeholders and protecting our environment.

The Group’s entities included in this SR are the same as 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 Content Index is available on page 72.

The climate related disclosures in the SR are in line with the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”). The TCFD Content Index is available on page 76.

The GRI Standards and TCFD recommendations were adopted by the Group as the disclosure principles and performance metrics provided by the GRI and TCFD are relevant for the Group to communicate the progress and impact of our ESG efforts with our stakeholders.

# SUSTAINABILITY REPORT

## BOARD STATEMENT

### ESG JOURNEY

It has been eight years since the first publication of our sustainability report. During the period, it has become increasingly evident that human environmental footprint, if left unchecked, will lead to a global environmental and climate crisis. The recent record-breaking heatwaves, irregular rainfall and other extreme weather events highlight the urgent need to address the climate emergency. SingFinance is committed to do our part in addressing these challenges and is pleased to report that we have made progress in doing so. Our collective efforts and commitment are crucial in securing a sustainable future.

### ACCELERATION OF ESG EFFORTS

Recognising the urgency to avert the crisis, we have accelerated our efforts in addressing climate and environmental risks in recent years. We have established policies and procedures to limit our exposures to customers with elevated ESG risks and integrated ESG considerations into our Enterprise-wide Risk Management Framework and daily decision-making. We have aligned our climate reporting with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") and begun conducting climate-related scenario analysis and presenting the risks and opportunities facing our major asset portfolios in our sustainability reports to facilitate informed decision-making by our stakeholders.

On 10 February 2025, Singapore presented its 2035 Nationally Determined Contribution ("NDC") to the United Nations Framework Convention on Climate Change ("UNFCCC"), pledging to lower its greenhouse gas emissions to a range of 45 and 50 MtCO<sub>2</sub>e by 2035. The 2035 target is aligned with the national plan to attain net-zero emissions by 2050. We are committed to contributing to the national goal by intensifying our efforts in developing a more sustainable business and play our part in the transition of Singapore towards a low-carbon economy.

### EXCELLENCE IN REPORTING

We believe that transparency in reporting is a crucial building block for sustaining trust and credibility with our stakeholders, as it ensures accountability for our actions. In 2024, we were honoured with the following corporate awards that recognise excellence in corporate reporting:

### SIAS INVESTORS' CHOICE AWARDS

**The Most Transparent Company** – Financials category, alongside DBS and SGX.

### SINGAPORE CORPORATE AWARDS

**The Best Annual Report (Silver)** – Under \$300 million market capitalisation.

These accolades reflect our commitment to maintaining high standards in our reporting practices and our dedication to providing clear and relevant information to our stakeholders. We also ranked among the top tier of Singapore listed companies surveyed for the Singapore Governance and Transparency Index.

### SINGAPORE GOVERNANCE & TRANSPARENCY INDEX

**Top 5% for 11th consecutive year** – among 477 Singapore listed companies surveyed in 2024.

### Innovation

Our pursuit of technology advancements is vital for ensuring the long-term sustainability of our business. Besides leveraging on technology to improve our processes and efficiency, it is also a key part of our strategy to expand our services and attract a younger, more tech-savvy generation of customers.

In 2024, we reached another milestone in our digitisation journey. We participated in the Financial Transparency Corridor, established by the Monetary Authority of Singapore and the National Bank of Cambodia, to facilitate trade and cross border financial services for small and medium-sized enterprises in both countries, alongside two other pioneering financial institutions. We were also onboarded onto the Business Sans Border, a digital solution developed by Proxtera, a Singapore fintech company, under the joint initiative of MAS and Infocomm Media Development Authority of Singapore, that creates new opportunities for technology-enabled financing business.

### LOOKING AHEAD

We will remain committed to pursuing our ESG agenda to ensure the long-term sustainability of our business and continue to seek opportunities to support our customers and help them pivot towards a low-carbon economy.

# SUSTAINABILITY REPORT

## OUR APPROACH TO SUSTAINABILITY

Our approach is to integrate sustainability considerations into our business strategies and lending decisions. ESG-related risks and opportunities are assessed holistically, and subject to governance and oversight by our management and Board.

## SUSTAINABILITY GOVERNANCE

### Governance Structure



### Board of Directors

The Board has the overall responsibility for our sustainability agenda and reporting, and ensures our business is managed in a sustainable and responsible manner. The Board approves the material ESG factors and related policies and the Enterprise-Wide Risk Management Framework (“EWRM”), which covers the Group’s environmental and climate risk management. In addition, the Board is responsible for allocating adequate resources to attain its ESG aspirations through our annual budgeting process and long-term strategic planning.

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, reports and escalates ESG related matters to the Audit Committee, which has an overall oversight responsibility for ESG issues and reporting, and ultimately to the Board.

Chaired by an independent and non-executive 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. The independent directors are subject to the tenure requirements for listed company directors imposed by the SGX. Of the RMC members, 54% are females and 46% are males, as at 31 December 2024, unchanged from 2023. The RMC is made up of members with relevant competencies and experience.



# SUSTAINABILITY REPORT

## 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 SSC reports periodically to the RMC, which in turn reports to the Audit Committee and Board on sustainability matters.

## Audit Committee

Through the Internal Audit function, the Audit Committee (“AC”) provides an overall and independent oversight on sustainability matters, including compliance with sustainability policies, quality of data being collected, sustainability related reporting, 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 with specific sustainability responsibilities, tasks and targets.

## Engagement Channels

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

## Sustainability Performance





All SingFinance personnel are expected to comply with our ESG related policies and plan to achieve the ESG targets set by the Board, and incorporate sustainability considerations into day-to-day business and operations. Our remuneration policy takes into account their contributions to enhancing SingFinance’s sustainability performance.

## STAKEHOLDER ENGAGEMENT

The Group’s stakeholders are entities and individuals that can reasonably be 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, which in turn would help our management and Board of Directors to prioritise and direct our ESG efforts.

The table below summarises our key stakeholders, our engagement methods with them, their expectations and our responses.

# SUSTAINABILITY REPORT

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

# SUSTAINABILITY REPORT

## MATERIALITY ASSESSMENT

The Sustainability Steering Committee, which comprises senior members of management, identifies and assesses material ESG factors based on internal relevance and external expectations. These factors are endorsed by the Risk Management Committee before being recommended to the AC and Board for approval. They are reviewed annually to ensure that they remain relevant to the Group.

### Sustainability Pillars

The Group’s ESG material factors can be grouped under three Sustainability Pillars, namely Valuing Environment, Creating Values and Upholding Values. As a financial institution, the environmental factors are the most material ESG agenda for SingFinance. Our lending activities create environmental impact, and our assets are exposed to environmental risks. As such, the “Valuing Environment” pillar stands as the most essential aspect of our ESG efforts.

	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

### Policy Commitments & Targets

The Group communicates our policy commitments to each material factor identified by the Board of Directors to all relevant stakeholders, including our employees and shareholders, through various engagement channels. We set up targets and risk appetites to help us fulfil our policy commitments and report our progress on key targets in this report annually.

The Group is committed to providing for the remedy 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



#### Why Is This Material

SingFinance faces ESG-related risks through our loans to customers who operate in ESG sensitive sectors. We believe that proper management of environmental risks in our financing business will lead to positive financial results and enhance our reputation and brand.

#### SingFinance ESG Risk Management

Our ESG risk policies and processes focus on the lending to 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, Chemical, 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 ESG sensitive assets and resolve to keep these exposures low to sustain the climate resilience of our portfolio and assets.

#### SingFinance ESG Risk Assessment Approach

We conduct preliminary assessments of ESG and climate risks before onboarding new customers. This approach helps prevent disruptions to our customers’ financing and their operations, as well as mitigates the impairment risk facing our assets caused by abrupt termination of relationship after onboarding.

Our Credit Risk Management Policy, which guides our lending decisions, requires ESG due diligence to be conducted for all customers. We conduct ESG risk assessments on all new credit applications and in annual credit reviews. All borrowers classified with “Low & Medium Inherent ESG Risk” are reviewed using our General Responsible Financing Checklist. Customers with “High Inherent ESG Risk” will be assessed with one of our 8 Sector Specific Responsible Financing Checklists for enhanced due diligence. The assessment considers negative ESG news and public information about the customers and takes into account the risk mitigating factors to determine the residual risk rating.



# SUSTAINABILITY REPORT

Our target on Responsible Financing are as follows:

## 2025 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



### Why Is This Material

SingFinance recognises the financial sector’s critical role in transitioning Singapore to a low carbon economy. We are committed to helping our customers minimise the adverse impact caused by their business activities to people, the environment and the community in their transition journey.

Our assets, portfolios and operations face both **transition risk** from the shift towards a low-carbon economy and **physical risk** relating to physical impacts of climate change. The physical risk can manifest in the form of **acute risk**, driven by sudden weather events, or **chronic risk** from longer-term climate shifts.

### Environmental Risk Management Policy

We understand 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 enhance our resilience to environmental risks.

### Risks and Opportunities

SingFinance evaluates environmental risks and opportunities over short, medium and long-term time scales defined below. This classification takes into consideration our financial and resource planning cycles as well as the maturity tenures of our assets and portfolios.

Short-term	<b>S</b>	0-1 Year
Medium-term	<b>M</b>	1-5 Years
Long-term	<b>L</b>	5-30 Years



# SUSTAINABILITY REPORT

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

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

## Scenario Analysis

In 2024, we conducted scenario analysis on climate 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 3** ("NGFS") climate scenarios.

# SUSTAINABILITY REPORT

We adopted 2 sets of climate scenarios from the NGFS sub-category, namely **Net Zero 2050** and, **Delayed Transition** as our **Orderly** and **Disorderly** scenarios, respectively.

SingFinance Scenarios	NGFS Phase 3 Scenarios	Description	Physical risk		Transition risk		
			Policy Ambition	Policy Reaction	Technology Change	Carbon Dioxide Removal	Regional Policy Variation
<b>Orderly</b>	<b>Net Zero 2050</b>	Global warming will be limited to 1.5°C through stringent climate policies and innovation, reaching global net zero CO <sub>2</sub> emissions around 2050.	+1.4°C	Immediate and smooth	Fast change	Medium-high	Medium
<b>Disorderly</b>	<b>Delayed Transition</b>	Annual emissions do not decrease until 2030. Strong policies are needed to limit warming to below 2°C. Negative emissions are limited.	+1.6°C	Delayed	Slow/Fast change	Low-medium	High

Lower risk
Moderate risk
Higher risk

In 2024, we assessed the potential climate change implications on SingFinance’s financial performance with qualitative scenario narratives. Based on the outcome under each climate pathway, management actions are taken to improve the resilience of our portfolios to climate risks and to identify emerging business opportunities. We plan to adopt a more robust quantitative approach as we build our capacity going forward.

In this analysis, we focused on our two largest loan portfolios, namely **Property Loans** and **Automotive Financing**, which collectively constituted over 50% of SingFinance’s total customer loans as at 31 December 2024.

The summary of our analysis is as follows:

### Property Loans

All our property loans are secured against 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

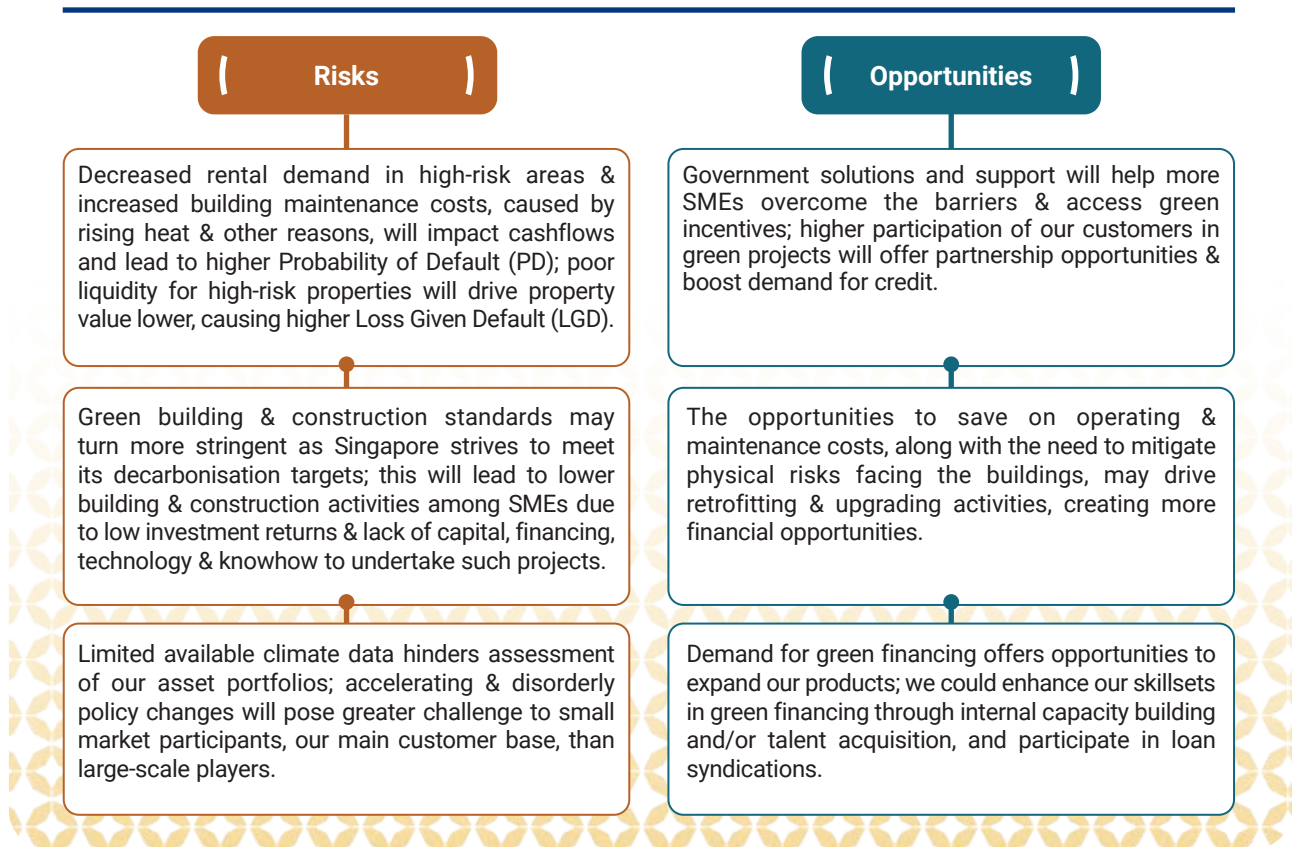
The greatest risk to our property loans is physical risk. Rising sea levels pose a significant threat to Singapore as 30% of our island lies less than 5 meters above Singapore’s mean sea level.

On opportunities, Singapore offers green building incentives and green finance solutions as part of the national effort to decarbonise the building and construction sector. However, participation of SMEs, our main clientele, in these schemes is currently low. Greater opportunities to provide financing to these smaller-scale players may emerge as more SMEs participate in the schemes in the future.

# SUSTAINABILITY REPORT

The highlight of risks and opportunities facing SingFinance’s property loans from our 2024 analysis is as follows:

## ( Property Loans )



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 seize the opportunities to partner with our customers in financing their transitioning activities.

### Automotive Financing

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

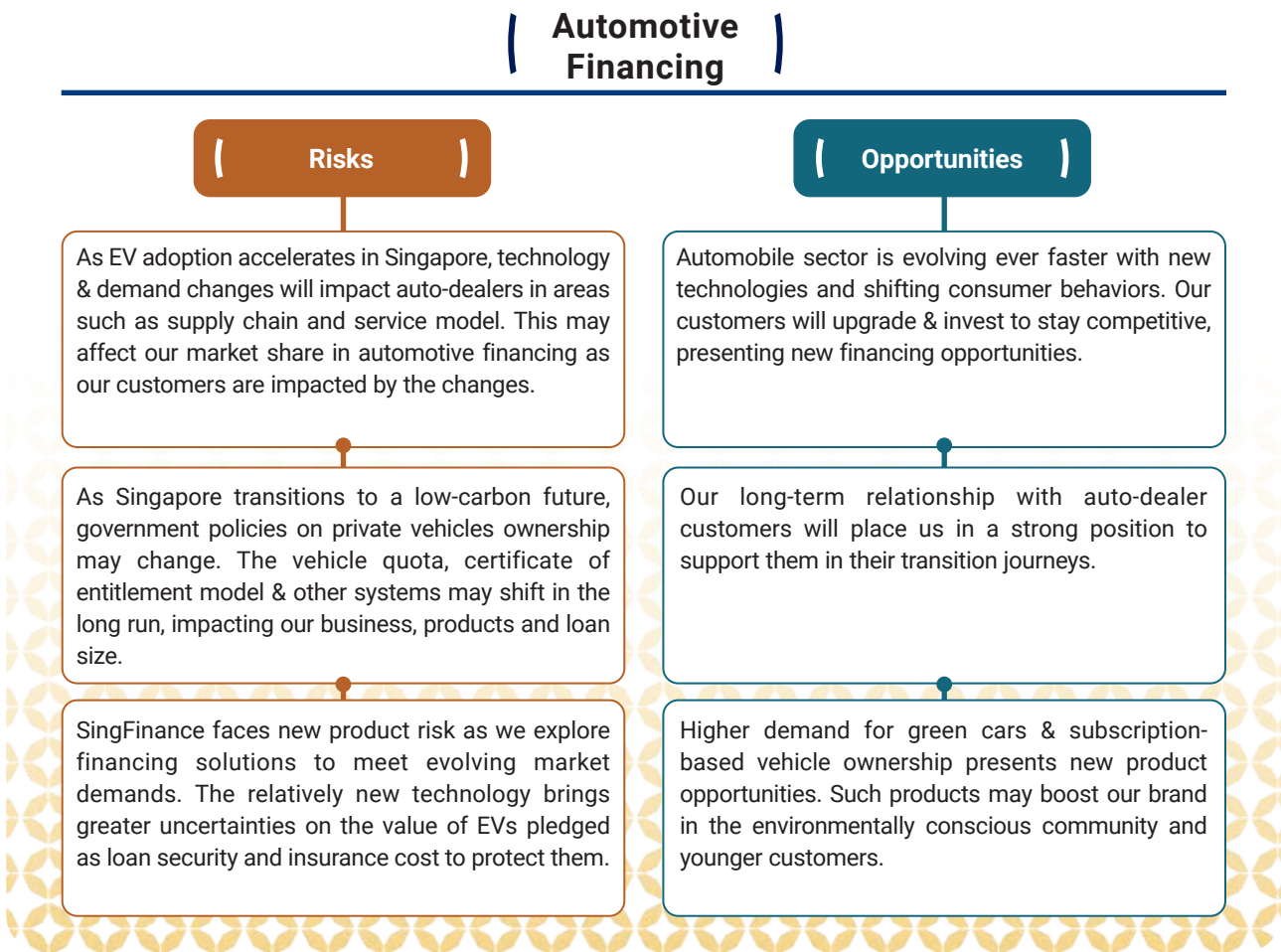
Our customers are car dealers who supply motor vehicles based on demand, without heavy investments in plants, infrastructure or innovation centres that may be rendered obsolete by technological changes.

In Singapore, the cost of electric vehicle (“EV”) ownership is decreasing with better battery technology and government incentives. Conversely, the cost of internal combustion engine vehicles is expected to rise as a result of government measures to cut carbon emission. Under the Singapore Green Plan, new registrations of diesel cars and taxis will cease from 2025, with all new registration to be of cleaner-energy models from 2030. According to Ernst & Young’s Mobility Consumer Index Study issued in 2024, the EV buying intent among Singaporean prospective car buyers reached 73%, up by 10% points from a year before.

We also observe that while most consumers in Singapore prefer the privacy, convenience and security of owning cars, subscription-based ownership has grown in popularity and is now increasingly seen as an acceptable alternative to private car ownership.

# SUSTAINABILITY REPORT

The key risks and opportunities of SingFinance’s automotive financing business based on our 2024 scenario analysis are as follows:



We will stay vigilant and agile in our risk management, marketing effort and business partnership strategy to sustain our leading position in Singapore in the financing of car dealers.

Our targets on Low Carbon Transition are as follows:

2025 Targets	
Disclosure	More granular disclosures based on TCFD recommendations
Capacity building	Continued efforts to equip staff with training and tools to manage environmental risks and explore business opportunities

# SUSTAINABILITY REPORT

## MATERIAL FACTOR – ENVIRONMENTAL FOOTPRINT



### Why Is This Material

A clean and healthy environment is essential for every society and community to thrive. As a responsible corporate citizen, we are committed to actively reducing our environmental footprint in order to protect the vital ecosystems that support life on our planet.

### Reduce, Recycle, Replace

To minimise our environmental footprint, we have put in place a three-pronged approach via **Reducing, Recycling and Replacing**. We aim to reduce electricity and paper consumption through various initiatives, which include promoting e-statements to customers and implementing paperless processing internally. In addition, we recycle paper and e-waste, and replace electrical appliances with eco-friendlier options when opportunities arise.

### Electricity and Water Consumption

The Group's electricity consumption in total and per staff decreased by 3% and 9% year-on-year respectively. The water consumption in total and per staff decreased by 35% and 40% respectively due mainly to high comparative bases caused by a water leakage issue in 2023, which had since been rectified.

**Table 1.1 Electricity Consumption**

Energy Consumption	MWh (group wide)	MWh/staff
2022	1,124	7.02
2023	1,041	6.27
2024	1,014	5.70

**Table 1.2 Water Consumption**

Water Consumption	M <sup>3</sup> (group wide)	M <sup>3</sup> /staff
2022	6,369	39.81
2023	8,310	50.03
2024	5,370	30.17



# SUSTAINABILITY REPORT

## GHG EMISSION

In our on-going effort to manage the Group's environmental footprint, we measure Scope 1 and Scope 2 GHG emission of our operations. We are exploring pragmatic ways to measure Scope 3 GHG emission in order to capture our impact on climate change more comprehensively.

**Table 2.1 – Scope 1 & 2 GHG Emissions**

GHG Emissions	Scope 1 (tCO <sub>2</sub> e)	Scope 2 (tCO <sub>2</sub> e)	Scope 1 & 2/ staff
2022	11.64	468.37	3.00
2023	91.98	428.92	3.14
2024	60.96	417.75	2.69

Note: The GHG emissions for electricity are calculated based on the Operating Margin of Electricity Grid Emission Factor published by the Energy Market Authority of Singapore ("GEF"). The calculations are based on the most recent GEFs and revised when the reporting year's data is available. Refer to Note 1 of ESG Core Metrics on page 71 for the 2023 data revision.

## Electric Vehicle & Charging Facility

As electric vehicles ("EV") emit significantly lower GHG than internal combustion engines, we aim to replace more of our company cars with EVs. We have installed a charging facility at our 96 Robinson Road premises and will install more if necessary.

## Recycling Programme

Launched in 2019, SingFinance Recycling Programme encourages our staff and tenants to sort their trash for effective recycling. We consistently raise awareness of the importance of recycling through circulars and monthly e-newsletters. In 2024, we recycled 1,139 kg of wastepaper.

**Table 2.2 – Recycled Waste**

Recycled Waste	2024	2023	2022
Paper (Kg)	1,139	1,250	2,240

Our recycling effort has saved 19 trees in the year 2024.

# 19 trees

Saved through SingFinance recycling

## Paperless

In an effort to reduce waste, we have ceased sending hardcopy annual reports to our shareholders since 2019, unless specifically requested. Shareholders are encouraged to access annual reports through our mobile apps and our Company's website.

Our customers are also encouraged to switch to e-statements and access their accounts through our mobile apps and internet portals for 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. Our sourcing policy requires due diligence checks on our suppliers in the areas below:

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

Our sourcing policy ensures that we only acquire supplies from vendors who are ethical in business contact and prioritise on limiting their environmental impact. For example, we procure paper supplies only from Green Label certified vendors.

Our targets on Environmental Footprint are as follows:

2025 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



### 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. We recognise that achieving this strategic goal requires us to keep a long-term perspective and stay focused and accountable to our stakeholders.

### Profitability & Return

The Group aims to provide sustainable dividend returns to our shareholders within the regulatory parameters. In recommending dividends, the Board of Directors seeks to balance dividend pay-out to shareholders with earnings retention to support business growth and ensure the Company has strong capital.

The Group achieved net profit after tax of \$36.3 million in 2024, registering 11% compound annual growth rate (“CAGR”) over 10 years. Our customer loan balances grew by 58% in the 10-year period, reaching a high watermark of \$2.67 billion as at 31 December 2024. While our business grew during the year, our non-performing loan ratio improved to 0.2% at 2024 year-end from 0.4% a year ago.

Based on our financial performance, the Board has recommended a first and final dividend of 6.5 cents per share for the year 2024 (2023: 6.0 cents). The proposed dividends are subject to shareholder approval at the coming Annual General Meeting.

# SUSTAINABILITY REPORT

**Table 3.1 – Direct Economic Value**

	2024 \$'000	2023 \$'000	2022 \$'000
Total Income	71,964	60,992	65,565
Staff Cost	19,398	20,055	18,634
Operating Costs (excluding Depreciation)	6,504	6,212	6,932
Income Tax Expense	7,338	6,603	6,867
Profit After Tax	36,340	33,210	37,203
Dividend*	15,369	14,186	15,763
Retained Earnings	20,971	19,024	21,440

\* Dividend for FY2024 is subject to shareholder approval

## Strong Capital

Apart from generating sustainable returns, SingFinance seeks to remain as a well-capitalised and trusted financial institution, where our customers can transact with confidence. Over the years, we have increased our shareholders' equity and maintained a prudential buffer above the minimum regulatory capital requirement, even as we grew our business.

**Table 3.2 – Shareholders' Equity and Capital Adequacy Ratio**

Shareholders' Equity and Capital Adequacy Ratio	2024	2023	2022
Total shareholders' equity (\$'000)	460,401	436,455	414,819
Capital Adequacy Ratio (%)	15.3	14.6	15.6

## Creditors' Rights

The Group values the critical role played by our creditors, particularly our deposit customers in providing funds for us to pursue our business goals. We seek to sustain their trust and protect their rights. Through prudent financial and risk management, we always ensure sufficient liquidity for timely repayment of our financial obligations and treat all creditors fairly and equitably.

SingFinance participates in the National Deposit Insurance Scheme, insuring Singapore dollar deposits of our non-bank depositors under the Scheme for up to \$100,000 in aggregate per depositor (\$75,000 prior to 1 April 2024).

Our 2025 targets on Economic Value are as follows:

2025 Targets	
Sustainable value creation	Sustainable growth and long-term values for all stakeholders
Strong capital & trust	Strong capital with a comfortable buffer above the regulatory minimum for financial stability and business growth

# SUSTAINABILITY REPORT

## MATERIAL FACTOR – SERVICE DIGITISATION



### Why Is This Material

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

Increasingly, our customers expect seamless, efficient and uninterrupted services accessible anytime, anywhere, which can only be enabled through technology.

### Financial Transparency Corridor & Business Sans Border

The Monetary Authority of Singapore and the National Bank of Cambodia announced in June 2024 the start of the Financial Transparency Corridor (“FTC”), an initiative which aims to facilitate communication and information exchange between financial institutions (“FIs”) in both countries. The FTC enables participating FIs to better assess risks and avails more financing opportunities to help SMEs in both countries access cross-border trades through digital trade networks such as Business Sans Border.



TRADE WITHOUT BARRIERS

**Business Sans Border** (“BSB”) is a digital solutions hub that connects regional and local SME-centric trade portals or networks to match demand and supply of goods and services.

SingFinance joined the FTC as one of the three pioneering financial institutions in Singapore and was onboarded as a financier of BSB to seek to provide financing to Singapore SMEs for their cross-border trades. Our participation in the FTC and BSB marks another milestone in our digital journey.

### e-Services

SingFinance is the pioneer among finance companies in Singapore in offering mobile apps and internet portals that allow customers, both retail and corporate, to conduct transactions digitally. Our retail mobile app, SIF Mobile, and corporate app, SIF BIZ Mobile, offer 24/7 biometric secure access to a suite of online products and services.

SIF BIZ Mobile has been enhanced to allow customers access to multiple accounts from different organisations on a single mobile device. SingFinance is among the first in Singapore to offer this solution so that our corporate customers can enjoy greater convenience and do not need to juggle multiple devices or physical tokens.



*One Device  
Multiple Organisations  
Endless Possibilities*

# SUSTAINABILITY REPORT

In 2024, the number of customers using e-Service apps increased by 20%, while the account balances of customers using mobile apps decreased by 7% from a year ago. We will work harder to promote the use of our apps, aiming to increase customer account balances placed with us.

Our customers can apply for digital guarantees issued by SingFinance for their obligations to government agencies and statutory boards through this electronic platform. This service helps to improve efficiency and reduce the use of paper guarantees.

## +20%

Increase in number of customers using mobile apps

## -7%

Decrease in account balances of customers using mobile apps



## Protection Against Online Scams

To combat rising digital and phishing scams, SingFinance constantly enhances security measures to ensure safe online transactions. In line with MAS' requirements, these measures include:

- ◆ Removing clickable links in all our communications to customers
- ◇ Setting fund transfer threshold of 1 cent, prompting 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



# SUSTAINABILITY REPORT

## GoVault Account

In 2024 and amidst rising cyber threats, we introduced GoVault account that protects our customers from scammers while offering high interest rates on their savings placed with SingFinance. GoVault Account lets our customers swiftly and safely lock away their deposits, preventing unauthorised transfers by scammers. Customers may only withdraw their deposits in GoVault Account at our branches.



## Health and Safety of Customers

One of our core strengths lies in delivering 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 health and safety risks of our customers at our branches.

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

- Fire safety:
  - o Placing regularly inspected fire extinguishers
  - o Displaying prominent exit signs
  - o Conducting fire escape exercises at our business premises
- Infectious disease precautions:
  - o Putting up plastic screens at service counters
  - o Cleaning and sanitising our premises regularly
- Accessibility:
  - o Movable ramps to help wheelchair users enter and exit our branches safely and easily

Our targets on Service Digitisation are as follows:

### 2025 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

# SUSTAINABILITY REPORT

## MATERIAL FACTOR – COMMUNITY CONTRIBUTION



### Why Is This Material

Building strong bonds with our community is a core value of our Company. We are committed to supporting vulnerable groups and promoting greater inclusivity. We work regularly with community partners to contribute to meaningful causes.

The highlights of our community events in 2024 are as follows:

#### FairPrice Walk for Rice+ @ South East

# 17,400 km

Distance achieved for good causes

Our colleagues and members of our Board of Directors walked or ran 17,400 km (26 million steps) in Walk for Rice+ 2024, contributing about 173,000 bowls of white, brown rice and oatmeal to underprivileged community members.

#### Rice Distribution in Jalan Batu

As part of St. Hilda's Community Services Centre's outreach program, SingFinance volunteers along with St Hilda's staff members visited families in Jalan Batu to deliver rice we helped raise in Walk for Rice+ 2023 and spent time with the residents.



# SUSTAINABILITY REPORT

## CSR 2024

In September 2024, SingFinance hosted over 80 seniors from St Hilda’s Community Services Centre and Limbang Community Center Senior Citizens’ Executive Committee in a fun-filled outreach event at SAFRA Toa Payoh.



## Other Contributions

In 2024, we also made donations to Sing Thong Chai Medical Institution, Thian Hock Keng, Chong Pang Community Club, Abilities Beyond Limitations and Expectations, Singapore Chinese Dance Theatre and other local associations to support their worthy causes.

Our targets on Community Contribution are as follows:

### 2025 Targets

Giving back to the community      Sustainable giving through our community services with strong staff participation

# SUSTAINABILITY REPORT

## SUSTAINABILITY PILLAR – UPHOLDING VALUE

### MATERIAL FACTOR – CORPORATE GOVERNANCE



#### Why Is This Material

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

#### Awards & Accolades

#### Singapore Governance & Transparency Index 2024

# Top 5%

For 11 consecutive years

# 17th

Among 477 Singapore listed companies

For 11 consecutive years, we ranked among the top 5% of the listed companies surveyed by Singapore Governance & Transparency Index. However, in 2024, our ranking of 17th, while still among the top 5% of the companies surveyed, was lower than our 11th position in 2023. We will strive harder for improvements through continual assessment of our standards of governance and reporting.

SingFinance won the Most Transparent Company of Securities Investors Association (Singapore) (“SIAS”)’s Investors’ Choice Award 2024 in the Financials category, alongside DBS and SGX. This award recognises listed companies for their transparency in timely information disclosure and facilitation of shareholders’ rights and equitable treatments. In addition, SingFinance was honoured with the Best Annual Report – Silver under Singapore Corporate Awards and the Edge Centurion Club Awards.

#### SIAS INVESTORS’ CHOICE AWARDS

**The Most Transparent Company**  
Financials Category

#### SINGAPORE CORPORATE AWARDS

**The Best Annual Report – Silver Award**  
Under \$300 million market capitalisation

#### THE EDGE CENTURION CLUB AWARDS

- Overall Sector Winner
  - Highest Returns to Shareholders over 3 Years
  - Highest Growth in Profit After Tax over 3 years
  - Highest Weighted Return on Equity over 3 Years
- Banking & Investment Services, Collective Investments, Fintech & Infrastructure Sector*



# SUSTAINABILITY REPORT

## Other Recognition & Voluntary Compliance Programmes

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

As online scams and cyber threats are on the rise, we have enhanced our measures to combat such risks. Refer to **Protection Against Online Scams** under Material Factor – Service Digitisation for our measures to protect customers from online fraud and scams.

Since 2014, SingFinance has attained the Premium status under the **GST-Assisted Compliance Assurance Programme (“ACAP”)**, a compliance initiative by IRAS for businesses with robust GST controls.



Our targets on Corporate Governance are as follows:

### 2025 Targets

Governance & transparency

Continued excellence in corporate governance, investor communication and reporting transparency



# SUSTAINABILITY REPORT

## MATERIAL FACTOR – RISK CULTURE



### Why Is This Material

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

### Principles underlying Our Risk Culture

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 taken promptly

### Code of Conduct & Ethics Policies

Our staff members are required to adhere to SingFinance's Code of Conduct, Human Resource ("HR") Personnel Manual and the Finance Houses Association of Singapore's Code of Conduct. These codes set expected behaviour standards and affirm our zero-tolerance position on the following:

- Fraud, bribery and corruption
- Money laundering and terrorist financing
- Abuse of position and conflicts of interests

Our employees annually attest to reading and understanding SingFinance's HR Personnel Manual and the Finance Houses Association of Singapore's Code of Conduct. They are regularly reminded to observe these codes in dealing with customers and business partners.

# SUSTAINABILITY REPORT

## Combat against Fraud, Bribery, Corruption and Financial Crimes

SingFinance has implemented policies and procedures to ensure employee compliance with applicable laws, regulations and professional standards relating to corruption, bribery, money laundering and other financial crimes. These include the following:

- **Fraud Management Policy** which aims to safeguard our organisation, customers, staff and other stakeholders against fraud. It focuses on Fraud Risk Identification, Mitigation Response and Reporting.
- **Anti-Bribery and Corruption (“ABC”) Policy** that provides guidance on matters relating to prevention, detection, reporting and investigation of bribery and corruption. It outlines the roles and responsibilities across the Board, Management, Heads of Department and staff.
- **AML and CFT Policy Manual** which seeks to guide our staff on customer due diligence, transaction screening and monitoring, suspicious transaction reporting, sanctions, training, etc.

## Whistle Blowing Policy

We have also put in place a whistle blowing policy as an avenue for employees, customers of SingFinance and the public to raise possible wrong doings by our staff members or our Company, in confidence and without fear of reprisal, for appropriate investigation and action. We ensure the confidentiality of 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.

## Raising Awareness

Our Board of Directors and management stay up to date on key developments and knowledge on ABC, anti-money laundering (“AML”), fraud and other governance matters to effectively discharge their duties.

The Company also raises awareness of our employees and business partners, who play a critical role in combating financial and white-collar crimes, on these matters through the following efforts:

- Annual compulsory training on ABC, AML, and anti-fraud 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 SingFinance employees refers external parties to the publication.

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

In 2024, all our eligible employees and directors (175 staff members and 6 directors) have completed the ABC training course.

SingFinance did not encounter any of the following incidents in 2024:

- Significant non-compliance with laws and regulations pertaining to labour, employment, consumer, insolvency, commercial, competition, environment, etc.
- Incidents of misconduct by our employees or non-compliance on marketing communications
- Cases of substantiated complaints on breaches of customer privacy and loss of customer data at SingFinance

# SUSTAINABILITY REPORT

Our targets on Risk Culture are as follows:

2025 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 of risks and the importance of proper controls

## MATERIAL FACTOR – TALENT MANAGEMENT



### Why Is This Material

Attracting and retaining talent is important to the Company's continued success. Upskilling in tandem with digital transformation is also critical in maximising each employee's potential and in improving productivity.

Our employees are our key assets. We strive to help them stay relevant and future-ready, while providing a safe and inclusive workplace that supports their overall well-being.

### Diversity & Equal Opportunities

Diversity and equal opportunities foster a trusting and respectful working environment and enhance teamwork, creativity and innovation. We practise merit-based hiring and offer equal opportunities without discrimination against age, gender and other characteristics.

Our total headcount has increased by 12% to 183 employees as at 31 December 2024 compared to a year ago due to expansion and the hiring of previously open roles. Our workforce diversity remains stable through the years, with all staff being employed in Singapore.

Notably, around 11% of our employees have been with the Company for more than 20 years. There is a strong female representation in our Management Team, which comprises of Senior Management and various heads of department, with women making up more than 50% of the team in 2024 and 2023.

### Table 4.1 – 4.8: Information on Employees

#### 4.1 Employee by Employment Type & by Gender

2022 (as at 31 Dec 2022)	Permanent	Temporary	Total
Male	53	0	53
Female	107	5	112
<b>Total</b>	160	5	165

# SUSTAINABILITY REPORT

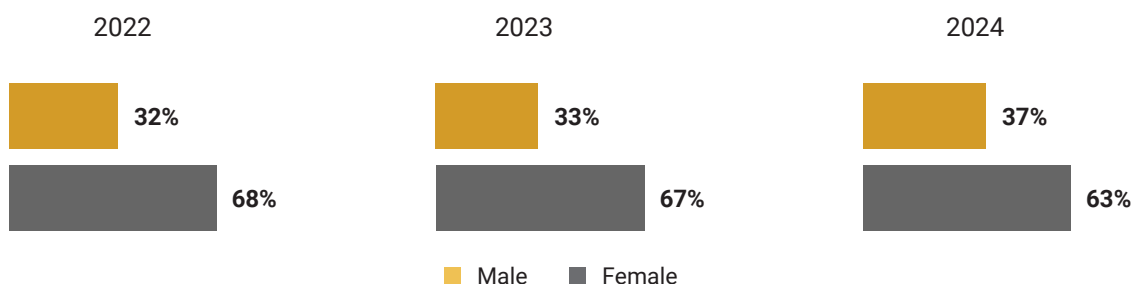
2023 (as at 31 Dec 2023)	Permanent	Temporary	Total
Male	55	1	56
Female	108	5	113
<b>Total</b>	<b>163</b>	<b>6</b>	<b>169</b>

2024 (as at 31 Dec 2024)	Permanent	Temporary	Total
Male	67	0	67
Female	116	0	116
<b>Total</b>	<b>183</b>	<b>0</b>	<b>183</b>

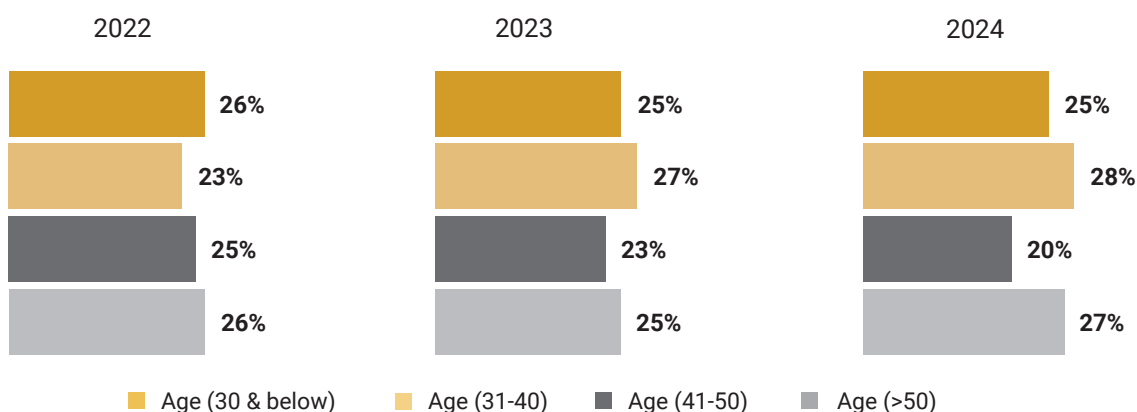
Notes:

1. Permanent employees work with SingFinance until the end of their employment and 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 was other no part-time employee in 2024, 2023 and 2022.

## 4.2 Employee Gender Diversity



## 4.3 Employee Age Diversity



# SUSTAINABILITY REPORT

## 4.4 Management by Gender

Year	Male	Female	Total
2022	45%	55%	100%
2023	45%	55%	100%
2024	46%	54%	100%

Note: Management includes Senior Management and Heads of Departments.

## 4.5 New Hire by Gender

Year	Male	Female	Total
2022	42%	58%	100%
2023	44%	56%	100%
2024	61%	39%	100%

## 4.6 Resignation by Gender

Year	Male	Female	Total
2022	40%	60%	100%
2023	41%	59%	100%
2024	54%	46%	100%

## 4.7 New Hire by Age

Year	Age (30 & below)	Age (31-40)	Age (41-50)	Age (>50)	Total
2022	47%	18%	23%	12%	100%
2023	45%	24%	18%	13%	100%
2024	47%	27%	12%	14%	100%

## 4.8 Resignation by Age

Year	Age (30 & below)	Age (31-40)	Age (41-50)	Age (>50)	Total
2022	36%	30%	19%	15%	100%
2023	34%	24%	15%	27%	100%
2024	34%	29%	11%	26%	100%

Notes:

- None of our staff is eligible for collective bargaining agreements.
- 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 a full-time equivalent basis.

In addition to the full-time employees reported above, there were two interns attached to the Company as at 31 December 2024.



# SUSTAINABILITY REPORT

## Learning and Development

Employee training and development remain central to the Company's people strategy. The Company regularly sends our staff members for training to better equip them with knowledge and skills they need for their jobs. For example, during the year, customer-facing staff participated in a 1-day course facilitated by NTUC Learning Hub to equip them with skills to handle customers in exceptional circumstances.

In 2024, we recorded 19 hours of training per staff on average, exceeding our target of 15 hours but fell short of the 2023 average by 1 hour. We recognise the importance of supporting our employees in their development and will continue to encourage them to upskill themselves and provide opportunities for them to do so.

**Table 5: Average Hours of Training by Gender**

Average training hours by gender	Male	Female	All staff
2022	18	17	17
2023	17	21	20
2024	16	21	19

**Table 6: Average Hours of Training by Employee Category**

Average training hours by employee category	AM & below	AVP to EVP	MD and DMD
2022	16	18	24
2023	20	20	15
2024	19	19	7

Note:

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

## Performance Appraisal and Recognition

The company-wide Performance Appraisal exercise is conducted annually for all eligible staff. Appraisals are conducted in a transparent manner, where KPIs are discussed and mutually agreed upon. Staff members are also given feedback on their performance during the appraisal.

## 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. Due to our relatively small headcount across a broad range of roles, the compensation of the mean employee may vary significantly over time. Therefore, annual total compensation is not disclosed as it is not meaningful for understanding SingFinance's pay structure. However, the remuneration of our directors (both executive and non-executive) is disclosed in our Annual Report.

## Employee Engagement

We engage with our staff through regular updates via our e-Newsletters, staff surveys, orientation sessions, team level activities and company-wide events.

# SUSTAINABILITY REPORT

These are some of the highlights of our staff engagement initiatives in 2024:

## ***e-Newsletter***

Started in 2021, our quarterly e-Newsletter helps staff stay connected with the latest happenings in the Company and provides a platform to share updates on important topics such as workplace safety and health, conduct risk, sustainability related ideas and cyber security, frauds and scams.

## ***Chinese New Year Dinner***

As part of our annual tradition, staff were treated to a delightful Chinese New Year dinner to celebrate the festive season together as a SingFinance family.

## ***Durian Party***

Making a comeback in 2024, the Durian Party is a perennial favourite among staff. Truly, the love for the king of fruit knows no bounds and had staff from Jurong, Ang Mo Kio and Bedok, all gathered at our Head Office downtown, for an evening of feasting and merry making.

## ***60th Anniversary Dinner***

Celebrating our 60th Anniversary, the year-end dinner was a night full of fun and laughter, games and prizes. The theme was 'Retro' and the atmosphere was filled with a mix of nostalgia and appreciation. Together with our Board of Directors and their spouses, we expressed gratitude for the hard work and commitment of each and every person involved in building up the Company over the past 60 years. We ended the evening with a firm resolution to work together for a brighter future.



*RETRO  
PARTY  
OF THE  
YEAR*



ADMIT ONE  
LUCKY DRAW NO.



LUCKY DRAW NO.

# SUSTAINABILITY REPORT

## Employee Well-being, Health and Safety

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

Our staff are insured under the Workmen Injury Compensation and Personal Accident Group Hospitalization, Medical and Term Life policies managed by a third-party insurer, with strict confidentiality policies.

We provide flexible work arrangements for our staff to help them achieve work-life fulfilment.

## Employee Pulse Survey

We conduct annual Employee Pulse Survey to better understand our employees and assess their overall sentiment and morale. Focus groups are set up to follow up feedback and implement changes.

## Human Rights

SingFinance promotes a fair and respectful work environment that is 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:

2025 Targets	
Equal opportunity	Diversity in the workforce with a 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	2024	2023	2022
<b>Environment</b>					
Greenhouse Gas Emissions ("GHG") <sup>1</sup>	Absolute emissions by: a. Scope 1 b. Scope 2	Scope 1 GHG emission in tCO <sub>2</sub> e	60.96	91.98	11.64
		Scope 2 GHG emission in tCO <sub>2</sub> e	417.75	428.92	468.37
	Emission intensities by: a. Scope 1 & 2	Scope 1 & 2 GHG emission per staff (average headcount) in tCO <sub>2</sub> e	2.69	3.14	3.00
Energy Consumption	Total energy consumption	Energy consumed in MWhs	1,014	1,041	1,124
	Energy consumption intensity	Energy consumed per staff (average headcount) in MWhs	5.70	6.27	7.02
Water Consumption	Total water consumption	Water in M <sup>3</sup>	5,370	8,310	6,369
	Water consumption intensity	Water consumed per staff (average headcount) in M <sup>3</sup>	30.17	50.03	39.81
Waste Recycled <sup>2</sup>	Total waste recycled <sup>2</sup>	Waste recycled in ton <sup>2</sup>	1.14	1.25	2.24
<b>Social</b>					
Gender Diversity	Current employees by gender	Male in %	37%	33%	32%
		Female in %	63%	67%	68%
	New hires and turnover by gender	New Hires – Male %	61%	44%	42%
		New Hires – Female %	39%	56%	58%
		Turnover – Male %	54%	41%	40%
		Turnover – Female %	46%	59%	60%
Age-based Diversity	Current employees by age groups	30 year-old and below	25%	25%	26%
		31 – 40 year-old	28%	27%	23%
		41 – 50 year-old	20%	23%	25%
		Over 50 year-old	27%	25%	26%
	New hires and turnover by age groups	New Hires: 30 year-old and below	47%	45%	47%
		New Hires: 31 – 40 year-old	27%	24%	18%
		New Hires: 41 – 50 year-old	12%	18%	23%
		New Hires: Over 50 year-old	14%	13%	12%
		Resignation: 30 year-old and below	34%	34%	36%
		Resignation: 31 – 40 year-old	29%	24%	30%
		Resignation: 41 – 50 year-old	11%	15%	19%
		Resignation: Over 50 year-old	26%	27%	15%

# SUSTAINABILITY REPORT

Topic	SGX Core Metric	Metric	2024	2023	2022
<b>Social</b>					
Employment	Total turnover	Turnover – Number	35	41	47
		Turnover – %	20%	25%	29%
	Total number of employees	Total employees – Number	183	169	165
Development & Training	Average training hours per employee	Hours/No. of employees	19	20	17
	Average training hours per employee by gender	Hours/Male employees	16	17	18
		Hours/Female employees	21	21	17
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
<b>Governance</b>					
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 – %	54%	55%	55%
Ethical Behaviour	Anti-corruption disclosures	Number of cases (Based on GRI)	0 case	0 case	0 case
	Anti-corruption training for employees	Anti-corruption training: Number of employees & %	169 & 100%	157 & 100%	154 & 100%
Certifications	List of relevant certifications	Number of certificates & certificates	1 – Cyber Essential	1 – Cyber Essential	1 – Cyber Essential
Alignment with frameworks	Alignment with frameworks and disclosure practices	Frameworks and disclosure practices	GRI 2021 TCFD	GRI 2021 TCFD	GRI 2021
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 2023 of Energy Market Authority of Singapore. As a result, the Scope 2 GHG emission in total and the Scope 1 & 2 GHG emission per staff decreased by 4.99 and 0.03 tCO<sub>2</sub>e for 2023, respectively. The 2024 emission is based on 2023 factor as 2024 data is not yet available.

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



# SUSTAINABILITY REPORT

## GRI CONTENT INDEX

<b>Statement of use</b>	SingFinance has reported in accordance with the GRI Standards for the period 1 January to 31 December 2024
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard(s)</b>	Not applicable

<b>GRI 2: General Disclosures 2021</b>		
<b>GRI Reference</b>	<b>Disclosure requirements</b>	<b>Reference and response</b>
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	This report covers the period 1 January to 31 December 2024 and is aligned to the reporting period of the financial reporting.  Annual reporting  The report was published on 25 March 2025.  investor_relations@singfinance.com.sg
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	"About Us" of Annual Report and "Sustainable Sourcing"  No significant changes in the nature of the Group's value chain and business relationships compared to the prior year.
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"
2-12	Role of the highest governance body in overseeing the management of impacts	"Sustainability Governance" and "Stakeholder Engagement"

# SUSTAINABILITY REPORT

GRI 2: General Disclosures 2021		
GRI Reference	Disclosure requirements	Reference and response
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 2024.
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 performance 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 2024. "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"> <li>- Hire Purchase, Finance and Leasing Association of Singapore (Chairman)</li> <li>- Finance Houses Association of Singapore (Chairman)</li> <li>- Singapore Chinese Chamber of Commerce &amp; Industry (Vice President)</li> <li>- Singapore Business Federation</li> </ul>
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	9 "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 Impacts 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 2024.
GRI 302: Energy 2016		
302-1	Energy consumption within the organisation	"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 2024.
GRI 413: Local Community 2016		
413-1	Operations with local community engagement, impact assessments, 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
<b>Governance</b>	a. Describe the board's oversight of climate-related risks and opportunities	"Sustainability Governance" and "Low Carbon Transition"
<b>Governance</b>	b. Describe management's role in assessing and managing climate-related risks and opportunities	"Sustainability Governance" and "Low Carbon Transition"
<b>Strategy</b>	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"
<b>Strategy</b>	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"
<b>Strategy</b>	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"
<b>Risk Management</b>	a. Describe the organisation's processes for identifying and assessing climate-related risks	"Our Approach to Sustainability" and "Sustainability Pillar – Valuing Environment"
<b>Risk Management</b>	b. Describe the organisation's processes for managing climate-related risks	"Our Approach to Sustainability" and "Sustainability Pillar – Valuing Environment"
<b>Risk Management</b>	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"
<b>Metrics &amp; Targets</b>	a. Describe the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	"Our Approach to Sustainability" and "Sustainability Pillar – Valuing Environment"
<b>Metrics &amp; Targets</b>	b. Describe Scope 1, Scope 2 and if appropriate Scope 3 greenhouse gas ("GHG") emissions, and the related risks	"Sustainability Pillar – Valuing Environment"
<b>Metrics &amp; Targets</b>	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

	2024 \$'000	2023 \$'000	Variance + / (-) (%)
<b>Selected Income Statement Items</b>			
Net interest income	64,678	54,896	18
Non-interest income	7,286	6,096	20
Total income	71,964	60,992	18
Operating expenses	(28,252)	(28,679)	(1)
Profit from operations before allowances	43,712	32,313	35
(Allowances for credit losses)/Write back of impaired loans and bad debts	(34)	7,500	NM
Profit before income tax	43,678	39,813	10
Income tax expense	(7,338)	(6,603)	11
Profit after tax attributable to equity holders of the Company	36,340	33,210	9
<b>Selected Balance Sheet Items</b>			
Total equity	460,401	436,455	5
Total assets	3,443,207	3,412,383	1
Loans and advances	2,668,782	2,450,789	9
Deposits and balances of customers	2,927,768	2,906,162	1
<b>Key Financial Ratios (%)</b>			
Net interest margin	1.99	1.68	
Non-interest income to total income	10.1	10.0	
Cost to income ratio	39.3	47.0	
Loan to deposit ratio	91.2	84.3	
Non-performing loans ratio	0.2	0.4	
Return on equity <sup>(1)</sup>	7.9	7.6	
Return on assets <sup>(1)</sup>	1.1	1.0	
Capital Adequacy Ratio	15.3	14.6	
<b>Per Ordinary Share</b>			
Basic/diluted earnings per share (cents)	15.37	14.05	
Net asset value per share (\$)	1.95	1.85	

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

NM: Not meaningful

# PERFORMANCE REVIEW

## EARNINGS FOR THE YEAR

For the financial year ended 31 December 2024, the Group reported a net profit after tax of \$36.3 million, marking an increase of \$3.1 million or 9% from the previous year. The growth in net profit was primarily due to higher net interest margin and healthy loan growth. Non-interest income grew by \$1.2 million or 20% to \$7.3 million and total income rose to a record \$72.0 million, representing an increase of \$11.0 million or 18%, compared to the prior year. With operating expenses declining by a marginal \$0.4 million or 1%, operating profit reached a record \$43.7 million, registering a 35% year-on-year growth. The Group recorded an immaterial allowance for credit losses in 2024, compared with write-back of \$7.5 million in the preceding year.

Net interest income ("NII") grew by \$9.8 million or 18% to \$64.7 million, driven primarily by an expansion in net interest margin ("NIM") to 1.99% and healthy loan growth. Higher non-interest income was primarily attributable to a 58% growth in fees and commissions to \$3.3 million and a 4% increase in rental income to \$3.5 million. The record total income of \$72 million was underpinned by double-digit growth in NII and non-interest income.

Through effective cost control measures, operating expenses declined marginally to \$28.2 million from \$28.7 million in 2023 despite the elevated inflation in 2024. Higher other operating costs were more than offset by lower staff remuneration, which was driven by a decline in variable staff costs.

Asset quality continued to be strong with the non-performing loan ratio improving to 0.2% from 0.4% a year ago. The Group continued to maintain adequate loss allowances for its loan portfolio and other assets.

## LOANS AND DEPOSITS

In 2024, business momentum remained strong, with total loans and advances sustaining a steady growth of 9% to \$2.67 billion as of 31 December 2024, setting a record. Customer deposits remained at \$2.9 billion as at 31 December 2024. Loan to deposit ratio normalised to 91.2% at the close of 2024, compared to 84.3% the previous year, as higher liquidity reserve to mitigate the spill-over risk from the international banking crisis in 2023 was released to fund higher customer loans.

## SHAREHOLDERS' EQUITY AND DIVIDENDS

Our strong earnings and a net surplus in other comprehensive income contributed to a 5% increase in total shareholders' funds, which reached \$460.4 million at the end of 2024. Notably, the bond portfolio, consisting of Singapore Government Securities ("SGS") and MAS Bills held to meet regulatory liquidity requirements, increased in value by \$0.8 million, compared to the \$5.3 million appreciation in the previous year.

Total assets grew by 1% to \$3.4 billion at the end of 2024, with loan growth partially offset by lower bank placements and other assets.

Return on equity increased by 30 basis points to 7.9%, reflecting year-on-year growth in earnings. Meanwhile, net asset value per share increased to \$1.95 on 31 December 2024, compared to \$1.85 a year ago.

The Group's capital adequacy ratio remained healthy at 15.3%, 3.3% points above the minimum regulatory requirement and 0.7% point higher than 2023. Our strong capital position will enable the Group to tap on opportunities to grow its business.

The Board of Directors is pleased to recommend a first and final dividend of 6.5 cents per share one-tier tax exempt in respect of the financial year 2024 for approval by the shareholders at the forthcoming Annual General Meeting.

# PERFORMANCE REVIEW

## 2. NET INTEREST INCOME

### INTEREST-EARNING ASSETS & INTEREST-BEARING LIABILITIES

	2024			2023		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
	\$'000	\$'000	%	\$'000	\$'000	%
<b>Interest-Earning Assets</b>						
Loans and advances	2,584,592	129,443	5.0	2,403,196	116,795	4.9
Singapore Government Securities	451,873	12,728	2.8	459,973	14,090	3.1
Other interest-earning assets	207,162	8,619	4.2	398,320	14,891	3.7
<b>Total</b>	<b>3,243,627</b>	<b>150,790</b>	<b>4.6</b>	<b>3,261,489</b>	<b>145,776</b>	<b>4.5</b>
<b>Interest-Bearing Liabilities</b>						
Deposits and balances of customers	2,856,180	85,751	3.0	2,875,741	90,606	3.2
Enterprise Singapore loans (unsecured) <sup>(1)</sup>	1,644	351	21.4	1,806	249	13.8
MAS funding loans	82	5	5.7	17,400	17	0.1
Other liabilities	88	5	5.1	116	8	6.9
<b>Total</b>	<b>2,857,994</b>	<b>86,112</b>	<b>3.0</b>	<b>2,895,063</b>	<b>90,880</b>	<b>3.1</b>
<b>Net interest income/margin as a percentage of interest-earning assets</b>		<b>64,678</b>	<b>1.99</b>		<b>54,896</b>	<b>1.68</b>

Note 1 – Facility fees to Enterprise Singapore were included

Net interest income rose by \$9.8 million or 18% from a year ago to \$64.7 million, driven by the favourable trends in asset yield and cost of deposits, which increased by 17 basis points to 4.64% and decreased by 16 basis points to 2.99%, respectively. Overall, net interest margin expanded by 31 basis points to 1.99% in 2024.

## PERFORMANCE REVIEW

### VOLUME AND RATE ANALYSIS

The table below shows the changes in interest income and interest expenses in 2024 over 2023, attributable to changes in volume and rates. The favourable trends in assets yield and cost of deposit as well as loan growth resulted in a net favourable variance of \$9.8 million in net interest income.

Increase/(Decrease) for 2024 over 2023	Volume \$'000	2024	
		Rate \$'000	Total \$'000
<b>Interest Income</b>			
Loans and advances	8,816	3,832	12,648
Singapore Government Securities	(248)	(1,114)	(1,362)
Other assets	(7,146)	874	(6,272)
<b>Total</b>	<b>1,422</b>	<b>3,592</b>	<b>5,014</b>
<b>Interest Expense</b>			
Deposits and balances of customers	(616)	(4,239)	(4,855)
Enterprise Singapore loans (unsecured)	(22)	125	103
MAS funding loans	(13)	-	(13)
Other liabilities	(2)	(1)	(3)
<b>Total</b>	<b>(653)</b>	<b>(4,115)</b>	<b>(4,768)</b>
<b>Net interest income</b>	<b>2,075</b>	<b>7,707</b>	<b>9,782</b>

### 3. NON-INTEREST INCOME

	2024	2023	Variance
	\$'000	\$'000	+ / (-) %
Fees and commissions	3,305	2,086	58
Dividends	337	368	(8)
Rental income from investment properties	3,536	3,410	4
Others	108	232	(53)
<b>Total non-interest income</b>	<b>7,286</b>	<b>6,096</b>	<b>20</b>

Non-interest income increased by \$1.2 million or 20% mainly attributable to higher fees and commissions and rental income.

## PERFORMANCE REVIEW

### 4. OPERATING EXPENSES

	2024	2023	Variance
	\$'000	\$'000	+ / (-) %
Staff costs	19,398	20,055	(3)
Depreciation of property, plant and equipment	1,932	2,005	(4)
Depreciation of investment properties	392	377	4
Depreciation of right of use assets	26	30	(13)
Other expenses	6,504	6,212	5
<b>Total operating expenses</b>	<b>28,252</b>	<b>28,679</b>	<b>(1)</b>

In 2024, operating expenses recorded a marginal decline of \$0.4 million or 1%, despite elevated inflation, due mainly to lower variable staff costs. As a result, cost to income ratio improved to 39.3% from 47.0% the previous year.

### 5. BAD DEBTS RECOVERED/ALLOWANCE FOR CREDIT LOSSES

	2024	2023	Variance
	\$'000	\$'000	+ / (-) %
Bad debts recovered	29	446	(93)
(Allowances for)/Write back of impaired loans and bad debts	(63)	7,054	NM
<b>Total write back of loan losses and bad debts</b>	<b>(34)</b>	<b>7,500</b>	<b>NM</b>

NM: Not meaningful

The Group recorded immaterial allowances for credit losses in 2024 compared to the \$7.5 million write back of credit losses and bad debts in previous year. The write back in 2023 was mainly due to the upgrading of classified loans and bad debt recoveries. The Group continued to maintain adequate credit loss allowance on its credit exposures.

## 5 YEARS FINANCIAL SUMMARY

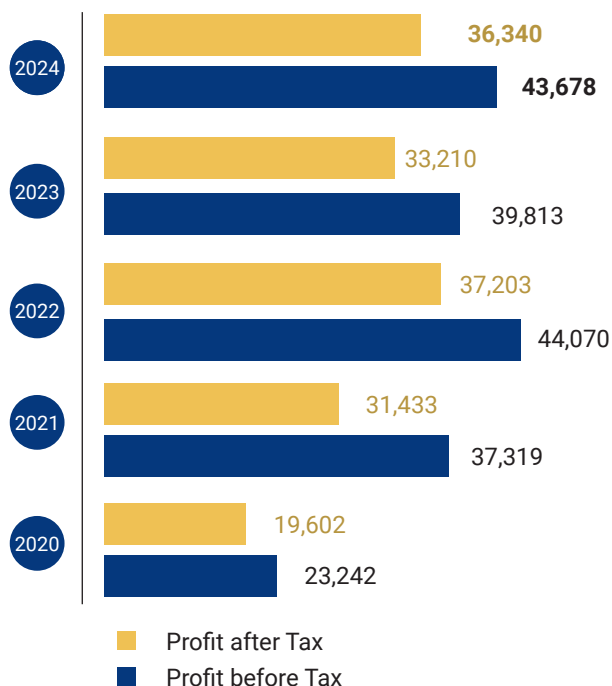
	2024	2023	2022	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total Income</b>	<b>71,964</b>	<b>60,992</b>	65,565	64,969	55,053
<b>Profit</b>					
Profit before Tax	43,678	39,813	44,070	37,319	23,242
Profit after Tax	36,340	33,210	37,203	31,433	19,602
<b>Share Capital</b>					
Issued and Fully Paid	180,008	180,008	180,008	180,008	180,008
<b>Capital Employed</b>					
Total Assets	3,443,207	3,412,383	3,109,956	2,920,103	2,850,450
Net Assets	460,401	436,455	414,819	405,765	387,464
<b>Volume of Business</b>					
Loans	2,668,782	2,450,789	2,405,641	2,140,813	2,077,683
Deposits	2,927,768	2,906,162	2,601,466	2,293,465	2,278,708
<b>Dividend And Earnings Per Share</b>					
Dividend (net) – One-tier Tax Exempt	15,369	14,186	15,763	12,610	5,675
Dividend per Share (cents) – Restated*	6.50	6.00	6.67	5.33	2.40
Earnings per Share (cents) – Restated*	15.37	14.05	15.73	13.29	8.29
<b>Return After Tax On Total Assets (%)</b>	<b>1.06</b>	<b>0.97</b>	1.20	1.08	0.69
<b>Return After Tax On Net Assets (%)</b>	<b>7.89</b>	<b>7.61</b>	8.97	7.75	5.06
<b>Net Tangible Asset Per Share (\$) – Restated*</b>	<b>1.95</b>	<b>1.85</b>	1.75	1.72	1.64
<b>Number of Employees</b>	<b>183</b>	<b>169</b>	165	155	167

\* Dividend, earnings and net tangible asset per share for the financial years before 2023 have been adjusted retrospectively for the 78,812,858 new ordinary shares issued pursuant to a bonus issue issued on 19 May 2023. Refer to Note 17 Share Capital for details.

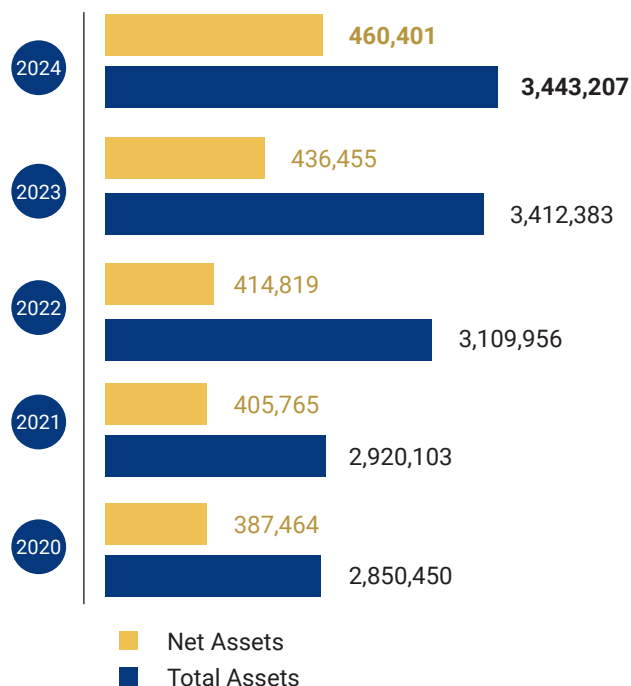


## 5 YEARS FINANCIAL SUMMARY

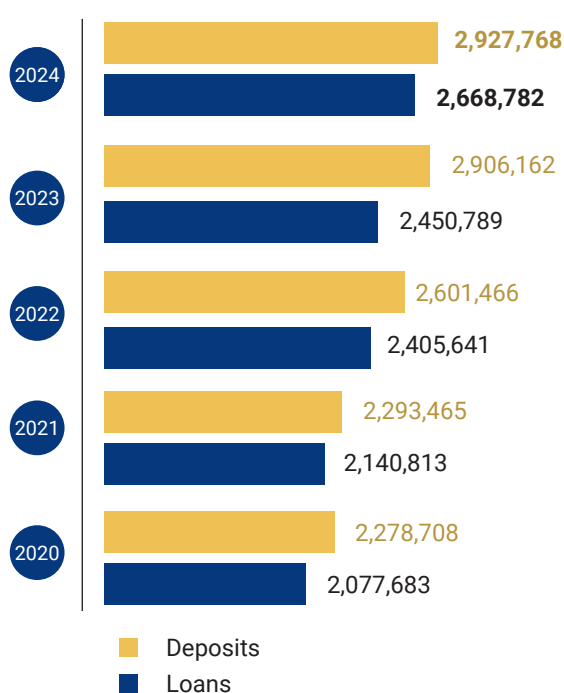
### PROFIT (\$'000)



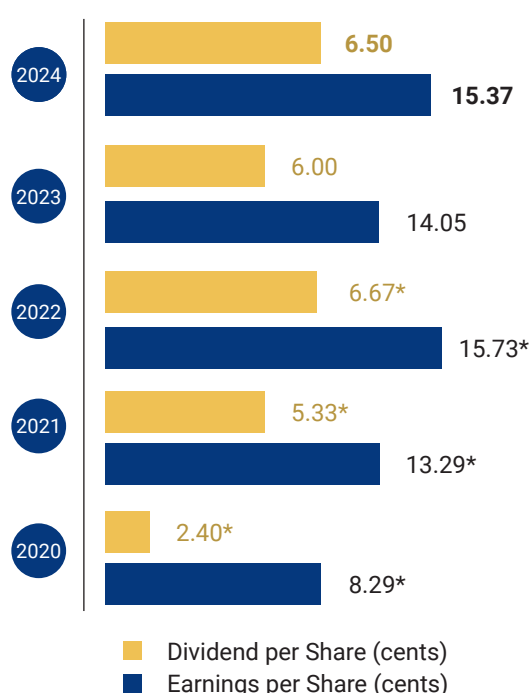
### CAPITAL EMPLOYED (\$'000)



### VOLUME OF BUSINESS (\$'000)



### DIVIDEND AND EARNINGS PER SHARE (CENTS)



\* Restated retrospectively for the 78,812,858 new ordinary shares issued pursuant to a bonus issue on 19 May 2023. Refer to Note 17 Share Capital for details.

# FINANCIAL REPORTS

<b>85</b>	Directors' Statement	<b>97</b>	Consolidated Statement of Profit or Loss and Other Comprehensive Income
<b>89</b>	Independent Auditor's Report	<b>98</b>	Statements of Changes in Equity
<b>95</b>	Statements of Financial Position	<b>102</b>	Consolidated Statement of Cash Flows
<b>96</b>	Consolidated Statement of Profit or Loss	<b>103</b>	Notes to Financial Statements

# DIRECTORS' STATEMENT

The directors present their statement together with the audited consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2024.

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 95 to 173 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 2024, 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. 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

## 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
<b>Sing Investments &amp; Finance Limited</b> (Ordinary shares)				
Mr. Lee Sze Leong	1,023,696	973,696	71,140,302	71,140,302
Mr. Lee Sze Siong	1,061,713	1,061,713	71,140,302	71,140,302
Ms. Quan Wai Yee	–	–	10,000	10,000

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 20 February 2025.

### 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

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 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 auditors;
- 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 half-yearly and annual 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 management to the Group's external auditors; and
- g) the re-appointment of the external auditors of the Group.

The Audit Committee has full access to and has the co-operation of management and has been given the resources required for it to discharge its function properly. It also 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 the directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors 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

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Mr. Michael Lau Hwai Keong  
Chairman

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Mr. Lee Sze Leong  
Director

20 February 2025



# 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 2024, 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 95 to 173.

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 2024 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><b>Expected credit loss on non-credit impaired loans and advances</b></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 77.5% 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 2024, 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"> <li>• 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"> <li>i. Accuracy of data inputs in the ECL model</li> <li>ii. Identification of significant increases in credit risk</li> <li>iii. Review and approval over post model adjustments by Risk Management Committee.</li> </ul> </li> <li>• 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 Financial Instruments.</li> <li>• We tested the accuracy of key inputs into the ECL model by comparing against source systems and documents.</li> <li>• We assessed the basis and appropriateness of management's post model adjustments.</li> <li>• For selected samples, we re-computed the ECL to test the mathematical accuracy of the ECL model.</li> </ul>

# 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><b>Loss allowances for Stage 3 credit-impaired loans and advances</b></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 2024, the loss allowances for impaired loans was \$0.79 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"> <li>• 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"> <li>i. Oversight of credit risk by Risk Management Committee</li> <li>ii. Classification of loan grading and monitoring</li> <li>iii. Identification of impairment indicators</li> <li>iv. Existence and valuation of collaterals</li> </ul> </li> <li>• 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.</li> <li>• 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.</li> </ul>

# 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

20 February 2025



# STATEMENTS OF FINANCIAL POSITION

31 DECEMBER 2024

	Note	Group		Company	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>ASSETS</b>					
Cash and deposits with banks and Monetary Authority of Singapore ("MAS")		195,303	375,626	195,219	375,568
Statutory deposits with the MAS Singapore Government		82,786	75,030	82,786	75,030
Securities and MAS Bills	6	433,064	451,023	433,064	451,023
Investment in equity securities	6	7,184	5,845	6,942	5,601
Loans and advances	7	2,668,782	2,450,789	2,668,782	2,450,789
Other receivables, deposits and prepayments	8	5,771	10,724	5,771	10,724
Subsidiary	9	–	–	25	25
Property, plant and equipment	10	19,886	21,761	19,886	21,761
Investment properties	11	30,037	21,054	30,037	21,054
Deferred tax assets	12	394	531	426	562
<b>Total assets</b>		<b>3,443,207</b>	<b>3,412,383</b>	<b>3,442,938</b>	<b>3,412,137</b>
<b>LIABILITIES AND EQUITY</b>					
Deposits and balances of customers	13	2,927,768	2,906,162	2,928,566	2,906,946
Other liabilities	14	45,913	60,835	45,392	60,350
Borrowings from Enterprise Singapore (unsecured)	15	1,332	1,977	1,332	1,977
Provision for employee benefits	16	182	176	182	176
Current tax payable		7,611	6,778	7,611	6,778
<b>Total liabilities</b>		<b>2,982,806</b>	<b>2,975,928</b>	<b>2,983,083</b>	<b>2,976,227</b>
<b>Equity attributable to equity holders of the Company</b>					
Share capital	17	180,008	180,008	180,008	180,008
Reserves	18	280,393	256,447	279,847	255,902
<b>Total equity</b>		<b>460,401</b>	<b>436,455</b>	<b>459,855</b>	<b>435,910</b>
<b>Total liabilities and equity</b>		<b>3,443,207</b>	<b>3,412,383</b>	<b>3,442,938</b>	<b>3,412,137</b>
<b>OFF-BALANCE SHEET ITEMS</b>					
Undrawn loan commitments	25	1,038,815	978,336	1,038,815	978,336
Guarantees issued	26	530	8,740	530	8,740
<b>Total off-balance sheet items</b>		<b>1,039,345</b>	<b>987,076</b>	<b>1,039,345</b>	<b>987,076</b>

See accompanying notes to financial statements.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

YEAR ENDED 31 DECEMBER 2024

	Note	Group	
		2024	2023
		\$'000	\$'000
<b>Revenue</b>			
Interest income and hiring charges	21	150,790	145,776
Interest expense	21	(86,112)	(90,880)
<b>Net interest income and hiring charges</b>		<b>64,678</b>	54,896
Fees and commissions	21	3,305	2,086
Dividends	21	337	368
Rental income from investment properties	21	3,536	3,410
Other income	21	108	232
<b>Non-interest income</b>		<b>7,286</b>	6,096
<b>Income before operating expenses</b>		<b>71,964</b>	60,992
Staff costs	21	(19,398)	(20,055)
Depreciation of property, plant and equipment	10	(1,932)	(2,005)
Depreciation of investment properties	11	(392)	(377)
Depreciation of right of use assets	8	(26)	(30)
Other operating expenses	21	(6,504)	(6,212)
<b>Total operating expenses</b>		<b>(28,252)</b>	(28,679)
<b>Profit from operations before allowances</b>		<b>43,712</b>	32,313
(Allowances for credit losses)/Write back of impaired loans and bad debts		(34)	7,500
<b>Profit before income tax</b>		<b>43,678</b>	39,813
Income tax expense	22	(7,338)	(6,603)
<b>Profit for the year attributable to equity holders of the Company</b>		<b>36,340</b>	33,210
<b>Earnings per share (cents)</b>			
– Basic/Diluted	23	15.37	14.05

See accompanying notes to financial statements.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2024

	Group	
	2024	2023
	\$'000	\$'000
<b>Profit for the year</b>	<b>36,340</b>	33,210
<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	1,339	(222)
Income tax relating to items that will not be reclassified subsequently to profit or loss	(228)	38
	<u>1,111</u>	<u>(184)</u>
<i>Items that may be reclassified subsequently to profit or loss</i>		
Net change in fair value of debt investments at FVOCI	820	5,270
Income tax relating to items that may be reclassified subsequently to profit or loss	(139)	(896)
	<u>681</u>	<u>4,374</u>
<b>Other comprehensive income for the year, net of tax</b>	<b>1,792</b>	4,190
<b>Total comprehensive income for the year</b>	<b>38,132</b>	37,400

See accompanying notes to financial statements.

# STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2024

	Note	Share capital \$'000	Statutory reserve \$'000	Regulatory Loss Allowance Reserve \$'000	Fair value reserve \$'000	Accumulated profits \$'000	Total \$'000
<b>Group</b>							
Balance at 1 January 2024		180,008	146,324	15,105	(5,182)	100,200	436,455
<i>Total comprehensive income for the year:</i>							
Profit for the year		-	-	-	-	36,340	36,340
Other comprehensive income for the year – net		-	-	-	1,792	-	1,792
Total		-	-	-	1,792	36,340	38,132
Transfer to Regulatory Loss Allowance Reserve		-	-	-	-	-	-
Transfer from accumulated profits to statutory reserve		-	9,084	-	-	(9,084)	-
<i>Transactions with owners, recognised directly in equity:</i>							
Final one-tier tax exempt dividend paid for financial year 2023 of 6.0 cents per share	24	-	-	-	-	(14,186)	(14,186)
Balance at 31 December 2024		<u>180,008</u>	<u>155,408</u>	<u>15,105</u>	<u>(3,390)</u>	<u>113,270</u>	<u>460,401</u>

See accompanying notes to financial statements.

# STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2024

	Note	Share capital \$'000	Statutory reserve \$'000	Regulatory Loss Allowance Reserve \$'000	Fair value reserve \$'000	Accumulated profits \$'000	Total \$'000
<b>Group</b> (Continued)							
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							
	24	-	-	-	-	(15,764)	(15,764)
Balance at 31 December 2023		<u>180,008</u>	<u>146,324</u>	<u>15,105</u>	<u>(5,182)</u>	<u>100,200</u>	<u>436,455</u>

\* 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 2024

	Note	Share capital \$'000	Statutory reserve \$'000	Regulatory Loss Allowance Reserve \$'000	Fair value reserve \$'000	Accumulated profits \$'000	Total \$'000
<b>Company</b>							
Balance at 1 January 2024		180,008	146,324	15,105	(5,337)	99,810	435,910
<i>Total comprehensive income for the year:</i>							
Profit for the year		-	-	-	-	36,336	36,336
Other comprehensive income for the year – net		-	-	-	1,795	-	1,795
Total		-	-	-	1,795	36,336	38,131
Transfer to Regulatory Loss Allowance Reserve		-	-	-	-	-	-
Transfer from accumulated profits to statutory reserve		-	9,084	-	-	(9,084)	-
<i>Transactions with owners, recognised directly in equity:</i>							
Final one-tier tax exempt dividend paid for financial year 2023 of 6.0 cents per share	24	-	-	-	-	(14,186)	(14,186)
Balance at 31 December 2024		<u>180,008</u>	<u>155,408</u>	<u>15,105</u>	<u>(3,542)</u>	<u>112,876</u>	<u>459,855</u>

See accompanying notes to financial statements.



# STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2024

	Note	Share capital \$'000	Statutory reserve \$'000	Regulatory Loss Allowance Reserve \$'000	Fair value reserve \$'000	Accumulated profits \$'000	Total \$'000
<b>Company</b> (Continued)							
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							
	24	-	-	-	-	(15,764)	(15,764)
Balance at 31 December 2023		<u>180,008</u>	<u>146,324</u>	<u>15,105</u>	<u>(5,337)</u>	<u>99,810</u>	<u>435,910</u>

\* 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.

# CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2024

	Note	Group	
		2024 \$'000	2023 \$'000
<b>Operating activities</b>			
Profit before income tax		43,678	39,813
Adjustments for:			
Impact of accrual of interest income		1,506	(12,369)
Impact of accrual of interest expense		(15,179)	34,466
Interest expense on lease liabilities		5	6
Depreciation of property, plant and equipment	10	1,932	2,005
Depreciation of investment properties	11	392	377
Depreciation of right of use assets	8	26	30
Allowances for credit losses on loans and other assets		63	(7,054)
Gain on disposal of property, plant and equipment		–	(173)
Dividends		(337)	(368)
Operating cash flows before movements in working capital		32,086	56,733
<b>Changes in working capital</b>			
Deposits and balances of customers		21,606	304,696
Other liabilities		284	(3,103)
Borrowings from MAS		–	(55,484)
Borrowings from Enterprise Singapore		(645)	401
Statutory deposits with the MAS		(7,756)	(5,443)
Singapore Government Securities and MAS Bills		23,225	(103,927)
Loans and advances		(218,056)	(38,094)
Other assets		(1,025)	33
Provision for employee benefits		6	6
Cash (used in)/generated from operating activities		(150,275)	155,818
Income taxes paid		(6,735)	(6,899)
Net cash (used in)/generated from operating activities		(157,010)	148,919
<b>Investing activities</b>			
Purchase of property, plant and equipment	10	(57)	(1,045)
Purchase of investment properties	11	(9,375)	–
Dividends received		337	316
Proceeds from disposal of property, plant and equipment		–	173
Net cash used in investing activities		(9,095)	(556)
<b>Financing activities</b>			
Cash payments of lease liabilities		(32)	(34)
Dividends paid	24	(14,186)	(15,764)
Net cash used in financing activities		(14,218)	(15,798)
Net (decrease)/increase in cash and cash equivalents		(180,323)	132,565
Cash and cash equivalents at beginning of the year		375,626	243,061
<b>Cash and cash equivalents at end of the year</b>		<b>195,303</b>	<b>375,626</b>

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 2024

## 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 2024 were authorised for issue by the Board of Directors on 20 February 2025.

## 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 2024, 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.

### 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.

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.3 Basis of Consolidation (Continued)

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.

### 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 Group 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.

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.5 Financial Instruments (Continued)

#### 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.

#### 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 7)  Other receivables, deposits and prepayments (Note 8)
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 6)
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 6)

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

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.

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.5 Financial Instruments (Continued)

#### Amortised cost and effective interest method

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.

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.

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.5 Financial Instruments (Continued)

#### Impairment of financial assets (Continued)

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.

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.



# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.5 Financial Instruments (Continued)

#### Impairment of financial assets (Continued)

##### 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.

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.

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.5 Financial Instruments (Continued)

#### Impairment of financial assets (Continued)

##### 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.

##### 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.

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 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 (Continued)

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.

#### 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.

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.5 Financial Instruments (Continued)

#### Financial liabilities and equity instruments (Continued)

#### Classification as debt or equity (Continued)

##### (b) Financial Liabilities

###### Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost include:

- deposits and balances from customers;
- borrowings from 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.

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.

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 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).

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.

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 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.

## 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. 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 2024

## 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 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 Group would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Economic uncertainties have 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, the Group applied expert credit judgement in determining significant increases in credit risk since origination and our probability weighted allowance for credit losses. The Group also applied quantitative and qualitative adjustments for the impacts of the macroeconomic scenarios.



# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 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	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>				
At amortised cost:				
Cash and deposits with banks and Monetary Authority of Singapore ("MAS")	195,303	375,626	195,219	375,568
Statutory deposits with the MAS	82,786	75,030	82,786	75,030
Loans and advances	2,668,782	2,450,789	2,668,782	2,450,789
Other receivables, deposits and prepayments	3,151	9,103	3,151	9,103
At FVOCI:				
Singapore Government Securities and MAS Bills	433,064	451,023	433,064	451,023
Investment in equity securities	7,184	5,845	6,942	5,601
<b>Financial liabilities</b>				
At amortised cost:				
Deposits and balances of customers	2,927,768	2,906,162	2,928,566	2,906,946
Other liabilities	45,913	60,835	45,392	60,350
Borrowings from Enterprise Singapore (unsecured)	1,332	1,977	1,332	1,977

### (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 2024

## 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 the RMC with periodical reports and recommendations to enable the 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 assessment. Credit Collection Department assists in the proactive management and follow up of past due payments and recovery efforts for non-performing loans.

#### (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 developments in global financial markets.

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

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

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

#### (i) Credit risk (Continued)

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 of which are 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 are 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 2024

## 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 credit risk exposures, 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 assigned with 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 grading 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 2024

## 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 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 2024, 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 2024

## 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 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 are disclosed separately:

	Gross carrying amount \$'000	Loss allowance \$'000	Net carrying amount \$'000
<b>Group</b>			
<b>31 December 2024</b>			
At amortised cost:			
Cash and deposits with banks and MAS	195,463	160	195,303
Statutory deposits with MAS	82,786	–	82,786
Loans and advances	2,673,150	4,368	2,668,782
Other receivables, deposits and prepayments	3,151	–	3,151
At FVOCI:			
Singapore Government Securities and MAS Bills	433,064	–	433,064
Off Balance Sheet:			
Undrawn loan commitments	1,038,815	–	1,038,815
Contingent liabilities	530	–	530
<b>31 December 2023</b>			
At amortised cost:			
Cash and deposits with banks and MAS	375,786	160	375,626
Statutory deposits with MAS	75,030	–	75,030
Loans and advances	2,455,149	4,360	2,450,789
Other receivables, deposits and prepayments	9,103	–	9,103
At FVOCI:			
Singapore Government Securities and MAS Bills	451,023	–	451,023
Off Balance Sheet:			
Undrawn loan commitments	978,336	–	978,336
Contingent liabilities	8,740	–	8,740

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 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
<b>Company</b>			
<b>31 December 2024</b>			
At amortised cost:			
Cash and deposits with banks and MAS	195,379	160	195,219
Statutory deposits with MAS	82,786	–	82,786
Loans and advances	2,673,150	4,368	2,668,782
Other receivables, deposits and prepayments	3,151	–	3,151
At FVOCI:			
Singapore Government Securities and MAS Bills	433,064	–	433,064
Off Balance Sheet:			
Undrawn loan commitments	1,038,815	–	1,038,815
Contingent liabilities	530	–	530
<b>31 December 2023</b>			
At amortised cost:			
Cash and deposits with banks and MAS	375,728	160	375,568
Statutory deposits with MAS	75,030	–	75,030
Loans and advances	2,455,149	4,360	2,450,789
Other receivables, deposits and prepayments	9,103	–	9,103
At FVOCI:			
Singapore Government Securities and MAS Bills	451,023	–	451,023
Off Balance Sheet:			
Undrawn loan commitments	978,336	–	978,336
Contingent liabilities	8,740	–	8,740

Included in the gross carrying amount are the stage 3 credit-impaired assets amounting to \$6,046,000 (2023: \$9,028,000).

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 \$5,677,155,000 (2023: \$6,147,081,000). The Group's claim against collateral is limited to the obligations of the respective obligors.



# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 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 required to settle under financial guarantee contract in Note 26, if the full guaranteed amount is claimed by the counterparty to the guarantee is \$530,000 (2023: \$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 the Singapore listed securities; 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 are subjected to 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 2024 and 2023.

##### 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 2024 and 2023.

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

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

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

#### (i) Credit risk (Continued)

##### 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 2024

## 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
<b>Cash and deposits with banks and MAS at amortised cost</b>				
<b>Group</b>				
<b>31 December 2024</b>				
Strong	195,463	-	-	195,463
Satisfactory	-	-	-	-
Higher Risk	-	-	-	-
Impaired	-	-	-	-
Total gross carrying amount	195,463	-	-	195,463
Loss allowance	(160)	-	-	(160)
Carrying amount	<u>195,303</u>	<u>-</u>	<u>-</u>	<u>195,303</u>
<b>31 December 2023</b>				
Strong	375,786	-	-	375,786
Satisfactory	-	-	-	-
Higher Risk	-	-	-	-
Impaired	-	-	-	-
Total gross carrying amount	375,786	-	-	375,786
Loss allowance	(160)	-	-	(160)
Carrying amount	<u>375,626</u>	<u>-</u>	<u>-</u>	<u>375,626</u>

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 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
<b>Cash and deposits with banks and MAS at amortised cost</b>				
<b>Company</b>				
<b>31 December 2024</b>				
Strong	195,379	-	-	195,379
Satisfactory	-	-	-	-
Higher Risk	-	-	-	-
Impaired	-	-	-	-
Total gross carrying amount	195,379	-	-	195,379
Loss allowance	(160)	-	-	(160)
Carrying amount	195,219	-	-	195,219
<b>31 December 2023</b>				
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

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 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
<b>Singapore Government</b>				
<b>Securities ("SGS") and MAS</b>				
<b>Bills</b>				
<b>Group and Company</b>				
<b>31 December 2024</b>				
Strong	433,064	-	-	433,064
Satisfactory	-	-	-	-
Higher Risk	-	-	-	-
Impaired	-	-	-	-
Total gross carrying amount	433,064	-	-	433,064
Loss allowance	-	-	-	-
Carrying amount	433,064	-	-	433,064
<b>31 December 2023</b>				
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

The loss allowance for SGS and MAS Bills is determined to be immaterial as they are "AAA" rated with no history of default.

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 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
<b>Loans and advances at amortised cost</b>				
<b><u>Group and Company</u></b>				
<b>31 December 2024</b>				
Strong	98,256	4,722	–	102,978
Satisfactory	2,098,413	408,317	–	2,506,730
Higher Risk	17,487	39,909	–	57,396
Impaired	–	–	6,046	6,046
Total gross carrying amount	<u>2,214,156</u>	<u>452,948</u>	<u>6,046</u>	<u>2,673,150</u>
Loss allowance	<u>(2,436)</u>	<u>(1,143)</u>	<u>(789)</u>	<u>(4,368)</u>
Carrying amount	<u>2,211,720</u>	<u>451,805</u>	<u>5,257</u>	<u>2,668,782</u>
<b>31 December 2023</b>				
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	<u>2,022,833</u>	<u>423,288</u>	<u>9,028</u>	<u>2,455,149</u>
Loss allowance	<u>(1,952)</u>	<u>(1,627)</u>	<u>(781)</u>	<u>(4,360)</u>
Carrying amount	<u>2,020,881</u>	<u>421,661</u>	<u>8,247</u>	<u>2,450,789</u>

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 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
<b>Loss allowance – Cash and deposits with banks and MAS at amortised cost</b>				
<b><u>Group and Company</u></b>				
Loss allowance as at 1 January 2023	160	–	–	160
New financial assets originated	106	–	–	106
Financial assets 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
New financial assets originated	154	–	–	154
Financial assets derecognised	(160)	–	–	(160)
Changes due to the exposure and risk parameters	6	–	–	6
Total net P&L charge	–	–	–	–
Loss allowance as at 31 December 2024	<b>160</b>	<b>–</b>	<b>–</b>	<b>160</b>



# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 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
<b>Loss allowance – Loans and advances</b>				
<b>Group and Company</b>				
Loss allowance as at 1 January 2023	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
Movements with P&L impact				
Transfer:				
Transfer from Stage 1 to Stage 2	(35)	35	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 3	–	(1)	1	–
Transfer from Stage 2 to Stage 1	48	(48)	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
Remeasurement	(36)	32	49	45
New financial assets originated/ downgraded	–	–	–	–
Financial assets derecognised	(37)	(17)	(25)	(79)
Changes due to the exposure and risk parameters	544	(485)	38	97
Total net P&L charge	484	(484)	63	63
Write-offs	–	–	(55)	(55)
Loss allowance as at 31 December 2024	<b>2,436</b>	<b>1,143</b>	<b>789</b>	<b>4,368</b>

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 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:

	<b>12-month ECL Stage 1 \$'000</b>	<b>Lifetime ECL Stage 2 \$'000</b>	<b>Lifetime ECL Stage 3 \$'000</b>	<b>Total \$'000</b>
<b>Loans and advances at amortised cost</b>				
<b>Group and Company</b>				
Gross carrying amount as at				
1 January 2023	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	(293,325)	(73,838)	(3,398)	(370,561)
Write-offs	-	-	(31)	(31)
Gross carrying amount as at 31 December 2023	<u>2,022,833</u>	<u>423,288</u>	<u>9,028</u>	<u>2,455,149</u>
Transfer from Stage 1 to Stage 2	(116,470)	116,470	-	-
Transfer from Stage 1 to Stage 3	(1,111)	-	1,111	-
Transfer from Stage 2 to Stage 3	-	(247)	247	-
Transfer from Stage 2 to Stage 1	58,957	(58,957)	-	-
Transfer from Stage 3 to Stage 2	-	150	(150)	-
Net change in exposures	(108,131)	25,692	(2,892)	(85,331)
New financial assets originated/ downgraded	746,108	10,601	-	756,709
Financial assets derecognised	(388,030)	(64,049)	(1,242)	(453,321)
Write-offs	-	-	(56)	(56)
Gross carrying amount as at 31 December 2024	<u><b>2,214,156</b></u>	<u><b>452,948</b></u>	<u><b>6,046</b></u>	<u><b>2,673,150</b></u>

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 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
<b>Total net loss allowance charge to P&amp;L</b>				
<b>Group and Company</b>				
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	<u>(20)</u>	<u>20</u>	<u>(7,500)</u>	<u>(7,500)</u>
Bad debts recovered	-	-	(29)	(29)
Deposits, balances with and loans to bankers, agents and other financial institutions	-	-	-	-
Loans and advances	486	(486)	63	63
Total (recovered)/charged in 2024	<u>486</u>	<u>(486)</u>	<u>34</u>	<u>34</u>

#### Loans with terms being renegotiated

As at 31 December 2024, the Group had loans and advances of \$3,283,000, which the terms have been renegotiated (2023: \$7,141,000). The loans were graded as performing loans in the financial year ended 31 December 2024 and 2023.

#### 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 2024

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

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

#### (i) Credit risk (Continued)

##### Regulatory grading (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	
	2024	2023
	\$'000	\$'000
<b>Carrying amount</b>	<b>2,668,782</b>	<b>2,450,789</b>
<b>Concentration by sector</b>		
Hire purchase/block discounting	601,632	578,319
Housing loans secured by property under finance	71,463	86,871
Other loans and advances:		
Building and construction	340,644	389,530
Financial institutions, and investment and holding companies	1,100,101	752,566
Professional and individuals	88,809	145,448
General commerce	208,704	248,416
Transport, storage and communication	67,043	84,020
Manufacturing	7,546	8,502
Others	187,208	161,477
	<b>2,673,150</b>	<b>2,455,149</b>
Less: Loss allowance	<b>(4,368)</b>	<b>(4,360)</b>
Total	<b>2,668,782</b>	<b>2,450,789</b>

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 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 the 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 2024 and 2023, 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 in the event of any liquidity shortfall.

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 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 provides an analysis of the assets and liabilities of the Group and the Company according to maturity time bands based on the remaining time to contractual maturity as at end of the reporting period. The liabilities are based on contractual undiscounted cash flows (including interest payments) at the earliest dates the Group and the Company can be required to pay.

	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
<b>Group</b>						
<b>31 December 2024</b>						
<b>Assets</b>						
Cash and deposits with banks and MAS	195,303	175,225	-	20,078	-	-
Statutory deposits with the MAS	82,786	82,786	-	-	-	-
Singapore Government Securities and MAS Bills	433,064	149,801	-	44,883	111,788	126,592
Investment in equity securities	7,184	7,184	-	-	-	-
Loans and advances to customers	2,668,782	556,284	107,779	186,677	625,974	1,192,068
Other receivables, deposits and prepayments	3,151	574	2,108	469	-	-
<b>Total assets</b>	<b>3,390,270</b>	<b>971,854</b>	<b>109,887</b>	<b>252,107</b>	<b>737,762</b>	<b>1,318,660</b>
<b>Liabilities</b>						
Deposits and balances of customers	2,927,768	792,113	468,797	1,658,584	8,274	-
Other liabilities	45,913	8,093	6,029	30,976	815	-
Borrowings from Enterprise Singapore (unsecured)	1,332	19	-	-	1,313	-
<b>Total liabilities</b>	<b>2,975,013</b>	<b>800,225</b>	<b>474,826</b>	<b>1,689,560</b>	<b>10,402</b>	<b>-</b>
<b>Net Liquidity Surplus/(Gap)</b>	<b>415,257</b>	<b>171,629</b>	<b>(364,939)</b>	<b>(1,437,453)</b>	<b>727,360</b>	<b>1,318,660</b>
<b>Off-balance sheet</b>						
Undrawn loan commitments	1,038,815	1,038,815	-	-	-	-
Guarantees issued	530	530	-	-	-	-

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 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
<b>Group</b>						
<b>31 December 2023</b>						
<b>Assets</b>						
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	-	-
<b>Total assets</b>	<b>3,367,416</b>	<b>862,390</b>	<b>179,639</b>	<b>415,551</b>	<b>777,065</b>	<b>1,132,771</b>
<b>Liabilities</b>						
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	-
Borrowings from Enterprise Singapore (unsecured)	1,977	-	7	15	1,955	-
<b>Total liabilities</b>	<b>2,968,974</b>	<b>818,641</b>	<b>403,204</b>	<b>1,711,311</b>	<b>35,818</b>	<b>-</b>
<b>Net Liquidity Surplus/(Gap)</b>	<b>398,442</b>	<b>43,749</b>	<b>(223,565)</b>	<b>(1,295,760)</b>	<b>741,247</b>	<b>1,132,771</b>
<b>Off-balance sheet</b>						
Undrawn loan commitments	978,336	978,336	-	-	-	-
Guarantees issued	8,740	8,740	-	-	-	-



# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 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
<b>Company</b>						
<b>31 December 2024</b>						
<b>Assets</b>						
Cash and deposits with banks and MAS	195,219	175,141	-	20,078	-	-
Statutory deposits with the MAS	82,786	82,786	-	-	-	-
Singapore Government Securities and MAS Bills	433,064	149,801	-	44,883	111,788	126,592
Investment in equity securities	6,942	6,942	-	-	-	-
Loans and advances to customers	2,668,782	556,284	107,779	186,677	625,974	1,192,068
Other receivables, deposits and prepayments	3,151	574	2,108	469	-	-
<b>Total assets</b>	<b>3,389,944</b>	<b>971,528</b>	<b>109,887</b>	<b>252,107</b>	<b>737,762</b>	<b>1,318,660</b>
<b>Liabilities</b>						
Deposits and balances of customers	2,928,566	792,652	468,797	1,658,843	8,274	-
Other liabilities	45,392	7,572	6,029	30,976	815	-
Borrowings from Enterprise Singapore (unsecured)	1,332	19	-	-	1,313	-
<b>Total liabilities</b>	<b>2,975,290</b>	<b>800,243</b>	<b>474,826</b>	<b>1,689,819</b>	<b>10,402</b>	<b>-</b>
<b>Net Liquidity Surplus/(Gap)</b>	<b>414,654</b>	<b>171,285</b>	<b>(364,939)</b>	<b>(1,437,712)</b>	<b>727,360</b>	<b>1,318,660</b>
<b>Off-balance sheet</b>						
Undrawn loan commitments	1,038,815	1,038,815	-	-	-	-
Guarantees issued	530	530	-	-	-	-

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 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
<b>Company</b>						
<b>31 December 2023</b>						
<b>Assets</b>						
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	-	-
<b>Total assets</b>	<b>3,367,114</b>	<b>862,088</b>	<b>179,639</b>	<b>415,551</b>	<b>777,065</b>	<b>1,132,771</b>
<b>Liabilities</b>						
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	-
Borrowings from Enterprise Singapore (unsecured)	1,977	-	7	15	1,955	-
<b>Total liabilities</b>	<b>2,969,273</b>	<b>818,682</b>	<b>403,205</b>	<b>1,711,568</b>	<b>35,818</b>	<b>-</b>
<b>Net Liquidity Surplus/(Gap)</b>	<b>397,841</b>	<b>43,406</b>	<b>(223,566)</b>	<b>(1,296,017)</b>	<b>741,247</b>	<b>1,132,771</b>
<b>Off-balance sheet</b>						
Undrawn loan commitments	978,336	978,336	-	-	-	-
Guarantees issued	8,740	8,740	-	-	-	-

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 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
<b>Group</b>						
<b>31 December 2024</b>						
Deposits and balances of customers	2,927,768	(2,963,888)	(793,372)	(471,651)	(1,690,532)	(8,333)
Other liabilities	45,913	(45,913)	(8,093)	(6,029)	(30,976)	(815)
Borrowings from Enterprise Singapore (unsecured)	1,332	(1,381)	(20)	-	-	(1,361)
<b>Total liabilities</b>	<b>2,975,013</b>	<b>(3,011,182)</b>	<b>(801,485)</b>	<b>(477,680)</b>	<b>(1,721,508)</b>	<b>(10,509)</b>
<b>Undrawn loan commitments</b>	<b>1,038,815</b>	<b>(1,038,815)</b>	<b>(1,038,815)</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>4,013,828</b>	<b>(4,049,997)</b>	<b>(1,840,300)</b>	<b>(477,680)</b>	<b>(1,721,508)</b>	<b>(10,509)</b>
<b>31 December 2023</b>						
Deposits and balances of customers	2,906,162	(2,951,818)	(808,454)	(398,920)	(1,710,899)	(33,545)
Other liabilities	60,835	(60,835)	(12,066)	(7,146)	(40,487)	(1,136)
Borrowings from Enterprise Singapore (unsecured)	1,977	(2,022)	-	(7)	(15)	(2,000)
<b>Total liabilities</b>	<b>2,968,974</b>	<b>(3,014,675)</b>	<b>(820,520)</b>	<b>(406,073)</b>	<b>(1,751,401)</b>	<b>(36,681)</b>
<b>Undrawn loan commitments</b>	<b>978,336</b>	<b>(978,336)</b>	<b>(978,336)</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>3,947,310</b>	<b>(3,993,011)</b>	<b>(1,798,856)</b>	<b>(406,073)</b>	<b>(1,751,401)</b>	<b>(36,681)</b>

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 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
<b>Company</b>						
<b>31 December 2024</b>						
Deposits and balances of customers	2,928,566	(2,964,693)	(793,912)	(471,651)	(1,690,797)	(8,333)
Other liabilities	45,392	(45,392)	(7,572)	(6,029)	(30,976)	(815)
Borrowings from Enterprise Singapore (unsecured)	1,332	(1,381)	(20)	-	-	(1,361)
<b>Total liabilities</b>	<b>2,975,290</b>	<b>(3,011,466)</b>	<b>(801,504)</b>	<b>(477,680)</b>	<b>(1,721,773)</b>	<b>(10,509)</b>
<b>Undrawn loan commitments</b>	<b>1,038,815</b>	<b>(1,038,815)</b>	<b>(1,038,815)</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>4,014,105</b>	<b>(4,050,281)</b>	<b>(1,840,319)</b>	<b>(477,680)</b>	<b>(1,721,773)</b>	<b>(10,509)</b>
<b>31 December 2023</b>						
Deposits and balances of customers	2,906,946	(2,952,605)	(808,983)	(398,920)	(1,711,157)	(33,545)
Other liabilities	60,350	(60,350)	(11,581)	(7,146)	(40,487)	(1,136)
Borrowings from Enterprise Singapore (unsecured)	1,977	(2,022)	-	(7)	(15)	(2,000)
<b>Total liabilities</b>	<b>2,969,273</b>	<b>(3,014,977)</b>	<b>(820,564)</b>	<b>(406,073)</b>	<b>(1,751,659)</b>	<b>(36,681)</b>
<b>Undrawn loan commitments</b>	<b>978,336</b>	<b>(978,336)</b>	<b>(978,336)</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>3,947,609</b>	<b>(3,993,313)</b>	<b>(1,798,900)</b>	<b>(406,073)</b>	<b>(1,751,659)</b>	<b>(36,681)</b>

Actual maturity dates may differ from contractual maturity dates due to behavioural patterns such as premature redemption of deposits, renewal 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 2024 (2023: up to 12 months) was due to the shorter maturities of the fixed deposits, which constituted the main liability on the Group's statement of financial position, as compared to the tenures of loans and advances, which constituted the Group's main asset, in the maturity band. The table does not reflect the expected cash flows from customer deposits retention as indicated by the Group's 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 2024 concluded that the liquidity gap was at an acceptable level.

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 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 change 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 spreads between these two activities are 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 2024

## 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 shows 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 rate %	Non- interest bearing \$'000	0 to 3 months \$'000	3 to 12 months \$'000	1 to 5 years \$'000	> 5 years \$'000	Total \$'000
<b>Group</b>							
<b>31 December 2024</b>							
<b>Financial assets</b>							
Cash and deposits with banks and MAS	3.48%	1,177	174,048	20,078	-	-	195,303
Statutory deposits with the MAS	-	82,786	-	-	-	-	82,786
Singapore Government Securities and MAS Bills	1.84%	-	149,801	44,883	111,788	126,592	433,064
Investment in equity securities	-	7,184	-	-	-	-	7,184
Loans and advances to customers	4.93%	-	1,493,955	355,336	592,630	226,861	2,668,782
Other receivables, deposits and prepayments	-	3,151	-	-	-	-	3,151
		<u>94,298</u>	<u>1,817,804</u>	<u>420,297</u>	<u>704,418</u>	<u>353,453</u>	<u>3,390,270</u>
<b>Financial liabilities</b>							
Deposits and balances of customers	2.74%	97,131	1,163,779	1,658,584	8,274	-	2,927,768
Other liabilities	-	45,913	-	-	-	-	45,913
Borrowings from Enterprise Singapore (unsecured)	3.61%	-	19	-	1,313	-	1,332
		<u>143,044</u>	<u>1,163,798</u>	<u>1,658,584</u>	<u>9,587</u>	<u>-</u>	<u>2,975,013</u>

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 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)

<b>Group</b>	<b>Effective weighted average interest %</b>	<b>Non- interest bearing \$'000</b>	<b>0 to 3 months \$'000</b>	<b>3 to 12 months \$'000</b>	<b>1 to 5 years \$'000</b>	<b>&gt; 5 years \$'000</b>	<b>Total \$'000</b>
<b>31 December 2023</b>							
<b>Financial assets</b>							
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>
<b>Financial liabilities</b>							
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
Borrowings from Enterprise Singapore (unsecured)	2.27%	-	7	15	1,955	-	1,977
		<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 2024

## 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)

<u>Company</u>	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
<b>31 December 2024</b>							
<b>Financial assets</b>							
Cash and deposits with banks and MAS	3.47%	1,092	174,049	20,078	-	-	195,219
Statutory deposits with the MAS	-	82,786	-	-	-	-	82,786
Singapore Government Securities and MAS Bills	1.84%	-	149,801	44,883	111,788	126,592	433,064
Investment in equity securities	-	6,942	-	-	-	-	6,942
Loans and advances to customers	4.93%	-	1,493,955	355,336	592,630	226,861	2,668,782
Other receivables, deposits and prepayments	-	3,151	-	-	-	-	3,151
		<u>93,971</u>	<u>1,817,805</u>	<u>420,297</u>	<u>704,418</u>	<u>353,453</u>	<u>3,389,944</u>
<b>Financial liabilities</b>							
Deposits and balances of customers	2.74%	97,131	1,164,318	1,658,843	8,274	-	2,928,566
Other liabilities	-	45,392	-	-	-	-	45,392
Borrowings from Enterprise Singapore (unsecured)	3.61%	-	19	-	1,313	-	1,332
		<u>142,523</u>	<u>1,164,337</u>	<u>1,658,843</u>	<u>9,587</u>	<u>-</u>	<u>2,975,290</u>

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 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)

<u>Company</u>	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
<b>31 December 2023</b>							
<b>Financial assets</b>							
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>
<b>Financial liabilities</b>							
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
Borrowings from Enterprise Singapore (unsecured)	2.27%	-	7	15	1,955	-	1,977
		<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>

#### Interest rate sensitivity analysis

A 100 basis point increase or decrease is used when reporting interest rate risk internally to management and represents management's assessment of the reasonably possible change in interest rates.

As at 31 December 2024, a 100 basis points increase/(decrease) in the interest rate at the end of the reporting period would increase/(decrease) profit by \$309,000 (2023: \$173,000) and (decrease)/increase fair value reserves by \$4,331,000 (2023: \$4,510,000) mainly a result of the changes in the fair value of FVOCI fixed rate instruments.

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 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

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 which are held for long term. The Group adopts a prudent investment policy to generate stable yearly return within acceptable downside risk that may result in capital loss.

The Group's investment portfolio comprises mainly Singapore Government Securities and securities listed on the Singapore Exchange Securities Trading Limited ("SGX").

#### Singapore Government Securities ("SGS") & MAS Bills

The Group purchases SGS and MAS Bills as part of its liquid assets for the 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 the investment policy, strategies and guidelines and periodically reviews the investment portfolio. The Group adopts a prudent investment policy and invests in the securities of 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 2024, a 10% increase/(decrease) in the equity prices at the end of the reporting period would increase/(decrease) fair value reserves by \$718,000 (2023: \$585,000). The Group's net profit for the year ended 31 December 2024 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.

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

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

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

#### (iv) Operational risk

Operational risk is defined as the risk of loss from the Company's operations 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.

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 subject 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 external 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 exercises and 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 audit by the Internal Audit Department which prioritises their audits according to 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 audits and reviews undertaken by the Internal Audit Department and the Compliance Department are to assist 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 summary audit reports of the Internal Audit Department are tabled for the deliberation by 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 2024

## 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 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 2024.

#### 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 2024

## 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.

#### (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 2024

## 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 the carrying and fair values of each item discussed above, where applicable, according to the categories of financial instruments:

	Carrying amount 2024 \$'000	Fair value 2024 \$'000	Carrying amount 2023 \$'000	Fair value 2023 \$'000
<b>Group</b>				
<b>Financial assets</b>				
Amortised costs:				
Cash and deposits with banks and Monetary Authority of Singapore ("MAS")	195,303	195,303	375,626	375,626
Statutory deposits with the MAS	82,786	82,786	75,030	75,030
Loans and advances	2,668,782	2,688,123	2,450,789	2,455,897
Other receivables, deposits and prepayments	3,151	3,151	9,103	9,103
At FVOCI:				
Singapore Government Securities and MAS Bills	433,064	433,064	451,023	451,023
Investments in equity securities	7,184	7,184	5,845	5,845
	<b>3,390,270</b>	<b>3,409,611</b>	<b>3,367,416</b>	<b>3,372,524</b>
<b>Financial liabilities</b>				
Amortised costs:				
Deposits and balances of customers	2,927,768	2,951,528	2,906,162	2,939,864
Other liabilities	45,913	45,913	60,835	60,835
Borrowings from Enterprise Singapore (unsecured)	1,332	1,332	1,977	1,977
	<b>2,975,013</b>	<b>2,998,773</b>	<b>2,968,974</b>	<b>3,002,676</b>

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 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 (Continued)

	Carrying amount 2024 \$'000	Fair value 2024 \$'000	Carrying amount 2023 \$'000	Fair value 2023 \$'000
<b>Company</b>				
<b>Financial assets</b>				
Amortised costs:				
Cash and deposits with banks and Monetary Authority of Singapore ("MAS")	195,219	195,219	375,568	375,568
Statutory deposits with the MAS	82,786	82,786	75,030	75,030
Loans and advances	2,668,782	2,688,123	2,450,789	2,455,897
Other receivables, deposits and prepayments	3,151	3,151	9,103	9,103
At FVOCI:				
Singapore Government Securities and MAS Bills	433,064	433,064	451,023	451,023
Investments in equity securities	6,942	6,942	5,601	5,601
	<b>3,389,944</b>	<b>3,409,285</b>	<b>3,367,114</b>	<b>3,372,222</b>
<b>Financial liabilities</b>				
Amortised costs:				
Deposits and balances of customers	2,928,566	2,952,331	2,906,946	2,940,653
Other liabilities	45,392	45,392	60,350	60,350
Borrowings from Enterprise Singapore (unsecured)	1,332	1,332	1,977	1,977
	<b>2,975,290</b>	<b>2,999,055</b>	<b>2,969,273</b>	<b>3,002,980</b>



# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 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
<b>Group</b>				
<b>2024</b>				
Financial instruments measured at FVOCI:				
<b>Financial assets</b>				
Quoted equity securities	7,184	-	-	7,184
Singapore Government Securities and MAS Bills	433,064	-	-	433,064
Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis:				
<b>Financial assets</b>				
Loans and advances	-	2,688,123	-	2,688,123
<b>Financial liabilities</b>				
Deposits and balances of customers	-	2,951,528	-	2,951,528
<b>2023</b>				
Financial instruments measured at FVOCI:				
<b>Financial assets</b>				
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:				
<b>Financial assets</b>				
Loans and advances	-	2,455,897	-	2,455,897
<b>Financial liabilities</b>				
Deposits and balances of customers	-	2,939,864	-	2,939,864

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 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
<b>Company</b>				
<b>2024</b>				
Financial instruments measured at FVOCI:				
<b>Financial assets</b>				
Quoted equity securities	6,942	-	-	6,942
Singapore Government Securities and MAS Bills	433,064	-	-	433,064
Fair value of the Company's financial assets and financial liabilities that are not measured at fair value on a recurring basis:				
<b>Financial assets</b>				
Loans and advances	-	2,688,123	-	2,688,123
<b>Financial liabilities</b>				
Deposits and balances of customers	-	2,952,331	-	2,952,331
<b>2023</b>				
Financial instruments measured at FVOCI:				
<b>Financial assets</b>				
Quoted equity securities	5,601	-	-	5,601
Singapore Government Securities and MAS Bills	451,023	-	-	451,023
Fair value of the Company's financial assets and financial liabilities that are not measured at fair value on a recurring basis:				
<b>Financial assets</b>				
Loans and advances	-	2,455,897	-	2,455,897
<b>Financial liabilities</b>				
Deposits and balances of customers	-	2,940,653	-	2,940,653

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 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 defined as follows:

- (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 creditor, investor and market confidence and to sustain future development of the business as well as to generate a sustainable return on its capital and 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	
	2024 \$'000	2023 \$'000
<u>Capital element</u>		
Core capital		
Share capital	180,008	180,008
Disclosed reserves	253,052	232,091
	<u>433,060</u>	<u>412,099</u>
Risk weighted assets	<u>2,835,103</u>	<u>2,822,400</u>
Capital adequacy ratio:		
Core capital/risk weighted assets (%)	<u>15.3</u>	<u>14.6</u>

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 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 businesses 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 business or 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 asset portfolios and compliance with the regulatory capital requirements 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 refers 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 from time to time are incurred in the ordinary course of business 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	
	2024	2023
	\$'000	\$'000
<b>At 31 December</b>		
(a) Deposits	<b>100,737</b>	63,209
<b>For the year ended 31 December</b>		
(b) Profit or loss transactions		
– Interest expenses on deposits	1,933	3,371
– Professional fee	23	8
– Rental income	355	248

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 6 FINANCIAL ASSETS AT FVOCI

	Group and Company	
	2024	2023
	\$'000	\$'000
<b>Debt Instruments at FVOCI:</b>		
Singapore Government Securities and MAS Bills	<b>433,064</b>	451,023

The Singapore Government Securities and MAS Bills are held for liquidity management and not for trading. Accordingly, 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 in the 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	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Equity Securities at FVOCI:</b>				
Quoted equity securities	<b>7,184</b>	5,845	<b>6,942</b>	5,601
Unquoted equity investments	<b>121</b>	121	<b>121</b>	121
Net change in fair value of unquoted investments at FVOCI	<b>(121)</b>	(121)	<b>(121)</b>	(121)
	<b>7,184</b>	5,845	<b>6,942</b>	5,601

The investments in equity securities are held for medium to long term and not for trading. Accordingly, 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

31 DECEMBER 2024

## 7 LOANS AND ADVANCES

	Group and Company	
	2024	2023
	\$'000	\$'000
Housing, factoring receivables and other loans	2,071,703	1,876,991
Hire purchase receivables	661,927	634,642
Unearned interests and charges	(60,480)	(56,484)
Allowances for impairment on loans and advances	(4,368)	(4,360)
	<b>2,668,782</b>	<b>2,450,789</b>
Due within 12 months	850,740	795,462
Due after 12 months	1,818,042	1,655,327
	<b>2,668,782</b>	<b>2,450,789</b>

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

	Group and Company	
	2024	2023
	\$'000	\$'000
<b>Stage 3 loss allowance</b>		
At 1 January	781	7,866
Allowances for/(Write back) of impairment losses during the year	63	(7,054)
Receivables written off against allowances	(55)	(31)
At 31 December	<b>789</b>	<b>781</b>
<b>Stage 1 and 2 loss allowance</b>		
At 1 January	3,579	3,579
Allowances for impairment losses during the year	-	-
At 31 December	<b>3,579</b>	<b>3,579</b>
<b>Total allowances for impairment on loans and advances</b>		
At 1 January	<b>4,360</b>	<b>11,445</b>
At 31 December	<b>4,368</b>	<b>4,360</b>

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 7 LOANS AND ADVANCES (CONTINUED)

The hire purchase receivables are as follows:

	Group and Company		
	Gross \$'000	Interest \$'000	Principal \$'000
<b>31 December 2024</b>			
Within 1 year	36,872	753	36,119
After 1 year but within 5 years	440,645	32,224	408,421
After 5 years	184,410	26,001	158,409
	<b>661,927</b>	<b>58,978</b>	<b>602,949</b>
<b>31 December 2023</b>			
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
	<b>634,642</b>	<b>54,738</b>	<b>579,904</b>

The Group's and Company's leasing arrangements comprise hire purchase contracts mainly for motor vehicles and equipment.

## 8 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group and Company	
	2024 \$'000	2023 \$'000
Accrued interest receivables	3,151	9,103
Prepaid commission	495	511
Prepayments, deposits and other receivables	2,051	1,010
Right of use assets	74	100
	<b>5,771</b>	<b>10,724</b>

Interest receivables are recognised using the effective interest method for financial assets and debt instruments measured subsequently at amortised cost and at FVOCI.

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 8 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

### Right of use assets

	Group and Company	
	2024	2023
	\$'000	\$'000
<b>Cost:</b>		
At 1 January and 31 December	141	141
<b>Accumulated depreciation:</b>		
At 1 January	41	11
Depreciation	26	30
At 31 December	67	41
<b>Carrying amount:</b>		
At 31 December	74	100

The Company leases office equipment assets with an average lease term of 5 years (2023: 5 years).

## 9 SUBSIDIARY

	Company	
	2024	2023
	\$'000	\$'000
Unquoted equity investments, at cost	25	25

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
Ownership interest	100% (2023: 100%)

The subsidiary is audited by Deloitte & Touche LLP, Singapore.



# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 10 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
<b>Group and Company</b>							
<b>Cost:</b>							
At 1 January 2023	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
Additions	-	-	-	-	61	-	61
Adjustments	-	-	-	-	-	(4)	(4)
Disposal/Write off	-	-	-	-	-	(13)	(13)
At 31 December 2024	<b>15,321</b>	<b>8,530</b>	<b>579</b>	<b>1,182</b>	<b>2,899</b>	<b>10,236</b>	<b>38,747</b>
<b>Accumulated depreciation:</b>							
At 1 January 2023	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
Depreciation for the year	140	218	23	199	33	1,319	1,932
Disposal/Write off	-	-	-	-	-	(13)	(13)
At 31 December 2024	<b>3,321</b>	<b>3,151</b>	<b>541</b>	<b>725</b>	<b>2,822</b>	<b>8,301</b>	<b>18,861</b>
<b>Carrying amount:</b>							
At 31 December 2024	<b>12,000</b>	<b>5,379</b>	<b>38</b>	<b>457</b>	<b>77</b>	<b>1,935</b>	<b>19,886</b>
At 31 December 2023	12,140	5,597	61	656	49	3,258	21,761

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.

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 11 INVESTMENT PROPERTIES

	Group and Company	
	2024 \$'000	2023 \$'000
<b>At cost:</b>		
At 1 January	28,794	28,794
Additions	9,375	–
At 31 December	38,169	28,794
<b>Accumulated depreciation:</b>		
At 1 January	7,740	7,363
Depreciation charge for the year	392	377
At 31 December	8,132	7,740
<b>Carrying amount:</b>		
At 31 December	30,037	21,054

The investment properties relate to the premises and part of the premises held by the Group and the Company either to earn rental income or capital appreciation or both, and are as follows as at 31 December 2024:

	Freehold/ leasehold	Tenure	Total floor area (Square metres)	Floor area for rental (Square metres)	Floor area for office or branches (Square metres)
17-storey office building at 96 Robinson Road, Singapore, 068899 ("Robinson Road Investment Property")	Freehold & leasehold	99 years from 1 October 1996 (Leasehold)	7,844	4,845	2,999
Shop at Block 202, Bedok North Street 1, #01-479 to 485, Singapore 460202 ("Block 202 Bedok Investment Property")	Leasehold	86 years from 1 July 1992	267	134	133
Shop at Block 720, Ang Mo Kio Avenue 6, #01-4122 Singapore 560720 ("Ang Mo Kio Investment Property")	Leasehold	86 years from 1 July 1993	148	148	–
Shop at Block 204, Bedok North Street 1, #01-401 Singapore 460204 ("Block 204 Bedok Investment Property")	Leasehold	86 years from 1 July 1992	149	149	–

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 11 INVESTMENT PROPERTIES (CONTINUED)

For the premises used for both rental and office or branches, the portions held to earn rental income are accounted for as investment properties while the other portions used as office or branch are accounted for as property, plant and equipment.

Ang Mo Kio and Block 204 Bedok Investment Properties were acquired during the financial year 2024 at the purchase considerations of \$4.9 million and \$4.5 million, respectively.

Each of the leases contains initial non-cancellable periods of 2 to 3 years. The leases of the premises acquired during the financial years were novated from the seller with remaining terms of 1 to 3 years.

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.

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 investment properties

The fair values of the Group's investment properties are as follows:

	<b>31 December 2024 \$'000</b>	31 December 2023 \$'000
Robinson Road Investment Property	<b>105,000</b>	105,009
Block 202 Bedok Investment Property	<b>2,910</b>	2,500
Ang Mo Kio Investment Property	<b>4,900</b>	NA
Block 204 Bedok Investment Property	<b>4,500</b>	NA
	<b><u>117,310</u></b>	<u>107,509</u>

NA: Not applicable.

The fair valuation measurements are categorised into Level 2 inputs, which are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.

The valuations were performed by independent valuers, who have appropriate qualifications and recent experience in the fair value measurements of the properties in the relevant locations.

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 11 INVESTMENT PROPERTIES (CONTINUED)

### Fair value measurement of the Group's investment properties (Continued)

The Robinson Road and Block 202 Bedok Investment Property were valued based on the specific net floor areas used for rentals as at 31 December 2024. The valuations of these properties as at 31 December 2023 were determined by allocating the fair values of the entire premises proportionally to the floor areas used for rental relative to total floor areas.

The fair value of the entire 17-storey office building at 96 Robinson Road was \$171.5 million as at 31 December 2024 based on the investment and direct comparison methods (2023: \$170 million based on direct comparison method).

The fair value of the shop at Block 202 Bedok North Street 1 #01-479 to 485 was \$5.8 million based on the direct comparison method as at 31 December 2024 (2023: \$5 million based on direct comparison and income methods).

For the 2 properties acquired during the financial year 2024, the fair values approximated their acquisition costs. The Group's policy is to carry out annual valuation on its investment properties.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

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.

## 12 DEFERRED TAX ASSETS

Movements in deferred tax assets during the year are as follows:

	At 1 January 2023 \$'000	Recognised in profit or loss for the year \$'000	Recognised in other comprehensive income \$'000	At 31 December 2023 \$'000	Recognised in profit or loss for the year \$'000	Recognised in other comprehensive income \$'000	At 31 December 2024 \$'000
<b>Group</b>							
<b>Deferred tax assets</b>							
Employee benefits	28	1	-	29	1	-	30
Property, plant and equipment	(693)	132	-	(561)	230	-	(331)
Investments	1,920	-	(857)	1,063	-	(368)	695
	<u>1,255</u>	<u>133</u>	<u>(857)</u>	<u>531</u>	<u>231</u>	<u>(368)</u>	<u>394</u>
<b>Company</b>							
<b>Deferred tax assets</b>							
Employee benefits	28	1	-	29	1	-	30
Property, plant and equipment	(693)	132	-	(561)	230	-	(330)
Investments	1,949	-	(855)	1,094	-	(368)	726
	<u>1,284</u>	<u>133</u>	<u>(855)</u>	<u>562</u>	<u>231</u>	<u>(368)</u>	<u>426</u>

Refer to Note 22 for more details on deferred tax.

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 13 DEPOSITS AND BALANCES OF CUSTOMERS

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Fixed deposits	2,605,591	2,654,740	2,605,591	2,654,740
Fixed deposits and current accounts from subsidiary	-	-	788	773
Savings accounts and other balances with customers	317,077	234,772	317,087	234,783
Project accounts	5,100	16,650	5,100	16,650
	<b>2,927,768</b>	<b>2,906,162</b>	<b>2,928,566</b>	<b>2,906,946</b>

## 14 OTHER LIABILITIES

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Accrued interest payable	32,643	47,824	32,647	47,826
Accrued operating expenses	9,005	9,603	8,990	9,587
Amount due to subsidiary	-	-	30	53
Rental deposits	1,173	870	1,173	870
Unclaimed dividends	660	641	120	117
Lease liabilities	75	102	75	102
Deferred income from rental	341	205	341	205
Others	2,016	1,590	2,016	1,590
	<b>45,913</b>	<b>60,835</b>	<b>45,392</b>	<b>60,350</b>

Interest payable is recognised using the effective interest method for financial liabilities and remeasured at amortised cost.

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 14 OTHER LIABILITIES (CONTINUED)

Maturity analysis for lease liability:

	Group and Company	
	2024	2023
	\$'000	\$'000
Year 1	29	31
Year 2	29	29
Year 3	23	29
Year 4	–	24
	<b>81</b>	113
Less: Unearned interest	<b>(6)</b>	(11)
	<b>75</b>	102
Due within 12 months	<b>26</b>	27
Due after 12 months	<b>49</b>	75
	<b>75</b>	102

The weighted average lessee's incremental borrowing rate applied to the lease liabilities recognised in the statements of financial position on 31 December 2024 and 2023 is 5%.

## 15 BORROWINGS FROM ENTERPRISE SINGAPORE

	Group and Company	
	2024	2023
	\$'000	\$'000
Due within 12 months	19	21
Due after 12 months	1,313	1,956
	<b>1,332</b>	1,977

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.

## 16 PROVISION FOR EMPLOYEE BENEFITS

	Group and Company	
	2024	2023
	\$'000	\$'000
Provision for unutilised leave	<b>182</b>	176

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 17 SHARE CAPITAL

	Group and Company			
	2024	2023	2024	2023
	No. of shares		\$'000	\$'000
	('000)	('000)		
Issued and fully paid:				
At 1 January	236,439	157,626	180,008	180,008
Bonus issue during the year	–	78,813	–	–
At 31 December	<b>236,439</b>	<b>236,439</b>	<b>180,008</b>	<b>180,008</b>

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.

## 18 RESERVES

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Statutory reserve	155,408	146,324	155,408	146,324
Regulatory Loss Allowance Reserve	15,105	15,105	15,105	15,105
Fair value reserve	(3,390)	(5,182)	(3,542)	(5,337)
Accumulated profits	113,270	100,200	112,876	99,810
	<b>280,393</b>	<b>256,447</b>	<b>279,847</b>	<b>255,902</b>

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 ("MAS"). 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 Regulatory Loss Allowance Reserve account.

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 19 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.

## 20 DIRECTORS' AND KEY MANAGEMENT PERSONNEL'S REMUNERATION

	Group	
	2024 \$'000	2023 \$'000
Salaries and other benefits	3,021	2,714
Contribution to defined contribution plan	22	22
Directors' fees	460	405
Others	68	61
	<b>3,571</b>	<b>3,202</b>

## 21 PROFIT BEFORE INCOME TAX

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

	Group	
	2024 \$'000	2023 \$'000
<b>Interest income and hiring charges</b>		
Loans and advances and others measured at amortised cost	129,443	116,795
Cash and bank deposits at amortised cost	8,619	14,890
Singapore Government Securities and MAS Bills measured at FVOCI	12,728	14,091
	<b>150,790</b>	<b>145,776</b>
<b>Interest expense</b>		
Deposits and others	86,112	90,880

### 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.



# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 21 PROFIT BEFORE INCOME TAX (CONTINUED)

### Interest income and hiring charges (Continued)

#### *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.

### 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	
	2024	2023
	\$'000	\$'000
<b>Fees and commission</b>		
Fees and commissions from customers	<u>3,305</u>	<u>2,086</u>
Fee and commission income are recognised in the profit or loss on an accrual basis when the services are rendered.		
<b>Dividends</b>		
Equity investments	<u>337</u>	<u>368</u>
Dividend income is recognised when the Group's right to receive payment is established.		
<b>Rental income from investment properties</b>		
Investment properties	<u>3,536</u>	<u>3,410</u>

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 21 PROFIT BEFORE INCOME TAX (CONTINUED)

### Interest expense (Continued)

Rental income receivable under operating leases is recognised in the profit or loss on a straight-line basis over the term of the lease.

	Group	
	2024	2023
	\$'000	\$'000
<b>Other income</b>		
Government grant	57	53
Net gain on property, plant and equipment disposed	–	173
Others	51	6
	<u>108</u>	<u>232</u>
<b>Staff costs</b>		
Salaries and other benefits	17,988	18,198
Contributions to defined contribution plan	1,404	1,851
Provision for unutilised leave	6	6
	<u>19,398</u>	<u>20,055</u>

### 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 the Singapore Central Provident Fund, the state-managed retirement benefit scheme, 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.

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 21 PROFIT BEFORE INCOME TAX (CONTINUED)

### 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	
	2024	2023
	\$'000	\$'000
<b>Other operating expenses</b>		
Audit fees	212	206
Non-audit fees	48	42
Operating expenses on investment properties	810	708
Maintenance, utilities and property tax	1,823	1,712
Legal and professional fees	228	256
Commission expense	783	1,023
Directors' fees, insurance premiums, and others	2,600	2,265
	<u>6,504</u>	<u>6,212</u>

## 22 INCOME TAX EXPENSE

	Group	
	2024	2023
	\$'000	\$'000
<b>Current tax expense</b>		
Current year	7,569	6,717
Prior years	-	19
	<u>7,569</u>	<u>6,736</u>
<b>Deferred tax Debit</b>		
Reversal of temporary differences (Note 12)	(231)	(133)
Total income tax expense	<u>7,338</u>	<u>6,603</u>
<b>Reconciliation of effective tax rate</b>		
Profit before income tax	<u>43,678</u>	<u>39,813</u>
Income tax using Singapore tax rate of 17% (2023: 17%)	7,425	6,768
Expenses not deductible for tax purposes	225	311
Effects of tax benefits	(26)	(37)
Income not subject to tax	(16)	(13)
Tax effect of income subject to concessionary tax rate of 10% (2023: 10%)	(259)	(218)
Section 14I tax deductions	-	(67)
Prior year adjustment	-	19
Others	(11)	(160)
Total income tax expense	<u>7,338</u>	<u>6,603</u>

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 22 INCOME TAX EXPENSE (CONTINUED)

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.

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).

## 23 EARNINGS PER SHARE

	Group	
	2024	2023
	\$'000	\$'000
Basic and diluted earnings per share are based on:		
Net profit attributable to ordinary shareholders	<u>36,340</u>	<u>33,210</u>
Number of ordinary shares	<u>236,439</u>	<u>236,439</u>
Annualised earnings per share (cents)	<u>15.37</u>	<u>14.05</u>

There were no potential dilutive ordinary shares for the years ended 31 December 2024 and 2023.

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 24 DIVIDENDS

On 10 May 2024, a dividend of 6.0 cents per share, one-tier tax exempt (total dividend \$14,186,000) was paid to shareholders. On 11 May 2023, a dividend of 6.7 cents per share (restated), one-tier tax exempt (total dividend \$15,764,000) was paid to shareholders.

In respect of the current year, the directors propose that a dividend of 6.5 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:

2024: 6.5 cents per share, one-tier tax exempt	<u>\$15,369,000</u>
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The dividend per share for the financial year 2022 paid on 11 May 2023 has been adjusted retrospectively for the 78,812,858 new ordinary shares issued pursuant to a bonus issue on 19 May 2023.

## 25 COMMITMENTS

	Group	
	2024	2023
	<u>\$'000</u>	<u>\$'000</u>
<b>Capital commitments</b>		
Commitments for capital expenditure contracted but not provided for in the financial statements	<u>2,230</u>	<u>425</u>

### 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	
	2024	2023
	<u>\$'000</u>	<u>\$'000</u>
Receivable:		
Within 1 year	3,366	2,677
After 1 year but within 5 years	<u>2,003</u>	<u>823</u>
	<u>5,369</u>	<u>3,500</u>
<b>Other commitment</b>		
Undrawn loan commitments	<u>1,038,815</u>	<u>978,336</u>

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

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 26 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	
	2024	2023
	\$'000	\$'000
Guarantees issued and financing of goods imported	<u>530</u>	<u>8,740</u>

## 27 CURRENT ASSETS AND CURRENT LIABILITIES

The current assets and current liabilities of the Group and Company are as follows:

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Current assets</b>				
Cash and deposits with banks and Monetary Authority of Singapore ("MAS")	195,303	375,626	195,219	375,568
Statutory deposits with the MAS	82,786	75,030	82,786	75,030
Singapore Government Securities and MAS Bills	194,684	196,514	194,684	196,514
Investment in equity securities	7,184	5,845	6,942	5,601
Loans and advances due within twelve months	850,740	795,462	850,740	795,462
Other receivables, deposits and prepayments	<u>5,771</u>	<u>10,724</u>	<u>5,771</u>	<u>10,724</u>
Total current assets	<u>1,336,468</u>	<u>1,459,201</u>	<u>1,336,142</u>	<u>1,458,899</u>
<b>Current liabilities</b>				
Deposits and balances of customers	2,919,494	2,873,434	2,920,292	2,874,218
Other liabilities	45,098	59,700	44,577	59,215
Borrowings from Enterprise Singapore (unsecured) due within twelve months	19	22	19	22
Provision for employee benefits	182	176	182	176
Current tax payable	<u>7,611</u>	<u>6,778</u>	<u>7,611</u>	<u>6,778</u>
Total current liabilities	<u>2,972,404</u>	<u>2,940,110</u>	<u>2,972,681</u>	<u>2,940,409</u>

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2024

## 28 STANDARDS ISSUED BUT NOT EFFECTIVE

At the date of authorisation of these financial statements, the Group and Company have not applied the following SFRS(I) pronouncements that have been issued but are not yet effective:

Effective for annual periods beginning on or after January 1, 2026

- Amendments to SFRS(I) 9 and SFRS(I) 7: *Amendments to the Classification and Measurement of Financial Instruments*
- Annual Improvements to SFRS(I)s – Volume 11

Effective for annual periods beginning on or after January 1, 2027

- SFRS(I) 18: *Presentation and Disclosure in Financial Statements*

Management anticipates that the adoption of the above SFRS(I)s and amendments to SFRS(I)s 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, except for the adoption of SFRS(I) 18: Presentation and Disclosure in Financial Statements.

Management is currently assessing the implications of applying the new standard on the financial statements of the Group and the Company.

## 29 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

Name of Director	Total Remuneration	Basic Salary/ Employer's CPF/AWS	Variable Bonus	Directors' Fee	Other Benefits	Total
	\$	%	%	%	%	%
<b>Executive Directors</b>						
Lee Sze Leong (Managing Director)	1,899,586	49.3%	45.1%	3.7%	1.9%	100.0%
Lee Sze Siong (Deputy Managing Director)	1,346,626	48.7%	44.1%	4.8%	2.4%	100.0%
<b>Non-executive Directors</b>						
Michael Lau Hwai Keong	110,000	-	-	100%	-	100%
Joseph Toh Kian Leong	70,000	-	-	100%	-	100%
Quan Wai Yee	70,000	-	-	100%	-	100%
Kuah Boon Wee	75,000	-	-	100%	-	100%



# STATISTICS OF SHAREHOLDINGS

AS AT 5 MARCH 2025

## DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF		NO. OF SHARES	
	SHAREHOLDERS	%		%
1 – 99	69	3.24	1,891	0.00
100 – 1,000	131	6.16	61,239	0.03
1,001 – 10,000	798	37.50	4,047,867	1.71
10,001 – 1,000,000	1,102	51.78	72,338,381	30.59
1,000,001 AND ABOVE	28	1.32	159,989,244	67.67
<b>TOTAL</b>	<b>2,128</b>	<b>100.00</b>	<b>236,438,622</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	F. H. LEE HOLDINGS (PTE) LTD	66,872,952	28.28
2	PHILLIP SECURITIES PTE LTD	12,683,757	5.36
3	DBSN SERVICES PTE. LTD.	11,814,200	5.00
4	DBS NOMINEES (PRIVATE) LIMITED	8,282,367	3.50
5	EDY HARTONO	6,091,966	2.58
6	RAFFLES NOMINEES (PTE.) LIMITED	5,460,100	2.31
7	LEE HENG WAH @ LEE HENG GUAN	4,500,000	1.90
8	SING HOLDINGS LIMITED	4,267,350	1.80
9	FIRST FORTUNA HOLDINGS PTE. LTD.	4,062,900	1.72
10	CITIBANK NOMINEES SINGAPORE PTE LTD	3,935,631	1.66
11	MORPH INVESTMENTS LTD	2,934,000	1.24
12	COSMOS INVESTMENT PTE LTD	2,677,725	1.13
13	KIMANIS MARINE PTE LTD	2,670,300	1.13
14	ANG CHIAN POH	2,319,525	0.98
15	NG POH CHENG	2,019,650	0.85
16	ANG HAO YAO (HONG HAoyao)	1,860,000	0.79
17	OCBC SECURITIES PRIVATE LIMITED	1,844,000	0.78
18	LIM HWEE SIN	1,773,000	0.75
19	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,761,000	0.74
20	AW SEOH BEE	1,657,800	0.70
	<b>TOTAL</b>	<b>149,488,223</b>	<b>63.20</b>

# STATISTICS OF SHAREHOLDINGS

AS AT 5 MARCH 2025

## SUBSTANTIAL SHAREHOLDERS AS AT 5 MARCH 2025

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 <sup>(1)</sup>	973,696	0.41	71,140,302	30.09
Lee Sze Siong <sup>(2)</sup>	1,061,713	0.45	71,140,302	30.09
Lee Sze Hao <sup>(3)</sup>	967,144	0.41	71,140,302	30.09
F.H. Lee Holdings (Pte) Limited <sup>(4)</sup>	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. F.H. Lee Holdings (Pte) Limited had on 5 March 2025 acquired additional 100,700 shares which were not reflected in this Statistics of Shareholdings with a cut-off date of 5 March 2025.

## Shareholdings held in hands of public

As at 5 March 2025, 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 5 March 2025.

## Subsidiary Holdings

The Company does not hold any subsidiary holdings as at 5 March 2025.

## Directors' shareholdings as at 21 January 2025

As shown in the Directors' Statement in the Company's Annual Report for the financial year ended 31 December 2024, the shares held by the Directors as at 31 December 2024 remained unchanged as at 21 January 2025.

# 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 60 Cecil Street, ISCA House, Level 4 (Function Room 4-2 & 4-3), Singapore 049709 on Wednesday, 23 April 2025 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 2024 together with the auditor's report thereon. Ordinary Resolution 1
2. To approve the payment of \$460,000 as Directors' fees for the year ended 31 December 2024 (2023: \$405,000). Ordinary Resolution 2
3. To declare a first and final one-tier tax exempt dividend of 6.5 cents per ordinary share for the financial year ended 31 December 2024. Ordinary Resolution 3
4. To re-elect Mr Michael Lau Hwai Keong as Director, who retires pursuant to Regulation 109 of the Constitution of the Company. Ordinary Resolution 4  
*[See Explanatory Note 11]*
5. To re-elect Ms Quan Wai Yee as Director, who retires pursuant to Regulation 109 of the Constitution of the Company. Ordinary Resolution 5  
*[See Explanatory Note 12]*
6. 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. Ordinary Resolution 6
7. 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:

### 8. 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:

Ordinary  
Resolution 7

- (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);
- (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;

# NOTICE OF ANNUAL GENERAL MEETING

- (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 13]*

9. **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"

Ordinary  
Resolution 8

*[See Explanatory Note 14]*

BY ORDER OF THE BOARD

**Ong Beng Hong**  
**Lee Yuan**  
Company Secretaries

Singapore, 25 March 2025

# 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 flu-like symptoms prior to the AGM, members are strongly encouraged to exercise social responsibility to rest at home and consider appointing a proxy(ies) to attend the AGM. 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 5.00 p.m. on 10 April 2025.

(6) Submission of instrument of proxy or proxies ("**Proxy Form**") – **by 3.00 p.m. on 20 April 2025**

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-agm2025@singfinance.com.sg](mailto:singfinance-agm2025@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 20 April 2025, 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 **no later than 3.00 p.m. on 20 April 2025** as a valid instrument as the member's proxy to attend, speak and vote at the Meeting if the member has not withdrawn the appointment by 3.00 p.m. on 20 April 2025.

(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.

# NOTICE OF ANNUAL GENERAL MEETING

- (10) Submission of questions by members in advance of the Meeting – **by 2 April 2025**
- (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 2 April 2025 via email to [singfinance-agm2025@singfinance.com.sg](mailto:singfinance-agm2025@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 at <https://www.singfinance.com.sg/annual-general-meeting> by 3.00 p.m. on 17 April 2025.
  - (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 Michael Lau Hwai Keong, a Non-Executive and Independent Director of the Company, will upon re-election under Ordinary Resolution 4 above proposed in item 4, continue to serve as the Chairman of the Nominating Committee and Risk Management Committee and as a Member of the Remuneration Committee.
- (12) Ms Quan Wai Yee, a Non-Executive and Independent Director of the Company, will upon re-election under Ordinary Resolution 5 above proposed in item 5, continue to serve as a Member of the Audit Committee, Remuneration Committee and Risk Management Committee.
- (13) The Ordinary Resolution 7 proposed in item 8 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 members 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.

- (14) The proposed Ordinary Resolution 8 in item 9 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 members 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.
- (15) 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>.

The Annual Report may also be accessed at the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Members may request for printed copies of these documents by submitting the request via email to [singfinance-agm2025@singfinance.com.sg](mailto:singfinance-agm2025@singfinance.com.sg) by 2 April 2025. To be valid, the request must:

- (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 member (as per CDP, CPF, SRS and/or scrip-based records);
  - (ii) the mailing address of the member;
  - (iii) the telephone or mobile number of the member; and
  - (iv) the manner in which the member holds shares in the Company (e.g., via CDP, CPF, SRS and/or scrip).

By submitting such request, a member 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.

# NOTICE OF ANNUAL GENERAL MEETING

## 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. Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member of the Company and/or its proxy(ies) or representative(s) (such as his/her name, his/her presence at the AGM and any questions he/she may raise or motions he/she proposes/seconds) may be recorded by the Company for such purpose.



## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

### DIRECTORS STANDING FOR RE-ELECTION AT THE ANNUAL GENERAL MEETING

The following information relating to Mr Michael Lau Hwai Keong and Ms Quan Wai Yee who will be standing for re-election as Directors (each a **"Retiring Director"**) at the Annual General Meeting of the Company on 23 April 2025, 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 Michael Lau Hwai Keong
Date of Appointment	2 January 2019
Date of last re-appointment	26 April 2022
Age	64
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 Nominating Committee (the <b>"NC"</b>) and has reviewed and considered the performance and contribution of Mr Michael Lau Hwai Keong 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 Michael Lau Hwai Keong for re-election at the forthcoming Annual General Meeting.</p> <p>The Board considers Mr Michael Lau Hwai Keong 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"> <li>• Chairman of the Board</li> <li>• Nominating Committee (Chairman)</li> <li>• Risk Management Committee (Chairman)</li> <li>• Remuneration Committee (Member)</li> </ul>
Professional qualifications	<ul style="list-style-type: none"> <li>• Bachelor of Business Administration (First Class Honours) from the National University of Singapore</li> <li>• Chartered Financial Analyst (CFA)</li> </ul>
Working experience and occupation(s) during the past 10 years	October 2004 to present: Octagon Advisors Pte Ltd – Senior Managing Director, Advisory Services (Providing business and risk management consulting services relating mainly to the banking and financial services sector)
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

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr Michael Lau Hwai Keong
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"> <li>• BeerCo Limited (Independent Director)</li> <li>• Fraser &amp; Neave Holdings Bhd (Independent Director)</li> </ul>
Other principal commitments (including directorships) – Past, for the last 5 years	No
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

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr Michael Lau Hwai Keong
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 Michael Lau Hwai Keong
<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 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

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

<b>Name of Director</b>	<b>Mr Michael Lau Hwai Keong</b>
<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 Michael Lau Hwai Keong is a Retiring Director seeking re-election.</p>
<b>Name of Director</b>	<b>Ms Quan Wai Yee</b>
Date of Appointment	27 April 2021
Date of last re-appointment	26 April 2022
Age	59
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 Ms Quan Wai Yee to the Board and Board Committees for re-appointment as a Non-Executive and Independent Director of the Company. Accordingly, the Board has recommended Ms Quan Wai Yee for re-election at the forthcoming Annual General Meeting.</p> <p>The Board considers Ms Quan Wai Yee 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"> <li>• Audit Committee (Member)</li> <li>• Remuneration Committee (Member)</li> <li>• Risk Management Committee (Member)</li> </ul>
Professional qualifications	Bachelor of Business Administration from the National University of Singapore
Working experience and occupation(s) during the past 10 years	Managing Director & Head of Credit Solutions, Asia Pacific, BSI Bank
Shareholding interest in the listed issuer and its subsidiaries	Yes, deemed interest of 10,000 shares held by spouse.

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Ms Quan Wai Yee
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
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

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Ms Quan Wai Yee
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	Ms Quan Wai Yee
<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 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



## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Ms Quan Wai Yee
<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 Ms Quan Wai Yee is a Retiring Director seeking re-election.</p>

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# 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 60 Cecil Street, ISCA House, Level 4 (Function Room 4-2 & 4-3), Singapore 049709. 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 to 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 CPF 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 and vote for me/us\* on my/our\* behalf at the AGM of the Company to be held physically at 60 Cecil Street, ISCA House, Level 4 (Function Room 4-2 & 4-3), Singapore 049709 on Wednesday, 23 April 2025 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*
<b>Ordinary Business</b>				
1	Adoption of Directors' statement and audited financial statements			
2	Approval of Directors' fees			
3	Declaration of final dividend			
4	Re-election of Mr Michael Lau Hwai Keong as a Director			
5	Re-election of Ms Quan Wai Yee as a Director			
6	Re-appointment of Messrs Deloitte & Touche LLP as Auditors and to authorise Directors to fix their remuneration			
<b>Special Business</b>				
7	General mandate to authorise the Directors to issue new shares or convertible instruments			
8	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 tick or cross 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 \_\_\_\_\_ 2025.

Total Number of Shares Held

\_\_\_\_\_  
Signature(s) of Member(s)/Common Seal

**IMPORTANT: PLEASE READ NOTES OVERLEAF**

**NOTES:**

1. 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.
2. 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.
3. 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.
4. 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.
5. A member who is a relevant intermediary entitled to attend the meeting to speak and vote, is entitled to appoint more than two proxies to attend, speak 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) 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;
  - (b) 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
  - (c) 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.
6. The instrument appointing a proxy(ies) ("**Proxy Form**") must be submitted to the Company in the following manner:-
  - (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-agm2025@singfinance.com.sg](mailto:singfinance-agm2025@singfinance.com.sg)in either case, not less than 72 hours before the time appointed for holding the AGM, that is by 3.00 p.m. on 20 April 2025, failing which, the Proxy Form will not be treated as valid.  
The Company shall be entitled to reject any instrument appointing a proxy/proxies which is incomplete, illegible or where the true intentions of the member, being the appointer, are not ascertainable from the instructions of the appointer specified in the instrument. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy/proxies if the member is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by the Central Depository (Pte) Limited to the Company.
7. 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.
8. 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.
9. 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 25 March 2025.

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

## **SING INVESTMENTS & FINANCE LIMITED**

CO. REG. NO. 196400348D

96 Robinson Road #01-01  
SIF Building Singapore 068899  
Tel. 6305 0300

[WWW.SINGFINANCE.COM.SG](http://WWW.SINGFINANCE.COM.SG)

[WWW.FACEBOOK.COM/SINGINVESTMENTSANDFINANCE](https://www.facebook.com/singinvestmentsandfinance)  
[WWW.INSTAGRAM.COM/SINGINVESTMENTSANDFINANCE](https://www.instagram.com/singinvestmentsandfinance)