Singapura 富雅金融 FINANCE

Connecting People Empowering *Businesses*

ANNUAL REPORT 2022

OUR CORE VALUES

At Singapura Finance, we believe that our values are our "guiding beacon" for organizational development and growth. At Singapura Finance, our core values are: Shareholder Value, People Development, Integrity, Customer Focus and Efficiency **(S.P.I.C.E)**

SHAREHOLDER VALUE

We enhance our shareholder value by consistently delivering sustainable earnings in line with our prudent risk management framework.

PEOPLE DEVELOPMENT

We value and develop our people and trust each other in delivering their best, fostering cooperativeness, teamwork and providing a supportive environment.

INTEGRITY

We are open and fair in our dealings while maintaining highest integrity at all times. We strive for excellence and professionalism in what we do.

CUSTOMER FOCUS

We build trust and long-term relationships by being responsive and relevant to our customers' needs.

EFFICIENCY

We leverage on technology and process improvements for continual innovation, capabilities building and enhancement and operational efficiency.

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THE SINGAPURA FINANCE BRAND

OUR LOGO
Our vibrant colours of **PURPLE** and **ORANGE** reflect the infusion of new life and vitality into the existing business. The Phoenix symbolises the link to our history and our desire to retain many of the qualities that have served us well over the years. The Phoenix, being the emperor of all birds, signifies our ambition to become the leading financial institution of choice for Singaporeans. A bird that soars towards ever greater heights of success, it is a symbol of Singapura Finance's determination and eagerness to seek and tap unexplored avenues of growth.

OUR CHINESE NAME
Our Chinese name, 富雅, stands for prosperity and elegance. It links our roots to our future, reflecting the endeavors we have.

Our brand is built on the characteristics of **'optimism, inspiration and confidence'**. As an expression of these aspirations, our products and services cater to the everyday man. We equip our customers with product literature and our relationship managers will assist them in making an informed decision. We understand their needs and package practical deals to suit their lifestyle and fulfil their dreams. **We will continue to engage our customers' needs in bringing their every vision into reality.**

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CHAIRMAN'S STATEMENT

TEO CHIANG LONG
Executive Chairman

On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statements of the Group and the Company for the financial year ended 31 December 2022 ("FY2022").

PERFORMANCE REVIEW

The external operating environment for FY2022 continued to be challenging even as COVID-19 eases. Cost of funds have increased due to interest rate hikes to curb inflation. Under this difficult business environment, the Group recorded a profit after tax of $8.3 million, a decline of 13.2% compared to last year. The weaker performance was primarily due to higher operating expenses and impairment allowances on loans.

Net interest income and hiring charges improved by 6.6% to $26.2 million compared to $24.6 million last year. Total interest income rose by $4.5m or 15.0% mainly attributed to the increase in interest income from loans and advances, Singapore Government Securities ("SGS") and other interest earning assets amidst a higher interest rate environment. Correspondingly, total interest expense increased sharply by $2.8m or 56.3% during the year. Non-interest income declined by $0.6 million or 42.1% mainly due to the curtailment of the Government Covid-19 grants. Total operating expenses increased by 17.0% or $2.2 million compared to last year as the Group continued to forge ahead with our digital transformation.

There was a net charge for loan impairment losses amounting to $1.4 million for the year ended 31 December 2022 compared to $1.2 million for year ended 31 December 2021. The Group continues to set aside adequate specific and collective allowances in respect of its loan portfolio.

The Group's shareholders' funds remain robust at $252 million as at 31 December 2022, and is more than adequate to buffer further volatility in the current economic slowdown. Our capital adequacy ratio continues to be well above the regulatory minimum requirement.

Fair value reserve for the year ended 31 December 2022 declined by $6.2 million due to decrease in the fair value of the SGS. The Group purchases SGS for the purposes of maintaining minimum liquid assets as required under the Finance Companies Act.

The Group's total loan, net of allowances, dipped by 5.7% to $844 million as at 31 December 2022 compared to $896 million as at 31 December 2021. In line with the lower loan balance, total customers' deposits were managed downwards by 1.6% to $894 million as at 31 December 2022 compared to $908 million as at 31 December 2021.

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen which is likely to affect substantially the results of the operations of the Group and the Company in the interval between the end of the financial period and the date of this report.

"The Group is mindful of the challenges ahead and will be proactive in managing our net interest margin in the environment of rising interest rates and continue to manage our risk exposures closely. The Group continues its aim to stay relevant and competitive as we continue to forge ahead with our digital transformation to sustain the Group's long-term growth for the benefit of all our stakeholders."

DIVIDENDS

Subject to approval of shareholders at the forthcoming Annual General Meeting, the Board is recommending a first and final one-tier tax exempt dividend of 2.0 cents per share and a special one-tier tax exempt dividend of 1.25 cents per share for FY2022. The total distribution of 3.25 cents per share for the year will amount to approximately $5.16 million.

OPERATIONS REVIEW

2022 was a defining year for the Group. We launched our mobile application and web-based online services SFL Go for retail customers and SFL IBiz for corporate customers by October 2022. The launch is a key enabler for our Group to better serve our customers, to remain relevant and connect to the younger and tech-savvy customers and to catch up with the competition, especially with the new digital banks. Even as COVID-19 eases, the Group will continue to forge ahead with our digital transformation initiatives to improve and streamline our work processes.

The Group remains committed to drive the digitalization of customer touch-points without compromising the security of transactions. Our journey to implement digital touch points adopts a security by design and zero-trust strategies. We continue to be vigilant and bolster our monitoring of cyber related security risks.

The Group is committed to be a responsible corporate citizen and is actively playing our part to reduce our carbon footprint. In our support to align its corporate philosophy, strategy and goals to the government's vision of green finance, the Group has in place a framework for its environmental risk management in a manner that commensurate with the Group's size. The underlying structure of the framework recognizes that environmental risk poses potential financial and reputational impact to the Company.

OUTLOOK

Looking ahead to 2023, GDP growth rates in most major economies are expected to moderate from 2022 levels, with sharp slowdowns projected in the US and Eurozone. Meanwhile, global supply disruptions are likely to continue into 2023 as the war in Ukraine drags on, even though the extent and frequency of disruptions is expected to ease. In the US, GDP growth is projected to slow significantly, as tighter financial conditions, a reduction in household savings, and negative household wealth effects arising from asset market corrections are expected to weigh on private consumption. Similarly, GDP growth in the Eurozone is forecast to slow sharply. In particular, higher cost pressures arising from significant energy disruptions due to the Russia-Ukraine war, alongside tighter financial conditions, are likely to dampen consumption and industrial production.

At the same time, significant uncertainties and downside risks in the global economy remain. First, with many advanced economies raising interest rates simultaneously to combat high inflation, the impact of tightening financial conditions on global growth could be larger than expected. Second, financial stability risks could intensify if there are disorderly market adjustments to monetary policy tightening in the advanced economies. A sharp repricing of assets could trigger capital outflows from the region and increase debt servicing burdens, thereby dampening regional economies' growth outlook. Third, further escalations in the war in Ukraine and geopolitical tensions among major global powers could worsen supply disruptions, dampen consumer and business confidence, as well as weigh on global trade.

Amid these global uncertainties and headwinds, the Ministry of Trade and Industry ("MTI") forecast Singapore's economic growth to slow to 0.5% to 2.5% in 2023, moderating from growth of 3.6% and 8.9% in 2022 and 2021 respectively. The Group is mindful of the challenges ahead and will be proactive in managing our net interest margin in the environment of rising interest rates and continue to manage our risk exposures closely. The Group continues its aim to stay relevant and competitive as we continue to forge ahead with our digital transformation to sustain the Group's long-term growth for the benefit of all our stakeholders.

ACKNOWLEDGEMENTS

As I reflect on the last two challenging years of the pandemic, and witnesses the Group's strength and adaptability to excel and thrive throughout this period, it gives me confidence that the same spirit of resilience and perseverance will persist in the future to generate sustainable value to all our stakeholders

On behalf of the Board, I would like to extend my appreciation to our valued clients and business associates for their continued support and to our shareholders for their patience and loyalty. I thank my fellow Board members for their continual support, counsel and guidance. I also acknowledge and commend our management and staff for their diligence and hard work in contributing to the development of the Group in 2022.

TEO CHIANG LONG
Executive Chairman

Singapore
24 February 2023

BOARD OF DIRECTORS

TEO CHIANG LONG
Executive Chairman

Mr. Teo Chiang Long joined the Board on 10 March 1981 as a Director and was appointed as Managing Director and Chief Executive Officer of the Company on 1 March 1989. He was appointed as Executive Chairman of the Board on 8 November 2002. Mr. Teo was last re-appointed as a Director pursuant to Article 97 of the Constitution of the Company at the Annual General Meeting ("AGM ") of the Company on 11 June 2020.

Mr. Teo is a Senior Honorary Council Member of the Singapore Chinese Chamber of Commerce & Industry.

Mr. Teo holds a Bachelor of Economics degree from the University of Adelaide, Australia. He is a Fellow Member of the CPA Australia as well as a CA (Singapore), Institute of Singapore Chartered Accountants. He is a member of the Singapore Institute of Directors.

JAMIE TEO MIANG YEOW
Chief Executive Officer and Executive Director

Mr. Jamie Teo Miang Yeow joined the Company as corporate planner on 30 March 2000 and was appointed to the Board as an Executive Director on 8 November 2002. Mr. Teo was appointed Deputy Chief Executive Officer of the Company on 17 March 2005 and has held the position of Chief Executive Officer since 11 September 2007. He was last re-elected as a Director pursuant to Article 97 of the Constitution of the Company at the Annual General Meeting ("AGM ") of the Company held on 23 April 2021 and is the Chairman of the Digitalization Committee and a member of the Risk Management and Executive Committees.

Prior to joining the Company, he had worked with Ernst & Young Consultants as a senior consultant. He is the Vice-President of The Ngee Ann Kongsi's Committee of Management (2021 – 2023), and represents The Ngee Ann Kongsi on the Ngee Ann Polytechnic Council.

Mr. Teo holds a Bachelor of Arts in Psychology & Asian Studies and a Masters in Business Administration from the University of Adelaide, Australia. He is a member of the Singapore Institute of Directors.

YU-FOO YEE SHOON
Independent Non-Executive Director

Mrs. Yu-Foo Yee Shoon joined the Board on 1 November 2011 as an Independent Non-Executive Director. Mrs. Yu-Foo is the Chairperson of the Nominating Committee and a member of the Audit and Remuneration Committees. She was also appointed as the Lead Independent Director on 12 February 2019 and as the Deputy Board Chairman on 11 March 2020. She was last re-elected as a Director pursuant to Article 97 of the Constitution of the Company at the Annual General Meeting ("AGM") of the Company held on 23 April 2021. At the AGM held on 23 April 2021, Mrs. Yu-Foo who has served the Board for more than nine years as a director has been approved for continued appointment as an independent Director via the Two-Tier Voting [(1)].

Mrs. Yu-Foo started her career with the National Trades Union Congress (NTUC). She was Deputy Secretary-General of NTUC, the first woman Mayor in Singapore before she became Minister of State for Ministry of Community Development, Youth and Sports. She retired from politics in 2011 after 27 years of service.

Her present directorships include ARA Trust Management (Suntec) Limited, KOP Limited and ED+ Pte Ltd beside Singapura Finance Ltd. She is an Advisor to various companies (including Nuri Holdings (S) Pte. Ltd, GITI Group and Dimensions International College Pte. Ltd.

Mrs. Yu-Foo chairs the Publicity and Outreach Committee for the Lee Kuan Yew Fund for Bilingualism. She is a Justice of the Peace and a member of the Board of Visiting Justices & Board of Inspection. Mrs. Yu-Foo is a Trustee of the NTUC Building Construction & Timber Industry Employees' Union and Advisor to the Hardware Network, Singapore China Friendship Association - Women's Alliance, Foo Clan Association, Hainan Business Chambers, Singapore Palm Island Club and Jurong Hong San See Association among others. She is an Executive Council Member of the Hainan University in China.

Mrs. Yu-Foo graduated from Nanyang University with a Bachelor of Commerce and from Nanyang Technological University with a Master's Degree in Business and was awarded the Honorary Doctorate of Education by Wheelock College of Boston, the United States of America in 2008.

TEOH ENG HONG
Independent
Non-Executive Director

Mr. Teoh Eng Hong joined the Board of the Company as an Independent Non-Executive Director on 18 June 1992. He was last re-appointed as a Director pursuant to Article 97 of the Constitution of the Company at the Annual General Meeting ("AGM") of the Company held on 22 April 2022. Mr. Teoh is the Chairman of the Remuneration and Executive Committees and is a member of the Audit, Nominating and Risk Management Committees. At the AGM held on 23 April 2021, Mr. Teoh who has served the Board for more than nine years as a director has been approved for continued appointment as an independent Director via the Two-Tier Voting [(1)].

Mr. Teoh has extensive experience in many aspects of the oil and chemical related businesses as he was with Shell Group of Companies for over 30 years and had held various senior management positions and directorships in various oil and chemicals companies associated with Shell. He still consults for energy companies. His other interest is in the education industry and he serves as a director of Ngee Ann Academy.

Mr. Teoh holds a Bachelor of Economics (1st class Honours) from the University of Adelaide, Australia.

TAN HUI KENG, MARTHA
Independent
Non-Executive Director

Mdm. Tan Hui Keng, Martha joined the Board on 1 November 2011 as an Independent Non-Executive Director. Mdm. Tan is the Chairperson of the Audit Committee and is a member of the Nominating, Remuneration, and Risk Management Committees. She was last re-elected as a Director pursuant to Article 97 of the Constitution of the Company at the Annual General Meeting ("AGM") of the Company held on 22 April 2022. At the AGM held on 23 April 2021, Mdm. Tan who has served the Board for more than nine years as a director has been approved for continued appointment as an independent Director via the Two-Tier Voting [(1)].

Mdm. Tan was an audit partner of KPMG (now known as KPMG LLP) from 1989 to 2005. She has more than 25 years of experience in the public accounting field, which includes auditing, taxation, public listings, due diligence, mergers and acquisitions, internal control reviews and general business advisory services.

Mdm. Tan holds a Degree (Honours) in Accountancy from the University of Singapore and is also a Fellow Member of the Institute of Singapore Chartered Accountants.

(1) Based on Rule 210(5)(d)(iii) of the SGX-ST Listing Manual which came into effect on 1 January 2022, a director who has been a director for an aggregate period of more than 9 years (whether commencing before or after listing) is not independent if his/her continued appointment as an independent director has not been sought and approved in separate resolutions by (A) all shareholders; and (B) all shareholders, excluding shareholders who also serve as the directors or the chief executive officer of the company, and associates of such directors and chief executive officers ("Two-Tier Voting") such resolutions to remain in force until the earlier of retirement or resignation of the above Directors; or the conclusion of the third annual general meeting of the Company following the passing of the resolution.

BOARD
OF DIRECTORS

ADAM TAN CHIN HAN
Independent
Non-Executive Director

Mr. Adam Tan Chin Han joined the Board on 3 January 2017 as an Independent Non-Executive Director. Mr. Tan is the Chairman of the Risk Management Committee and is a member of the Audit, Nominating, Remuneration, Executive and Digitalization Committees. He was last re-elected as a Director pursuant to Article 97 of the Constitution of the Company at the Annual General Meeting ("AGM ") of the Company held on 22 April 2022.

Mr. Tan is the Chief Executive Officer of Agrimax Pte Ltd and an Executive Director of Plasticscommerce Pte Ltd. Mr. Tan started his career in Merrill Lynch before leaving to manage Plasticscommerce Pte Ltd in 2000. Since 2000, Plasticscommerce Pte Ltd has invested in and operated manufacturing companies in Europe and Russia, equipment distribution companies in Europe, an industrial automation company and a technical training school in Asia.

Mr. Tan holds a Bachelor of Accountancy (Hons) from Nanyang Technological University, Singapore, and is a Chartered Accountant of Singapore (CA Singapore).

WILLIAM HO AH SENG
Independent
Non-Executive Director

Mr. William Ho Ah Seng joined the Company as General Manager on 2 April 1983. He was appointed to the Board as an Executive Director on 1 March 1989. After his retirement as Executive Director on 31 January 2008, Mr. Ho continued to serve on the Board as a Non-Independent Director and was subsequently re-designated as an Independent Director with effect from 26 August 2011.

Mr. Ho was last re-appointed as a Director pursuant to Article 97 of the Constitution of the Company at the Annual General Meeting ("AGM") of the Company held on 11 June 2020 and is a member of the Audit, Remuneration, Nominating and Risk Management Committees. At the last AGM held on 23 April 2021, Mr. Ho who has served the Board for more than nine years as a director has been approved for continued appointment as an independent Director via the Two-Tier Voting [(1)].

Mr. Ho holds a Bachelor of Science in Sociology from the University of London. He is a member of the Singapore Institute of Directors.

TERENCE KHOO CHI SIANG
Independent
Non-Executive Director

Mr. Terence Khoo joined the Board on 2 July 2018 as an Independent Non-Executive Director. Mr. Khoo is a member of the Audit, Nominating, Remuneration, Risk Management and Digitalization Committees. He was last re-elected as a director pursuant to Article 97 of the Constitution of the Company at the Annual General Meeting ("AGM ") of the Company held on 23 April 2021.

Mr. Khoo started his career in the Singapore Rugby Union and went on to hold various appointments within the private and public sector of the sports industry until 2005 when he started his diversified marketing company Enterprise Sports Group Pte Ltd (ESG) where he is still the Managing Director.

Mr Khoo is currently the President of the Singapore Rugby Union, the governing body for the sport in Singapore, a position he has held since 2017. In 2019, Mr Khoo was elected to the Board of Asia Rugby and became the first Singaporean to be appointed to the Council of World Rugby.

Mr. Khoo holds a L.L.B Law from The University of Sheffield.

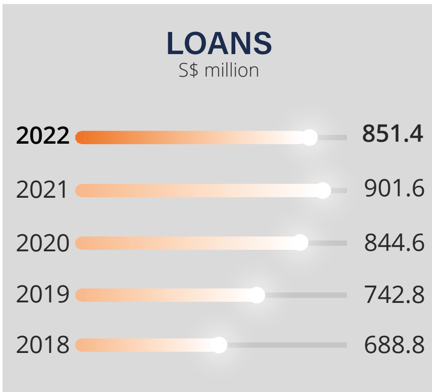
FINANCIAL HIGHLIGHTS

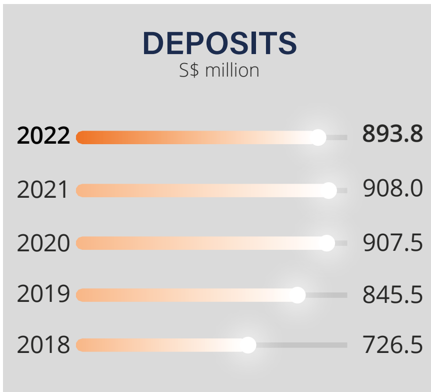
	FY2022 S$'000	FY2021 S$'000	FY2020 S$'000	FY2019 S$'000	FY2018 S$'000
CAPITAL EMPLOYED					
Total assets	**1,172,442**	1,177,600	1,175,068	1,120,876	996,933
Net assets	**252,222**	256,376	254,623	259,164	257,483
Net assets per share (dollars)	**1.59**	1.62	1.60	1.63	1.62
SHARE CAPITAL					
Issued and fully paid	**168,896**	168,896	168,896	168,896	168,896
Number of shares issued (thousands)	**158,686**	158,686	158,686	158,686	158,686
LOANS AND DEPOSITS					
Loans before allowances	**851,414**	901,643	844,633	742,797	688,765
Deposits	**893,826**	907,987	907,474	845,516	726,519
PROFIT AND DIVIDEND PAYOUT					
Profit before tax	**10,129**	11,533	5,620	9,007	8,987
Profit after tax	**8,344**	9,618	4,766	7,481	7,717
Dividend	**5,157**	6,347	2,380	5,554	6,347
DIVIDEND AND EARNINGS PER SHARE					
Dividend per share (cents) - tax exempt one-tier	**3.25**	4.0	1.5	3.5	4.0
Earnings per share (cents)[1]	**5.3**	6.1	3.0	4.7	4.9

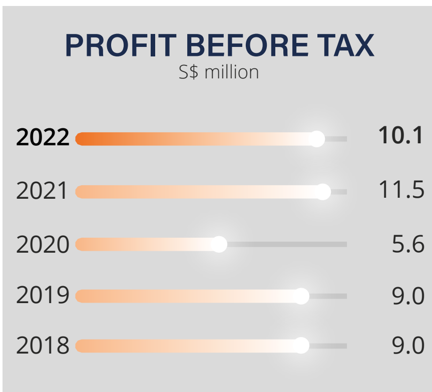
(1) Earnings per share are calculated based on profit after tax on weighted average of 158,685,890 shares in issue.

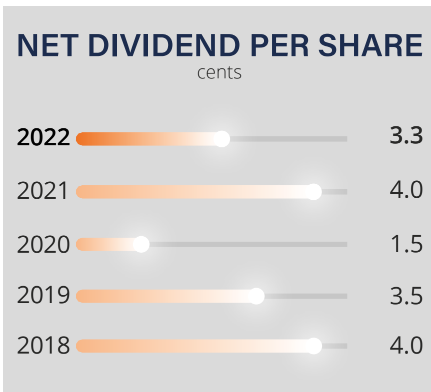
DIVIDEND POLICY

The Group aims to maintain a strong capital position to ensure market confidence, to support its on-going business and to meet the expectations of depositors, customers and investors alike. The Company is also required to comply with regulatory standards of capital requirements through the maintenance of a minimum capital adequacy ratio at all times, and to transfer a requisite proportion of its annual net profit to the statutory reserve which is not available for distribution to shareholders. Our dividend policy aims to provide shareholders with sustainable dividend return over the long term by balancing growth with prudent capital management and subject to the profitability of the Group.









FINANCIAL REVIEW

FINANCIAL SUMMARY

	2022 $'000	2021 $'000	Variance %
SELECTED INCOME STATEMENT ITEMS			
Net interest income	**26,219**	24,596	6.6
Non-interest income	**759**	1,311	(42.1)
Total income	**26,978**	25,907	4.1
Operating expenses	**(15,427)**	(13,190)	17.0
Profit from operations before allowances	**11,551**	12,717	(9.2)
(Allowances) / Write-back on loan losses	**(1,422)**	(1,184)	20.1
Profit before tax	**10,129**	11,533	(12.2)
Profit after tax attributable to shareholders	**8,344**	9,618	(13.2)
SELECTED BALANCE SHEET ITEMS			
Total equity	**252,222**	256,376	(1.6)
Total assets	**1,172,442**	1,177,600	(0.4)
Loans and advances (net of allowances)	**844,464**	895,966	(5.7)
Deposits and savings accounts of customers	**893,826**	907,987	(1.6)
KEY FINANCIAL RATIOS (%)			
Net interest margin	**2.35**	2.16	
Non-interest income ratio	**2.8**	5.1	
Cost-to-income ratio	**57.2**	50.9	
Loans-to-deposits ratio	**94.5**	98.7	
Non-performing loans ratio			
- Secured by collateral	**4.8**	5.7	
- Unsecured and fully provided for	**0.3**	0.2	
Return on equity(1)	**3.3**	3.8	
Return on total assets(2)	**0.7**	0.8	
Capital adequacy ratio	**27.3**	25.1	
PER ORDINARY SHARE DATA			
Basic earnings per share (cents)(3)	**5.3**	6.1	
Net asset value per share ($)	**1.6**	1.6	

(1) Return on equity is computed based on ordinary shareholders' equity at balance sheet date.
(2) Return on total assets is computed based on total assets as at balance sheet date.
(3) The Group's basic earnings per share for year ended 31 Dec 2022 and 31 Dec 2021 are calculated based on profit after tax on weighted average of 158,685,890 shares in issue.

ANALYSIS OF PERFORMANCE

For the year ended 31 December 2022, the Group recorded a profit after tax of $8.3 million, a decline of 13.2% compared to last year. The weaker performance was primarily due to higher operating expenses and impairment allowances on loans.

Net interest income and hiring charges improved by 6.6% to $26.2 million compared to $24.6 million last year. Total interest income rose by $4.5m or 15.0% mainly attributed to the increase in interest income from loans and advances, Singapore Government Securities ("SGS") and other interest earning assets amidst a higher interest rate environment. Correspondingly, total interest expense increased sharply by $2.8m or 56.3% during the year. Non-interest income declined by $0.6 million or 42.1% mainly due to the curtailment of the Government Covid-19 grants. Total operating expenses increased by 17.0% or $2.2 million compared to last year as the Group continued to forge ahead with our digital transformation.

There was a net charge for loan impairment losses amounting to $1.4 million for the year ended 31 December 2022 compared to $1.2 million for year ended 31 December 2021. The Group continues to set aside adequate specific and collective allowances in respect of its loan portfolio.

The Group's shareholders' funds remain robust at $252 million as at 31 December 2022, and is more than adequate to buffer further volatility in the current economic slowdown. Our capital adequacy ratio continues to be well above the regulatory minimum requirement.

Fair value reserve for the year ended 31 December 2022 declined by $6.2 million due to decrease in the fair value of the SGS. The Group purchases SGS for the purposes of maintaining minimum liquid assets as required under the Finance Companies Act.

The Group's total loan, net of allowances, dipped by 5.7% to $844 million as at 31 December 2022 compared to $896 million as at 31 December 2021. In line with the lower loan balance, total customers' deposits were managed downwards by 1.6% to $894 million as at 31 December 2022 compared to $908 million as at 31 December 2021.

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen which is likely to affect substantially the results of the operations of the Group and the Company in the interval between the end of the financial period and the date of this report.

DIVIDEND PER SHARE

Subject to approval of shareholders at the forthcoming Annual General Meeting, the Board is recommending a first and final one-tier tax exempt dividend of 2.0 cents per share and a special one-tier tax exempt dividend of 1.25 cents per share for FY2022, payable in cash. The total distribution of 3.25 cents per share for the year will amount to approximately $5.16 million.

	2022 Tax Exempt cents	2021 Tax Exempt cents	Variance cents
DIVIDEND PER SHARE			
- Final	2.00	2.00	-
- Special	1.25	2.00	(0.75)
TOTAL	**3.25**	**4.00**	**(0.75)**

NET INTEREST INCOME

Average Balance Sheet and Net Interest Margin

Interest-earing As sets & Interest-bearing Liabilities

	2022			2021			Variance	
	Average Balance $'000	Interest $'000	Average Rate %	Average Balance $'000	Interest $'000	Average Rate %	Interest $'000	Average Rate %
INTEREST-EARNING ASSETS								
Loans and advances	885,765	30,253	3.42	882,990	27,279	3.09	2,974	0.33
Singapore Government Securities	161,205	3,094	1.92	132,269	1,828	1.38	1,266	0.54
Other interest-earning assets	66,977	731	1.09	124,410	516	0.41	215	0.68
Total	**1,113,946**	**34,078**	**3.06**	**1,139,669**	**29,623**	**2.60**	**4,455**	**0.46**
INTEREST BEARING-LIABILITIES								
Deposits and savings accounts	871,691	7,859	0.90	907,214	5,027	0.55	2,832	0.34
Total	**871,691**	**7,859**	**0.90**	**907,214**	**5,027**	**0.55**	**2,832**	**0.34**
Net interest income/margin as a percentage of interest-earning assets		**26,219**	**2.35**		**24,596**	**2.16**	**1,623**	**0.20**

Net interest income rose by $1.6m or 6.6% for the financial year ended 31 December 2022 compared to the same period last year mainly due to higher yield from interest-earning assets.

Total interest income rose by $4.5m or 15.0% mainly attributed to the increase in interest income from loans and advances, Singapore Government Securities and other interest earning assets amidst a higher interest rate environment.

Correspondingly, total interest expense increased sharply by $2.8m or 56.3% as our average cost of funds spiked from 0.55% to 0.90% during the year.

As the rate of increase in assets yield is higher than that of cost of funds, the Group's net interest margin as a percentage of the interest-earning assets improved from 2.16% to 2.35%.

FINANCIAL REVIEW

The table below shows the change in the net interest income in 2022 over 2021 due to the impact of volume and changes in rates.

Volume And Rate Analysis

INCREASE/(DECREASE) FOR FY2022 OVER FY2021	Volume $'000	Rate $'000	Total $'000
INTEREST INCOME			
Loans and advances	86	2,888	2,974
Singapore Government Securities	400	866	1,266
Other assets	(238)	453	215
Total	**248**	**4,207**	**4,455**
INTEREST EXPENSE			
Deposits and savings accounts	(197)	3,029	2,832
Total	**(197)**	**3,029**	**2,832**
Net interest income	**445**	**1,178**	**1,623**

NON-INTEREST INCOME	2022 $'000	2021 $'000	Variance %
Fees and commissions	301	372	(19.2)
Other operating income	419	385	9.0
Govermment Grants	39	554	(93.0)
Total non-interest income	**759**	**1,311**	**(42.1)**

Non-interest income for FY2022 decreased by 42.1% to $0.8 million primarily attributed to lower Government grants.

OPERATING EXPENSES	2022 $'000	2021 $'000	Variance %
Staff costs	9,111	8,015	13.7
Depreciation	1,330	1,201	10.7
Other operating expenses	4,986	3,974	25.5
Total operating expenses	**15,427**	**13,190**	**17.0**

Operating expenses increased by 17.0% compared to same period last year mainly due to higher other operating expenses and staff costs as the Group continued to forge ahead with our digital transformation.

IMPAIRMENT LOSSES ON LOANS AND ADVANCES	2022 $'000	2021 $'000	Variance %
(Allowances)/Write-back of credit impaired loans	(770)	(33)	95.7
(Allowances)/Write-back of non-credit impaired loans	(652)	(1,151)	(76.5)
Total Write-back of/(Allowances for) Impairment Losses (Net)	**(1,422)**	**(1,184)**	**20.1**

There was a net charge for loan impairment losses amounting to $1.4 million for FY2022 compared to $1.2 million during the same period last year. The additional allowances were made in view of the uncertain macroeconomic outlook.

TOTAL EQUITY	2022 $'000	2021 $'000	Variance %
Share Capital	168,896	168,896	-
Reserves	83,326	87,480	(4.7)
Total Equity	**252,222**	**256,376**	**(1.6)**

The decrease in total equity was mainly due to the decline in the fair value reserve with the drop in the prices of Singapore Government Securities. These investments are held primarily for Minimum Liquid Assets ('MLA') purpose.

CORPORATE DIRECTORY

BOARD OF DIRECTORS

EXECUTIVE

Teo Chiang Long
(Executive Chairman)

Jamie Teo Miang Yeow
(Chief Executive Officer)

INDEPENDENT NON-EXECUTIVE

Yu-Foo Yee Shoon
(Deputy Board Chairman &
Lead Independent Director)

Teoh Eng Hong

William Ho Ah Seng

Martha Tan Hui Keng

Adam Tan Chin Han

Terence Khoo Chi Siang

AUDIT COMMITTEE

Martha Tan Hui Keng (Chairperson)
Teoh Eng Hong
Yu-Foo Yee Shoon
Adam Tan Chin Han
Terence Khoo Chi Siang
William Ho Ah Seng

NOMINATING COMMITTEE

Yu-Foo Yee Shoon (Chairperson)
Teoh Eng Hong
Martha Tan Hui Keng
Adam Tan Chin Han
Terence Khoo Chi Siang
William Ho Ah Seng

REMUNERATION COMMITTEE

Teoh Eng Hong (Chairman)
Yu-Foo Yee Shoon
Martha Tan Hui Keng
Adam Tan Chin Han
Terence Khoo Chi Siang
William Ho Ah Seng

RISK MANAGEMENT COMMITTEE

Adam Tan Chin Han (Chairman)
Teoh Eng Hong
Jamie Teo Miang Yeow
William Ho Ah Seng
Martha Tan Hui Keng
Terence Khoo Chi Siang

EXECUTIVE COMMITTEE

Teoh Eng Hong (Chairman)
Teo Chiang Long
Jamie Teo Miang Yeow
Adam Tan Chin Han

DIGITALIZATION COMMITTEE

Terence Khoo Chi Siang (Chairman)
Adam Tan Chin Han
Jamie Teo Miang Yeow
Melvin Yeo, Head (Information
Services)

COMPANY SECRETARY

Ms Sarah Zeng
Blandina Chia Swee Hoon
(Assistant Company Secretary)

SHARE REGISTRAR & SHARE TRANSFER OFFICE

M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902
Tel: 62276660
Fax: 62251452

AUDITORS

KPMG LLP
Certified Public Accountants,
Singapore
12 Marina View
Asia Square Tower 2
#15-01 (018961)
Audit Partner:
Tan Chun Wei (Chen Junwei)
[wef Financial Year 2020]

REGISTERED OFFICE

Singapura Finance Ltd
[Company Registration No. 196900340N]
150 Cecil Street #01-00
Singapore 069543
Tel: 68800633
Fax: 62258310
www.singapurafinance.com.sg
www.facebook.com/singapurafinanceltd

CORPORATE SUSTAINABILITY REPORTING

BOARD STATEMENT

The Board of Directors ("the Board") is pleased to present our sixth Sustainability Report (the "Report").

At Singapura Finance Ltd ("SFL" and the "Company"), we consider environmental, social and governance ("ESG") issues in our business strategies and operations whilst driving business growth. The Company takes a strategic approach that is guided by our core values of Shareholder Value, People Development, Integrity, Customer Focus and Efficiency ("S.P.I.C.E").

Together with Management, the Board continues to identify opportunities relevant to the long-term success of the Company. The Board considers ESG factors as one of the priorities in SFL's business strategy, thus driving the materiality assessment. The Board also sets the direction for SFL's sustainability strategies.

This year, SFL re-validated the material ESG factors that were identified previously as of high importance to our business and stakeholders. The Sustainability Steering Committee ("SSC") continues to support the Board in overseeing the management and monitoring of these factors. The considerations and priorities taken into account in choosing the relevant material ESG factors focus on the development of our business, the well-being of our employees, the experience of our customers, and the impacts to our environment.

In this Report, we are proud to share our sustainability approach as well as our sustainability progress for the financial year ended 31 December 2022. This year, we have enhanced our Report by deepening our performance disclosures and demonstrating our commitment to sustainability by reducing water and energy consumption compared to previous years.

The Board would like to thank all who have been with us throughout our sustainability journey. We will continue our sustainability efforts in order to enhance the long-term value and trust to our stakeholders.

1. S.P.I.C.E: Shareholder Value, People Development, Integrity, Customer Focus and Efficiency.

ABOUT THIS REPORT

This Report covers our sustainability approach and performance for the financial year ended 31 December 2022 ("FY2022").

The scope of this Report focuses on SFL's key business activities in Singapore – deposit services and financing for business and individuals. This Report is developed in reference to the Global Reporting Initiative ("GRI") Standards, as it is the most established and widely used international sustainability reporting standard. This Report is prepared per the GRI standards "in reference" option. The sustainability framework is reviewed every 12 months. This Report is also aligned with the Singapore Exchange SGX-ST Listing Rules Practice Note 7.6: "Sustainability Reporting Guide".

A formal materiality assessment was first conducted in FY2017 to identify ESG risks and opportunities that are most important to our business and stakeholders. The material factors are reviewed every 12 months. The materiality assessment was guided by the GRI Principles of Materiality and Stakeholder Engagement as well as our core values of S.P.I.C.E[1], and the material issues were prioritised based on the following factors:

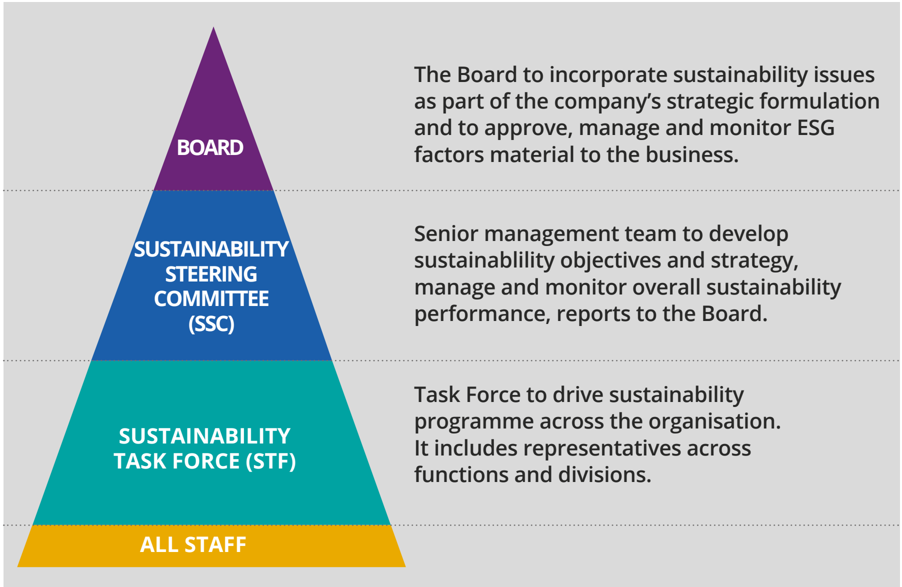
- SFL's existing risk analysis and disclosures and its long-term strategy vision;
- Global and local emerging trends;
- Main topics and future challenges for the financial services sector, as identified by peers; and
- Insights gained from interactions with both internal and external stakeholders.

SUSTAINABILITY AT SFL

Sustainability Governance

The Board of Directors incorporates sustainability issues as part of the company's strategic formulation and approve, manage and monitor ESG factors material to the business. The Board has appointed SFL's SSC to support the development of sustainability objectives and strategies.

SFL's SSC consists of senior management team members. The SSC manages and monitors the overall sustainability performance of SFL and is supported by the Sustainability Task Force ("STF") to drive sustainability programme across the organisation. SFL's STF includes representatives across functions and divisions. Internal audit reviews the sustainability framework and reporting process, including the internal controls over the data collated and reported in this Report.



Depicts SFL's sustainability governance structure. The Board appoints senior management team members to the SSC who manage sustainability. The STF comprises of representatives across functions who drive the sustainability programme in SFL.

Stakeholder Engagement

SFL's sustainability depends on strong connections to our diverse range of stakeholders. We are committed to having transparent and effective communication with all stakeholders to allow a deep understanding of their views and expectations. This allows us to refine our sustainability strategy in line with stakeholder concerns to remain agile and able address emerging challenges.

We have identified five key stakeholder groups in previous years, which we have reviewed and reconfirmed for FY2022. SFL engages each stakeholder group through different methods which allows a better understanding of individual group views and expectations (Table 1).

Table 1. SFL's key stakeholder groups with their topics and concerns, methods of engagement and frequency of engagement.

Stakeholder Group	Key Topics and Concerns	Engagement Methods	Frequency
Customers	• Customer privacy • Comprehensive range of services available • Quality of service • Pricing of services	• Contact form on Company website • Feedback channel via email, Facebook Messenger and phone	When applicable
Employees	• Training • Fair compensation and benefits • Personal development • Work environment	• Meetings with employees • Training and development programmes • Employee events Due to COVID-19: • Online meetings or email with employees • Online training and development programmes • Employee events suspended	Throughout the year
Government and Regulators	• Financial performance stability • Compliance • Cyber/security threats • Prevention of financial fraud	• Meetings and consultations Due to COVID-19: • Online meetings and consultations via Webex	Throughout the year
Shareholders	• SFL's financial performance • Operational strategy • Shareholders' returns	• Annual General Meeting • Announcements on Company website • Annual Reports • Direct email Due to COVID-19: • Online Annual General Meeting	Periodically
Membership of Associations[2]	• Sustainable business • Responsible employers	• Dialogue sessions Due to COVID-19: • Online dialogue sessions via Zoom • Direct email	Throughout the year

This Report and additional corporate information are available on our Company's website[3]. SFL greatly welcomes our stakeholders' feedback and comments which can be directed to enquiry@singapurafinance.com.sg.

2. SFL is a member of the (1) Finance Houses Association of Singapore, (2) The Hire Purchase, Finance and Leasing Association of Singapore, (3) Singapore National Employers Federation and (4) The Institute of Banking & Finance

3. https://www.singapurafinance.com.sg

Materiality Assessment

In FY2022, we reviewed and re-validated the list of material factors identified to ensure their relevance to our business and stakeholders. The Company's material and additional ESG factors and references for the detailed information are summarised in Table 2.

Table 2. SFL's material factors categorised by sustainability category and page link to detailed information.

Sustainability Categories	Material Factors	Detailed Information
Economic	• Economic Performance	• Financial Review and Financial Statements, pages 8, 67 to 123 • Sustainability Report, page 16
	• Indirect Economic Impact	• Financial Review and Financial Statements, pages 8, 67 to 123 • Sustainability Report, page 16
	• Responsible Lending[4]	• Sustainability Report, page 16
Environment	• Energy and Emissions	• Sustainability Report, page 17
	• Water Consumption[5]	• Sustainability Report, page 18
Social	• Employment	• Sustainability Report, page 18
	• Diversity and Equal[6] Opportunity	• Sustainability Report, page 21
	• Training and Education	• Sustainability Report, page 22
	• Customer Privacy	• Sustainability Report, page 23
	• Marketing and Labelling	• Sustainability Report, page 23
	• Assessment for Agents and Customers[7]	• Sustainability Report, page 24
	• Customer Experience[8]	• Sustainability Report, page 24
	• Local Communities[9]	• Sustainability Report, page 25
	• Occupational Health and Safety[10]	• Sustainability Report, page 25
Governance	• Socioeconomic Compliance	• Sustainability Report, page 26 • Corporate Governance Report, pages 31 to 59
	• Anti-corruption	• Sustainability Report, page 26 • Corporate Governance Report, pages 31 to 59

4. Non-GRI material factor
5. This is an additional disclosure, not a material factor
6. This is an additional disclosure, not a material factor
7. Non-GRI material factor
8. Non-GRI material factor
9. This is an additional disclosure, not a material factor
10. This is an additional disclosure, not a material factor

ECONOMIC

Economic Performance
[GRI 2-6, GRI 3-3, GRI 201-1, GRI 203-2, GRI 204-1]

Economic growth is one of the primary factors that contributes to the business continuity of SFL; and it is crucial that we continue to be prepared and resilient against potential disruptions in our business strategies or operations. In FY2022, domestic financing conditions have tightened in line with international trends as major central banks hiked interest rates aggressively to bring down inflation[11]. SFL aims to be proactive in managing our credit exposure and operating expenses to be economically resilient in the wake of these macroeconomic conditions.

Our economic value distributed include our employees' compensations, taxes as well as dividends to shareholders. SFL strives to provide shareholders with a predictable and sustainable dividend return over the long term. The Company is proposing a first and final one-tier tax exempt dividend of 2.0 cents per share and a special one-tier tax exempt dividend of 1.25 cents per share for FY2022 subject to approval of shareholders at the forthcoming Annual General Meeting on 19 April 2023.

SFL is committed to being sustainable in our economic growth to enhance our shareholder's returns and deliver rewards to our employees. For more information regarding our economic performance in FY2022, please refer to pages 67 to 123 of the Annual Report.

Indirect Economic Impact
[GRI 2-6, GRI 3-3, GRI 201-1, GRI 203-2, GRI 204-1]

SFL has an indirect economic impact in the local Singapore region. We support the Sustainable Development Goal ("SDG") of Decent Work and Economic Growth by providing financing and other financial services to SMEs, local companies and individuals. In 2022, our lending business contracted by S$50 million (-5.6%) mainly due to loan repayment by syndicated loan borrowers. Furthermore, SFL faces keen competition from other financial institutions who provide lower interest rates.

Additionally, SFL indirectly drives and contributes to the local economy by providing employment opportunities and sourcing from local suppliers. In FY2022, we have increased our percentage of local spending to 99% (Table 3), thereby continuing our goal of providing support to the local suppliers. Going forward, SFL aims to continue enhancing our positive influences on the local economy by growing our lending business and sourcing from local suppliers.

Table 3. SFL's supply chain expenditure from FY2017 to FY2022.

	Total Supply Chain Spending (SGD)	Percentage of Local Vendors (%)	Percentage of Local Spending (%)
2017	$4.3m	99%	97%
2018	$4.8m	99%	97%
2019	$4.8m	99%	98%
2020	$4.4m	99%	98%
2021	$4.9m	99%	98%
2022	$6.5m	99%	99%

Responsible Lending
[GRI 3-3]

SFL's management is committed to ensuring that our sustainability strategy is embedded into our responsible financing practices. In recent years, increasing responsible lending practices have been developed and adopted in the industry. It is currently an industry trend and best practice. Our management continues their efforts in supporting the Association of Banks Singapore ("ABS") Guidelines on Responsible Financing.

We have a Credit Risk Management Policy which provides guidelines on establishing and reviewing risk tolerance parameters within our credit strategy. The policy ensures the creditworthiness of the clients before entering into a regulated credit agreement or significantly increasing their credit limit. This ensures that we do not take on excessive credit risks. Furthermore, we have a Marketing Manual that formalises our lending guidelines as well as processes for due diligence.

The management is looking to expand existing practices towards a more robust lending practice in line with responsible lending trends in the banking industry. Since FY2022, SFL has started to operationalise the Environmental Risk Management Framework based on guidelines provided by MAS and ABS.

Moving forward, SFL plans to look out for opportunities on electric vehicles financing in the green financing space. Employees will be provided with training on sustainable finance to build up capability.

11. MAS, "Financial Stability Review, 2022" https://www.mas.gov.sg/-/media/MAS-Media-Library/publications/financial-stability-review/2022/Financial-Stability-Review-2022.pdf

ENVIRONMENTAL

Energy and Emissions

[GRI 3-3, GRI 302-1, GRI 302-3, GRI 305-2, GRI 305-4]

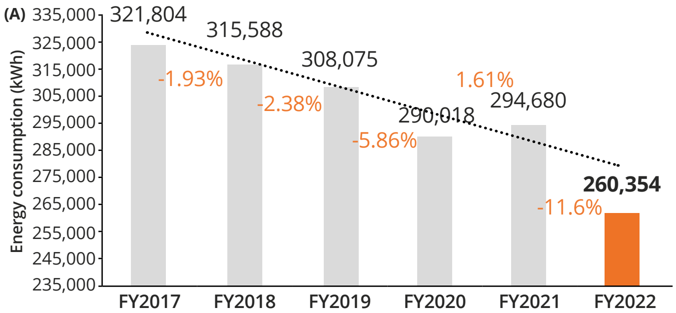
In line with Singapore's Climate Action Plan to build a "Climate-Resilient Singapore, for a Sustainable Future"[12], SFL strives to continue contributing to this movement by reducing our own environmental and carbon footprint.

To do so, we have implemented policies and procedures to manage our energy use such as educating our employees and engaging them in matters concerning energy consumption. As part of our "Go Green" initiative, we have communicated green information periodically using both formal and informal communication tools to encourage our employees to be more energy efficient. For example, we remind our employees to increase the temperature on air-conditioners where possible and to switch off IT devices and air-conditioners when they are not in use. SFL monitors our electricity bills diligently to identify and address any abnormal usage as well as rectify any equipment malfunctioning.

Since FY2019, recycling bins have been installed in our office and we continue to encourage our employees to adopt better recycling habits.

Electricity usage is our main source of energy consumption. In FY2022, SFL achieved our target of maintaining the energy consumption and GHG emissions. Additionally, in FY2022, we converted all lightings in Head Office and all Customer Centres to LED lighting. SFL's annual electricity consumption decreased by 11.6% from FY2021 to FY2022, with a 19% decrease from FY2017 (Figure 1A). Energy intensity per employee also reduced by more than 10% from FY2021 to FY2022 with an overall decrease from FY2017 to FY2022 by 17% (Figure 1B). In FY2023, our energy target is not to exceed the previous year's energy consumption by more than 2%.

Going forward, SFL has plans to start the process of adopting the Task Force on Climate Related Financial Disclosures (TCFD) recommendations in line with SGX requirements.



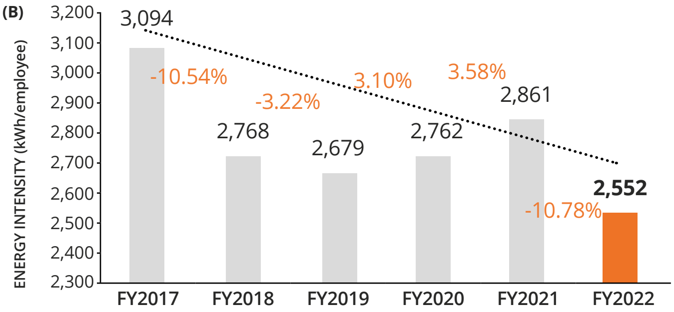


Figure 1. Annual energy consumption of SFL from FY2017 - FY2022. **(A)** Shows the annual energy consumption of all SFL premises. **(B)** Shows the annual energy consumption per employee in all premises. Year-on-year percentage reduction shown in red font.

SFL's greenhouse gas (GHG) emissions are entirely Scope 2 and are generated due to acquired electricity. From FY2021 to FY2022, SFL's production of total annual GHG emissions decreased by 12% and the GHG emission intensity per employee decreased by 11% (Table 4).

Table 4. Total annual GHG emission and GHG emission intensity by number of employees

	2016	2017	2018	2019	2020	2021	2022	Percentage change[13] (%)
Total annual GHG emission[14] (tonnes of CO_2e)	143	136	132	129	119	120	106	-12%
GHG emission intensity by number of employees (tonnes of CO_2e/ employee)	1.34	1.31	1.16	1.12	1.13	1.17	1.04	-11%

From July FY2020, 80% of SFL's marketing documentation process, including the submission of credit proposals, supporting documents and correspondences have gone paperless. The adoption of e-submission has enabled SFL to reduce usage of paper and ink, contributing to our "Go Green" efforts and reducing cost of waste. In FY2023, SFL will begin to utilise Google Cloud, a carbon-neutral service provider to host some systems and servers.

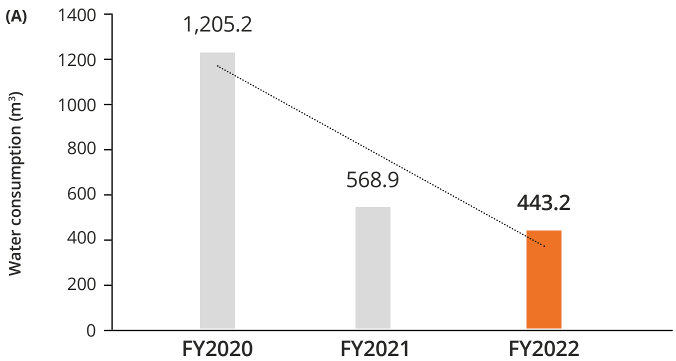
12. Ministry of Foreign Affairs, "Climate Change" https://www.mfa.gov.sg/SINGAPORES-FOREIGN-POLICY/International-Issues/Climate-Change
13. Percentage change from base year 2021
14. Conversion factors used are derived from the latest Grid Emission Factors adapted from Singapore Energy Statistics 2016, Singapore Energy Statistics 2017, Singapore Energy Statistics 2018, Singapore Energy Statistics 2019, Singapore Energy Statistics 2020 and Singapore Energy Statistics 2021

Water Consumption
[GRI 303-5]

In FY2020, SFL added Water Consumption as an additional disclosure (non-material GRI factor). Population growth, increasing meat consumption and economic activity are putting a heavy strain on the world's water resources. Although Water Consumption was not considered as a material factor to SFL in the previous years, SFL has been raising the awareness of water conservation among employees.

Water consumption is the amount of water used in SFL premises annually. Water consumption intensity is the amount of water used per employee annually. From FY2020 to FY2022, water consumption decreased by 63% and water consumption intensity decreased by 62% (Figure 2).

The following figures present SFL's annual water consumption (m^3) and water consumption intensity by number of employees (m^3/employee).



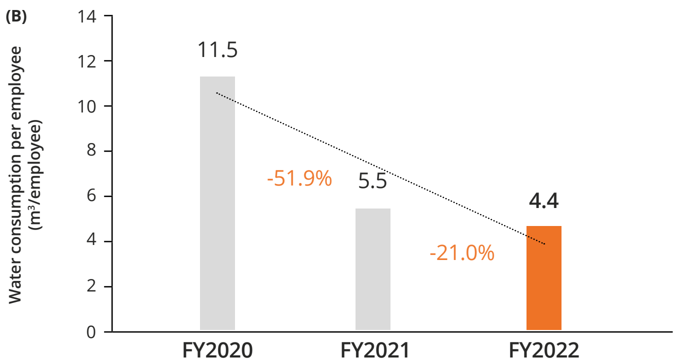


Figure 2. SFL's annual water consumption in all premises from FY2020 to FY2022. **(A)** Shows the annual water consumption and year-on-year percentage reduction of water consumption (m^3). **(B)** Shows annual water intensity per employee and year-on-year percentage reduction of water intensity. Year-on-year percentage reduction shown in red font.

We continue to encourage the reduction of water consumption for all employees by reminding employees in customer centres to use water conservatively at all times. Going forward, SFL will continue to assess initiatives to reduce water consumption and aim to maintain current consumption levels as per previous years.

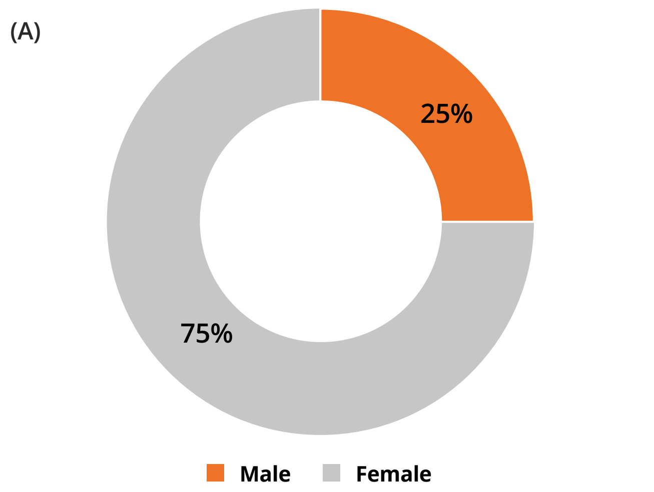
SOCIAL

Employment
[GRI 2-7, GRI 401-1]

(i) Recruitment

We continue to embrace the Tripartite Guidelines on Fair Employment Practices in recruiting talents regardless of their gender, race, religion, cultural and family background. For example, SFL values the experience of the older generation and supports them to re-join the workforce. Where eligible, SFL extends re-employment opportunities to eligible staff upon their retirement.

SFL recruits potential employees through a vast range of channels such as collaborating with professional recruitment consultants, leveraging on internet recruitment platforms and encouraging staff referrals. In FY2022, we've maintained online interviews to suit current hybrid working models. In FY2022, 25% of new employee hires were male and 75% were female (Figure 3). Furthermore, 21% of new hires were under the age of thirty, 54% were between thirty and fifty years old and 25% was over the age of fifty (Figure 3). Below charts represent the percentage of new employee hires by gender and age group.



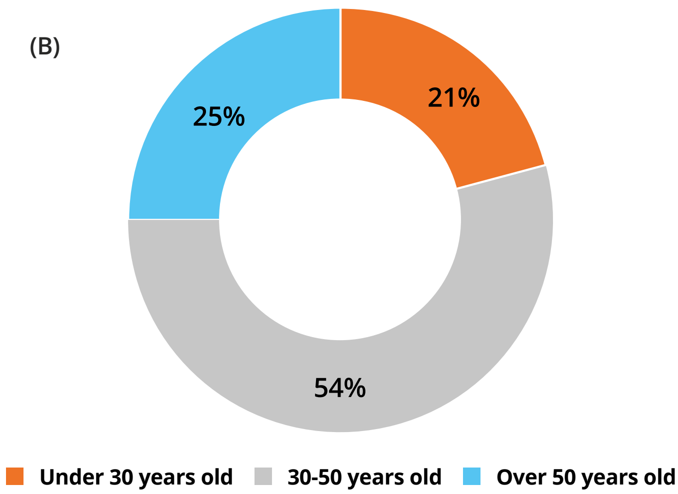


Figure 3. Differences in diversity in new employee hires in FY2022. **(A)** New employee hires by gender. **(B)** New employee hires by age.

(ii) Employment Practices

We have set in place various schemes such as cross training and inter-departmental transfers to enhance diversity of employee's job scope where possible. This practice provides employees with new learning opportunities and cultivate expertise. This platform also encourages meetings between colleagues from different departments which helps bridge inter-departmental understanding and synergies. This will help to improve the camaraderie and collaborative culture within SFL. Furthermore, conversing with colleagues from other departments can inspire more creative solutions as they are able to offer fresh perspectives.

We also adopt an open appraisal system for our employees to set goals and receive feedback. A formal appraisal exercise is conducted annually to align and assess each employee's growth and development. During the session, targets and performance are discussed and documented properly to recognise individual progress.

SFL dedicates its time and efforts on an open-door policy by establishing a platform for employees to clarify on policies, raise concerns to the management and initiate discussions on areas for improvements as well as career aspirations with their Heads of Departments ("HOD") or HR. HODs will conduct informal feedback sessions to address our employees concerns when necessary.

(iii) Remuneration Policies and Staff Benefits

Adopting competitive remuneration policy effectively helps SFL to retain top talents. Remuneration and benefits are benchmarked against compensation reports and surveys. Salary revision and any variable benefits are reviewed and approved by the management annually to ensure fairness in rewarding our employees.

Other than a competitive remuneration policy, SFL hopes to enrich the work life of our employees by providing a wide variety of staff benefits, such as medical, dental, insurance and wellness for the employee. Since FY2019, we have integrated dental and health screening benefits into wellness benefits to enhance the flexibility of employee benefit claims. Specifically, employees can decide the proportion of dental or health screening benefits to use depending on their needs. Our benefits policies are reviewed periodically to ensure relevance.

(iv) Employee Well-being

We believe that a good workplace is where employees can achieve work-life balance and establish a strong sense of belonging. Therefore, we offer different initiatives and benefits to promote health and well-being, to build a healthy work environment.

Since FY2018, we have implemented flexible working arrangement where employees can opt for flexible working hours to balance their personal and work commitments. Employees are able to apply for staggered working arrangements, with different reporting times to accommodate family responsibilities. We managed to achieve our target of having more employees on board this program, with 12 employees enrolled in the program in FY2022. We have received positive feedback from our employees on this arrangement. SFL aims to continue to support our employees in achieving work-life balance.

SFL encourages our employees to exercise and stay healthy. Every year, SFL participates in the National Steps Corporate Challenge, organised by the Health Promotion Board to encourage the adoption of an active lifestyle. For 2022, we encourage staff to participate and close to 45% of employees sign up for the National Steps Corporate Challenge.

We also aspire to build better teamwork within the Company to strengthen our cohesiveness and efficiency. Every year, we aim to promote a positive and engaging work environment for all employees by conducting at least three company events each year. This encourages participation from our staff and fosters a stronger sense of recognition.

Moving forward, we aim to encourage flexible working arrangements to more employees when needed, as a means of supporting work-life balance.

(v) Exit

SFL conducts exit interviews with employees to understand their reasons for leaving and schedule follow-ups as part of our efforts to improve on our retention policies and practices.

We collect ad-hoc feedback from our employees and conduct benchmarking analysis against industry practice and government initiatives to make improvements to our staff policies and initiatives. In addition, we analyse the difference in gender and age category in turnover (Figure 4) which reflects our total employee gender and age split. Our retention policies are recognised by our employees and reflected from the large number of long serving employees.

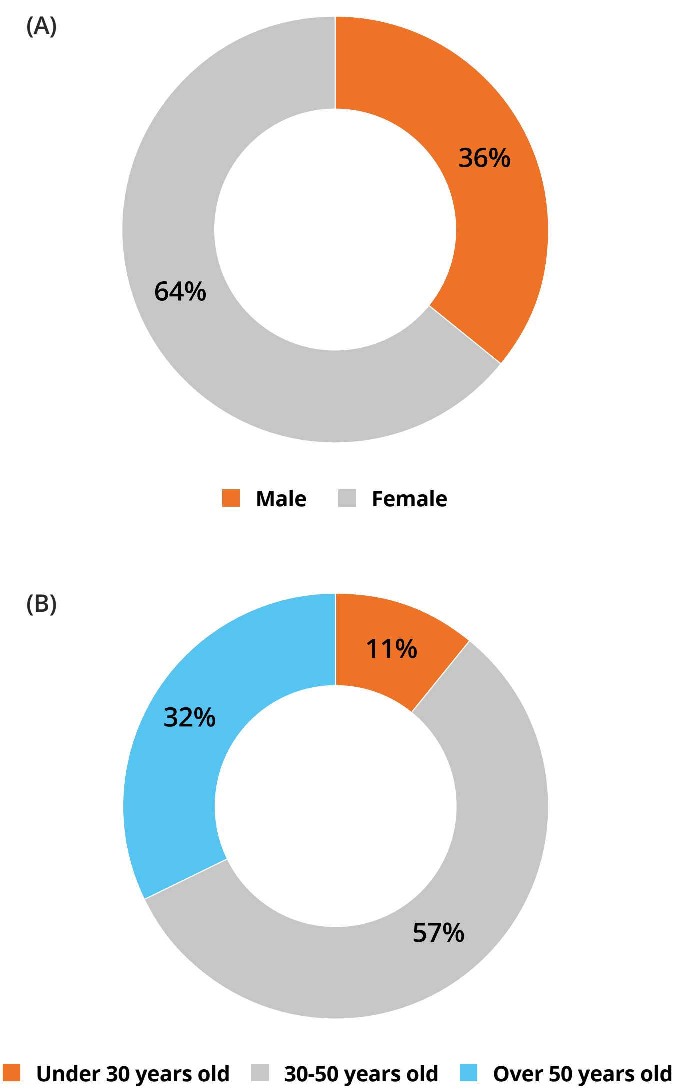


Figure 4. Total employee turnover in FY2022. **(A)** Turnover by gender. **(B)** Turnover by age category.

For talent retention, the HODs engage our employees actively, and conduct annual performance appraisals. There is a Performance Improvement Plan for staff who may require corrective actions. HODs are also responsible for assigning projects to high-potential staff to assess their capability and competencies. Rewards in the form of performance bonus and merit increment/promotions are given to high performing employees to retain talents.

Diversity and Equal Opportunity

[GRI 405-1]

We believe in enforcing fair employment practices across all levels of the Company. Active promotion of diversity and equality at work can generate significant benefits for both SFL and our employees. In FY2022, 25% percent of the Board was female and 75% was male compared to 22% female and 78% male in FY2021 (Figure 5). The percentage of Board members between 30 to 50 years old decreased by 8% in FY2022 compared to FY2021 (Figure 6). The proportion of employees based on gender remained largely the same between FY2021 and FY2022 with a 2% decrease of males (Figure 7) out of a total of 102 full-time employees (Table 5).

Figure 5. Percentage of Board of Directors members by gender in FY2021 and FY2022.

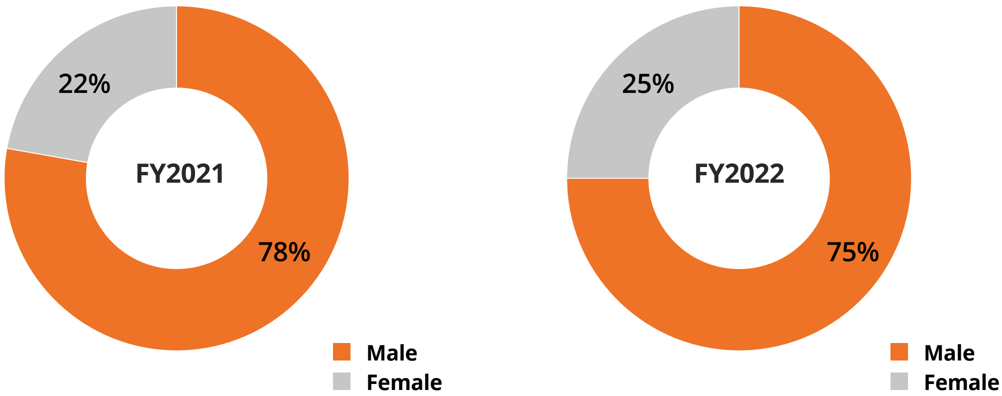


Figure 6. Percentage of Board of Directors members by age in FY2021 and FY2022. There were no members below the age of 30 years old in FY2021 or FY2022.

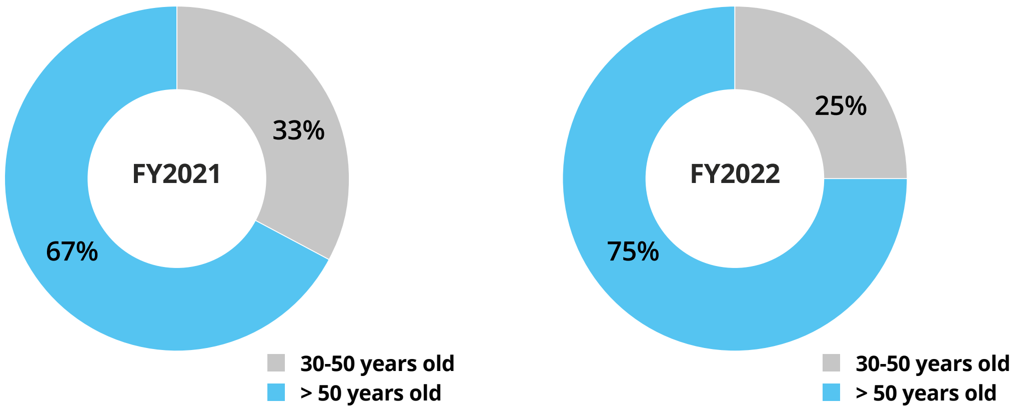


Figure 7. Percentage of permanent employees by gender in FY2021 and FY2022. There were no temporary employees in FY2021 or FY2022.

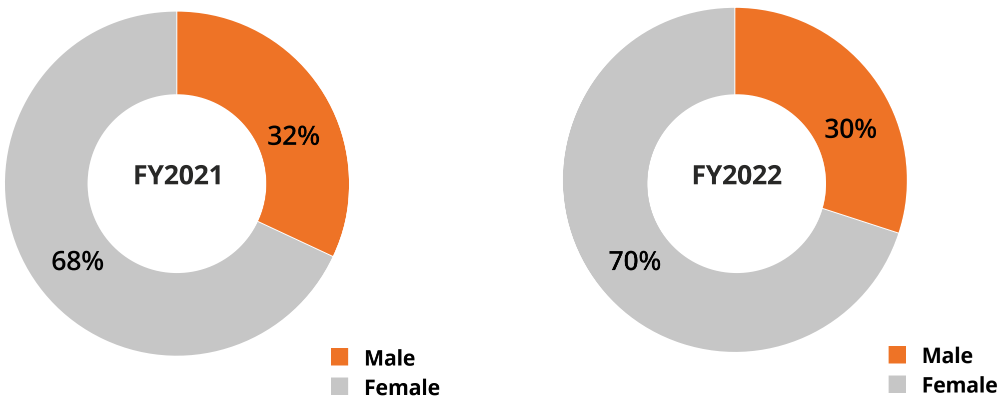


Table 5. Total number of employees by employment type and gender in FY2021 and FY2022.

Number of full-time employees	FY2021	FY2022
Male	33	31
Female	70	71
Number of part-time employees		
Male	0	0
Female	0	0

Table 6. Percentage of employees per employee category by age group in FY2021 and FY2022.

Employee category	Age	FY2021 Percentage (%)	FY2022 Percentage (%)
Senior Management	< 30 years old	0	0
	30 – 50 years old	50	50
	> 50 years old	50	50
Middle Management	< 30 years old	0	0
	30 – 50 years old	23	33
	> 50 years old	77	67
Executive Level	< 30 years old	8	12
	30 – 50 years old	63	64
	> 50 years old	29	24

Training and Education

[GRI 3-3, GRI 404-1, GRI 404-2]

We aim to nurture our employees through extensive training and development programs. In the fast-paced and ever-changing financial industry, SFL enables employees to have the opportunity to upskill themselves, allowing them to improve their existing skillsets and stay relevant. Examples of other trainings and education initiatives conducted during the year are listed in Table 7.

Table 7. Examples of training for SFL employees in FY2022.

Compliance, AML/CFT Trainings	Technology Security and Risk Management	Professional Certification
Provide new joiners with AML/CFT training in the first 6 months to equip them with necessary knowledge and skillsets	Provide trainings in relation to compliance such as • Security awareness for customer privacy • Operational risk	Sponsorship programmes are in place. Sponsor staff to participate in training courses relating to professional certification or academic qualifications for career advancement.

Moving forward, we will continue to identify and offer relevant trainings to employees to enhance their career and professional development and ensure they continue to meet 100% attendance for all mandatory training requirements for their roles. Furthermore, we aim to develop more online trainings to ease employees' access to trainings. For FY2022, our Digital Banking team have provided trainings to all employees from the Customer Centres to enhance their knowledge for better customer service. Sharing sessions were conducted on ongoing digitalisation project enhancements. We also aim to increase the average training hours per employee in FY2023. The total and average training hours received per employee by gender are demonstrated in Table 8.

Table 8. Total and average training hours received per employee by gender

Gender	Total number of hours	Average number of hours per employee
Male	524	16.9
Female	789	11.1
Total	**1,313**	**12.9**

Customer Privacy

[GRI 418-1]

Keeping our customers' data safe is a top priority as our customers entrust us with sensitive and confidential information. Prevention of any breaches of customer privacy secures our customers' confidence in our products and services, leading to customer loyalty. Our Information Security Office and Information Services Department are responsible for safeguarding our customers' data through the stringent practices of data privacy on sensitive and confidential information.

With cyberattacks on the rise, customers have a strong need for organizations they can trust to protect their personal privacy with robust policies. SFL has multiple policies and processes in place to ensure a 'Zero breach' on data privacy. SFL complies with the Personal Data Protection Act 2012 ("PDPA") and follows an Information Security Policy that has been approved by our Operational and Technology Risk Committee ("OPTECH") and the Risk Management Committee ("RMC"). The OPTECH is updated bi-monthly, and RMC is updated quarterly to ensure their relevance and coverage. Our compliance department also signs up for the MAS mailing list for regular updates and the accounts department will check MASNET daily for any announcements or circulars which will be forwarded to the compliance department. The compliance department then ensures that any changes in regulations are communicated to the relevant departments within three working days for further action. We have implemented and revised our policies to secure sensitive data, such as SFL's Information Security Policy, Portable Storage Devices Policy and Mobile Device Acceptable Use and Security Policy.

To safeguard confidential information and prevent data leakage, we have implemented the Data Loss Prevention ("DLP") in the system. All employees are required to attend and complete an assessment on security awareness conducted by the Technology Security Team to enhance their understanding on privacy issues. Reminders are sent from time to time on privacy policies. We also engage an external vendor to carry out penetration tests on internet facing systems periodically to assess the vulnerability of our IT systems and networks.

In FY2022, we achieved our target on continuing to maintain zero complaints concerning breaches of customer privacy and losses of customer data. SFL aims to continue this target in FY2023. For more information on the Privacy Policy, please visit SFL's company website[15].

Marketing and Labelling

[GRI 3-3, GRI 417-2, GRI 417-3]

SFL recognises the importance of fair representation through labelling and communication to ensure customer confidence in our services and to protect our corporate image. For instance, we adhere strictly to our marketing and advertising guidelines and practice good corporate governance within the Company. This is to ensure that key information presented is clear and accurate.

SFL provides trainings for our Relationship Managers ("RM") for products, policies, market updates etc. We ensure that our RMs are trained to deal with customers clearly and fairly, and that they receive coaching on AML and our Company's internal policies.

Our marketing material contents are reviewed and assessed by the Marketing Department and the Communications Department for appropriateness and accuracy to reach to the targeted audience and achieve desired communication outcomes.

We have achieved our target of having no reported incidents for non-compliance with voluntary codes nor non-compliance with regulations resulting in a significant fine, penalty or

15. For more information, please visit http://singapurafinance.com.sg/privacy_policy.html

warning in respect of product and service information and labelling and marketing communications in FY2022. SFL aims to continue this performance in the following year.

Assessment for Agents and Customers

[GRI 3-3]

We practice screening and due diligence on referral agents prior to any engagement. Different assessments, including company search and World-Check search on the referral agency; litigation search and World-Check search on company's directors as well as assessment on their key personnel experiences are conducted to reduce risk in debt issues. Other screening methods include conducting research on the property agents who refer property loans to SFL online. The research ensures that they hold a valid license issued by Council for Estate Agencies ("CEA").

SFL also issues guidelines and implement procedures on customer due diligence. These include approved lending guidelines, independent review by the RMC as well as type and frequency of valuation for collateral.

We categorise our customers and initiate Know Your Customer ("KYC") procedures to meet our business needs. Customers such as individual applicants and personal guarantors are screened via Credit Bureau Singapore ("CBS"), litigation and blacklist search as well as World-Check search. On the other hand, corporate clients and corporate guarantors are screened via CBS FICO[16], litigation search and blacklist search as well as World-Check search.

The rigor of our assessment is also based on the collateral value and levels of risks. Effective and progressive procedures are in place to better manage risks and ensure sustainable economic success. As a continuous practice at SFL, different functions share responsibilities to ensure the effectiveness of our assessment.

- The Risk Management Department ("RMD") performs independent assessments for loans more than $5 million on an obligor basis.
- The Credit Control Committee reviews and approves for monthly monitoring of non-performing loans ("NPL").
- Relationship Managers initiate regular visits for higher valued loans and customers in more high-risk industries such as oil and gas, construction and hospitality.
- Credit Control Department and Credit Control Committee proactively monitor payment patterns on a daily and monthly basis respectively.

Additionally, active performing loans ("APL") need to undergo bi-annual indicative valuation while NPL undergo quarterly indicative valuation. Any shortfall in collateral value is reported to the Credit Control Committee.

In 2022, all new referral agents were screened for their responsible practices before we engaged them. The Marketing Department screens on new applicants while the Credit Review Department screens existing applicants. All new customers were also screened for their profiles and repayment ability. We have achieved our targets and will continue the good practice, to maintain 100% screening for new customers and agents in the following year.

Customer Experience

[GRI 3-3]

We strive to explore more innovations to bring a better customer experience to our diverse customers. In line with SFL's core values of customer focus and efficiency, we believe that a pleasant and positive experience is essential in building our brand.

In order to better understand the expectations from our customers, we have opened a variety of communication channels, such as our official website, email, and feedback forms. To allow for more immediate feedback, we also implemented a new feedback system via Facebook Messenger. Customers have responded well to this new feedback channel with most enquiries centred on SFL's Vivid Savings accounts[17].

In FY2022, SFL met the target set in FY2021 which was to ensure all customers' feedback or complaints (if any) received via any delivery channel have been acknowledged and resolved promptly as per SFL's Feedback and Complaint Handling Process. We also achieved our target of ensuring that all call back requests received via the tablets at our customer centres are addressed in a timely manner. SFL aims

16. A FICO score is a credit score created by the Fair Isaac Corporation (FICO).
17. For more information, please visit https://vividcard.sg/

to continue to maintain this performance in the following year. By addressing the issues in a timely manner, we aim to maintain our Company's brand reputation and to improve on existing processes to meet our clients' needs more efficiently.

Moreover, we ensure that action is taken after receiving feedback, our Feedback and Complaint Handling Process has been set in place to enhance customers' experience with SFL. The policy contains procedures to acknowledge feedback, to investigate feedback and to make an official reply to customers. All records regarding feedback and complaints will be filed with the RMD for further analysis and reference. The RMD, Communications Department and Management are updated on this policy annually.

To enhance and improve on the quality of our customer service, our Customer Centres receive on-the-job training by Branch Managers and case studies on customer service are shared timely among the Customer Centres.

Local Communities
[GRI 413-1]

SFL provides opportunities to engage our people in corporate social responsibility projects. Leveraging on their time and efforts, employees contribute meaningfully to the communities we live and work in. We believe that engaging with communities will help SFL to build a caring and giving culture, which will bring our people together and strengthen the community we live in.

In FY2019, SFL kicked off the new practice to better facilitate employee volunteerism. Our employees could apply for time off to volunteer on a regular basis with approved charities and social enterprises. In FY2022, due to various ongoing work projects, SFL was unable to actively participate in local communities' assistance program and initiatives. For FY2023, SFL will continue to encourage employees to participate in voluntary community activities. In the long run, we hope to make this giving culture an intrinsic part of SFL and to help provide more positive impact as a Company.

Occupational Health and Safety
[GRI 403-9, GRI 403-10]

In FY2021, we added Occupational Health and Safety as an additional disclosure (non-material GRI factor). This year, SFL achieved its target of maintaining zero cases of work-related injuries and ill-health (Table 9). Going forward, we aim to continue maintaining a zero case in FY2023. This will be achieved through educating staff on the importance on safety through company policies on workplace health and safety policies.

The below charts show that we have zero case of work-related injuries and ill health in FY2022

Table 9. Total number of work-related injuries in FY2021 and FY2022.

	FY2021	FY2022
Number of fatalities as a result of work-related injury	0	0
Number of high-consequence work-related injuries (injury that results in a fatality from which the worker cannot recover fully to pre-injury health status within 6 months), excluding fatalities	0	0
Number of recordable work-related injuries	0	0

Table 10. Total number of work-related ill health cases in FY2021 and FY2022.

	FY2021	FY2022
Number of fatalities as a result of work-related ill health	0	0
Number of cases of recordable work-related ill health	0	0

CORPORATE
SUSTAINABILITY REPORTING

GOVERNANCE

Socioeconomic Compliance
[GRI 3-3, GRI 2-27]

Trust is an important trait of a company. To maintain the trust of our stakeholders, SFL understands that it is important to be compliant with the relevant laws and regulations. Hence, we are committed to ensure that we conduct our business with utmost integrity and high standards of business ethics, in line with our core company values.

SFL is compliant with relevant laws and regulations by taking actions through the compliance department team. The team take steps to assess the implications of any updates of regulations and report to Operational & Technology Risk Committee ("OPTECH") every two months and HODs quarterly. They are also responsible for communicating new regulations or changes to existing regulations to the relevant HODs within three working days. The HODs and Chief Executive Officer ("CEO") are required to sign off a semi-annual Regulatory Requirements and Self-Assessment ("RRSA") checklist. To stay relevant, SFL ensures that our compliance department receives email alerts from MAS and other regulatory bodies for latest updates and disseminate the information to relevant departments within three working days.

Next, we have in place a Compliance Risk Management Framework. It consists of the objective for the management of compliance risk, governance and oversight structure, roles and responsibilities as well as the compliance risk management process. The purpose of this framework is to serve as a guide to the Board of Directors, Management, Compliance Department, and all employees on the key areas to note when dealing with compliance risks.

We then perform a quarterly review of scripless shareholders to monitor any non-disclosure of shareholding or transactions by our employees. An internal guideline is in place, which prohibits employees from dealing in the Company's securities during the period commencing one month before the date of announcement of half yearly and full year financial results. In 2022, all employees have complied with the guideline. In addition, an Enterprise-Wide Risk Assessment ("EWRA") for AML is conducted annually.

We have successfully achieved our targeted performance for FY2022 of zero cases of significant fines or non-monetary sanctions for non-compliance with relevant laws and regulations in the social and economic area. We are also pleased to announce that 100% of our employees were proactive in attending trainings related to compliance, AML and CFT. We aim to maintain this good performance and to ensure that all employees attend compliance trainings in the following year.

Anti-corruption
[GRI 3-3, GRI 205-2, GRI 205-3]

Corruption is a considerable obstacle to economic and social development of the Company and at SFL, we do not tolerate any forms of corruption. As a form of deterrence, we have taken the initiative to put in place several anti-corruption policies available on the Company's general online drive for all employees to access. These include HR Policy, Whistle Blowing Policy, Fraud Policy, Interested Party Transactions ("IPT") Policy, Related Party Transactions ("RPT") Policy as well as Policy and Guidelines on AML and CFT. These policies are reviewed regularly to ensure they are always up to date.

It is compulsory for new joiners to attend an Anti-Money Laundering and Countering the Financing of Terrorism ("AML/CFT") training within six months of joining the Company. New joiners are also required to read and familiarise themselves with the Fraud, Whistleblowing, Related Party and Interested party policies of the Company. In FY2022, a total number of 102 employees (100% of eligible employees) attended our AML/CFT training.

SFL also engages an external consultant every two years to train all staff about new and recent developments in AML/CFT to keep staff aware of the AML/CFT developments. SFL provides an alternative channel for whistle blowers to lodge a report of improper conduct in the Company on a confidential basis as well as guidance for establishing, implementing, and managing whistle blower protection programme.

In FY2022, we have achieved our goal of zero incidents of corruption, fraud, whistle blowing, improper interested party transactions or related party transactions, anti-money laundering and countering the financing of terrorism that resulted in legal action, and we aim to continue achieving this goal in FY2023. There were also no incidents in which employees were dismissed or disciplined for corruption and zero incidents when contracts with business partners were terminated or not renewed due to violations related to corruption. In addition, we were not faced with any public legal cases regarding corruption brought against the Company or our employees during the reporting period. SFL maintained zero tolerance for knowingly breaching regulations on anti-money laundering and countering the financing of terrorism and had zero incidents of knowingly on-boarding high risk customers without first performing the necessary enhanced due diligence measures.

We plan to maintain the 100% attendance rate in anti-corruption related trainings for eligible employees as well as creating awareness on the repercussions of corruption through our regular review and enhancement of anti-corruption policies.

GRI CONTENT INDEX

GRI Standards	Disclosure Number	Disclosure Title	Page Reference and/or Remark
General Disclosures			
GRI 2 (2021): General Disclosures	2-1	Organisational details	Pages 1, 11, 30
	2-2	Entities included in the organisation's sustainability reporting	Page 13
	2-3	Reporting period, frequency, and contact point	Page 13
	2-4	Restatements of information	There has been no restatement of figures or information disclosed in our previous report.
	2-5	External assurance	SFL has not sought external assurance on this Report.
	2-6	Activities, value chain and other business relationships	Page 30
	2-7	Employees	Pages 18 to 20
	2-8	Workers who are not employees	All employees of SFL are permanent employees. SFL does not have a significant portion of its activities being carried out by workers who are not employees.
	2-9	Governance structure and composition	Pages 4 to 6, 11, 13
	2-19	Remuneration policies	Page 19
	2-22	Statement on sustainable development strategy	Page 13
	2-23	Policy commitments	Pages 16, 19, 23 to 26
	2-27	Compliance with laws and regulations	Pages 23, 26
	2-28	Membership associations	Page 14
	2-29	Approach to stakeholder engagement	Page 14
	2-30	Collective bargaining agreements	Not applicable, no collective bargaining agreements are in place.
Material Topics			
GRI 3 (2021): Material Topics	3-1	Process to determine material topics	Pages 13, 15
	3-2	List of material topics	Page 15
	3-3	Management of material topics	Pages 16 to 26

CORPORATE
SUSTAINABILITY REPORTING

GRI Standards	Disclosure Number	Disclosure Title	Page Reference and/or Remark
Economic			
Economic Performance			
GRI 3 (2021): Material Topics	3-3	Management of material topics	Page 16
GRI 201 (2016): Economic Performance	201-1	Direct economic value generated and distributed	Page 16
Indirect Economic Performance			
GRI 203 (2016): Indirect Economic Performance	203-2	Significant indirect economic impacts	Page 16
GRI 204 (2016): Procurement Practices	204-1	Proportion of spending on local suppliers	Page 16
Environmental			
Energy and Emissions			
GRI 3 (2021): Material Topics	3-3	Management of material topics	Page 17
GRI 302 (2016): Energy	302-1	Energy consumption within the organisation	Page 17
	302-3	Energy intensity	Page 17
GRI 305 (2016): Emissions	305-2	Energy indirect (Scope 2) GHG emissions	Page 17
	305-4	GHG emissions intensity	Page 17
Water Consumption			
GRI 3 (2021): Material Topics	3-3	Management of material topics	Page 18
	303-5	Water consumption	Page 18
Social			
Employment			
GRI 3 (2021): Material Topics	3-3	Management of material topics	Pages 18 to 20
GRI 401 (2016): Employment	401-1	New employee hires and employee turnover	Pages 18 to 20
Diversity and Equal Opportunity			
GRI 3 (2021): Material Topics	3-3	Management of material topics	Pages 21 to 22
GRI 405 (2016): Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Pages 21 to 22

GRI Standards	Disclosure Number	Disclosure Title	Page Reference and/or Remark
Training and Development			
GRI 3 (2021): Material Topics	3-3	Management of material topics	Pages 22 to 23
GRI 404 (2016): Training and Education	404-1	Average hours of training per year per employee	Page 23
	404-2	Programmes for upgrading employee skills and transition assistance programmes	Pages 22 to 23
Customer Privacy			
GRI 418 (2016): Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 23
Marketing and Labelling			
GRI 3 (2021): Material Topics	3-3	Management of material topics	Pages 23 to 24
GRI 417 (2016): Marketing and Labelling	417-2	Incidents of non-compliance concerning product and service information and labelling	Pages 23 to 24
	417-3	Incidents of non-compliance concerning marketing communications	Pages 23 to 24
Local Communities			
GRI 3 (2021): Material Topics	3-3	Management of material topics	Page 25
GRI 413 (2016): Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	Page 25
Occupational Health and Safety			
GRI 3 (2021): Material Topics	3-3	Management of material topics	Page 25
GRI 403 (2018): Occupational Health and Safety	403-9	Work-related injuries	Page 25
	403-10	Work-related ill health	Page 25
Governance			
Socioeconomic Compliance			
GRI 3 (2021): Material Topics	3-3	Management of material topics	Page 26
Anti-corruption			
GRI 3 (2021): Material Topics	3-3	Management of material topics	Page 26
GRI 205 (2016): Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	Page 26
	205-3	Confirmed incidents of corruption and actions taken	Page 26

OUR SERVICES

PERSONAL SAVINGS*

- Vivid Savings Account
- Singapura Blue Sky Junior Savers Savings Account
- Singapura Blue Sky Adult Savers Savings Account
- Singapura Blue Sky Gold Savers Savings Account
- Singapura Blue Sky Fixed Deposit

CORPORATE DEPOSIT*

- Fixed Deposit
- Business Account (Current Account)

CONSUMER LOAN

- Purchase of HDB apartments
- Purchase of Private Residential property
- Purchase of Commercial and Industrial property
- Purchase of Share and for Share Trading
- Purchase of Motor Car and Motor Cycle
- Purchase of Commercial Vehicle
- Purchase of Pleasure Craft

CORPORATE LOAN

- Purchase of Equipment and Machinery
- Purchase of Motor Vehicle
- Purchase of Construction Equipment
- Purchase of Commercial and Industrial Property
- Land and Construction Loan
- Vessel Loan
- Block Discounting for Motor Car, Commercial Vehicles and Motor Cycle.
- Enterprise Financing Scheme
  - SME Working Capital Loan
  - SME Fixed Assets Loan
  - Temporary Bridging Loan
- Business Loan/Business Overdraft

OTHERS

- Safe Deposit Box (City HQ & Bedok Customer Centre)

* Deposit Insurance Scheme: Singapore dollar deposits of non-bank depositors are insured by the Singapore Deposit Insurance Corporation, for up to S$75,000 in aggregate per depositor per Scheme member by law.

OUR CUSTOMER CENTRES

City HQ
150 Cecil Street, #01-00
Singapore 069543
Tel: 6880 0633

Serangoon
Blk 101 Towner Road #01-230
Singapore 322101
Tel: 6299 8855

Jurong Gateway
Blk 130 Jurong Gateway Road #01-227
Singapore 600130
Tel: 6467 1918

Bedok
Blk 202 Bedok North Street 1 #01-471
Singapore 460202
Tel: 6445 8011

Ang Mo Kio
Blk 711 Ang Mo Kio Ave 8 #01-3501D
Singapore 560711
Tel: 6458 4222

East Coast
212 East Coast Road
Singapore 428911
Tel: 6348 8262

Woodlands
302 Woodlands Street 31 #01-271
Singapore 730302
Tel: 6368 0113

Singapura Finance Ltd (the "Company") is committed to achieving and maintaining high standards of corporate governance so as to ensure greater transparency, accountability, and maximisation of long-term shareholder value.

In compliance with Listing Rule 710 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST Listing Manual"), this report outlines the Company's corporate governance practices with specific reference to each principle and provision set out in the Code of Corporate Governance 2018 (the "Code") during the financial year ended 31 December 2022 ("FY2022").

The Board is pleased to report that the Company has complied in all material aspects with the Code. Where there is any material deviation from the Code, the Company's position in respect of such differences is explained in this report.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Directors' Fiduciary Duties and Conflicts of Interest (Provision 1.1)
The Board is collectively responsible for providing overall strategy and direction to Management in order to achieve sustainable and successful performance for the Company and its subsidiaries (collectively, the "Group").

All Board members bring their independent judgement, diversified knowledge and extensive experience in fulfilling its oversight responsibility of the Group's business and affairs, to enable the Group to meet its objectives for the long-term success of the Group. The Board also sets the tone for the Group where ethics and values are concerned.

The principal functions of the Board are to:

- providing entrepreneurial leadership, set strategic aims and ensure that the necessary financial and human resources are in place for the Company to meet its objectives.
- establishing a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets.
- approving key changes to the organisational structure of the Company.
- approving the nominations and re-election of Directors to the Board.
- reviewing Management's performance.
- identifying the key stakeholder groups and recognising that their perceptions affect the Company's reputation.
- setting the Company's values and standards (including ethical standards) and ensure that obligations to shareholders and other stakeholders are understood and met.
- considering sustainability issues as part of its strategic formulation.
- monitoring and reviewing the Group's financial performance.
- assuming responsibility for corporate governance.

All Directors objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company. Each Director is expected to act in good faith and in the best interests of the Company in the discharge of his or her duties and exercise of his or her powers as a Director of the Company.

Each Director should as far as possible, avoid situations where there might reasonably appear to be conflicts of interest. When facing a potential conflict of interest, the affected Director should make prompt disclosure to the Board and recuse himself/herself from discussions and decisions involving the issues of conflict, unless the Board is of the opinion that his/her participation is necessary.

Delegation of Authority by the Board to its Board Committees (Provision 1.4)
To ensure that specific issues are subject to in-depth and timely review, certain functions have been delegated to various Board Committees, which would submit its recommendations or decisions to the Board. The six Board Committees are:

- Audit Committee ("AC");
- Risk Management Committee ("RMC");
- Nominating Committee ("NC");
- Remuneration Committee ("RC");
- Executive Committee ("EXCO"); and
- Digitalization Committee ("DC")

These Board Committees are formed with clear written terms of reference ("TOR") approved by the Board, setting out their compositions, authorities and duties, including reporting back to the Board.

Executive Committee

The EXCO comprises the following four members:

Mr Teoh Eng Hong	(Chairman)
Mr Teo Chiang Long	
Mr Adam Tan Chin Han	
Mr Jamie Teo Miang Yeow	

The EXCO acts on behalf of the Board in supervising the management of the Company's business and affairs, in particular, the granting of loans, guarantees or credit facilities within the authority limits delegated by the Board, and approving new product proposals.

When approving matters under the Committee's purview, the EXCO Chairman shall have a casting vote in the event of an equality of votes. If any EXCO member abstains from voting, the resolution shall be escalated to the Board of Directors for approval.

Digitalization Committee

Following the reconstitution of DC on 1 March 2023 to appoint Mr Terence Khoo Chi Siang as the Chairman of DC, the current composition of the DC comprises the following four members:

Terence Khoo Chi Siang	(Chairman)
Adam Tan Chin Han	
Jamie Teo Miang Yeow	
Melvin Yeo	Head (Information Services)

The DC provides the governance over the direction and ongoing progress of the digital strategy of the Group and ensuring that they are consistent with the Group's vision and values. The Executive Chairman, Mr Teo Chiang Long is the advisor to the DC.

The information on the AC, RMC, NC and RC, including compositions and key functions of are described in the other relevant sections of this report.

- NC (Principle 4)
- RC (Principle 6)
- RMC (Principle 9)
- AC (Principle 10)

In addition to the six Board Committees, the Board is also supported by Sustainability Steering Committee ("SSC"), comprising Management and head of various departments of the Company. The SSC support the Board in overseeing the management and monitoring of ESG factors.

Board Reserved Matters (Provision 1.3)
The Board has written terms of reference which clearly set out its authority and duties. The following list of matters which required Board's review and approval has been clearly communicated to Management:

- setting the strategic plans;
- approving the Group's annual budgets and key operational issues;
- approving the release of financial results;
- reviewing risk management strategies, adequacy and effectiveness of the Group's risk management and internal controls framework, including financial, operational, compliance and information technology controls and establishing risk appetite to safeguard shareholders' interests and the Group's assets;
- reviewing major loan proposals, major transactions, acquisitions, disposals, investments and funding decisions;
- approving Corporate or financial restructuring;
- recommending share issuances and dividend payment to shareholders;
- establishing policy and framework for promoting diversity of the Board;
- reviewing recommendations by the Audit Committee ("AC") on the appointment, re-appointment or removal of external auditors;
- reviewing recommendations by the AC on Interested person transactions;
- reviewing recommendations by the AC on any whistle-blowing investigations relating to practices and infractions of company policies, processes and procedures, staffing and personnel matters, and compliance matters;
- setting objective performance criteria to evaluate the performance of the Board, individual Directors and Board Committees;
- approving the nomination and appointment/re-appointment of Directors, Board Committees members and key management personnel;
- reviewing recommendations by the Remuneration Committee ("RC") and approving the remuneration packages of Directors and key management personnel ("KMP");
- reviewing succession planning for the Board and KMP;
- reviewing sustainability issues such as environmental, social and governance factors, as part of its strategic formulation;
- setting the Group's standard of conduct and values to ensure that obligations to shareholders and other stakeholders are understood and met; and
- assuming responsibility for, and ensuring the Group's compliance with, good corporate governance practices.

The Directors may at any time request further explanations, briefings or informal discussions on any aspect of the Company's operations.

Board and Board Committees Meetings and Attendance (Provision 1.5)
Regular Board and Board Committee meetings are held. The Board, AC and RMC meets at least four times a year. The annual meeting dates of the Board and Board Committees are scheduled in advance each year, in consultation with the Directors to assist them in planning their attendance. Additional/ Ad hoc meetings are held as and when circumstances warrant.

The Company's Constitution provides that Board meetings may be held via teleconferencing, videoconferencing or other similar means of communication as permitted under the Company's Constitution. The decisions of the Board and Board Committees may also be made through written resolutions passed in accordance with the Company's Constitution.

The number of Board and Board Committees meetings as well as general meetings held during FY2022, and the attendances of the Directors during these meetings are as follows:

	Board	AC	NC	RC	RMC	EXCO	DC	General Meetings
No. of Meetings Held	5	4	3	3	4	–	4	1
No. of Meetings Attended by Directors								
Teo Chiang Long	2	1*	1*	2*	1*	–	–	1
Teoh Eng Hong	5	4	3	3	4	–	–	1
Jamie Teo Miang Yeow	5	4*	3*	3*	4	–	4	1
William Ho Ah Seng	5	4	3	3	4	–	–	1
Yu-Foo Yee Shoon	5	4	3	3	–	–	–	–
Tan Hui Keng, Martha	5	4	3	3	4	–	–	1
Adam Tan Chin Han	5	4	3	3	4	–	4	1
Terence Khoo Chi Siang	5	4	3	3	4	–	4	1

* By invitation

Directors' Orientation, Induction, Training and Development (Provision 1.2)
A formal letter is sent to newly appointed Directors upon their appointment explaining their duties and obligations as Directors. New Directors receive appropriate training and briefing in areas such as accounting, legal, the roles and responsibilities of his or her duties as a Director of a listed company and how to discharge those duties when they are first appointed to the Board. The Company will conduct orientation programme to familiarise the incoming Directors with the Company's organisation structure, business and governance practices.

Pursuant to SGX-ST Listing Manual, the Company will make arrangement for new Director who has no prior experience as a director of a listed company to undergo mandatory training on roles and responsibilities as a director of a listed company as prescribed by the SGX-ST within one year from the date of his appointment. The Company did not appoint any new Director in FY2022.

The Directors are also provided with updates and/or briefings from time to time by professional advisers, auditors, Management and the Company Secretary in areas such as directors' duties and responsibilities, corporate governance practices, relevant legislations and regulations, risk management and financial reporting standards.

To keep pace with regulatory changes, the Directors are encouraged to attend seminars, workshops and receive training in areas such as directors' duties and responsibilities, changes in regulations and regulatory framework (including financial reporting standards and the SGX-ST Listing Manual) which are relevant to the Company's business and operations, so as to enable them to perform effectively as Directors. The Company arranges and funds the training of Directors.

Trainings, seminars and conferences attended by the Directors during the year include the following:

- mandatory training on sustainability reporting;
- anti-money laundering and counter terrorism financing ("AML/CFT"); and
- cybersecurity seminar conducted by Ernst & Young LLP

The NC, with the Board's concurrence, has assessed and is satisfied that the training, courses and seminars attended by the Directors in FY2022 have adequately fulfilled their purpose.

In addition to the training and briefing updates, Directors would also approach Management should they require any further information or clarification concerning the Company's operations.

Complete, Adequate and Timely Information (Provision 1.6)
Prior to each Board and Board Committees meeting, the members are provided with the meeting agenda and the relevant papers submitted by Management, containing complete, adequate and timely information to enable full deliberation on the issues to be considered at the meetings. Such information includes background or explanatory information relating to matters to be brought before the Board or Board Committees, and copies of disclosure documents, budgets or latest forecasts. In respect of budgets, any material variance between the projections and actual results are disclosed and explained. Management and the Company's auditors, who can provide additional insight to the matters for discussion, are also invited from time to time to attend such meetings.

Minutes of the Board and Board Committees meetings are circulated to all Directors so that each Director is apprised of the topics discussed and deliberated during each Board Committee meeting. The Chairmen of the respective Board Committees also report to the Board at each Board meeting, on the significant matters discussed at the meeting of the Board Committees.

Access to Management, the Company Secretary and Independent Professional Advice (Provision 1.7)
All Directors have separate and independent access to Management at all times, and unrestricted access to the Company's records and information. They received detailed financial and operational reports from Management during the year to enable them to carry out their duties.

Management may be invited to Board and Board Committees meetings to present and share information, and participate in discussions on matters to be deliberated by the Board or Board Committees, or to generally update the Board or Board Committees on the Group's operations and business development. Such interactions promote active engagement with Management and give the Directors a good understanding of the Group's business and the challenges it faces.

The Directors have separate and independent access to the advice and services of the Company Secretary or his/her representative(s) who attends and records the minutes of all Board and Board Committee meetings. The Company Secretary or his/her representative(s) attends all Board meetings and is responsible for, among other things, ensuring that Board procedures are observed and that applicable rules and regulations are complied with. The appointment and removal of the Company Secretary require the approval of the Board. Ms Sarah Zeng was appointed as Company Secretary in place of Mr Tan Wee Sin who has resigned with effect from 20 June 2022.

Each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfil his duties and responsibilities as Director.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Board Independence (Provisions 2.1 to 2.3)
The composition of the current Board (including gender, ethnicity, age, length of service) is as follows:

	Director	Board Position	Ethnicity	Gender	Age at AGM 2023	Date of Appointment to Board	No. of years on Board at AGM 2023
1.	Teo Chiang Long	Executive Chairman	Chinese	Male	79	10 Mar 1981	42
2.	Jamie Teo Miang Yeow	Executive Director and Chief Executive Officer ("CEO")	Chinese	Male	50	8 Nov 2002 (Director) 11 Sep 2007 (CEO)	21
3.	Yu-Foo Yee Shoon	Deputy Chairman and Lead Independent Director	Chinese	Female	73	1 Nov 2011	12
4.	Teoh Eng Hong	Independent Director	Chinese	Male	80	18 Jun 1992	31
5.	Tan Hui Keng, Martha	Independent Director	Chinese	Female	66	1 Nov 2011	12
6.	Ho Ah Seng, William	Independent Director	Chinese	Male	81	26 Aug 2011	12
7.	Tan Chin Han, Adam	Independent Director	Chinese	Male	48	3 Jan 2017	6
8.	Khoo Chi Siang, Terence	Independent Director	Chinese	Male	52	2 July 2018	5

The profile of each Director, including professional qualifications, working experience, other directorships and principal commitments/appointments, can be found on pages 4 to 6 of this Annual Report. The Company has no alternate director on its Board.

Under the Code, an independent director is one who is independent in conduct, character and judgment, 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. The NC annually reviews the independence of each Director by taking into account the definition of an independent Director and the relevant provisions and listing rules under the Code and the SGX-ST Listing Manual respectively.

The Independent Non-Executive Directors ("INEDs"), comprising majority of the Board, are able to exercise objective and independent judgment on matters of the Group. There is a strong independent element on the Board as at the date of this report.

Under the SGX-ST Listing Manual, a director will not be independent if he/she is employed by the company or any of its related corporations for the current or any of the past three financial years, or, if he/she has any immediate family member who is employed or has been employed by the company or any of its related corporations for the past three financial years, and whose remuneration is determined by the remuneration committee of the company.

The above provisions in the Code and the listing rules in the SGX-ST Listing Manual do not apply to any of the INEDs.

The NC takes into account the annual confirmation of independence completed by each INED. INEDs are required under the annual confirmation to critically assess their independence.

As non-executive members of the Board, the INEDs does not exercise management functions in the Company. However, all the Directors have equal responsibility and make contributions towards the performance of the Group.

Based on Rule 210(5)(d)(iii) of the SGX-ST Listing Manual which came into effect on 1 January 2022, a director who has been a director for an aggregate period of more than 9 years (whether commencing before or after listing) is not independent if his/her continued appointment as an independent director has not been sought and approved in separate resolutions by (A) all shareholders; and (B) all shareholders, excluding shareholders who also serve as the directors or the chief executive officer of the company, and associates of such directors and chief executive officers (“Two-Tier Voting”) such resolutions to remain in force until the earlier of retirement or resignation of the above Directors; or the conclusion of the third annual general meeting (“AGM”) of the Company following the passing of the resolution.

At the AGM held on 23 April 2021, Mr Teoh Eng Hong, Mr William Ho Ah Seng, Mrs Yu-Foo Yee Shoon and Mdm Tan Hui Keng, Martha, who have served on Board beyond nine years from the date of their respective first appointments, have been re-appointed as independent Directors via the Two-Tier Voting in separate resolutions.

Following the removal of Two-Tier Voting mechanism, Mr Teoh Eng Hong, Mr William Ho Ah Seng, Mrs Yu-Foo Yee Shoon and Mdm Tan Hui Keng Martha will continue to be deemed independent until the Company’s AGM held for the financial year ending 31 December 2023.

The Board has reviewed and assessed the independence of Mr Teoh Eng Hong, Mr William Ho Ah Seng, Mrs Yu-Foo Yee Shoon and Mdm Tan Hui Keng, Martha, (these Directors has each abstaining from deliberation on their continued appointment) using a holistic approach. The assessments take into account their respective contributions in terms of experience, expertise, professionalism, integrity, objectivity and independent judgement in their engagement with all relevant parties, rather than solely and arbitrarily on basis of length of service alone.

Having performed a rigorous review of their independence, the NC and the Board are of the view that these Directors continue to be independent notwithstanding their length of service. Each of these Directors has consistently demonstrated strong independence of judgment and integrity of character in discharging his/ her respective responsibilities.

All the INEDs are sitting in the respective Board Committees which require special skillset and experience and their contribution are still required at the Committees level. Their vast experience enables them to provide the Board and the various Board Committees which they serve, with pertinent experience and competence to facilitate sound decision-making. Their length of service does not in any way interfere with their exercise of independent judgement nor hinder their ability to act in the best interests of the Company.

The Board trust that they are able to continue to discharge their duties independently with integrity and competency. The Board considers its INEDs to be of significant influence and their views to be invaluable such that no individual or small group of individuals can dominate the Board’s decision-making processes.

Board Composition and Diversity (Provision 2.4)
The Board, assisted by the NC, reviews the Board size and composition regularly to ensure its appropriateness in facilitating robust engagement and effective decision-making under the Group's current scope and nature of operations and business requirements.

Board Diversity

The Company recognises the need and benefits of embracing diversity at the Board level to enhance stewardship and decision-making capabilities that commensurate with the ever-evolving operating environment.

To promote diversity of the Board, the Company has adopted the Board Diversity Policy, taking into consideration from a number of aspects, including but not limited to:

(a) age;
(b) gender;
(c) nationalities;
(d) ethnicity;
(e) experience;
(f) educational background;
(g) skills;
(h) knowledge;
(i) length of service;
(j) independence (if applicable); and
(k) other relevant qualities considered essential for the effective governance of the Company.

These aspects will be considered in determining the optimum composition of the Board.

Guided by the Company's Board Diversity Policy, the NC is cognisant of achieving an appropriately balanced mix of talent on the Board, comprising Directors with diverse but complimentary backgrounds and experiences. Selection of candidates will be based on a range of diversity perspectives as mentioned above. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

Board Composition

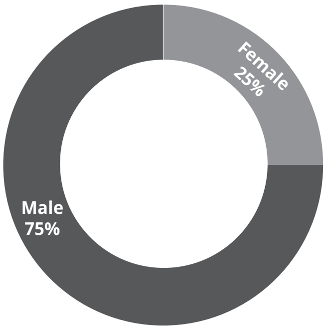
The current members of the Board are prominent business leaders and professionals with financial, banking and business management backgrounds. Their diverse corporate experiences as a group provide core competencies relevant to the Group's business, and an appropriate balance of skills, experience, gender and knowledge of the Company.

In recognition of the importance and value of gender diversity, the Board comprises two female Directors, which constitutes one quarter (25%) representation of the Board.

In addition, the Directors with ages ranging from mid-40s to more than 70 years old, who have served on the Board for different tenures, with their combined business, management and professional experience, knowledge and expertise, provide the core competencies to allow for diverse and objective perspectives on the Group's business and direction.

The Board, through the NC, has reviewed its composition, and is satisfied that the size of the Board is appropriate and adequate for effective decision-making having regard to its present scale of operations.

GENDER



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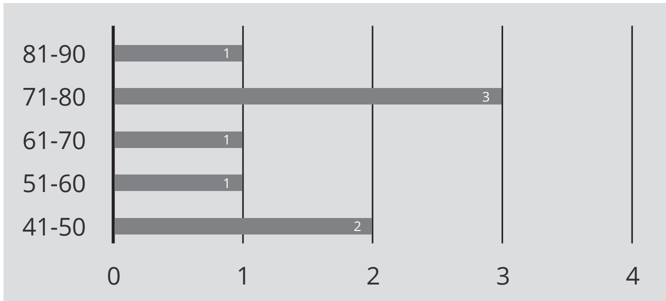

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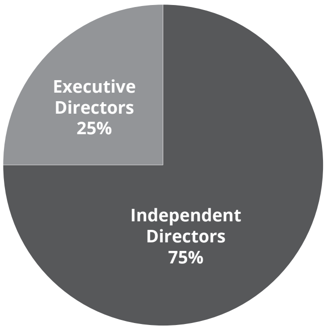
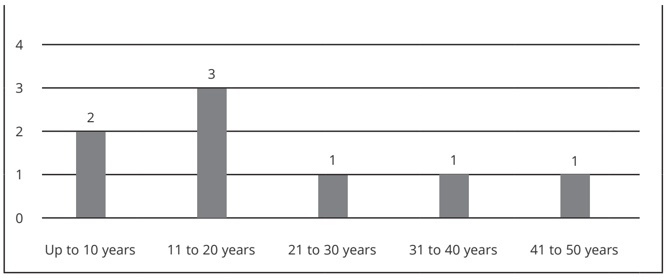


TENURE OF SERVICE



Setting Targets, Plans and Timelines

The NC discuss and agree annually the relevant measurable targets for promoting and achieving diversity on the Board and make its recommendations for consideration and approval by the Board. The targets may involve at any given time, one or more aspects of board diversity with different timelines for achievement.

As part of its continuous effort in promoting diversity of the Board, the Company targeted to include a Board member with experience/background in technology industry by 2024. The Board will regularly engage individuals with the correct profile and assess their suitability to be appointed.

Meeting of Independent Directors without Management (Provisions 2.5)
The INEDs constructively challenge, assist with development of strategic proposals, review the performance of Management in meeting goals and objectives and monitor the reporting of performance.

The INEDs, led by the Lead Independent non-Executive Director ("LID"), Mrs Yu-Foo Yee Shoon meet on a need basis without the presence of Management, in order to facilitate a more effective check on Management. The LID would provide feedback to the Executive Chairman after such meetings. No meeting of the Independent Directors was convened in FY2022.

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Separation of Chairman and CEO (Provision 3.1)
The offices of the Executive Chairman and the CEO are held by separate individuals. Mr Teo Chiang Long is the Executive Chairman of the Company, while his son, Mr Jamie Teo Miang Yeow is the CEO.

Lead Independent Director (Provision 3.3)

As the Executive Chairman and the CEO are immediate family members and are both part of the executive management team, the NC has appointed Mrs Yu-Foo Yee Shoon as the LID (i) to serve as the principal liaison on Board issues between the INEDs and the Executive Chairman, and (ii) to address any queries and shareholders' concerns which contact through the normal channels of the Executive Directors has failed to resolve or for which such contact is inappropriate. Shareholders may reach the LID at leadid@singapurafinance.com.sg.

Roles of Chairman and CEO (Provision 3.2)
There is a clear division of responsibilities between the Executive Chairman and the CEO, which are set out in writing and agreed by the Board.

The Executive Chairman leads the Board to monitor and review the general progress and long-term development of the Company. He ensures the members of the Board receive accurate, timely and clear information, in particular, the Company's performance, to enable the Board to make sound decisions, monitor effectively and provide advice to promote the success of the Company. He also encourages constructive relations between the Board and Management, and between the executive and non-executive Directors.

The CEO manages the daily operations of the Group and implements the Board's policies and decisions.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Composition of the NC (Provision 4.2)
The NC comprises the following six members, all of whom are INEDs. The LID, Mrs Yu-Foo Yee Shoon, is the Chairperson of the NC.

Mrs Yu-Foo Yee Shoon (Chairperson)
Mr Teoh Eng Hong
Mr William Ho Ah Seng
Mdm Tan Hui Keng, Martha
Mr Adam Tan Chin Han
Mr Terence Khoo Chi Siang

Role and Responsibilities of the NC (Provision 4.1)
Based on its TOR, the principal functions of the NC include:

- reviewing the structure, size and composition of the Board, taking into account, aspects of Board diversity, and making recommendations to the Board with regard to any adjustments that are deemed necessary;
- identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
- determining annually, and if circumstances require, the independence of a Director;
- reviewing the ability of a Director to adequately carry out his duties as Director when he has multiple board representations;
- reviewing and recommending the nomination for re-appointment of Directors;
- reviewing the succession planning of the Board and KMP.
- assessing the effectiveness and performance of the Board, Board Committees and individual Directors;
- reviewing and recommending relevant matters relating to Board diversity;
- reviewing the training and professional development programs for the Board; and
- reviewing its TOR to ensure alignment with the Code

None of the Directors has an alternate Director. As a Director is expected to be able to commit time to the affairs of the Company, the NC will generally not support the appointment of an alternate Director.

Selection, appointment and re-appointment of Directors (Provision 4.3)
Criteria and Process for Nomination and Selection of New Directors

The NC reviews and assesses the Board composition and recommends the appointment of new Director(s) for the Board's consideration. In doing so, the NC will:

(a) consider the range of diversity aspects in particular, skills, knowledge, experience including familiarity in the Company's core markets, age, gender and length of service, and assess the combined factors against the requirements needed to govern and direct the Company's strategic objectives.

(b) identify and nominate suitable candidates to the Board based on merit and independence, and against objective criteria while paying due regard to the need for diversity on the Board.

The channels used in searching for appropriate candidates would include third party search firms and personal networks. Any search firm engaged to assist the Board or Board committees in identifying candidates for appointment to the Board will be specifically directed to include diverse candidates.

The NC identifies and interviews short-listed candidates before recommending them for appointment formally to the Board and where applicable, to the Board Committees.

In reviewing and recommending any new Director appointment, the NC takes into consideration the current Board size and its mix, the competing time commitments faced by Directors with multiple Board representations, the additional skills and experience that will bolster the core competencies of the Board, the search process for the identification of suitable candidates and once identified, the appropriate knowledge, experience and skills of the candidates who in its opinion, are fit and proper and qualified for office. As the Company is a finance company as defined under the Finance Companies Act 1967 of Singapore, in accordance with the Monetary Authority of Singapore ("MAS") Notice 817, all new appointments to the Board are subject to the approval of the MAS.

The decision on selection of new Director(s) will be based on merit against objective criteria that complements and expands the skills and experience of the Board as a whole having considered the overall balance and effectiveness of a diverse Board.

Re-appointment of Directors

Under the SGX-ST Listing Manual, all Directors are required to submit themselves for re-nomination and re-election at least once every three years. Article 97 of the Constitution requires one-third of the Directors, or the number nearest to but not less than one-third, to retire by rotation at every AGM. These Directors may offer themselves for re-election, if eligible.

The NC reviews annually the nomination of the relevant Directors for re-election or re-appointments as well the independence of Directors. When considering the nomination of Directors for re-appointment, the NC takes into account their contribution to the effectiveness of the Board as well as their time commitment especially for Directors who have multiple board representations, and also reviews their independence.

The NC had recommended to the Board that Mr Teo Chiang Long, Mr William Ho Ah Seng and Mr Terence Khoo Chi Siang (the "Retiring Directors") retire pursuant to Article 97 of the Constitution and be nominated for re-election at the forthcoming AGM. The Board had accepted the NC's recommendations.

The Retiring Directors had consented to act and offered themselves for re-election. Each of the Retiring Directors had abstained from the discussion and recused from voting in respect of his/her own nomination.

Pursuant to Rule 720(6) of the Listing Manual, detailed information of the Directors who are proposed to be re-elected to the Board is set out at pages 131 to 138 of this Annual Report.

<u>Succession Planning for the Board, the Board Chairman and Senior Management</u>

The Board believes in carrying out succession planning for itself, the Board Chairman and the Senior Management team to ensure continuity of leadership. Board renewal is a continuing process.

The NC reviews annually the composition of the Board and Committees and recommends to the Board the selection and appointment of new Directors, whether in addition to the existing Board members or as replacement of retiring Board members, with a view to identifying any gaps in the Board's skills set taking into account the Group's business operations. The Board will be able to function smoothly notwithstanding any resignation or retirement of any Director given the present number of members and mix of competencies on the Board.

Directors' other directorships and principal commitments (Provision 4.5)
Where a Director has multiple Board representations, the NC also considers if such a Director is able to adequately carry out his/her responsibilities as a Director of the Company.

The Board has set a general guideline that the maximum number of listed company board representations which a Director may hold (including representation on the Company's Board) should not be more than seven. These guidelines were established following the careful assessment by the NC and the Board after taking into consideration the scope and complexity of the Company's business. Where there is a potential conflict of interest in accepting a new appointment on the board of other listed companies, assessment through the NC and the approval of the Board are required prior to accepting that appointment.

All Directors have met the requirements under the guidelines. The Board is satisfied that each Director has committed sufficient time to the Company and has contributed meaningfully to the Company. Details of the Directors' professional qualifications, working experience, and other directorships and principal commitments/appointments can be found on pages 4 to 6.

Determining Directors' Independence (Provision 4.4)
The NC is also responsible for determining annually, and as and when circumstances arise, the independence of Directors.

On an annual basis, each ID is required to complete a declaration of independence based on the provisions in the Code and the Listing Rules, for the NC's review. The NC takes into account the principles and guidelines set out in the Code and the Listing Rules and assessed the independence of Directors based on the following considerations:

(a) whether the Director has a relationship with the Company or its related corporations, substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere with the exercise of his/her independent judgement in the best interests of the Company;

(b) whether the Director is or has been employed by the Company or any of its related corporations in the current or immediate past financial years;

(c) whether the Director has an immediate family member who is or has been employed by the Company or any of its related corporations in the current or any of the past three financial years, and whose remuneration is or was determined by the RC;

(d) whether the Director or his/her immediate family member has, in the current or immediate past financial year, provided to or received from the Company or any of its subsidiaries any significant payments or material services, other than compensation for Board service;

(e) whether the Director or his/her immediate family member, in the current or immediate past financial year, is or was, a substantial shareholder or a partner in (with 5% or more stake), or an executive officer of, or a director of, any organisation which provided to or received from the Company or any of its subsidiaries any significant payments or material services;

(f) whether the Director has been a Director on the Board for an aggregate period of more than nine years; and

(g) any other applicable circumstances.

The NC has reviewed and ascertained that the INEDs continue to remain independent having considered their confirmation that they do not have any relationship with the Company, its related companies, substantial shareholders, or officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement with a view to the best interests of the Company and the Group, and the other considerations set out above.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Assessing the effectiveness of the Board, Board Committees and Individual Directors (Provisions 5.1 and 5.2)
The Company has in place a formal process for assessment of the effectiveness of the Board as a whole, the Board Committees and the contribution by each Director to the effectiveness of the Board.

The NC assesses the Board's performance as a whole annually using objective and appropriate quantitative and qualitative criteria and approved by the Board. When assessing the overall Board performance, the NC takes into consideration the feedback from individual Directors on areas relating to the Board's competencies and effectiveness. The results of the overall evaluation including its recommendations for improvements, if any, are presented to the Board.

The NC assesses the performance of all the Board Committees with the assistance of self-assessment checklists completed by each of the Board Committees.

The annual evaluation process for each individual Director's performance comprises three parts:

(a) background information concerning the Director including his/her attendance records at Board and Board Committee meetings;

(b) questionnaire for completion by each individual Board member; and

(c) the NC's evaluation based on certain assessment parameters.

The questionnaires and the assessment parameters were recommended by the NC and approved by the Board. The completed questionnaires are then reviewed by the NC before the NC completes its evaluation of the individual Directors.

The results of the individual evaluation of each of the Directors are also used by the NC, in its consultation with the Board Chairman, to review, where appropriate, the composition of the Board and Board Committees, and to support its proposals, if any, for appointment of new members and its recommendations for the re-appointment and re-election of retiring Directors. Comments from the Directors, if any, concerning the Board as a whole and the general performance of the Directors, are also presented to the Board.

<u>Board Evaluation Criteria</u>

The qualitative criteria are set out in a questionnaire covering three main areas relating to Board composition, roles and responsibilities, conduct of meetings and access to information.

The quantitative criteria used to evaluate the overall Board performance comprises performance indicators which include a comparison of the Company's performance for the financial period under review against the performance of the Company and industry peers for the corresponding period over the past five years and the longer-term indicators such as the Company's total shareholder return over a five-year period.

<u>Board Committee Evaluation Criteria</u>

The qualitative criteria are set out in a questionnaire covering areas relating to composition of the Board Committee, its roles and responsibilities, conduct of meetings and access to information.

Individual Director Evaluation Criteria

Factors taken into account in the assessment of a Director's performance include his abilities and competencies, his objectivity and the level of participation at Board and Board Committee meetings including his contribution to Board processes and the business strategies and performance of the Company.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Composition of the RC (Provision 6.2)
The RC comprises the following six members, all of whom are INEDs:

Mr Teoh Eng Hong (Chairman)
Mr William Ho Ah Seng
Mrs Yu-Foo Yee Shoon
Mdm Tan Hui Keng, Martha
Mr Adam Tan Chin Han
Mr Terence Khoo Chi Siang.

Role and responsibilities of the RC (Provision 6.1)
Based on the TOR approved by the Board, the principal functions of the RC are:

- reviewing and recommending to the Board a framework of remuneration policies for Directors and KMP as defined in the Code;
- reviewing and recommending to the Board the specific remuneration packages and terms of employment of each Director and KMP, covering all aspects of remuneration including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind;
- reviewing and recommending to the Board the setting up of share option schemes or long-term incentive schemes;
- reviewing the Group's remuneration and benefits policies and practices, including any share plans and/or other long-term incentive schemes;
- proposing, for adoption by the Board, measurable, appropriate and meaningful performance criteria to assist in the evaluation of the performance of KMP, individual Directors and of the Board as a whole; and
- reviewing the obligations of the Group arising in the event of the termination of the contracts of service of EDs and KMP to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

Remuneration Framework (Provision 6.3)
There is a formal and transparent process for developing executive remuneration and for determining the remuneration packages of individual Directors. No Director is involved in deciding his/her own remuneration. The RC's recommendations are submitted for endorsement by the Board.

The RC reviews all matters concerning the remuneration of the INEDs to ensure that remuneration commensurate with their contributions, responsibilities and market benchmarks.

None of the INEDs has service contracts or consultancy arrangements with the Company. They are paid Directors' fees based on a structured fee framework reflecting the responsibilities and time commitment of each Director.

The annual quantum of Directors' fees to be paid is reviewed by the RC and the Board before submission to shareholders for approval at the Company's AGM.

The remuneration packages of executive Directors and KMP are approved by the Board upon recommendations by the RC. The Executive Chairman and the CEO do not participate in discussion of their compensation packages. The two executive Directors and all KMP are on service contracts with fixed appointment periods. The RC reviews the service contracts of executive directors and KMP to ensure that they do not contain onerous removal clauses.

There are no contractual provisions to allow the Company to reclaim incentive components of remuneration from the executive Directors and KMP in exceptional circumstances of misstatement of financial statements, or of misconduct resulting in financial loss to the Company. The RC is of the view that such claw back provisions are not necessary because the variable components of their remuneration packages are moderate.

RC access to expert professional advice (Provision 6.4)
The RC may from time to time seek expert advice from external consultants whenever required. No external consultant was engaged in FY2022 to provide remuneration advice.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Remuneration Policy of Directors and Key Management Personnel ("KMP") (Provisions 7.1 to 7.3)
The Group's remuneration policy aims to provide compensation packages at market rates which reward successful performance and attract, retain and motivate Directors and KPM.

<u>Fixed and Variable Components</u>

The compensation packages for executive Directors and KMP comprise a fixed component (in the form of a base salary and fixed allowances) and a variable component (comprising short-term incentives in the form of year-end and variable bonuses and benefits-in-kind, where applicable). The variable components take into account, amongst other factors, the executive Directors' and KMP's performance, and the Company's performance and industry practices.

In determining the variable incentives for an executive Director and a KMP, his/her individual performance and contribution is taken into consideration together with the competitive market practices and information gathered from market surveys conducted by the Company's Human Resources department. This is then reviewed along with the Company's performance, taking into consideration specific indicators tracked over time which align with shareholders' interest, risk policies of the Company which promote the long-term success of the Company. Besides profitability, the quality of the Company's core business is also taken into account with the monitoring of the size and robustness of its loan assets and the level of non-performing loans. Based on its assessment, the RC believes that the performance conditions used in determining the variable components of executive Director and KMP have been met.

<u>Directors' Fees</u>

Both executive and non-executive Directors receive Directors' fees which are subject to approval by shareholders. 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, effort and time spent, and changes in the business, corporate governance practices and regulatory rules.

The RC also compares the Company's fee structure against industry practices and ensures that the non-executive Directors are not over-compensated to the extent that their independence may be compromised.

Other factors taken into consideration in the fee review includes frequency of Board and Board Committee meetings, corporate performance for the financial year under review as well as the corporate and economic outlook in the new financial year, and the interval since the last fee review. No Director is involved in deciding his own remuneration.

There are no schemes to encourage non-executive Directors to hold shares in the company so as to better align the interests of such non-executive Directors with the interests of shareholders. However, the Company does not discourage the Directors from holding shares in the Company.

The RC has recommended that the Board tables for shareholders' approval at the AGM, the payment Directors' fees of S$480,000 for FY2022.

No member of the RC is involved in deliberating and deciding on his/her remuneration, compensation or any other form of benefits. The Board concurred with the RC that the proposed Directors' Fees for FY2022 are appropriate and not excessive, taking into consideration the level of contributions by the Directors, the effort and time spent serving on the Board and Board Committees as well as the responsibilities and obligations associated with their duties as Directors. The recommendations would be tabled at the forthcoming AGM for shareholders' approval.

Long-term Incentive Scheme

Staff retirement gratuity is the only long-term incentive scheme of the Company. Staff (including executive Director and KMP) who are employed before 28 December 2002 are entitled to the staff retirement gratuity if they have worked for at least 12 continuous years prior to retirement. The Company does not offer shares or grant options with vesting period or employees share scheme to its Directors and staff.

Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Disclosure of the remuneration of Directors and Key Management Personnel (Provisions 8.1 and 8.3)
Remuneration of Directors

Details of Directors' remuneration for FY2022 is set out below. The disclosure is provided to enable a better understanding of the link between the remuneration paid to Directors, CEO and KMP and the performance of the individual and the Group. The criteria in setting the remuneration are disclosed under Principle 7 above.

Directors	Base Salary & Employer's CPF	Bonus/ Allowances	Other Benefits [(a)]	Board/Board Committee Fees [(b)]	Total
	%	%	%	%	%
$750,000 to below $1,000,000					
Teo Chiang Long	52.58	37.98	2.60	6.84	100
$500,000 to below $750,000					
Jamie Teo Miang Yeow	59.33	28.59	2.87	9.21	100
Below $250,000					
Teoh Eng Hong	–	–	–	100	100
William Ho Ah Seng	–	–	–	100	100
Yu-Foo Yee Shoon	–	–	–	100	100
Tan Hui Keng, Martha	–	–	–	100	100
Adam Tan Chin Han	–	–	–	100	100
Terence Khoo Chi Siang	–	–	–	100	100

Notes:

(a) These relate to provision for long-term incentive scheme, staff retirement gratuity. No staff retirement gratuity and termination benefits were paid to any Directors during FY2022.

(b) These fees comprise Directors' fees for FY2022 which are subject to approval by shareholders as a lump sum at the forthcoming AGM.

The Code recommends that the Company should fully disclose the remuneration of each individual Director and the CEO on a named basis. The Board is of the view that such disclosure would not be in the best interests of the Company or its shareholders.

Taking into account the details disclosed in the table above as well as note 19 of the Notes to the Financial Statements which provides an appropriate balance between detailed disclosure and confidentiality in the sensitive area of remuneration, the Board is of the view there is sufficient transparency and information on the remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation which are consistent with the intent of Principle 8 of the Code. In arriving at its decision, the Board also took into consideration the competitive business environment in which the Group operates, and the negative impact such disclosure may have on the Group.

<u>Remuneration of Key Management Personnel (not being a Director or CEO)</u>

The Code recommends that the Company should name and disclose the remuneration of at least the top five KMP (who are not Directors or the CEO) in bands of $250,000/-. In addition, the Company should also disclose in aggregate the total remuneration paid to these KMP. As the Company only has two KMP, the Board is of the view that disclosure of the total remuneration of the KMP would be disadvantageous to the Group's business interests, given the prevailing highly competitive industry conditions. The remuneration of one of the KMP in the Company is below $250,000/- while the other is between $250,000 and $500,000. Note 20 of the Notes to the Financial Statements provides an appropriate balance between detailed disclosure and confidentiality in the sensitive area of remuneration.

Remuneration of Immediate Family Member of a Director, the CEO or a substantial shareholder (Provision 8.2)
The Code also recommends disclosure of the name and remuneration of employees who are immediate family members of a Director, the CEO or a substantial shareholder of the Company, whose remuneration exceeds $100,000/- during the year, in bands $100,000/-. Excluding the two executive Directors, there were no employees of the Group who are immediate family members of a Director, the CEO or a substantial shareholder and whose remuneration exceeded $100,000/- during the financial year.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: 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.

Design, Implementation and Monitoring of Risk Management and Internal Control Systems (Provision 9.1)
<u>Accountability of Board and Management</u>

The Directors recognise that they have overall responsibility to ensure accurate financial reporting for the Group.

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

Management provides all Directors periodically with accounts and reports on the Group's financial performance and commentaries on the competitive conditions within the industry in which the Group operates, which are reviewed by the AC and Board at its meetings prior to release of the announcements on the Group's semi-annual and full-year results. Periodic reports covering the Group's financial performance are also provided to all Directors. Apart from the periodic updates provided by Management, the Directors may at any time seek further information from, and discuss with, Management on the Group's operations and performance.

Separate Risk Management Committee

The Board is fully committed to the implementation of sound risk management policies and practices, which are aligned to the Group's overall business strategy and objectives. The Board determines the type and level of business risks that the Group undertakes. Annually, the Board, assisted by the RMC, reviews the adequacy and effectiveness of the Group's risk management and internal control systems, including financial, operational, compliance and information technology controls.

The RMC assists the Board in overseeing risk governance in the Group's business and operations and ensuring that Management maintains a robust risk management framework with strong internal controls to safeguard shareholders' interests and the Group's assets.

The RMC comprises the following six members:

Mr Adam Tan Chin Han	(Chairman)
Mr Teoh Eng Hong	
Mdm Tan Hui Keng, Martha	
Mr William Ho Ah Seng	
Mr Terence Khoo Chi Siang	
Mr Jamie Teo Miang Yeow	

Roles and Responsibilities of RMC

Based on its TOR, the principal functions of the RMC include:

- reviewing and submitting for Board approval the Group's overall risk management framework, policies, procedures and limits and any changes thereof.
- reviewing and guiding Management in the formulation of the Group's risk policies and in the execution of risk assessment processes and mitigation strategies.
- monitoring and managing the risk exposures of the Group.
- reviewing the effectiveness of the Group's risk management system.
- reviewing and ensuring that the proposed annual budget is aligned with the Company's objectives and strategy and is consistent with the Company's risk tolerance and risk profile prior to recommending to the Board for further deliberation and approval.

The RMC has, in turn, appointed the Credit Control Committee, Credit Portfolio Committee, Asset-Liability Committee and Operational & Technology Risk Committee to assist in fulfilling its roles.

Risk management and internal control systems

The key risks of the Group include credit risk, market risk, liquidity risk, operational and technology risk and compliance risk. Risk management is an ongoing process. Continuous efforts are being made to ensure that the Group's risk management system and processes are in line with industry best practices.

Credit Risk

Counter-party risk or Credit risk is the risk arising from the uncertainty of an obligor's ability to perform its contractual obligations. The Group's credit risk primarily stems from lending activities.

The two management committees assisting in the management of credit risk are the Credit Control Committee and Credit Portfolio Committee.

The Credit Control Committee ("CCC") reviews delinquent accounts and makes decisions on recovery actions.

The Credit Portfolio Committee ("CPC") manages risk on a portfolio-wide basis and recommends alternative portfolio strategies, analyses the results of portfolio management actions, and develops portfolio limits for each portfolio segment for approval by the RMC. The CPC recommends the Enterprise Risk Management Framework, credit risk policies and manuals for approval by the RMC.

Risk parameters for accepting credit risk are clearly defined and are supported by written policies and processes in the Lending Guidelines to ensure that the Group maintains a well-diversified and high-quality loan portfolio.

The credit control functions ensure that credit risks are closely monitored and managed in compliance with the Group's credit policies and guidelines.

Credit reviews are carried out regularly to proactively identify and address potential weakness in the credit process and to pre-empt any unexpected deterioration in credit quality.

Credit stress tests framework is in place to analyse the impact of plausible adverse scenarios on the Group's loan portfolio.

The Group addresses credit concentration risk by setting and monitoring credit portfolio and industry mix limits on a regular basis.

Continuous efforts are being made to further enhance the Group's credit risk management processes.

The SFRS(I) 9 Committee ("SC") supports the Board and the AC in achieving compliance with Singapore Financial Reporting Standards (International) 9 Financial Instruments ("SFRS(I)9") which came into effect from 1 January 2018. SFRS(I) 9 requires, amongst others, an expected credit loss ("ECL") model for calculating impairment of financial assets.

The SC works closely with CPC and CCC to ensure that the Group has appropriate credit risk practices, including an effective system of internal control, to consistently determine adequate allowances in accordance with the Group's policies and procedures relating to impairment allowances and applicable accounting framework under SFRS(I)9. The SC also reviews and recommends updates to the Governance & Control Framework of ECL Model as well as the Impairment Allowance Policy at least on an annual basis. Any material changes to the ECL framework, methodology and policies are reviewed by SC before recommendation to the AC for concurrence and approval.

Environmental Risk

Environmental risk issues, in particular climate change have become a major global challenge and urgently require a co-ordinated global response. In Singapore, there is a growing momentum to build a financial landscape which is conducive to achieve environmentally sustainable growth while contributing to the global efforts to transition to a low-carbon, climate resilience economy.

In December 2020, the MAS issued a set of environmental risk management guidelines for the financial sector with the aim to enhance the sector's resilience to and management of environmental risk through the setting of sound risk management practices, including governance & strategy and disclosure of environment risk information.

Financial institutions are encouraged to integrate environmental risks into their business and investment decisions and disclose meaningful information that would enable its stakeholders to evaluate their performance in addressing environmental issues as a risk and an opportunity.

While the scale, scope and business models of financial institutions can differ vastly, MAS expects approaches to managing and disclosing environmental risk to mature as the methodologies for assessing, monitoring and reporting such risk evolve.

In its support to align its corporate philosophy, strategy and goals to the government's vision of green finance, the Company has in place a framework for its environmental risk management. The underlying structure of the framework will recognise that environmental risk poses potential financial and reputational impact to the Company in the form of:

- Credit risk - adverse climate change can impair the value of assets held by our customers, or impact supply chains affecting our customers' operations and profitability, and potentially, their viability.

- Market risk - the Company may be exposed to a decline in valuation and increased volatility in its investments, particularly to sectors which contribute to significant environmental degradation as a result of shifts in investor preferences.
- Liquidity risk – a surge in funds withdrawal and demand for emergency loans due to frequent natural disasters which can cause widespread damage to physical property and incur significant costs like constructions and repair costs. Environmentally-conscious depositors may also cut back on sources of funding if they perceive that the Company finance activities with a negative impact on the environment.
- Operational risk – extreme weather events can disrupt business continuity by negatively impacting the Company's infrastructure, systems, processes and staff.
- Reputational risk - negative perception of the Company can arise in financing customers that carry on business activities which have a negative impact on the environment, affecting the Company's ability to maintain or establish business relationships.

Market Risk

Market risk encompasses price and interest rate risk, which are inherent in the ordinary course of the Group's business. Market risk refers to the risk to the Group resulting from movements in market prices, in particular, changes in interest rates, credit spreads, and equity prices.

The Asset-Liability Committee ("ALCO") manages the balance sheet to achieve an optimal balance between risk and reward with regards to structural interest rate risk, and liquidity and funding risk. ALCO also oversees the investment portfolio of the Company, reviews and recommends the limits of the Company's investments for approval by RMC as well as approves policies and strategies regarding these investments.

The Group has a comprehensive set of policies and monitoring system in place for the management of market risk. This includes limits for funding, maturity, and re-pricing gaps between assets and liabilities. An additional measure used by the Group for the interest rate sensitive investments is Present Value of a Basis Point ("PV01"), which measures the change in value of the interest rate sensitive exposures resulting from a parallel increase of one basis point increase in interest rates across the yield curve.

The Company's investment portfolio mainly consists of Singapore Government Securities and MAS Bills for the maintenance of regulatory minimum liquid assets purposes.

The Group uses an Asset Liability Management System to enhance its capabilities for balance sheet and liquidity simulation; and scenario analysis. Interest rate risk sensitivity analysis can now be performed under various interest rate scenarios using simulation modelling.

Liquidity Risk

Liquidity risk refers to the risk of the Group being unable to meet its financial obligations as they fall due without incurring unacceptable costs or losses through fund raising and assets liquidation. It could be a result of the inability of the Group to manage unplanned decreases or changes in funding sources and the failure to recognise or address changes in market conditions that affect the institution's ability to liquidate assets quickly and with minimal loss in value. The Group maintains sufficient liquidity to fund its day-to-day operations, including customers' demands for loan drawdowns, as well as any unanticipated cash withdrawals.

The Group has a comprehensive monitoring system in place for the management of liquidity risk. This includes limits for funding & liquidity gaps, deposit analysis and minimum liquid asset ratio.

Liquidity policies, procedures and limits are in place to ensure effective liquidity risk management and compliance with all regulatory requirements.

A robust liquidity stress test framework is in place to assess and plan for the impact of various scenarios which may put the Company's liquidity at risk.

The ALCO manages the liquidity and funding risk to determine the appropriate levels of liquidity and ensures that funding costs are managed effectively, and reviews stress tests & contingency funding plans for liquidity crises situations.

Operational and Technology Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Technology risk is any risk related to information technology and information security.

The Operational and Technology Risk Committee ("OPTECH") supports the RMC in its handling of operational and technology risk. The OPTECH recommends the operational and technology risk management framework, policies and procedures, and strategies to mitigate risks and improve the efficiency and effectiveness of the operation risk processes and information flows.

To pro-actively manage operational risk, each department undertakes regular operational risk and control self-assessments which involve identifying and assessing inherent risks, as well as assessing the effectiveness of controls to mitigate the identified risks. Where necessary, action plans are formulated based on the severity of the assessed residual risk after considering the mitigating controls. In addition, the Internal Audit function provides the assurance by conducting audits to assess the effectiveness of internal controls and report it to Management and the AC.

The OPTECH oversees the overall outsourcing function for the Company and ensures the risk management of outsourcing arrangements is in compliance with MAS Guidelines on Outsourcing, especially for material outsourcing arrangements

All departments regularly review its own Business Impact Analysis and Disaster Recovery Plan and Management provides an attestation to the RMC on the state of readiness for the Company's business continuity management process, extent of alignment to MAS guidelines and declaration of residual risk.

Technology risk is managed in accordance with a Technology Risk Management Framework (which covers risk governance, identification, monitoring, assessment, mitigation and reporting), supported by a set of information technology policies and standards, control processes and risk mitigation programs in alignment to MAS guidelines.

<u>Compliance risk</u>

Compliance risk is the risk of impairment to the Group's ability to successfully conduct its business as a result of any failure to comply with applicable regulatory requirements. The Compliance Department is responsible for the Group's satisfactory compliance with the relevant regulatory requirements and internal policies, including applicable rules and policies on anti-money laundering and counter financing of terrorism.

The Compliance Department is an independent function within the organisation which provides support such as carrying out independent checks upon implementation of new or changes in policies and procedures, as well as providing advice on regulatory requirements to relevant departments.

<u>Internal controls</u>

The Directors recognise that they have overall responsibility for the Group's system of internal controls.

The Company's external auditors carry out in the course of their statutory audit, a review of the effectiveness of the Company's material internal controls focusing primarily on financial controls, to the extent set out in their audit plan. Material non-compliance and internal control weaknesses noted during their audit, and the external auditors' recommendation to address such non-compliance and weaknesses, are reported to the AC. Management, with the assistance of the internal auditors, follows up on external auditors' recommendations as part of its role in the review of the Company's internal control systems.

Besides that, all business units perform self-assessment of their processes to evaluate and manage the adequacy and effectiveness of their internal controls, as well as their level of compliance with applicable rules and regulations. The results of the evaluations are reviewed by Management.

Written assurances on their adequacy and effectiveness (Provision 9.2)
The Board has received assurances from the CEO, the Financial Controller ("FC"), KMP and Heads of Department regarding the adequacy and effectiveness of the Group's risk management and internal control systems. The Board has also received assurance from the CEO and the FC that as at 31 December 2022, the Group's financial records have been properly maintained, and the financial statements give a true and fair view of the Group's operations and finances.

Based on the internal controls established and maintained by the Group, work performed by internal and external auditors, reviews performed by Management and various Board Committees and the assurances received from the CEO, FC, KMP and Heads of Department, the Board, with the concurrence of the AC and the RMC, is of the opinion that the Group's system of internal controls, including financial, operational, compliance and information technology controls, and risk management systems were adequate and effective as at 31 December 2022 to address the risks which the Group considers relevant and material to its operations. No material weaknesses in the Company's internal controls and risk management systems were identified by the Board, the AC and the RMC in FY2022. Accordingly, the Company has complied with Listing Rule 1207(10).

The Board notes that the system of internal controls provides reasonable, but not absolute, assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, fraud or other irregularities.

Audit Committee

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

AC Composition (Provision 10.2)
The AC comprises the following six INEDs:

Mdm Tan Hui Keng, Martha (Chairman)
Mr Teoh Eng Hong
Mr William Ho Ah Seng
Mrs Yu-Foo Yee Shoon
Mr Adam Tan Chin Han
Mr Terence Khoo Chi Siang

The Board considers that all the AC members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience to discharge their duties as an AC member.

Former partner or Director of the Company's existing auditing firm (Provision 10.3)
None of the AC members were previous partners or directors of the Company's existing external audit firm, KPMG LLP within the previous 2 years prior to their appointment to the AC, and none of the AC members have any financial interest in KPMG LLP either presently or within the previous 2 years prior to their appointment to the AC.

Roles and Responsibilities of AC (Provision 10.1)
Based on its TOR approved by the Board, the principal functions and activities of the AC during FY2022 include:

- reviewing with Management and the external auditors (where applicable) the quarterly, half yearly and full year financial results and related SGX-ST announcements and recommend to the Board for approval;
- reviewing with Management and the external auditors the audited financial statements issued by the Group to ensure their completeness, accuracy and fairness;
- reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the Group's financial statements and announcements relating to the Group's financial performance;
- reviewing and reporting to the Board the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls;
- reviewing the Internal Auditors' and External Auditors' respective audit plans;
- reviewing the scope and results of the external audit and the independence and objectivity of the external auditors; and the nature and extent of the non-audit services provided by the external auditors;

- reviewing with Management, the reports and findings of the review of the Group's internal controls by the internal and external auditors;
- making recommendations to the Board on the appointment, re-appointment and removal of the external auditors and approving the remuneration and terms of engagement of the external auditors;
- reviewing the independence, effectiveness and adequacy of the resource of the internal auditors' function;
- approving the appointment, resignation or dismissal of the internal auditors; and
- reviewing related party and interested person transactions.

External Audit

KPMG LLP is the external auditor of the Company. The external auditor provides regular updates and briefings to the AC on changes to accounting standards and other financial issues to enable the AC to keep abreast of such changes and its corresponding impact on the financial statements, if any. AC members are encouraged to attend seminars on updates to Financial Reporting Standards ("FRS"), when required.

In the review of the financial statements, the AC discussed with Management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. The AC also considered the clarity of disclosures on significant matters in the financial statements. Among other matters, the following key audit matters (KAMs) as reported by the external auditors for FY2022 on pages 63 to 64 were reviewed and discussed by the AC with Management and the external auditors:

KAMs	How the AC reviewed these matters and what decisions were made
Allowance for impairment on loans and advances	The SFRS(I)9 Committee ("SC") as disclosed under "Credit Risk" on pages 48 to 49, supports the AC and the Board of the Group in achieving compliance with SFRS(I) 9. The AC has reviewed the Group's ECL Model Governance and Framework and the Impairment Allowance Policy. The AC was satisfied with the governing procedures and controls that have been put in place. The AC has also discussed with the external auditors and was satisfied that the underlying assumptions and methodologies were reasonable and fulfilled the requirements of SFRS(I)9 based on the model validation performed by the external auditors. The AC has discussed with Management and the external auditors and was satisfied that the overall loan impairment allowances were reasonable and fair and has taken into consideration the uncertain economic outlook with the post-model adjustments (PMAs). PMAs are short-term adjustments to the ECL balance as part of the year-end reporting process to reflect possible model limitations. The PMAs are sensitive to judgments and assumptions made regarding formulation of forward-looking scenarios and how such scenarios are incorporated in the calculations.

Independence of EA

Having reviewed the nature and extent of the non-audit services provided to the Group by KPMG LLP, the AC is of the opinion that the provision of such non-audit services did not affect the independence and objectivity of the external auditors. For details of the fees paid to the external auditors in respect of audit and non-audit services during FY2022, please refer to note 17 of the Notes to the Financial Statements.

The AC is satisfied that the external auditors has the requisite expertise and resources to perform their duties. Accordingly, the AC has nominated KPMG LLP for re-appointment as the external auditors at the forthcoming AGM. KPMG LLP have confirmed that it is registered with the Accounting and Corporate Regulatory Authority. The Company is thus in compliance with Rule 712 and Rule 715 of the SGX-ST Listing Manual in relation to the appointment of the Group's auditors.

Internal Audit (Provision 10.4)
The Group has a well-established internal audit function with formal procedures for the internal auditors to report their audit findings directly to the AC.

The annual internal audit plan is prepared in consultation with, but independent of Management, and submitted to the AC for approval. The AC ensures that the internal audit function has appropriate standing within the Company. The internal auditors report directly to the AC on audit issues and the CEO on administrative matters. The findings and recommendations made by the internal auditors have been adequately followed through and implemented by Management in the financial year. The AC participates in and approves the hiring, removal, evaluation and compensation of the internal audit function. The internal auditors are given unfettered access to all company documents, records, properties and personnel, including access to the AC.

Staffed by suitably qualified executives with relevant qualifications and experience, the primary role of the internal audit function is to assist the Board to evaluate the reliability, adequacy and effectiveness of internal controls and risk management processes of the Company. The AC reviews the adequacy of the internal audit function through a review of the internal auditor's programmes on a quarterly basis and ensures that the internal audit function has adequate resources and appropriate authority to perform its functions properly. In doing so, the AC takes into consideration the service level, attentiveness, professionalism and calibre of the assigned personnel who carried out the internal audit activities during the financial year. The AC is also responsible for approving the appointment, remuneration, evaluation, resignation or dismissal of the Head of Internal Audit Department.

In carrying out its function, our internal auditors are guided by the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The AC has appointed Ernst & Young LLP (Singapore) to perform the internal audit functions for the Information Technology Services Department of the Group.

Based on its assessment, the Board, with the concurrence of the AC, is of the opinion that the internal audit function was independent, effective and adequately resourced during FY2022.

The Group has a separate compliance function to help ensure adherence with applicable legislation, rules and regulations in the conduct of its business.

Meeting with external auditors and internal auditors (Provision 10.5)
The AC meets with the external and internal auditors without the presence of Management at least twice during the year. The AC has explicit authority to investigate any matter within its TOR, full access to and co-operation of Management and the internal auditors and has full discretion to invite any Director or executive officer to attend its meetings. The auditors, both internal and external, have unrestricted access to the AC.

Both the internal auditors and external auditors have confirmed that they had access to and received full co-operation and assistance from Management and no restrictions were placed on the scope of their audit.

<u>Whistleblowing Policy</u>

The Company has in place a whistleblowing policy which sets out procedures that employees of the Group may raise in confidence, any concerns on suspected breach or fraud, or possible improprieties in matters of financial reporting or behaviour that may not be in compliance with the law and Code of Conduct of the Company, without fear of reprisals. The whistleblowing policy is reviewed by the AC and approved by the Board annually to ensure that it remains current and relevant. Under these procedures, arrangements are in place for independent investigation of such matters raised and for appropriate follow-up action to be taken.

The whistleblowing policy is accessible to all employees via the Company's shared drive. Employees may report via the dedicated whistleblowing communication channel to the AC Chairman. The Company has designated the AC to investigate whistleblowing reports made in good faith independently. The Company will treat all (written) complaints in a confidential and sensitive manner. A report of a complaint will only be disclosed to persons on a need to know basis in order to properly carry out an investigation and the identity of the whistleblower is kept confidential. The Company is committed to ensure protection of the whistleblower against detrimental or unfair treatment arising from whistleblowing. The AC is responsible for oversight and monitoring of whistleblowing.

There was no whistleblowing incident during FY2022.

Interested Person Transactions

The Company has established policies and procedures on related party and interested persons transactions to ensure that such transactions are undertaken on an arm's length basis, on normal commercial terms consistent with the Company's usual business practices and policies, and are not prejudicial to the interest of the Company and its minority shareholders. The AC reviews all related party and interested person transactions on a quarterly basis.

The interested person transactions and the aggregate value of interested person transactions disclosed as required under Rule 907 of the SGX-ST Listing Manual during FY2022 are as follows:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (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)
High Luck Pte Ltd	$1,023,887.30	NIL

The transaction above relates to a 2-year tenancy agreement entered into with High Luck Pte Ltd by the Company in FY2022 in respect of the premises at 150 Cecil Street, #01-00, Singapore 069543 which are used for the Company's operations.

The Executive Chairman Mr Teo Chiang Long and CEO Mr Jamie Teo Miang Yeow each has a substantial interest in High Luck Pte Ltd as defined under the Companies Act 1967, and is each deemed to have control over High Luck Pte Ltd as defined under the Act.

The transaction above was carried out on normal commercial terms which are not prejudicial to the interest of the Company and its minority shareholders.

Material Contracts

Save for the tenancy agreement entered into by the Company with High Luck Pte Ltd as disclosed in the preceding section entitled "Interested Person Transactions", there were no other material contracts entered into by the Group involving the interest of the CEO, any Director, or controlling shareholder, which are either still subsisting at the end of FY2022 or if not then subsisting, entered into since the end of the previous financial year.

SHAREHOLDERS RIGHTS AND ENGAGEMENT

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Conduct of Shareholder Meetings (Provision 11.1)
The Company treats all shareholders fairly and equitably. All shareholders are entitled to attend the general meetings and will be given ample opportunity and time to participate effectively and vote at the meetings.

The Board regards the AGM as a key opportunity to communicate directly with the shareholders, which include institutional and retail investors, and encourages attendance and participation in dialogue. The notice of AGM or other general meetings and the Company's Annual Report, letters to shareholders, circulars and other related documents will be dispatched to shareholders within the prescribed time frame before the meeting.

Separate resolutions at general meetings on each substantially separate issue (Provision 11.2)
Separate resolution and full information on each distinct issue are provided in the agenda for the meetings.

All resolutions proposed at general meetings will be conduct by way of poll voting pursuant to the SGX-ST Listing Manual. The Chairman of the Meeting will be exercising his rights under Article 62(a) of the Company's Constitution for all resolutions proposed at the Company's forthcoming AGM and at any adjournment thereof to be put to the vote by way of poll. Accordingly, each resolution at the AGM will be voted by way of a poll.

In the spirit of greater transparency in the voting process, the Company implements electronic poll voting at general meetings. With electronic poll voting, shareholders present in person or represented by proxy at the general meetings will be entitled to vote on a 'one-share, one-vote' basis. The voting results of all votes cast in respect of each resolution will also be instantaneously displayed at the meeting and announced via SGXNET after the AGM.

Absentia voting (Provision 11.4)
Shareholders can vote in person or appoint not more than two proxies to attend, speak and vote on their behalf at general meetings. Specified intermediaries, such as nominee companies which provide custodial services for securities, are able to appoint more than two proxies to attend, speak and vote at general meetings, notwithstanding the Company's Constitution does not differentiate between the number of proxies which may be appointed by individual shareholders and by nominee companies.

As the authentication of shareholder identity information and the integrity of the information transmitted is a concern, the Company has decided, for the time being, not to implement voting in absentia by mail or electronic means.

All shareholders at general meetings are informed of the rules, including voting procedures that govern general meetings of shareholders.

Attendance at general meetings (Provision 11.3)
All Directors, including the Chairman of the Board and the Chairmen of the AC, RMC, NC, RC. EXCO and DC, and Management will endeavour to attend the general meetings to address questions from shareholders. The external auditor will also be present to assist Directors in addressing shareholders' queries on the conduct of audit and the preparation and contents of the auditors' report.

The Company convened its shareholders meeting virtually in 2022 while adhering to the carious advisories and guidance issued by the authorities on holding meeting amid the COVID-19 outbreak as permitted under the COVID-19 (Temporary Measures) (Alternative Arrangements for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("Orders")

The Orders shall be revoked from 1 July 2023. Between now and 1 July 2023, listed companies have the option to conduct their AGM fully physically, virtually or in hybrid format. The Company will be conducting our forthcoming AGM physically to better engage our shareholders.

Prior to the AGM, shareholders may also submit questions related to the resolutions to be tabled for approval at the AGM. The Company will address substantial and relevant questions relating to the resolutions before the AGM via SGXNet and the Company's website.

Minutes of general meetings (Provision 11.5)
The Company will prepare minutes of general meetings which will include the essence of any substantial and relevant comments or queries from shareholders, as well as responses from the Board and Management. These minutes will be published on the SGX-ST and the Company's corporate website.

Dividend Policy (Provision 11.6)
The Company's dividend policy is set out below.

> *"The Group aims to maintain a strong capital position to ensure market confidence, to support its on-going business and to meet the expectations of depositors, customers and investors alike. The Company is also required to comply with regulatory standards of capital requirements through the maintenance of a minimum capital adequacy ratio at all times, and to transfer a requisite proportion of its annual net profit to the statutory reserve which is not available for distribution to shareholders. Our dividend policy aims to provide shareholders with sustainable dividend return over the long term by balancing growth with prudent capital management and subject to the profitability of the Group."*

Subject to approval of shareholders at the forthcoming AGM, in line with the Group's dividend policy, the Company is recommending proposing a first and final one-tier tax exempt dividend of 2.0 cents per share and special one-tier tax exempt dividend of 1.25 cents per share for FY2022 (FY2021: First and final one-tier tax exempt dividend of 2.0 cents per share and a special one-tier tax exempt dividend of 2.0 cents per share). The total distribution of 3.25 cents per share for the year will amount to approximately $5.16 million. The dividends shall be paid in cash.

Engagement with Shareholders

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meeting and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Regular, effective and fair communication with shareholders (Provision 12.1)
The Company believes that a high standard of disclosure is key to good corporate governance. The Company endeavours to provide shareholders with fair, relevant, comprehensive and timely information regarding financial results and other material information relating to the Group.

To enable shareholders and investors to make informed investment decisions, shareholders are notified in advance of the date of release of the Group's financial results through an announcement via SGXNet. Material information relating to the Group, which is deemed price or trade sensitive, or which is likely to affect shareholders' or investors' decisions in investing in the Company's shares, is promptly announced via SGXNet in compliance with the Listing Manual and the Code. Such announcements are also released on the Company's website at https://www.singapurafinance.com.sg/investors_newsroom.php on a timely basis.

The Company's AGM and other general meetings are the main forum for dialogue with shareholders. Shareholders are informed of the AGM or other general meetings of the Company through notices sent or made available electronically, to all shareholders. The notice of AGM or other general meetings and the Company's Annual Report, letters to shareholders, circulars and other related documents may be downloaded from the website of the SGX-ST or the Company's corporate website. Shareholders are encouraged to address any questions they may have to the Board. The Board endeavours to address all substantial and relevant questions from shareholders either before or at the general meetings.

Investor Relations (Provisions 12.2 and 12.3)
As a demonstration of the Company's commitment to transparency and fair disclosure, the Company has in place an Investor Relations Policy which provides guidance on when and how the Company engages and communicates with shareholders. Enquiries from shareholders, analysts and the press are handled by specifically designated personnel in lieu of a dedicated investor relations team.

Shareholders and investors may provide feedback or express their views via the enquiry or feedback platform at the Company's website.

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Management of stakeholder relationships (Provision 13.2)
The Board sets the tone from the top for matters such as values and standards (including ethical business practices) and brand reputation. It also oversees the Group's strategic direction and long-term sustainability. Recognising that perceptions of key stakeholders can affect an organisation's reputation, the Executive Directors and Management actively identify and engage with key stakeholders of the Group, and updates and any relevant feedback received are communicated to the Board.

The Group's strategy and key areas of focus in managing stakeholder relationships for the reporting period includes transparent and effective communications. More information will be disclosed in the Company's Sustainability Report. Pursuant to Rule 711B(3) of the SGX listing rule and the Sustainability Guide under that Practice Note 7.6 of the Code, internal review has been conducted on the Company's sustainability reporting process to increase stakeholder confidence in the accuracy and reliability of the sustainability information disclosed.

Material stakeholder groups (Provision 13.1)
The Company recognises the importance in maintaining positive stakeholder relationships and adopts an inclusive approach in the management and engagement of its stakeholders – namely customers, employees, regulators, shareholders and communities. The Sustainability Report in this Annual Report sets out the Company's approach to stakeholder engagement including key areas of focus and how it responds to stakeholder concern.

Corporate website to communicate and engage with stakeholders (Provision 13.3)
The Company maintains a corporate website at www.singapurafinance.com.sg to communicate and engage with its stakeholders.

ETHICAL STANDARDS

The Company manages its business according to the core values of integrity, performance excellence, teamwork, trust and respect to which staff subscribes to and are assessed on. The Company has an internal Code of Conduct which defines the Company's business principles and practices with respect to matters which may have ethical implications. Easily accessible to all employees via the Company's shared drive, it provides a framework for staff to observe the Company's principles such as honesty, integrity, responsibility and accountability at all levels of the organisation and in the conduct of the Company's business in their relationships with various stakeholders, including situations where there are potential conflict of interests.

In line with the Board's commitment to maintain high ethical standard, the Company has a suite of corporate policies and procedures in place. This includes a comprehensive whistleblowing policy for employees of the Group to bring attention to the AC any concern, suspected breach or fraud, or activity or behaviour that may not be in compliance with the law and Code of Conduct of the Company.

INTERNAL CODE ON DEALING IN SECURITIES

The Company has adopted an internal code on securities trading which provides guidance and internal regulation with regard to dealings in the Company's securities by its Directors and officers. In summary, these guidelines prohibit dealing in the Company's securities:

(a) on short-term considerations;

(b) while in possession of unpublished material price-sensitive information in relation to such securities; and

(c) during the period commencing one month before the date of announcement of the half-year and full-year financial results ("closed period').

The Directors and employees of the Company are notified in advance of the commencement of each "closed period" relating to dealing in the Company's securities. The internal code on securities trading is available on the Company's intranet and is easily accessible by all employees.

SUSTAINABILITY REPORT ("SR")

The Company's SR which was prepared based on the Global Reporting Initiative Standards can be found in this Annual Report.

The Company has a Sustainability Steering Committee ("SSC") which support the Board in overseeing the management and monitoring of the environmental, social and governance ("ESG") issues.

The SGX Listing Rules has been amended on 1 January 2022 to require listed companies to subject SR process to review. Listed companies should minimally subject SR process to internal review by IA. For FY2022, our IA reviews the sustainability framework and reporting process, including the internal controls over the data collected and reported in the SR.

DIRECTORS' STATEMENT

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2022.

In our opinion:

(a) the financial statements set out on pages 67 to 123 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 2022 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has on the date of this statement, authorised these financial statements for issue.

Directors

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

Teo Chiang Long
Teoh Eng Hong
Yu-Foo Yee Shoon
Tan Hui Keng, Martha
Jamie Teo Miang Yeow
William Ho Ah Seng
Tan Chin Han, Adam
Khoo Chi Siang, Terence

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 ('the Act'), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company are as follows:

	Shareholdings registered in the name of directors		**Other shareholdings in which the directors are deemed to have an interest**	
	Holdings at beginning of the year	**Holdings at end of the year**	**Holdings at beginning of the year**	**Holdings at end of the year**
Singapura Finance Ltd - ordinary shares				
Teo Chiang Long	5,622	5,622	82,933,496	82,933,496
Yu-Foo Yee Shoon	9,000	9,000	10,010	10,010
William Ho Ah Seng	7,250	7,250	–	–

By virtue of Section 7 of the Act, Mr. Teo Chiang Long is deemed to have an interest in the other subsidiaries of Singapura Finance Ltd, all of which are wholly-owned, at the beginning and at the end of the financial year.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

Directors' interests (Continued)

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 January 2023.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Warrants and share options

Warrants

At the end of the financial year, there were no warrants granted in respect of unissued ordinary shares in the Company.

Share options

During the financial year, there were:

(i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under options.

Audit Committee

The members of the Audit Committee during the financial year and at the date of this statement are:

Tan Hui Keng, Martha	(Chairman) independent, non-executive director
Teoh Eng Hong	Independent, non-executive director
Yu-Foo Yee Shoon	Independent, non-executive director (Deputy Board Chairman and Lead Independent Director)
Tan Chin Han, Adam	Independent, non-executive director
Khoo Chi Siang, Terence	Independent, non-executive director

The Audit Committee performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit Committee has held four meetings since the last directors' statement. In performing its functions, the Audit Committee met with the Company's 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 also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

Audit Committee (Continued)

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Teo Chiang Long
Director

Tan Hui Keng, Martha
Director

24 February 2023

INDEPENDENT
AUDITORS' REPORT

Members of the Company Singapura Finance Ltd

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Singapura Finance Ltd ('the Company') and its subsidiaries ('the Group'), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 December 2022, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement 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 a summary of significant accounting policies, as set out on pages 67 to 123.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet 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 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and 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 '*Auditors' 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 *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.

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 period. 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 matters (Continued)

<table>
<tr><td colspan="2">Allowance for expected credit losses amounting to $6,950,000 (2021: $5,677,000)
(Refer to Note 6 to the financial statements)</td></tr>
<tr><td>The key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>Allowance for ECL is viewed as a key audit matter as a result of the significance of the loans and advances to customers and inherent complexity in the Group's ECL model.

The Group's loans and advances to customers represent 72% of its total assets.

Loss allowances of the Group are measured on either of the following bases:

(i) 12-month ECLs for financial assets where credit risk has not increased significantly since initial recognition or if there is no longer a significant increase in credit risk ("Stage 1 ECLs"); or

(ii) Lifetime ECLs for financial assets where there has been a significant increase in credit risk since initial recognition ("Stage 2 ECLs") or are credit impaired ("Stage 3 ECLs").

Judgement is required in the following areas including:

● appropriateness of the methodology and parameters used in the ECL model;

● identification of credit exposures which have exhibited a "significant increase in credit risk" and

● determination of relevant macroeconomic factors for incorporation into the model.

In 2022, the Group refreshed their ECL model by further segmenting their loan portfolio into more granular portfolio profiles.

As the uncertain economic outlook continues to pose challenges and complexities to the adequacy of the ECL recorded, the Group exercised their judgment in assessing the reasonableness and validity of post-model adjustments including economic scenarios to be applied, to address possible model limitations.</td><td>We tested the design, implementation and operating effectiveness of the key controls in place over the credit approval and review processes.

We performed sample checks of credit reviews on loans and advances to critically assess the appropriateness of the credit grading and any objective evidence of impairment. We also considered the appropriateness of the criteria designed by management to identify significant increase in credit risk, considering the impacts of an certain economic outlook.

For credit impaired exposures, we assessed the reasonableness of management estimates of expected future cashflows, including the realisable value of collaterals if relevant.

For non-credit impaired exposures, we reviewed the appropriateness of the ECL methodology and management's assumptions on the parameters used in the ECL model, including segmentation of the loan portfolio, probability of default term structure, loss given default, exposure at default and macroeconomic factors.

We also tested the accuracy of key data inputs into the ECL models for a sample of exposures as at year-end by checking them against source systems and documents.

We independently re-calculated the ECL allowance for a sample of credit exposures to test the mathematical accuracy of the calculations produced by the ECL model.

In response to the uncertain economic outlook, we assessed the reasonableness of the post-model adjustments applied by management. In addition, we considered the adequacy of disclosures of these key assumptions in the financial statements.

Based on our procedures performed, the methodology, assumptions and data adopted by management in the ECL model were considered acceptable and the ECL computation was consistent with the ECL model.</td></tr>
</table>

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report except for the analysis of shareholding ('the Report'), which is 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 auditors' 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 Report, 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.

Auditors' 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 auditors' 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:

- 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 controls.

- Obtain an understanding of internal controls 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 controls.

Auditors' responsibilities for the audit of the financial statements (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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 auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- 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.

- 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.

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 controls 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 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 auditors' report unless the law or regulations preclude 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 those subsidiary corporations 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 auditors' report is Tan Chun Wei (Chen Junwei).

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
24 February 2023

BALANCE SHEETS

As at 31 December 2022

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Assets					
Cash and balances with banks	4	**100,260**	114,768	**100,243**	114,751
Statutory deposit with the Monetary Authority of Singapore		**23,445**	24,361	**23,445**	24,361
Investments	5	**191,527**	130,902	**191,527**	130,902
Loans and advances	6	**844,464**	895,966	**844,464**	895,966
Other receivables, deposits and prepayments	8	**2,306**	2,318	**2,306**	2,317
Subsidiaries	9	**–**	–	**125**	125
Property, plant and equipment	10	**7,288**	7,450	**7,288**	7,450
Deferred tax assets	16	**3,152**	1,835	**3,152**	1,835
Total assets		**1,172,442**	1,177,600	**1,172,550**	1,177,707
Equity					
Share capital	11	**168,896**	168,896	**168,896**	168,896
Reserves	11	**83,326**	87,480	**81,053**	85,216
Total equity attributable to owners of the Company		**252,222**	256,376	**249,949**	254,112
Liabilities					
Deposits and savings accounts of customers	12	**893,826**	907,987	**896,437**	910,591
Trade and other payables	13	**12,332**	9,034	**12,103**	8,805
Borrowings from MAS	14	**10,000**	–	**10,000**	–
Current tax liabilities	18	**2,580**	2,636	**2,579**	2,632
Staff retirement gratuities	15	**1,482**	1,567	**1,482**	1,567
Total liabilities		**920,220**	921,224	**922,601**	923,595
Total equity and liabilities		**1,172,442**	1,177,600	**1,172,550**	1,177,707

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2022

	Note	Group 2022 $'000	Group 2021 $'000
Interest income and hiring charges		**34,078**	29,623
Interest expense		**(7,859)**	(5,027)
Net interest and hiring charges		**26,219**	24,596
Fee and commission income		**301**	372
Other operating income		**458**	939
Income before operating expenses		**26,978**	25,907
Staff costs		**(9,111)**	(8,015)
Depreciation of property, plant and equipment	10	**(1,330)**	(1,201)
Other operating expenses		**(4,986)**	(3,974)
Profit from operations before allowances	17	**11,551**	12,717
Allowances for impairment losses on loans and advances	6	**(1,422)**	(1,184)
Profit before tax		**10,129**	11,533
Tax expense	18	**(1,785)**	(1,915)
Profit for the year		**8,344**	9,618
Earnings per share			
Basic earnings per share (cents)	19	**5.26**	6.06
Diluted earnings per share (cents)	19	**5.26**	6.06

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2022

	Group	
	2022	**2021**
	$'000	**$'000**
Profit for the year	**8,344**	9,618
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss:		
Net change in fair value of equity investments at FVOCI	**–**	(1,536)
Related tax	**–**	261
	–	(1,275)
Items that are or may be reclassified subsequently to profit or loss:		
Net change in fair value of debt investments measured at FVOCI	**(7,411)**	(5,072)
Related tax	**1,260**	862
	(6,151)	(4,210)
Other comprehensive income for the year, net of tax	**(6,151)**	(5,485)
Total comprehensive income for the year	**2,193**	4,133

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY

Year ended 31 December 2022

		Attributable to equity holders of the Company							
	Note	Share capital	Capital reserve	Regulatory loss allowance reserve	Statutory reserve	Fair value reserve	General reserve	Accumulated profits	Total
Group		**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
At 1 January 2021		168,896	1,353	1,985	75,388	(2,706)	730	8,977	254,623
Total comprehensive income for the year									
Profit for the year		–	–	–	–	–	–	9,618	9,618
Other comprehensive income									
Items that will not be reclassified subsequently to profit & loss									
Net change in fair value of equity investments at FVOCI		–	–	–	–	(1,536)	–	–	(1,536)
Tax relating to items that will not be reclassified to profit or loss		–	–	–	–	261	–	–	261
Items that may be reclassified subsequently to profit & loss									
Net change in fair value of debt investments measured at FVOCI		–	–	–	–	(5,072)	–	–	(5,072)
Tax relating to items that may be reclassified subsequently to profit or loss		–	–	–	–	862	–	–	862
Total other comprehensive income		–	–	–	–	(5,485)	–	–	(5,485)
Total comprehensive income for the year		–	–	–	–	(5,485)	–	9,618	4,133
Transaction with owners, recorded directly in equity									
Contributions by and distribution to owners									
Dividends declared and paid	11	–	–	–	–	–	–	(2,380)	(2,380)
Total transactions with owners		–	–	–	–	–	–	(2,380)	(2,380)
Transfer from profit for the year to statutory reserve		–	–	–	4,790	–	–	(4,790)	–
Transfer from regulatory loss allowance reserve to accumulated profits		–	–	(1,267)	–	–	–	1,267	–
At 31 December 2021		168,896	1,353	718	80,178	(8,191)	730	12,692	256,376

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

Year ended 31 December 2022

		Attributable to equity holders of the Company							
	Note	Share capital	Capital reserve	Regulatory loss allowance reserve	Statutory reserve	Fair value reserve	General reserve	Accumulated profits	Total
Group		**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
At 1 January 2022		**168,896**	**1,353**	**718**	**80,178**	**(8,191)**	**730**	**12,692**	**256,376**
Total comprehensive income for the year									
Profit for the year		-	-	-	-	-	-	8,344	8,344
Other comprehensive income									
Items that will not be reclassified subsequently to profit & loss									
Net change in fair value of equity investments at FVOCI		-	-	-	-	-	-	-	-
Tax relating to items that will not be reclassified to profit or loss		-	-	-	-	-	-	-	-
Items that may be reclassified subsequently to profit & loss									
Net change in fair value of debt investments measured at FVOCI		-	-	-	-	(7,411)	-	-	(7,411)
Tax relating to items that may be reclassified subsequently to profit or loss		-	-	-	-	1,260	-	-	1,260
Total other comprehensive income		-	-	-	-	(6,151)	-	-	(6,151)
Total comprehensive income for the year		-	-	-	-	(6,151)	-	8,344	2,193
Transaction with owners, recorded directly in equity									
Contributions by and distribution to owners									
Dividends declared and paid	11	-	-	-	-	-	-	(6,347)	(6,347)
Total transactions with owners		-	-	-	-	-	-	(6,347)	(6,347)
Transfer from profit for the year to statutory reserve		-	-	-	4,320	-	-	(4,320)	-
Transfer from regulatory loss allowance reserve to accumulated profits		-	-	-	-	-	-	-	-
At 31 December 2022		**168,896**	**1,353**	**718**	**84,498**	**(14,342)**	**730**	**10,369**	**252,222**

The accompanying notes form an integral part of these financial statements.

STATEMENT OF
CHANGES IN EQUITY

Year ended 31 December 2022

Company	Note	Share capital $'000	Capital reserve $'000	Regulatory loss allowance reserve $'000	Statutory reserve $'000	Fair value reserve $'000	General reserve $'000	Accumulated profits $'000	Total $'000
At 1 January 2021		168,896	1,353	1,985	75,388	(2,706)	730	6,753	252,399
Total comprehensive income for the year									
Profit for the year		–	–	–	–	–	–	9,578	9,578
Other comprehensive income									
Items that will not be reclassified subsequently to profit & loss									
Net change in fair value of equity investments at FVOCI		–	–	–	–	(1,536)	–	–	(1,536)
Tax relating to items that will not be reclassified to profit or loss		–	–	–	–	261	–	–	261
Items that may be reclassified subsequently to profit & loss									
Net change in fair value of debt investments measured at FVOCI		–	–	–	–	(5,072)	–	–	(5,072)
Tax relating to items that may be reclassified subsequently to profit or loss		–	–	–	–	862	–	–	862
Total other comprehensive income		–	–	–	–	(5,485)	–	–	(5,485)
Total comprehensive income for the year		–	–	–	–	(5,485)	–	9,578	4,093
Transaction with owners, recorded directly in equity									
Contributions by and distribution to owners									
Dividends declared and paid	11	–	–	–	–	–	–	(2,380)	(2,380)
Total transactions with owners		–	–	–	–	–	–	(2,380)	(2,380)
Transfer from profit for the year to statutory reserve		–	–	–	4,790	–	–	(4,790)	–
Transfer from regulatory loss allowance reserve to accumulated profits		–	–	(1,267)	–	–	–	1,267	–
At 31 December 2021		168,896	1,353	718	80,178	(8,191)	730	10,428	254,112

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2022

Company	Note	Share capital $'000	Capital reserve $'000	Regulatory loss allowance reserve $'000	Statutory reserve $'000	Fair value reserve $'000	General reserve $'000	Accumulated profits $'000	Total $'000
At 1 January 2022		**168,896**	**1,353**	**718**	**80,178**	**(8,191)**	**730**	**10,428**	**254,112**
Total comprehensive income for the year									
Profit for the year		-	-	-	-	-	-	8,335	8,335
Other comprehensive income									
Items that will not be reclassified subsequently to profit & loss									
Net change in fair value of equity investments at FVOCI		-	-	-	-	-	-	-	-
Tax relating to items that will not be reclassified to profit or loss		-	-	-	-	-	-	-	-
Items that may be reclassified subsequently to profit & loss									
Net change in fair value of debt investments measured at FVOCI		-	-	-	-	(7,411)	-	-	(7,411)
Tax relating to items that may be reclassified subsequently to profit or loss		-	-	-	-	1,260	-	-	1,260
Total other comprehensive income		-	-	-	-	(6,151)	-	-	(6,151)
Total comprehensive income for the year		-	-	-	-	(6,151)	-	8,335	2,184
Transaction with owners, recorded directly in equity									
Contributions by and distribution to owners									
Dividends declared and paid	11	-	-	-	-	-	-	(6,347)	(6,347)
Total transactions with owners		-	-	-	-	-	-	(6,347)	(6,347)
Transfer from profit for the year to statutory reserve		-	-	-	4,320	-	-	(4,320)	-
Transfer from regulatory loss allowance reserve to accumulated profits		-	-	-	-	-	-	-	-
At 31 December 2022		**168,896**	**1,353**	**718**	**84,498**	**(14,342)**	**730**	**8,096**	**249,949**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2022

	Note	Group 2022 $'000	Group 2021 $'000
Cash flows from operating activities			
Profit for the year		**8,344**	9,618
Adjustments for:			
Depreciation of property, plant and equipment	10	**1,330**	1,201
Bad debts written off		**–**	11
Allowances for impairment losses on loans and advances	6	**1,422**	1,184
Property, plant and equipment written off		**5**	–
Gain on disposal of property, plant and equipment		**(46)**	–
Gain on lease modification		**(24)**	–
Staff retirement gratuities	15	**19**	84
Interest expense on lease liabilities	22	**287**	399
Tax expense		**1,785**	1,915
		13,122	14,412
Changes in working capital:			
Statutory deposit with the Monetary Authority of Singapore		**916**	(2,940)
Fixed deposits with original maturity more than 3 months		**270**	46,535
Loans and advances		**50,080**	(59,275)
Other receivables, deposits and prepayments		**12**	(451)
Deposits and savings accounts of customers		**(14,161)**	513
Trade and other payables		**3,801**	(940)
Cash from/(used in) operations		**54,040**	(2,146)
Taxes paid		**(1,898)**	(1,264)
Staff retirement gratuities paid	15	**(104)**	(32)
Net cash from/(used in) operating activities		**52,038**	(3,442)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(1,087)**	(529)
Proceed from sale of property, plant and equipment		**46**	–
Purchase of investments		**(410,325)**	(277,685)
Proceeds from sale and maturity of investments		**342,289**	265,176
Net cash used in investing activities		**(69,077)**	(13,038)
Cash flows from financing activities			
Dividends paid		**(6,347)**	(2,380)
Borrowings from MAS	14	**10,000**	–
Payment of lease liabilities	22	**(852)**	(891)
Net cash from/(used in) financing activities		**2,801**	(3,271)
Net decrease in cash and cash equivalents		**(14,238)**	(19,751)
Cash and cash equivalents at 1 January		**111,498**	131,249
Cash and cash equivalents at 31 December	4	**97,260**	111,498

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 24 February 2023.

1 Domicile and activities

Singapura Finance Ltd ('the Company') is incorporated in the Republic of Singapore and has its registered office at 150 Cecil Street, #01-00, Singapore 069543.

The principal activities of the Company are those relating to finance companies operating under the Finance Companies Act 1967. The principal activities of the subsidiaries are set out in note 9 to the financial statements.

The financial statements of the Company as at end of the year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities').

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ('SFRS(I)').

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial assets and financial liabilities which are measured at fair values.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Group's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in note 3.4 Impairment.

2 Basis of preparation (Continued)

2.4 Use of estimates and judgements (Continued)

Uncertain economic environment

The uncertain economic environment has increased the estimation uncertainty in developing significant accounting estimates, predominantly related to expected credit losses and its related post-model adjustments.

The estimation uncertainty is associated with:

- the extent and duration of the expected economic downturn (and forecasts for key economic factors including gross domestic product ('GDP'));
- the extent and duration of the disruption to business arising from the expected economic downturn; and
- the effectiveness of government and central bank measures that have and will be put in place to support businesses and consumers through this disruption and economic downturn.

The Company has developed accounting estimates based on forecasts of economic conditions which reflect expectations and assumptions as at 31 December 2022 about future events that management believes are reasonable in the circumstances.

There is a considerable degree of judgement involved in preparing forecasts. The underlying assumptions are also subject to uncertainties which are often outside the control of the Company. Accordingly, actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of those differences may significantly impact accounting estimates included in these financial statements.

The impact of the uncertain economic environment on expected credit losses is discussed further in note 23.

2.5 Changes in accounting policies

New standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2022:

- *COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendments to SFRS(I) 16)*
- *Reference to the Conceptual Framework (Amendments to SFRS(I) 3)*
- *Property, Plant and Equipment: Proceeds before Intended Use (Amendments to SFRS(I) 1-16*
- *Onerous Contracts – Cost of Fulfilling a Contract (Amendments to SFRS(I) 1-37)*
- *Annual Improvements to SFRS(I) standards 2018-2020*

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, which addresses changes in accounting policies.

3.1 Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity, when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

(ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(iii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iv) Accounting for subsidiaries

Investments in subsidiaries are stated in the Company's balance sheet at cost less accumulated impairment losses.

3.2 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

3 Significant accounting policies (Continued)

3.2 Property, plant and equipment (Continued)

(i) Recognition and measurement (Continued)

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit and loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Freehold land is not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

Freehold land and buildings	-	40 years
Leasehold land and buildings	-	Lease period or useful lives, whichever is shorter
Furniture and office equipment	-	Between 5 and 8 years
Motor vehicles	-	4 years
Computers	-	Between 3 and 5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.3 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

The Group initially recognises loans and receivables and deposits when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

3 Significant accounting policies (Continued)

3.3 Financial instruments (Continued)

(ii) Classification, subsequent measurement and gains and losses

Non-derivative financial assets

Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ('FVOCI') – debt investments; FVOCI – equity investments; or fair value through profit or loss ('FVTPL').

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt investments at FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

3 Significant accounting policies (Continued)

3.3 Financial instruments (Continued)

(ii) Classification, subsequent measurement and gains and losses (Continued)

Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

3 Significant accounting policies (Continued)

3.3 Financial instruments (Continued)

(ii) Classification, subsequent measurement and gains and losses (Continued)

Assessment whether contractual cash flows are solely payments of principal and interest (Continued)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Non-derivative financial liabilities

Classification, subsequent measurement and gains and losses

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

3 Significant accounting policies (Continued)

3.3 Financial instruments (Continued)

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risk and rewards of ownership and it does not retain control of the financial asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Modifications of financial assets

If the terms of a financial asset are modified, then the Group evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Group plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Group first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss.

For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and modification fees received adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest rate method.

3 Significant accounting policies (Continued)

3.3 Financial instruments (Continued)

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(vi) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.4 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses ('ECLs') on:

- financial assets measured at amortised costs; and
- debt investments measured at FVOCI.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

3 Significant accounting policies (Continued)

3.4 Impairment (Continued)

(i) Non-derivative financial assets (Continued)

General approach (Continued)

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group considers a financial guarantee to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditor and the Group in full, without recourse by the Group to actions such as realising security (if any is held). The Group only applies a discount rate if, and to the extent that, the risks are not taken into account by adjusting the expected cash shortfalls.

The Group considers Singapore Government securities and bank deposits to have low credit risk when their credit risk rating is equivalent to "investment grade" assigned by internationally recognised external credit rating agencies.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

3 Significant accounting policies (Continued)

3.4 Impairment (Continued)

(i) Non-derivative financial assets (Continued)

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

For debt investments at FVOCI, loss allowances are charged to profit or loss and recognised in OCI.

Loss allowances for financial guarantee are recognised as a financial liability to the extent that they exceed the initial carrying amount of the financial guarantee less the cumulated income recognised.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ('CGU') exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.5 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

3 Significant accounting policies (Continued)

3.5 Employee benefits (Continued)

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than defined contribution plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is accrued annually at a specified rate based on salaries paid to employees during the period. Benefits are only applicable to employees who joined before 28 December 2002 and completed 12 years of continuous service.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability 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.

3.6 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.7 Interest

Interest income and expense are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or financial liability (or, where appropriate, a shorter period) to the gross carrying amount of the financial asset or the amortised cost of the financial liability. The effective interest rate is established on initial recognition of the financial assets and is not revised subsequently unless contractually adjusted.

The calculation of the effective interest rate includes all transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

Interest income and expense presented in the income statement include interest on financial assets and liabilities at amortised cost on an effective interest rate basis.

Where charges are added to the principal financed at the commencement of the period, the general principle adopted for crediting income to 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:

Interest income on loans and advances

In general, the basis adopted for crediting income from loans to profit or loss is to spread the interest over the period in which the repayments are due. Interest on mortgage loans is charged on the annual/monthly/daily rest basis and credited to profit or loss in the period to which it relates.

Interest rebate on hire purchase

Term charges on hire purchase and leasing 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.

3 Significant accounting policies (Continued)

3.7 Interest (Continued)

Interest income from Singapore Government Securities

Interest income from Singapore Government Securities is recognised in profit or loss as it accrues using the effective interest method.

Interest income from bank deposits

Interest income from bank deposits is recognised in profit or loss as it accrues using the effective interest method.

3.8 Dividend income

Dividend income is recognised in profit or loss on the date on which the shareholder's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

3.9 Government grants

Government grants that compensate the Group for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the periods in which the expenses are recognised, unless the condition for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

3.10 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, measured using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and temporary differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

3 Significant accounting policies (Continued)

3.10 Tax (Continued)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

3.11 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

3 Significant accounting policies (Continued)

As a lessee (Continued)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property plant and equipment' and lease liabilities in 'trade and other payables' in the balance sheet.

Short term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.12 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

4 Cash and balances with banks

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Cash at banks and in hand	**22,209**	92,629	**22,192**	92,612
Fixed deposits with banks	**78,051**	22,139	**78,051**	22,139
Cash and balances with banks in the balance sheet	**100,260**	114,768	**100,243**	114,751
Less: Fixed deposits with original maturity more than 3 months	**(3,000)**	(3,270)	**(3,000)**	(3,270)
Cash and cash equivalents in the cash flow statement	**97,260**	111,498	**97,243**	111,481

5 Investments

	Group and Company	
	2022	2021
	$'000	$'000
Singapore Government Securities	**191,527**	130,902
Unquoted equity securities	*	*
	191,527	130,902

* Amount less than $1,000

Singapore Government Securities are measured at FVOCI. They have stated interest rates of 1.75% to 4.78% (2021: 0.49% to 3.50%) and with a maturity of 1 month to 29 years (2021: 1 month to 30 years) from date of issue.

The Group designated the unquoted equity securities as FVOCI – equity instruments because the Group intends to hold the investment for long-term strategic purpose.

Information about the Group's exposure to credit and market risks, and fair value measurement, is included in note 23 and note 24 respectively.

6 Loans and advances

		Group and Company	
	Note	2022	2021
		$'000	$'000
Mortgage and other secured loans		**674,445**	716,526
Unsecured loans		**14,008**	17,938
Hire purchase receivables	7	**174,668**	178,715
		863,121	913,179
Unearned charges and interest		**(11,707)**	(11,536)
		851,414	901,643
Allowances for loan losses		**(6,950)**	(5,677)
		844,464	895,966

These comprise balances:

	Group and Company	
	2022	2021
	$'000	$'000
Due within 12 months	**206,784**	102,224
Due after 12 months	**637,680**	793,742
	844,464	895,966

As at 31 December 2022, secured loans to directors (including immediate family members) of the Group and Company amounted to $288,000 (2021: $22,000).

6 Loans and advances (Continued)

Unsecured loans include $13,679,000 (2021: $17,422,000) of loans disbursed under the 'Temporary Bridging Loan Programme' initiated by Enterprise Singapore.

The movement in the allowance for loan losses during the year was as follows:

	Group and Company			
	12-month ECL	**Lifetime ECL - not credit impaired**	**Lifetime ECL - credit impaired**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Balance as at 1 January 2022	**3,423**	**577**	**1,677**	**5,677**
Transferred to 12-month ECL – not credit-impaired	**41**	**(30)**	**(11)**	**–**
Transferred to Lifetime ECL – not credit-impaired	**(55)**	**55**	**–**	**–**
Transferred to Lifetime ECL – credit-impaired	**(457)**	**(58)**	**515**	**–**
Changes in assumptions	**887**	**524**	**932**	**2,343**
Financial assets repaid	**(687)**	**(255)**	**(693)**	**(1,635)**
New financial assets originated or purchased	**373**	**314**	**27**	**714**
Allowances for impairment losses on loans and advances	**102**	**550**	**770**	**1,422**
Amounts written off	**–**	**–**	**(149)**	**(149)**
Balance as at 31 December 2022	**3,525**	**1,127**	**2,298**	**6,950**
Balance as at 1 January 2021	2,024	825	3,898	6,747
Transferred to 12-month ECL – not credit-impaired	197	(177)	(20)	–
Transferred to Lifetime ECL – not credit-impaired	–	11	(11)	–
Transferred to Lifetime ECL – credit-impaired	–	–	–	–
Changes in assumptions	218	53	(137)	134
Financial assets repaid	(552)	(213)	(324)	(1,089)
New financial assets originated or purchased	1,536	78	525	2,139
Allowances for impairment losses on loans and advances	1,399	(248)	33	1,184
Amounts written off	–	–	(2,254)	(2,254)
Balance as at 31 December 2021	3,423	577	1,677	5,677

7 Hire purchase receivables

	2022			2021		
	Gross $'000	Interest $'000	Principal $'000	Gross $'000	Interest $'000	Principal $'000
Group and Company						
Within 1 year	**7,873**	**128**	**7,745**	8,016	140	7,876
Between 1 year and 5 years	**151,667**	**9,239**	**142,428**	158,795	9,440	149,355
After 5 years	**15,128**	**1,853**	**13,275**	11,904	1,275	10,629
	174,668	**11,220**	**163,448**	178,715	10,855	167,860

8 Other receivables, deposits and prepayments

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Interest receivable	**735**	737	**735**	737
Deposits	**324**	323	**324**	323
Other receivables	**416**	315	**416**	314
	1,475	1,375	**1,475**	1,374
Prepayments	**831**	943	**831**	943
	2,306	2,318	**2,306**	2,317

Other receivables include repayments made by customers using electronic payments and have yet to be received by the Group/Company at the reporting date.

9 Subsidiaries

	Company	
	2022 $'000	2021 $'000
Equity investments, at cost	**125**	125

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Country of incorporation	Ownership interest 2022 %	Ownership interest 2021 %
SBS Nominees Private Limited	Provision of nominee services	Singapore	**100**	100
SBS Realty Services (Private) Limited	Provision of estate agency and management services	Singapore	**100**	100

The subsidiaries are audited by KPMG LLP Singapore.

10 Property, plant and equipment

	Freehold land and buildings $'000	Leasehold land and buildings $'000	Furniture and office equipment $'000	Motor vehicles $'000	Computers $'000	Total $'000
Group and Company						
Cost						
At 1 January 2021	2,263	10,015	2,907	488	5,509	21,182
Additions	–	1,003	17	–	512	1,532
Written off	–	–	(15)	–	(239)	(254)
At 31 December 2021	2,263	11,018	2,909	488	5,782	22,460
At 1 January 2022	**2,263**	**11,018**	**2,909**	**488**	**5,782**	**22,460**
Additions	**–**	**–**	**168**	**220**	**809**	**1,197**
Written off	**–**	**–**	**(109)**	**(187)**	**(45)**	**(341)**
At 31 December 2022	**2,263**	**11,018**	**2,968**	**521**	**6,546**	**23,316**
Accumulated depreciation						
At 1 January 2021	1,354	4,421	2,729	488	5,071	14,063
Depreciation charge for the year	31	706	73	–	391	1,201
Written off	–	–	(15)	–	(239)	(254)
At 31 December 2021	1,385	5,127	2,787	488	5,223	15,010
At 1 January 2022	**1,385**	**5,127**	**2,787**	**488**	**5,223**	**15,010**
Depreciation charge for the year	**32**	**729**	**62**	**55**	**452**	**1,330**
Written off	**–**	**–**	**(80)**	**(187)**	**(45)**	**(312)**
At 31 December 2022	**1,417**	**5,856**	**2,769**	**356**	**5,630**	**16,028**
Carrying amounts						
At 1 January 2021	909	5,594	178	–	438	7,119
At 31 December 2021	878	5,891	122	–	559	7,450
At 31 December 2022	**846**	**5,162**	**199**	**165**	**916**	**7,288**

10 Property, plant and equipment (Continued)

Properties held by the Group and the Company are as follows:

Location	Description	Tenure	Carrying amounts 2022 $'000	2021 $'000
212 East Coast Road Singapore 428911	2-storey shophouse used as branch premises	Freehold	**785**	802
203 Henderson Road #02-07 Singapore 159546	Warehouse	Freehold	**61**	76
Total freehold properties			**846**	878
Blk 202 Bedok North Street 1 #01-471/473/475/477 Singapore 460202	3 units of office space used as branch premises and 1 unit leased out	86-year lease commencing July 1992	**526**	581
Blk 101 Towner Road #01-230 Singapore 322101	1 unit of 2 storey HDB shop house used as office	89-year lease commencing January 1993	**158**	174
Blk 711 Ang Mo Kio Avenue 8 #01-3501D Singapore 560711	1 unit of office space used as branch premises	86-year lease commencing July 1993	**136**	149
Blk 302 Woodlands Street 31 #01-271 Singapore 730302	1 unit of 2 storey HDB shop house used as branch premises	99-year lease commencing Oct 1992	**1,345**	1,394
Blk 130 Jurong Gateway Road #01-227 Singapore 600130	1 unit of 2 storey HDB shop house used as branch premises	91-year lease commencing Apr 1993	**2,871**	2,966
Total leasehold properties			**5,036**	5,264
			5,882	6,142

Property, plant and equipment includes right-of-use assets with carrying amounts of $126,000 (2021: $627,000) and $104,000 (2021: $32,000) related to leasehold land and buildings and furniture and office equipment respectively as at 31 December 2022 (see note 22).

11 Capital and reserves

Share capital

	Group and Company	
	2022	2021
	No. of shares ('000)	No. of shares ('000)
Fully paid ordinary shares, with no par value:		
At beginning and end of financial year	**158,686**	158,686

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.

Reserves

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Capital reserve	**1,353**	1,353	**1,353**	1,353
Statutory reserve	**84,498**	80,178	**84,498**	80,178
Regulatory loss allowance reserve	**718**	718	**718**	718
Fair value reserve	**(14,342)**	(8,191)	**(14,342)**	(8,191)
Revenue reserve:				
- General	**730**	730	**730**	730
- Accumulated profits	**10,369**	12,692	**8,096**	10,428
	83,326	87,480	**81,053**	85,216

Capital reserve

The capital reserve comprises gain on disposal of property, plant and equipment.

Statutory reserve

The statutory reserve is maintained in compliance with the provisions of Section 18 of the Finance Companies Act 1967.

Regulatory loss allowance reserve

The regulatory loss allowance reserve comprises the shortfall between ECL computed under SFRS(I) 9 and MAS 811 Notice Minimum Regulatory Loss Allowance ('MRLA') (i.e. 1.5% on gross carrying amount on selected credit exposures net of eligible collaterals).

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of debt instruments at FVOCI and equity instruments at FVOCI until the investments are derecognised.

11 Capital and reserves (Continued)

Reserves (Continued)

Dividends

The following exempt (one-tier) dividends were declared and paid by the Group and Company:

	Group and Company	
	2022	**2021**
	$'000	**$'000**
Paid by the Company to owners of the Company		
First and final		
2.0 cents per qualifying ordinary share (2021: 1.5 cents)	**3,174**	2,380
Special		
2.0 cents per qualifying ordinary share (2021: 0.0 cents)	**3,173**	–
	6,347	2,380

After the respective reporting dates, the following exempt (one-tier) dividends were proposed by the directors. These exempt (one-tier) dividends have not been provided for.

	Group and Company	
	2022	**2021**
	$'000	**$'000**
First and final		
2.0 cents per qualifying ordinary share (2021: 2.0 cents)	**3,174**	3,174
Special		
1.25 cents per qualifying ordinary share (2021: 2.0 cents)	**1,983**	3,173
	5,157	6,347

12 Deposits and savings accounts of customers

These include deposits placed by subsidiaries amounting to $2,611,000 (2021: $2,604,000) in the Company and $182,421,000 (2021: $216,201,000) placed by related parties of the Group and the Company, accepted in the ordinary course of business.

13 Trade and other payables

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Accrued interest payable	**5,052**	2,306	**5,052**	2,306
Accrued operating expenses	**3,405**	2,375	**3,400**	2,370
Deposits for safe deposit boxes and rental deposits	**105**	109	**105**	109
Unclaimed dividends	**473**	467	**473**	467
Lease liabilities	**303**	806	**303**	806
Others	**2,994**	2,971	**2,770**	2,747
	12,332	9,034	**12,103**	8,805
These comprise balances:				
Due within 12 months	**11,517**	8,778	**11,288**	8,549
Due after 12 months	**815**	256	**815**	256
	12,332	9,034	**12,103**	8,805

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Note	Trade and other payables Group $'000
At 1 January 2021		9,463
Changes in financing cash flows		
Payment of lease liabilities	22	(891)
Other changes – liability related		
New leases	22	1,003
Interest expense on lease liabilities	22	399
Changes in trade and other payables		(940)
At 31 December 2021		9,034
At 1 January 2022		**9,034**
Changes in financing cash flows		
Payment of lease liabilities	22	**(852)**
Other changes – liability related		
New leases	22	**110**
Interest expense on lease liabilities	22	**287**
Lease modifications		**(48)**
Changes in trade and other payables		**3,801**
At 31 December 2022		**12,332**

14 Borrowings from MAS

	Group and Company	
	2022	2021
	$'000	$'000
Due within 12 months	**–**	–
Due after 12 months	**10,000**	–
	10,000	–

Borrowings from MAS represents amounts advanced by MAS to the Group in order to partially finance the Enterprise Singapore ('ESG') loan schemes for Small and Medium Enterprises ('SMEs'), administered by Enterprise Singapore. The ESG Loan Schemes comprise the Enhanced Enterprise Financing Scheme – SME Working Capital Loan ('EFS-WCL') and the Temporary Bridging Loan Programme ('TBLP'). Borrowings from MAS SGD Facility is secured by assignment of eligible loan agreements as collaterals amounting to $11,163,000 (2021: $Nil) as collaterals under ESG's Enhanced Enterprise Financing Scheme.

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Borrowings from MAS
	Group
	$'000
At 1 January 2021 and 31 December 2021	–
Changes in financing cash flows	
Borrowings from MAS	**10,000**
At 31 December 2022	**10,000**

15 Staff retirement gratuities

	Group and Company	
	2022	2021
	$'000	$'000
At 1 January	**1,567**	1,515
Provision made during the year	**19**	84
Utilised	**(104)**	(32)
At 31 December	**1,482**	1,567

16 Deferred tax (assets)/liabilities

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

	Balance as at 1 January 2021	Recognised in profit or loss (note 18)	Recognised in other comprehensive income	Balance as at 31 December 2021	Recognised in profit or loss (note 18)	Recognised in other comprehensive income	Balance as at 31 December 2022
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group and Company							
Deferred tax (assets)/ liabilities							
Property, plant and equipment	91	18	–	109	56	–	165
Other receivables	1	(1)	–	–	–	–	–
Staff retirement gratuities	(258)	(9)	–	(267)	15	–	(252)
Directors Ex-Gratia	–	–	–	–	(128)	–	(128)
Investments	(554)	–	(1,123)	(1,677)	–	(1,260)	(2,937)
	(720)	8	(1,123)	(1,835)	(57)	(1,260)	(3,152)

17 Profit from operations before allowances

The following items have been included in arriving at profit from operations before allowances:

	Group	
	2022	**2021**
	$'000	**$'000**
Interest income and hiring charges		
Interest income on:		
- loans and advances	**30,253**	27,279
- bank deposits	**731**	516
- Singapore Government Securities	**3,094**	1,828
	34,078	29,623
Interest expense		
Interest expense on customer deposits	**7,852**	5,027
Interest expense on borrowings	**7**	–
	7,859	5,027

17 Profit from operations before allowances (Continued)

All interest income and hiring charges relates to financial assets that are not fair value through profit or loss.

All interest expense relates to financial liabilities that are not fair value through profit or loss.

	Group	
	2022	**2021**
	$'000	**$'000**
Other operating income		
Bad debts recovered	**24**	20
Others	**395**	365
Government grant	**39**	554
	458	939
Staff costs		
Salaries and other benefits	**8,110**	7,194
Contributions to defined contribution plans	**1,001**	821
	9,111	8,015
Other operating expenses		
Audit fees to auditors		
- provision in respect of current year	**159**	143
Non-audit fees to auditors of the Company	**77**	38
Property, plant and equipment written-off	**8**	–
Interest expense on lease liabilities		
- related corporations	**258**	365
- third parties	**29**	34
Other operating expense paid to:		
- related corporations	**49**	51
- third parties	**4,406**	3,343
	4,986	3,974

18 Tax expense

	Note	Group 2022 $'000	Group 2021 $'000
Tax expense			
Current year		**1,842**	1,907
Deferred tax credit			
Origination and reversal of temporary differences	16	**(57)**	8
		1,785	1,915
Reconciliation of effective tax rate			
Profit before tax		**10,129**	11,533
Tax using Singapore tax rate of 17% (2021: 17%)		**1,722**	1,961
Income not subject to tax		**(17)**	(116)
Non-deductible expenses		**(304)**	(208)
Others		**384**	278
		1,785	1,915

19 Earnings per share

	Group 2022 $'000	Group 2021 $'000
Basic and diluted earnings per share is based on:		
- Net profit attributable to ordinary shareholders	**8,344**	9,618

	No. of shares 2022 ('000)	No. of shares 2021 ('000)
Weighted average number of ordinary shares	**158,686**	158,686

There were no dilutive potential ordinary shares for the year ended 31 December 2022 and 2021.

20 Related parties

Key management personnel compensation

Compensation payable to key management personnel comprise:

	Group	
	2022	2021
	$'000	$'000
Directors' fees	**480**	540
Directors ex-gratia	**750**	–
Short-term employee benefits	**1,812**	1,610
Post-employment benefits	**108**	104

Total remuneration to personnel who are both Directors and key management personnel amounted to $2,639,000 (2021: $1,814,000). Key management personnel refer to the Board of Directors and senior management of the Group.

Other transactions with related corporations

Other than transactions with related corporations separately disclosed in the financial statements, the following related party transaction was carried out in the normal course of business on terms agreed between the parties during the financial year:

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Interest on deposits paid to subsidiaries	**–**	–	**15**	9
Interest on deposits paid to related parties	**2,251**	1,107	**2,251**	1,107

21 Commitments

	Group and Company	
	2022	2022
	$'000	$'000
Undrawn credit lines and other commitments to extend credit	**221,742**	221,731

22 Leases

The Company leases an office. The lease typically runs for a period of 2 years, with an option to renew the lease after that date. Lease payments are renegotiated after the lease expires to reflect market rental.

The Company leases photocopiers with contract terms of 5 years, with an option to renew the lease after that date.

Information about leases for which the Company is a lessee is presented below.

22 Leases (Continued)

Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment (see note 10).

	Group and Company		
	Leasehold land and buildings	**Furniture and office equipment**	**Total**
	$'000	**$'000**	**$'000**
Balance at 1 January 2021	102	48	150
Additions	1,003	–	1,003
Depreciation charge for the year	(478)	(16)	(494)
Balance at 31 December 2021	627	32	659
Balance at 1 January 2022	**627**	**32**	**659**
Additions	**–**	**110**	**110**
Disposal	**–**	**(24)**	**(24)**
Depreciation charge for the year	**(501)**	**(14)**	**(515)**
Balance at 31 December 2022	**126**	**104**	**230**

	Group and Company	
	2022	**2021**
	$'000	**$'000**
Amounts recognised in profit or loss		
Interest on lease liabilities	**(287)**	(399)
Gain on lease modification	**24**	–

Amounts recognised in statement of cash flows

	Group and Company	
	2022	**2021**
	$'000	**$'000**
Total cash outflow for leases	**852**	891

Extension options

Some property leases contain extension options exercisable by the Company up to one year before the end of the non-cancellable contract period. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Company has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liability of $1,239,000 (2021: $1,003,000).

23 Financial risk management

Overview

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

- credit risk
- liquidity risk
- market risk

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 risk, and the Group's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Risk Management Committee ('RMC'), which is responsible for developing and monitoring the Group's risk management policies. The RMC reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. All major policy decisions and approval on risk exposures including loan limits are approved by the Board of Directors upon concurrence by the RMC. In addition, internal audits are conducted on an on-going basis to confirm that these policies and procedures are functioning effectively and any deviations are duly highlighted for special attention.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's loans and advances to customers. For risk management reporting purposes, the Group considers and consolidates all elements of credit risk exposure.

Management of credit risk

The Board of Directors has delegated responsibility for the oversight of credit risk to the RMC, which in turn appoints the Credit Control Committee and Credit Portfolio Committee to assist in the management of credit risk. The Credit Control Committee develops the credit risk management framework, policies and procedures for review and concurrence by RMC and approval by the Board of Directors. The Credit Control Committee also reviews delinquent accounts and makes decisions on recovery actions.

Credit reviews are conducted regularly to monitor the health of the loan portfolio and to detect early signs of weaknesses and deviations.

The Credit Portfolio Committee manages risk on a portfolio-wide basis and recommends alternative portfolio strategies, analyses results of portfolio management actions, and develops portfolio limits for each portfolio segment for approval by the RMC. Credit risk concentration is addressed by setting a credit portfolio mix limit and monitoring the limit on a regular basis. The Credit Portfolio Committee periodically reviews the lending authority framework, portfolio concentration limits and credit stress test framework.

Credit stress tests are also conducted periodically to determine the impact of security values and other stress parameters on the loan portfolio. This allows the Group to assess the potential financial impact of losses arising from plausible adverse scenarios on the Group's loan portfolio.

23 Financial risk management (Continued)

Credit risk (Continued)

Management of credit risk (Continued)

The SFRS(I) 9 Committee ('SC') works closely with Credit Portfolio Committee and Credit Control Committee to ensure that the Group has appropriate credit risk practices, including an effective system of internal control, to consistently determine adequate allowances in accordance with the Group's policies and procedures relating to impairment allowances and applicable accounting framework under SFRS(I) 9. The SC also reviews and recommends updates to the Governance & Control Framework of ECL Model as well as the Impairment Allowance Policy. Any material changes to the ECL framework, methodology and policies are reviewed by SC before recommendation to the Audit Committee for concurrence and approval.

Inputs, assumptions and techniques used for estimating impairment

Assessment of significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and expert credit assessment and including forward-looking information. The Group considers significant increase in credit risk occurs when an asset is more than 30 days past due.

Modified financial assets

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a new loan at fair value in accordance with the accounting policy set out in Note 3.3 (iv).

For loans subjected to the COVID-19 repayment deferral arrangements, an assessment of significant increase in credit risk has been determined based on various measures of the customer's current financial position and earnings capacity from which the loans are categorised into risk categories – Low, Medium and High. Significant increase in credit risk is then determined based on the resulting risk categorisation. Customers who have requested a deferral extension and are categorised as High risk are classified as having a significant increase in credit risk.

Calculation of expected credit losses

Expected credit losses are calculated using three main components

- probability of default ('PD');
- loss given default ('LGD'); and
- exposure at default ('EAD').

These components are generally derived from internally developed statistical models using historical, current and forward-looking macro-economic data such as GDP, unemployment and inflation. These factors were updated in the current year, reflecting the actual and expected impact of the uncertain economic environment.

23 Financial risk management (Continued)

Credit risk (Continued)

Inputs, assumptions and techniques used for estimating impairment (Continued)

Calculation of expected credit losses (Continued)

Probability of default

The 12-month and lifetime PD represent the expected point-in-time probability of a default over the next 12 months and remaining lifetime of the financial instrument, respectively, based on conditions existing at the balance sheet date and future economic conditions that affect credit risk.

The PD is derived using Delinquency Roll Rate Model which incorporates historical default rates over past years, adjusted for forward-looking information and reflecting current portfolio composition and market data such as GDP, unemployment and inflation.

Loss given default

LGD represents expected loss conditional on default, taking into account the mitigating effect of collateral, its expected value when realised and the time value of money.

Exposure at default

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation. For lending commitments, the EADs are potential future amounts that may be drawn under the contract, which are estimated based on historical observations.

The 12-month ECL is equal to the discounted sum over the next 12 months of monthly PD multiplied by LGD and EAD. Lifetime ECL is calculated using the discounted sum of monthly PD over the full remaining life multiplied by LGD and EAD.

Post-model adjustments

Post-model adjustments ('PMAs') are short-term adjustments to the ECL balance as part of the year-end reporting process to reflect possible model limitations. The PMAs are sensitive to judgments and assumptions made regarding formulation of forward-looking scenarios and how such scenarios are incorporated in the calculations.

The Group has internal governance frameworks and controls in place to assess the appropriateness of PMAs. The aim of the Group is to incorporate these PMAs into the ECL models, where possible, as part of the periodic recalibration and model assessment procedures.

The Group has incorporated PMAs based on the forecasted GDP growth to capture possible limitations arising from the uncertain economic environment.

The above PMA as at 31 December 2022 increased the loss allowance by $1.6 million (2021: $0.9 million).

23 Financial risk management (Continued)

Credit risk (Continued)

Inputs, assumptions and techniques used for estimating impairment (Continued)

Exposure to credit risk

The maximum exposure to credit risk is represented by the carrying amount of the financial assets in the statements of financial position, reduced by the value of the collateral held.

The following table provides information about the exposure to credit risk and ECLs for loans and advances:

	Group and Company			
	12-month ECL – Not credit-impaired	Lifetime expected credit loss – Not credit-impaired	Lifetime expected credit loss – Credit-impaired	Total
	$'000	$'000	$'000	$'000
2022				
Performing accounts				
- past due but not impaired	**17,515**	**14,620**	**–**	**32,135**
- neither past due nor impaired	**776,512**	**–**	**–**	**776,512**
Substandard	**–**	**–**	**40,469**	**40,469**
Loss	**–**	**–**	**2,298**	**2,298**
Gross amount	**794,027**	**14,620**	**42,767**	**851,414**
Stage 1 & 2 loss allowances	**(3,525)**	**(1,127)**	**–**	**(4,652)**
Stage 3 loss allowances	**–**	**–**	**(2,298)**	**(2,298)**
Carrying amount	**790,502**	**13,493**	**40,469**	**844,464**
2021				
Performing accounts				
- past due but not impaired	10,244	9,536	–	19,780
- neither past due nor impaired	829,140	–	–	829,140
Substandard	–	–	51,046	51,046
Loss	–	–	1,677	1,677
Gross amount	839,384	9,536	52,723	901,643
Stage 1 & 2 loss allowances	(3,423)	(577)	–	(4,000)
Stage 3 loss allowances	–	–	(1,677)	(1,677)
Carrying amount	835,961	8,959	51,046	895,966

There are no loans and advances with renegotiated terms that are neither past due nor impaired as at 31 December 2022 (2021: $Nil).

Past due but not impaired: when contractual interest or principal payments are past due by not more than three months and the Group believes that impairment is not appropriate on the basis of the security available and/or the stage of collection.

Write off: The Group writes off wholly or partially loan balances (together with any related allowances for impairment losses) when the Group determines that the debts are irrecoverable, e.g. borrower has been made bankrupt, or all actions have been exhausted.

23 Financial risk management (Continued)

Credit risk (Continued)

Inputs, assumptions and techniques used for estimating impairment (Continued)

Exposure to credit risk (Continued)

Repayment deferral: Since March 2020, the Group has offered various forms of assistance to customers to counteract the impact of COVID-19 on the ability of customers to meet their loan obligations. The assistance provided has included arrangements such as temporary deferral of principal and interest repayments, and extension of loan maturity dates.

The loan repayment deferral is considered to be a loan modification (non-substantial modification) whereby the existing loan continues to be recognised.

The table below shows the gross carrying amount of loans that have been modified during the year:

	Group and Company	
	2022	**2021**
	$'000	**$'000**
Interest servicing only	**–**	15,313
Full/partial deferral of principal and interest	**22**	264
Total	**22**	15,577

The amortised cost of loans at the date of modification that were considered non-substantial modifications and had loss allowances based on lifetime expected losses was $Nil (2021: $267,000). No gain or loss was recognised as a result of the modification during 2022 and 2021 and the gross carrying amount of loans that have subsequently changed to a 12-month expected loss allowance was $2,054,000 (2021: $5,634,000).

The Group normally holds collateral against loans and advances to customers. These are in the form of mortgage interests over property and ownership or other registered interests over assets. Estimates of fair value of collateral are assessed in each accounting period prior to determination of individual impairment allowances.

The financial effect of collateral and other security enhancements held against loans and advances to customers is shown below:

	Group and Company	
	2022	**2021**
	$'000	**$'000**
Gross amount	**851,414**	901,643
Lifetime ECL on credit impaired exposures	**(2,298)**	(1,677)
Carrying amount	**849,116**	899,966
Properties	**641,239**	663,268
Motor vehicles	**127,730**	126,025
Vessels	**25,438**	44,767
Equipment	**34,694**	41,308
Shares	**6,732**	7,084
Financial effect of collateral on maximum credit exposure	**835,833**	882,452
Net exposure	**13,283**	17,514

23 Financial risk management (Continued)

Credit risk (Continued)

Inputs, assumptions and techniques used for estimating impairment (Continued)

Exposure to credit risk (Continued)

As at 31 December 2022 and 2021, the Group and Company have not obtained financial asset or non-financial asset by taking possession of collateral held as security.

The Group monitors concentrations of credit risk by sector. An analysis of concentrations of credit risk at the reporting date is shown below:

	Loans and advances to customers (Gross)	
	2022	**2021**
	$'000	**$'000**
Concentration by sector		
Hire purchase/block discounting	**163,448**	167,860
Housing loans secured by property	**195,647**	163,913
Other loans and advances:		
- Agriculture, mining and quarrying	**137**	160
- Manufacturing	**6,522**	6,642
- Building and construction	**249,045**	254,738
- General commerce	**61,321**	82,742
- Transport, storage and communication	**32,754**	55,700
- Investment and holding companies	**45,993**	66,672
- Professional and private individuals	**76,810**	80,078
- Others	**19,737**	23,138
	851,414	901,643

At the reporting date, there was no significant concentration of credit risk.

Debt investments

The Group and the Company held Singapore Government securities of $191,527,000 as at 31 December 2022 (2021: $130,902,000). The credit rating of Singapore Government Securities held at the reporting date accorded by various international credit rating agencies is AAA (2021: AAA). The Group considers that its debt investments have low credit risk based on the external credit ratings of the counterparties. Hence, the amount of the allowance on debt investments is negligible.

Cash and balances with banks

The Group and the Company held cash and balances with banks of $100,260,000 and $100,243,000 respectively as at 31 December 2022 (2021: $114,768,000 and $114,751,000). The cash and balances with banks are mainly held with bank and financial institution counterparties which are rated BBB+ to AA, based on various international credit ratings.

Loss allowance on cash and balances with banks has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and balances with banks have low credit risk based on the external credit ratings of the counterparties.

The Group uses a similar approach for assessment of ECLs for cash and balances with banks to those used for loans and advances. The amount of the allowance on cash and balances with banks is negligible.

23 Financial risk management (Continued)

Credit risk (Continued)

Inputs, assumptions and techniques used for estimating impairment (Continued)

Statutory deposit with the Monetary Authority of Singapore

The Group and the Company held statutory deposit with the Monetary Authority of Singapore of $23,445,000 as at 31 December 2022 (2021: $24,361,000) which is rated AAA, based on various international credit ratings. Hence, the Group considers that its statutory deposits have low credit risk and the amount of allowance is negligible.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Management of liquidity risk

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group is currently funded from equity and deposit liabilities. Liquidity risk arises from the management of the net funding position after accounting for the ongoing cash flows from the loan assets, the deposit liabilities and the interest-bearing placements at various points in time.

Liquidity risk is managed in accordance to the Group's liquidity framework of policies, contingency funding plan, controls and limits approved by the Asset and Liability Committee ('ALCO'). This framework ensures that liquidity risk is monitored and managed in a manner that ensures sufficient sources of funds are available over a range of market conditions. Stress testing is conducted under the Group/Company-specific crisis and general market crisis scenarios. This is undertaken to assess and plan for the impact of the scenarios which may put the Group's liquidity at risk.

Liquidity risk is also mitigated through the large number of customers in its diverse loans and deposits bases and the close monitoring of exposure to avoid any undue concentration.

Maturity analysis of financial liabilities

The following are the contractual maturities of the Group's and Company's non-derivatives financial liabilities, loan commitments and contingent liabilities at the reporting date, which are based on contractual undiscounted cash flows (including interest payments) at the earliest date the Group and Company can be required to pay.

The expected cash flows on these instruments may vary significantly from this analysis. In particular, deposits from customers are expected to maintain a stable balance; and undrawn loan commitments are not all available to be drawn down immediately upon finalisation of legal documentation due to factors like the progressive nature of the facility to be based on the stage of completion of work in progress.

23 Financial risk management (Continued)

Liquidity risk (Continued)

Maturity analysis of financial liabilities (Continued)

	Carrying amount $'000	Gross nominal inflow/ (outflow) $'000	On demand/ less than 1 month $'000	Within 3 months $'000	3 months to 1 year $'000	1 to 3 years $'000	More than 3 years $'000
Group							
31 December 2022							
Deposits and savings a ccounts of customers	**893,826**	**(914,913)**	**(145,383)**	**(158,026)**	**(507,224)**	**(104,258)**	**(22)**
Borrowings from MAS	**10,000**	**(10,000)**	**–**	**–**	**–**	**(10,000)**	**–**
Other liabilities*	**7,280**	**(7,483)**	**(5,377)**	**(248)**	**(1,043)**	**(815)**	**–**
	911,106	**(932,396)**	**(150,760)**	**(158,274)**	**(508,267)**	**(115,073)**	**(22)**
Undrawn loan commitments	**–**	**(221,742)**	**(221,742)**	**–**	**–**	**–**	**–**
	911,106	**(1,154,138)**	**(372,502)**	**(158,274)**	**(508,267)**	**(115,073)**	**(22)**
31 December 2021							
Deposits and savings accounts of customers	907,987	(913,260)	(246,084)	(134,438)	(409,077)	(123,389)	(272)
Other liabilities*	6,728	(7,030)	(4,886)	(327)	(1,561)	(256)	–
	914,715	(920,290)	(250,970)	(134,765)	(410,638)	(123,645)	(272)
Undrawn loan commitments	–	(221,731)	(221,731)	–	–	–	–
	914,715	(1,142,021)	(472,701)	(134,765)	(410,638)	(123,645)	(272)

* Excludes accrued interest payable

	Carrying amount $'000	Gross nominal inflow/ (outflow) $'000	On demand/ less than 1 month $'000	Within 3 months $'000	3 months to 1 year $'000	1 to 3 years $'000	More than 3 years $'000
Company							
31 December 2022							
Deposits and savings accounts of customers	**896,437**	**(917,555)**	**(145,383)**	**(158,026)**	**(509,866)**	**(104,258)**	**(22)**
Borrowings from MAS	**10,000**	**(10,000)**	**–**	**–**	**–**	**(10,000)**	**–**
Other liabilities*	**7,051**	**(7,253)**	**(5,152)**	**(243)**	**(1,043)**	**(815)**	**–**
	913,488	**(934,808)**	**(150,535)**	**(158,269)**	**(510,909)**	**(115,073)**	**(22)**
Undrawn loan commitments	**–**	**(221,742)**	**(221,742)**	**–**	**–**	**–**	**–**
	913,488	**(1,156,550)**	**(372,277)**	**(158,269)**	**(510,909)**	**(115,073)**	**(22)**
31 December 2021							
Deposits and savings accounts of customers	910,591	(915,817)	(246,084)	(134,438)	(411,634)	(123,389)	(272)
Other liabilities*	6,499	(6,800)	(4,661)	(322)	(1,561)	(256)	–
	917,090	(922,617)	(250,745)	(134,760)	(413,195)	(123,645)	(272)
Undrawn loan commitments	–	(221,731)	(221,731)	–	–	–	–
	917,090	(1,144,348)	(472,476)	(134,760)	(413,195)	(123,645)	(272)

* Excludes accrued interest payable

23 Financial risk management (Continued)

Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices and foreign exchange rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Currency risk

Foreign currency risk is the risk that the value of financial assets or liabilities will fluctuate due to changes in foreign exchange rates. The Group is not exposed to foreign currency risk.

Interest rate risk

Interest rate risk is the risk that the value of the Group's financial assets and/or financial liabilities changes because of changes in interest rates. Interest rate risk arises primarily from the fact that financial assets and financial liabilities typically reprice at different points in time.

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates ('IBORs') with alternative nearly risk-free rates (referred to as 'interest rate benchmark reform'). The Group had exposures to swap offer rate ('SOR') on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. In Singapore, the Steering Committee for SOR and Singapore interbank offered rates ('SIBOR') transition to Singapore overnight rate average ('SORA') together with the Association of Banks in Singapore and Singapore Foreign Exchange Market Committee, has identified the SORA as the alternative interest rate benchmark to replace SIBOR and SOR in Singapore. The timeline for SORA to replace SOR and SIBOR is by the end of June 2023 and December 2024 respectively. As at 31 December 2022, the Group's remaining IBOR exposure arises from two syndicated loans that was indexed to SOR.

Risk management policy

The overall objective of interest rate risk management is to manage current and future earnings sensitivity arising from various interest rate exposures. Interest rate risk exposures are measured using a combination of repricing gap, present value of 1 basis point reports and simulation modelling. The ALCO recommends policies, ratios and limits for review and concurrence by RMC and approval by the Board of Directors. The RMC assists the Board in ensuring the effective management of market risks. The ALCO meets periodically to review the risk profile of the Group against the prevailing business and economic conditions, focusing on market and interest rate risks. The ALCO also relates the structure of assets and liabilities to funding mismatches and interest rate repricing risks and ensure compliance with the approved policies and risk exposures (including ratios and limits).

Exposure to interest rate risk

The Group does not hold a trading portfolio. The principal risk to which its non-trading portfolio is exposed arises from the risk of fluctuations in the future cash flows or fair values of financial instruments because of changes in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands.

The Group's exposure to interest rate risk relates primarily to the Group's loan and investment portfolios as well as deposit liabilities. Interest rate risk will arise when these assets and liabilities mature or reprice at different times or in differing amounts, or when market conditions dictate the extent of repricing possible. The Group manages this risk through diversity in its loan portfolio and to a lesser extent in its deposit portfolio.

23 Financial risk management (Continued)

Market risk (Continued)

Exposure to interest rate risk (Continued)

A summary of the Group's and Company's interest rate gap position on its non-trading portfolios is as follows:

	Carrying amount $'000	Non-interest sensitive $'000	Less than 3 months $'000	3 months to 1 year $'000	1 to 3 years $'000	More than 3 years $'000	Total $'000
Group							
31 December 2022							
Cash and balances with banks	**100,260**	**14,788**	**82,472**	**3,000**	**–**	**–**	**100,260**
Statutory deposit with the Monetary Authority of Singapore	**23,445**	**23,445**	**–**	**–**	**–**	**–**	**23,445**
Investments	**191,527**	**–**	**106,560**	**–**	**9,863**	**75,104**	**191,527**
Loans and advances	**844,464**	**35,818**	**646,302**	**56,038**	**81,009**	**25,297**	**844,464**
Other receivables and deposits*	**1,475**	**1,475**	**–**	**–**	**–**	**–**	**1,475**
	1,161,171	**75,526**	**835,334**	**59,038**	**90,872**	**100,401**	**1,161,171**
Deposits and savings accounts of customers	**893,826**	**1,747**	**299,315**	**495,040**	**97,702**	**22**	**893,826**
Borrowings from MAS	**10,000**	**–**	**–**	**–**	**10,000**	**–**	**10,000**
Other liabilities	**12,332**	**12,332**	**–**	**–**	**–**	**–**	**12,332**
	916,158	**14,079**	**299,315**	**495,040**	**107,702**	**22**	**916,158**
31 December 2021							
Cash and balances with banks	114,768	14,251	100,517	–	–	–	114,768
Statutory deposit with the Monetary Authority of Singapore	24,361	24,361	–	–	–	–	24,361
Investments	130,902	–	19,987	15,045	3,037	92,833	130,902
Loans and advances	895,966	46,544	659,025	73,178	89,498	27,721	895,966
Other receivables and deposits*	1,375	1,375	–	–	–	–	1,375
	1,167,372	86,531	779,529	88,223	92,535	120,554	1,167,372
Deposits and savings accounts of customers	907,987	205	379,023	406,811	121,682	266	907,987
Other liabilities	9,034	9,034	–	–	–	–	9,034
	917,021	9,239	379,023	406,811	121,682	266	917,021

* Excludes prepayments

23 Financial risk management (Continued)

Market risk (Continued)

Exposure to interest rate risk (Continued)

	Carrying amount $'000	Non-interest sensitive $'000	Less than 3 months $'000	3 months to 1 year $'000	1 to 3 years $'000	More than 3 years $'000	Total $'000
Company							
31 December 2022							
Cash and balances with banks	**100,243**	**14,770**	**82,473**	**3,000**	**–**	**–**	**100,243**
Statutory deposit with the Monetary Authority of Singapore	**23,445**	**23,445**	**–**	**–**	**–**	**–**	**23,445**
Investments	**191,527**	**–**	**106,560**	**–**	**9,863**	**75,104**	**191,527**
Loans and advances	**844,464**	**35,818**	**646,302**	**56,038**	**81,009**	**25,297**	**844,464**
Other receivables and deposits*	**1,475**	**1,475**	**–**	**–**	**–**	**–**	**1,475**
	1,161,154	**75,508**	**835,335**	**59,038**	**90,872**	**100,401**	**1,161,154**
Deposits and savings accounts of customers	**896,437**	**1,816**	**299,315**	**497,582**	**97,702**	**22**	**896,437**
Borrowings from MAS	**10,000**	**–**	**–**	**–**	**10,000**	**–**	**10,000**
Other liabilities	**12,103**	**12,103**	**–**	**–**	**–**	**–**	**12,103**
	918,540	**13,919**	**299,315**	**497,582**	**107,702**	**22**	**918,540**
31 December 2021							
Cash and balances with banks	114,751	14,234	100,517	–	–	–	114,751
Statutory deposit with the Monetary Authority of Singapore	24,361	24,361	–	–	–	–	24,361
Investments	130,902	–	19,987	15,045	3,037	92,833	130,902
Loans and advances	895,966	46,544	659,025	73,178	89,498	27,721	895,966
Other receivables and deposits*	1,374	1,374	–	–	–	–	1,374
	1,167,354	86,513	779,529	88,223	92,535	120,554	1,167,354
Deposits and savings accounts of customers	910,591	267	379,023	409,353	121,682	266	910,591
Other liabilities	8,805	8,805	–	–	–	–	8,805
	919,396	9,072	379,023	409,353	121,682	266	919,396

* Excludes prepayments

23 Financial risk management (Continued)

Market risk (Continued)

Sensitivity analysis

Interest rate risk

Interest rate sensitivity analyses are performed under various interest rate scenarios using simulation modelling where the sensitivity of projected net interest income is measured against changes in market interest rates.

The projected impact on future net interest income before tax over the next twelve months from the close of the year is simulated under various interest rate assumptions. Based on a 100 basis point parallel rise in yield curves applied to the reporting date position, net interest income is estimated to increase by $2,675,000 (2021: increase by $445,000). The corresponding impact from a 100 basis point fall is an estimated reduction of $2,674,000 (2021: $3,484,000) in net interest income.

The sensitivity analysis of the Group is illustrative only. It assumes that interest rates of all tenors move by the same amount and does not reflect the potential impact on net interest income of some rates changing while others remained unchanged. The analysis also assumes that all financial assets and liabilities run to contractual maturity without action by the Group to mitigate any impact of such changes.

Portfolio price risk

Portfolio price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to the individual security or factors that affect all instruments in the market.

At the reporting date, the Group has FVOCI-debt instruments on Singapore Government Securities of approximately $192 million (2021: $131 million). A 1% increase in prices at the reporting date would have increased equity by $1.9 million (2021: $1.3 million). An equal change in the opposite direction would have decreased equity by $1.9 million (2021: $1.3 million). The analysis is performed on the same basis for 2021.

The sensitivity analysis is based on management's best estimate of the sensitivity to a reasonable possible change. In practice, the actual results will differ from the sensitivity analysis and the differences could be material.

23 Financial risk management (Continued)

Capital management

Regulatory capital

The Group maintains a capital adequacy ratio ('CAR') in excess of the prescribed ratio, which is expressed as a percentage of adjusted regulatory capital to total risk weighted assets.

(1) The Group's adjusted regulatory capital includes share capital, capital reserve, statutory reserve, general reserve, fair value reserve relating to unrealised losses on equity securities classified as FVOCI and accumulated profits.

The fair value reserve relating to unrealised gains/losses on Singapore Government Securities classified as FVOCI-debt instruments and unrealised gains on equity securities classified as FVOCI-equity instruments are excluded from the Group's adjusted regulatory capital.

(2) Risk-weighted assets are determined according to specified requirements by the Monetary Authority of Singapore that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures.

The Group's regulatory capital position as at 31 December was as follows:

	2022 $'000	2021 $'000
Share capital	**168,896**	168,896
Disclosed reserves	**81,828**	77,291
Regulatory adjustments	**(3,152)**	(1,835)
Eligible total capital	**247,572**	244,352
Risk-weighted assets	**907,632**	974,287
Capital adequacy ratio	**27.28%**	25.08%

The Group has complied with all externally imposed capital requirements. There were no changes in the Group's approach to capital management during the year.

23 Financial risk management (Continued)

Acco unting classifications

The following table shows the classification of financial instruments.

	Financial assets at amortised cost $'000	FVOCI - debt instruments $'000	FVOCI - equity instruments $'000	Other financial liabilities $'000	Total carrying amount $'000
Group					
31 December 2022					
Financial assets					
Cash and balances with banks	**100,260**	**–**	**–**	**–**	**100,260**
Statutory deposit with the Monetary Authority of Singapore	**23,445**	**–**	**–**	**–**	**23,445**
Investments	**–**	**191,527**	**–**	**–**	**191,527**
Loans and advances	**844,464**	**–**	**–**	**–**	**844,464**
Other receivables and deposits*	**1,475**	**–**	**–**	**–**	**1,475**
	969,644	**191,527**	**–**	**–**	**1,161,171**
Financial liabilities					
Deposits and savings accounts of customers	**–**	**–**	**–**	**(893,826)**	**(893,826)**
Borrowings from MAS	**–**	**–**	**–**	**(10,000)**	**(10,000)**
Trade and other payables	**–**	**–**	**–**	**(12,332)**	**(12,332)**
	–	**–**	**–**	**(916,158)**	**(916,158)**
31 December 2021					
Financial assets					
Cash and balances with banks	114,768	–	–	–	114,768
Statutory deposit with the Monetary Authority of Singapore	24,361	–	–	–	24,361
Investments	–	130,902			130,902
Loans and advances	895,966	–	–	–	895,966
Other receivables and deposits*	1,375	–	–	–	1,375
	1,036,470	130,902	–	–	1,167,372
Financial liabilities					
Deposits and savings accounts of customers	–	–	–	(907,987)	(907,987)
Trade and other payables	–	–	–	(9,034)	(9,034)
	–	–	–	(917,021)	(917,021)

* Excludes prepayments

23 Financial risk management (Continued)

Acco unting classifications (Continued)

	Financial assets at amortised cost $'000	FVOCI - debt instruments $'000	FVOCI - equity instruments $'000	Other financial liabilities $'000	Total carrying amount $'000
Company					
31 December 2022					
Financial assets					
Cash and balances with banks	**100,243**	**–**	**–**	**–**	**100,243**
Statutory deposit with the Monetary Authority of Singapore	**23,445**	**–**	**–**	**–**	**23,445**
Investments	**–**	**191,527**	**–**	**–**	**191,527**
Loans and advances	**844,464**	**–**	**–**	**–**	**844,464**
Other receivables and deposits*	**1,475**	**–**	**–**	**–**	**1,475**
	969,627	**191,527**	**–**	**–**	**1,161,154**
Financial liabilities					
Deposits and savings accounts of customers	**–**	**–**	**–**	**(896,437)**	**(896,437)**
Borrowings from MAS	**–**	**–**	**–**	**(10,000)**	**(10,000)**
Trade and other payables	**–**	**–**	**–**	**(12,103)**	**(12,103)**
	–	**–**	**–**	**(918,540)**	**(918,540)**
31 December 2021					
Financial assets					
Cash and balances with banks	114,751	–	–	–	114,751
Statutory deposit with the Monetary Authority of Singapore	24,361	–	–	–	24,361
Investments	–	130,902			130,902
Loans and advances	895,966	–	–	–	895,966
Other receivables and deposits*	1,374	–	–	–	1,374
	1,036,452	130,902	–	–	1,167,354
Financial liabilities					
Deposits and savings accounts of customers	–	–	–	(910,591)	(910,591)
Trade and other payables	–	–	–	(8,805)	(8,805)
	–	–	–	(919,396)	(919,396)

* Excludes prepayments

24 Fair values of financial instruments

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 each reporting date.

Although management have employed their 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 sales transaction at the reporting date.

The methodologies and assumptions used depend on the terms and risk characteristics of the various instruments and include the following:

Financial instruments for which fair value approximates the carrying amount

The carrying values of statutory deposit with the Monetary Authority of Singapore, other receivables and deposits, cash and balances with banks and trade and other payables, approximate their fair values as these balances are short-term in nature or are receivable or payable on demand.

Investment in Singapore Government Securities

The fair values of FVOCI-debt instruments are determined by reference to their quoted closing bid prices at the reporting date.

Loans and advances

The fair value of loans and advances that mature or reprice within six months of the reporting date is assumed to equate to the carrying value. The fair value of all other loans and advances was calculated using discounted cash flow models based on the maturity of the loans. The discount rates applied in this exercise were based on the current interest rates of similar types of loans.

Deposits and savings accounts of customers

The fair value of deposits and savings accounts of customers which mature or reprice within six months is estimated to be the carrying value at the reporting date. The fair value of other term deposits was calculated using discounted cash flow models, based on the deposit type and its related maturity. The discount rates applied in this exercise were based on the current interest rates of similar types of deposits.

Borrowings from MAS

The carrying value of the Borrowings from MAS approximates its fair values.

24 Fair values of financial instruments (Continued)

Financial instruments not carried at fair value

	2022		2021	
	Carrying amount	Fair value	Carrying amount	Fair value
	$'000	$'000	$'000	$'000
Group				
Financial assets				
Loans and advances	**844,464**	**847,823**	895,966	901,325
Financial liabilities				
Deposits and savings account of customer	**893,826**	**907,958**	907,987	910,347
Borrowings from MAS	**10,000**	**10,000**	–	–
Company				
Financial assets				
Loans and advances	**844,464**	**847,823**	895,966	901,325
Financial liabilities				
Deposits and savings account of customer	**896,437**	**910,668**	910,591	912,966
Borrowings from MAS	**10,000**	**10,000**	–	–

Fair value hierarchy

The table below analyses fair value measurements for financial assets and financial liabilities, by the levels in the fair value hierarchy based on the inputs to valuation techniques. The different levels are defined as follows:

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

Financial instruments carried at fair value

	Note	Level 1	Level 2	Level 3	Total
		$'000	$'000	$'000	$'000
Group and Company					
31 December 2022					
Financial assets					
Investments	5	**191,527**	**–**	*****	**191,527**
31 December 2021					
Financial assets					
Investments	5	130,902	–	*	130,902

* Amount less than $1,000

24 Fair values of financial instruments (Continued)

Financial instruments not carried at fair value but for which fair values are disclosed[1]

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
31 December 2022				
Financial assets				
Loans and advances	**–**	**–**	**847,823**	**847,823**
Financial liabilities				
Deposits and savings accounts of customers	**–**	**907,958**	**–**	**907,958**
Borrowings from MAS	**–**	**10,000**	**–**	**10,000**
31 December 2021				
Financial assets				
Loans and advances	–	–	901,325	901,325
Financial liabilities				
Deposits and savings accounts of customers	–	910,347	–	910,347
Company				
31 December 2022				
Financial assets				
Loans and advances	**–**	**–**	**847,823**	**847,823**
Financial liabilities				
Deposits and savings accounts of customers	**–**	**910,668**	**–**	**910,668**
Borrowings from MAS	**–**	**10,000**	**–**	**10,000**
31 December 2021				
Financial assets				
Loans and advances	–	–	901,325	901,325
Financial liabilities				
Deposits and savings accounts of customers	–	912,966	–	912,966

1 Excludes financial assets and financial liabilities whose carrying amounts measured on the amortised cost basis approximate their fair values due to their short-term nature and where the effect of discounting is immaterial.

24 Fair values of financial instruments (Continued)

Valuation techniques and significant unobservable inputs

The following tables shows the valuation technique used in measuring Level 2 fair values.

Financial instruments not carried at fair value

Type	Valuation technique
Group and Company	
Loans and advances	Discounted cash flows: The valuation model considers the present value of expected payment, discontinued using an adjusted discount rate.
Deposits and savings accounts of customers	Discounted cash flows: The valuation model considers the present value of expected payment, discontinued using an adjusted discount rate.
Borrowings from MAS	Discounted cash flows: The valuation model considers the present value of expected payment, discontinued using an adjusted discount rate.

25 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The Group operates in only one segment. Its activities relate to financing business. All activities are carried out in the Republic of Singapore. Revenue in respect of these activities is disclosed in the financial statements accordingly.

26 Non-current assets and liabilities

Assets and liabilities other than those disclosed below are current.

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Assets				
Investments	**84,967**	95,870	**84,967**	95,870
Loans and advances	**637,680**	793,742	**637,680**	793,742
Other receivables, deposits and prepayments	**324**	323	**324**	323
Subsidiaries	**–**	–	**125**	125
Property, plant and equipment	**7,288**	7,450	**7,288**	7,450
Deferred tax assets	**3,152**	1,835	**3,152**	1,835
	733,411	899,220	**733,536**	899,345
Liabilities				
Deposits and savings accounts of customers	**97,724**	121,948	**97,724**	121,948
Trade and other payables	**815**	256	**815**	256
Borrowings from MAS	**10,000**	–	**10,000**	–
Staff retirement gratuities	**982**	1,546	**982**	1,546
	109,521	123,750	**109,521**	123,750

27 New standards and interpretation not adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements.

The following amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- SFRS(I) 17 *Insurance Contracts* and amendments to SFRS(I) 17 *Insurance Contracts*
- *Classification of Liabilities as Current or Non-current* (Amendments to SFRS(I) 1-1)
- *Disclosure of Accounting Policies* (Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2)
- *Definition of Accounting Estimates* (Amendments to SFRS(I) 1-8)
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (Amendments to SFRS(I) 1-12)
- *Amendments relating to Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to SFRS(I) 1-28 and SFRS(I) 10)

ANALYSIS OF SHAREHOLDINGS

As at 6 March 2023

Class of Shares : Ordinary Shares
Voting Rights : One Vote per Share

SUMMARY OF SHAREHOLDINGS BY SIZE AS AT 6 March 2023

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF ISSUED SHARE CAPITAL
1 to 99	140	4.90	2,711	0.00
100 to 1,000	365	12.78	247,875	0.16
1,001 to 10,000	1,310	45.87	7,005,017	4.41
10,001 to 1,000,000	1,033	36.17	52,147,422	32.86
1,000,001 AND ABOVE	8	0.28	99,282,865	62.57
TOTAL	**2,856**	**100.00**	**158,685,890**	**100.00**

TOP 20 SHAREHOLDERS AS AT 6 March 2023

NO.	NAME OF SHAREHOLDERS	NUMBER OF SHARES	% OF TOTAL ISSUED SHARES
1	SEE HOY CHAN (1988) PTE LTD	74,442,000	46.91
2	TEO HANG SAM REALTY SDN BHD	8,379,000	5.28
3	DBS NOMINEES (PRIVATE) LIMITED	7,904,294	4.98
4	MORPH INVESTMENTS LTD	2,636,100	1.66
5	LEE KHING YOONG VINCENT	1,970,166	1.24
6	OCBC SECURITIES PRIVATE LIMITED	1,411,151	0.89
7	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,395,354	0.88
8	NG POH CHENG	1,144,800	0.72
9	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	905,799	0.57
10	PHILLIP SECURITIES PTE LTD	857,051	0.54
11	CITIBANK NOMINEES SINGAPORE PTE LTD	836,224	0.53
12	ANG CHIAN POH	812,200	0.51
13	KOH GEOK HUAY MRS. TEO GEOK HUAY	800,000	0.51
14	RAFFLES NOMINEES (PTE.) LIMITED	760,923	0.48
15	LIM HUI KONG	619,000	0.39
16	TAY HWA LANG @ TAY AH KOU OR JORDAN TAY SHIH LIANG	600,000	0.38
17	LALCHAND JETHANAND DARYANANI	542,000	0.34
18	CHIAM TOON CHEW	536,100	0.34
19	ESTATE OF LEONG SENG FATT, DECEASED	445,911	0.28
20	SEOW KHOW MIN	401,487	0.25
	TOTAL	**107,399,560**	**67.68**

SUBSTANTIAL SHAREHOLDERS AS AT 6 MARCH 2023

(As shown in the Company's Register of Substantial Shareholders)

	Number of Shares			
Name	**Direct Interest**	%	**Deemed Interest**	%
See Hoy Chan (1988) Pte Ltd	74,442,000	46.912	–	–
Teo Soo Chuan Pte Ltd	106,874	0.067	74,442,000[1]	46.912
Teo Hang Sam Realty Sdn Bhd	8,379,000	5.280	–	–
Teo Soo Chuan (M) Sdn Bhd	–	–	8,379,000[2]	5.280
Estate of Goh Siok Cheng, Deceased	142,500	0.090	82,927,874[3]	52.259
Teo Chiang Long	5,622	0.004	82,933,496[4]	52.263

1 Teo Soo Chuan Pte Ltd is deemed to be interested in the 74,442,000 Shares held by See Hoy Chan (1988) Pte Ltd

2 Teo Soo Chuan (M) Sdn Bhd is deemed to be interested in the 8,379,000 shares held by Teo Hang Sam Realty Sdn Bhd

3 Of the 82,927,874 Shares in which Estate of Goh Siok Cheng, deceased is deemed to be interested:

- (a) 74,442,000 Shares are held by See Hoy Chan (1988) Pte Ltd;
- (b) 8,379,000 Shares are held by Teo Hang Sam Realty Sdn Bhd; and
- (c) 106,874 Shares are held by Teo Soo Chuan Pte Ltd.

4 Of the 82,933,496 Shares in which Teo Chiang Long is deemed to be interested:

- (a) 74,442,000 Shares are held by See Hoy Chan (1988) Pte Ltd;
- (b) 8,379,000 Shares are held by Teo Hang Sam Realty Sdn Bhd;
- (c) 106,874 Shares are held by Teo Soo Chuan Pte Ltd; and
- (d) 5,622 Shares are held by his spouse, Lo Pia Leng

On the basis of the information available to the Company, approximately 47.63% of the issued ordinary shares were held by the public and therefore Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited has been complied with, which requires at least 10% of a listed issuer's equity securities to be held by the public.

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty-Third Annual General Meeting of Singapura Finance Ltd (the "**Company**") will be held at 391A Orchard Road, Tower A, #26-00, Ngee Ann City, Singapore 238873 on Wednesday, 19 April 2023 at 11.00 a.m. to transact the following business as set out below.

This Notice has been made available on SGXNet and the Company's website at: https://www.singapurafinance.com.sg.

AS ROUTINE BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the year ended 31 December 2022 together with the Auditors' Report thereon.

   (Resolution 1)

2. To declare a first and final dividend (one-tier tax-exempt) of 2.0 cents per share and a special dividend (one-tier tax-exempt) of 1.25 cents per share for the year ended 31 December 2022. [FY2021: First and final dividend (one-tier tax-exempt) of 2.0 cents per share and a special dividend (one-tier tax-exempt) of 2.0 cents per share.]

   (Resolution 2)

3. To re-elect the following Directors, who will retire by rotation pursuant to Article 97 of the Company's Constitution and who will subject themselves for re-election at least once every three years pursuant to Rule 720(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and who, being eligible, offer themselves for re-election, as Directors:

   [See Explanatory Note (i)]

   (a) Mr Teo Chiang Long **(Resolution 3(a))**

   Mr Teo Chiang Long will, upon re-election as a Director of the Company, continue as Executive Chairman of the Board and as a member of the Executive Committee.

   (b) Mr William Ho Ah Seng **(Resolution 3(b))**

   Mr William Ho will, upon re-election as a Director of the Company, continue as a member of the Audit, Remuneration, Nominating and Risk Management Committees, and will be considered independent.

   (c) Mr Terence Khoo Chi Siang **(Resolution 3(c))**

   Mr Terence Khoo will, upon re-election as a Director of the Company, continue as Chairman of Digitalization Committee and as a member of the Audit, Remuneration, Nominating and Risk Management Committees, and will be considered independent.

4. To approve the payment of Directors' fees of S$480,000 for the year ended 31 December 2022 [FY2021: S$540,000].

   [See Explanatory Note (ii)] **(Resolution 4)**

5. To re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.

   (Resolution 5)

6. To transact any other ordinary business which may properly be transacted at an 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.

7. Authority for Directors to issue shares and to make or grant convertible instruments

   [See Explanatory Note (iii)]

   That pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:

   (a) (i) allot and issue shares of 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 and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

   (b) (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) shall not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) (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 shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed twenty per cent (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) (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 of the Company (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

   (a) new shares arising from the conversion or exercise of any convertible securities;

   (b) new shares arising from the exercise of share option or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

   (c) any subsequent bonus issue, or consolidation or subdivision of shares;

   and, in sub-paragraph (1) above and this sub-paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST.

   Adjustments in accordance with sub-paragraph (2)(a) or (2)(b) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution.

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST 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) the authority conferred by this Resolution 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.

(Resolution 6)

By Order of the Board

Sarah Zeng
Company Secretary

Singapore
28 March 2023

Notice of Record and Payment Dates for Proposed Dividends (as defined below)

NOTICE IS ALSO HEREBY GIVEN that the Register of Members and Register of Share Transfers of the Company will be closed on Thursday, 27 April 2023 for the purpose of determining shareholders' entitlements to the proposed first and final dividend (one-tier tax-exempt) of 2.0 cents per share and a special dividend (one-tier tax-exempt) of 1.25 cents per share for the year ended 31 December 2022 (the "**Proposed Dividends**").

Duly completed registrable transfers and the relevant share certificates in respect of Shares received by the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902, up to 5.00 p.m. on Wednesday, 26 April 2023 will be registered to determine shareholders' entitlements to the Proposed Dividends.

Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with Shares as at 5.00 p.m. on Wednesday, 26 April 2023 will be entitled to the Proposed Dividends.

Payment of the Proposed Dividends, if approved by shareholders at the Annual General Meeting, will be made on Thursday, 4 May 2023.

Explanatory Notes:

(i) Ordinary Resolutions 3(a), 3(b) and 3(c) are for the re-election of Mr Teo Chiang Long, Mr William Ho Ah Seng and Mr Terence Khoo Chi Siang, as Directors of the Company who retire by rotation at the Annual General Meeting. For information on these Directors required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, please refer to the sections entitled "Board of Directors" and "Additional information on Directors seeking re-election" in the Annual Report 2022.

(ii) The reduction of Directors' fees under Ordinary Resolution 4 is due to reduction of one Board member.

(iii) Ordinary Resolution 6 is to empower the Directors, effective 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, or the date such authority is varied or revoked by the Company in general meeting, whichever is the earlier, to issue shares of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company, of which up to twenty per cent (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) may be issued other than on a *pro rata* basis to shareholders.

For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) of the Company at the time that Ordinary Resolution 6 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards, and (b) any subsequent bonus issue or consolidation or subdivision of shares. These adjustments are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution. As at the date of this Notice, the Company did not have any treasury shares or subsidiary holdings.

Notes:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting ("**AGM**"). Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (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. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, 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, Chapter 289 of Singapore, and who holds shares in that capacity; or

   (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, 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 CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

2. A proxy need not be a member of the Company.

3. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 150 Cecil Street #01-00, Singapore 069543 or sent by email to investors.relations@singapurafinance.com.sg by 11.00 a.m. on 16 April 2023, being not less than seventy-two (72) hours before the time appointed for holding the AGM.

4. A member may also submit questions related to the resolutions to be tabled for approval at the AGM by:

   (a) sending hard copy personally or by post and lodging the same at the registered office of the Company at 150 Cecil Street #01-00, Singapore 069543; or

   (b) email to investors.relations@singapurafinance.com.sg.

   Members will need to identify themselves when posing questions by email or by mail by providing the following details:

   (a) the member's full name as it appears on his/her/its CDP/CPF/SRS/scrip-based share records;

   (b) the member's NRIC/Passport/UEN Number;

   (c) the member's contact number and email address; and

   (d) the manner in which the member hold his/her/its shares in the Company (e.g. via CDP, CPF or SRS) records.

   The Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.

   The Company will endeavour to address substantial and relevant questions relating to the resolutions either before or during the AGM.

5. The Annual Report 2022 may be accessed at the Company's website at the URL https://www.singapurafinance.com.sg/investors_annual_report.php and on the SGXNet.

6. Minutes of the AGM will be posted on SGXNet and the Company's corporate website within one month from the date of the AGM.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting 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 or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over 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 or service providers), 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 or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ADDITIONAL INFORMATION ON DIRECTORS **SEEKING RE-ELECTION**

	Mr Teo Chiang Long	**Mr Ho Ah Seng, William (“Mr William Ho”)**	**Mr Khoo Chi Siang Terence (“Mr Terence Khoo”)**
Date of appointment	10 March 1981	• Executive Director from 1 March 1989 to 31 January 2008. • Non-Independent Non-Executive Director from 1 February 2008 to 25 August 2011. • Independent Non-Executive Director from 26 August 2011 to 25 October 2012 and from 29 October 2013 to present	2 July 2018
Date of last re-appointment	11 June 2020	11 June 2020 (under Article 97 of the Constitution of the Company)	23 April 2021
Age	79	81	52
Country of principal residence	Singapore	Singapore	Singapore
The Board’s comments on this appointment (including rationale)	The re-election of Mr Teo Chiang Long as an Executive Director and the Executive Chairman was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Mr Teo Chiang Long’s qualifications, expertise, past experiences and overall contributions since he was first appointed as a Director of the Company.	The re-election of Mr William Ho as an Independent Non-Executive Director was recommended by the Nominating Committee, and the Board has accepted the recommendation, after taking into consideration Mr William Ho’s qualifications, expertise, past experiences and overall contributions since he was first appointed as a Director of the Company.	The re-election of Mr Terence Khoo as an Independent Non-Executive Director was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Mr Terence Khoo’s qualifications, expertise, past experiences and overall contribution since he was first appointed as a Director of the Company.
Whether the appointment is executive, and if so, the area of responsibility	Executive Chairman. Please refer pages 39 to 40 for the key areas of responsibilities of the Executive Chairman.	Independent Non-Executive Director	Independent Non-Executive Director
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	• Chairman of the Board of Directors • Member of the Executive Committee	• Member of the Audit, Nominating, Remuneration and Risk Management Committees.	• Chairman of the Digitalization Committee. • Member of the Audit, Nominating, Remuneration and Risk Management Committees.

ADDITIONAL INFORMATION ON DIRECTORS **SEEKING RE-ELECTION**

	Mr Teo Chiang Long	**Mr Ho Ah Seng, William ("Mr William Ho")**	**Mr Khoo Chi Siang Terence ("Mr Terence Khoo")**
Professional qualifications	Bachelor of Economics, University of Adelaide, Australia	Bachelor of Science in Sociology, University of London	Law degree, University of Sheffield, United Kingdom
Working experience and occupation(s) during the past 10 years	Mr Teo Chiang Long has been an Executive Director of Singapura Finance Ltd since March 1981 and also holds directorships in various other companies in Singapore and Malaysia.	Retired. Prior to retirement on 31 January 2008, Mr William Ho was an Executive Director of Singapura Finance Ltd.	Mr Terence Khoo started his career in the Singapore Rugby and went on to various appointments within the private and public sector of the sports industry until 2005 when he started his diversified marketing company Enterprise Sports Group Pte Ltd where he is still the Managing Director.
Shareholding interest in the listed issuer and its subsidiaries	Refer to Directors' Statement on pages 60 to 62.		
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	Father of CEO Mr Jamie Teo. Director of See Hoy Chan (1988) Pte Ltd and Teo Hang Sam Realty Sdn Bhd which are substantial shareholders and related corporations of the Company.	None	None
Conflict of interest (including any competing business)	None	None	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes

	Mr Teo Chiang Long	**Mr Ho Ah Seng, William ("Mr William Ho")**	**Mr Khoo Chi Siang Terence ("Mr Terence Khoo")**
Other principal commitments including directorships	**Past (for the last 5 years)** <u>Directorships</u> • SBS Realty Services (Private) Limited • Ngee Ann Education Holdings Pte Ltd • Ngee Ann Academy Pte Ltd • Ngee Ann Institute of Higher Education Pte Ltd • Ngee Ann Development Private Limited • Ngee Ann Cultural Centre Limited • Ngee Ann Traditional Chinese Medicine Centre Limited • RE Properties Pte Ltd • Ngee Ann ECE Pte Ltd • Singapore Teochew Foundation Limited • Bright Vision Hospital • NAD Triple Funds Pte Ltd • Vault @ 268 Pte Ltd • Ngee Ann Property Management Pte Ltd <u>Other commitments</u> • Committee of Management Member of The Ngee Ann Kongsi • Chairman and Secretary of The Management Corporation Strata Title (MCST) Plan No. 2929 • Director/Governor of Singapore Teochew Foundation Limited	**Past (for the last 5 years)** <u>Directorships</u> None <u>Other commitments</u> None **Present** <u>Directorships</u> • Director of Singapura Finance Ltd <u>Other commitments</u> None	**Past (for the last 5 years)** <u>Directorships</u> • ESG Sports Singapore Pte Ltd <u>Other commitments</u> • Council Member, World Rugby **Present** <u>Directorships</u> • Singapura Finance Ltd • Enterprise Sports Group Pte Ltd • Little Swim School Pte Ltd • Bukit Timah Investments Pte Ltd • Coolpay Pte Ltd • My Healthcare Collective Pte Ltd • MYHC Marketing Pte Ltd <u>Other commitments</u> • President, Singapore Rugby Union • Council Member, Asia Rugby

ADDITIONAL INFORMATION ON DIRECTORS **SEEKING RE-ELECTION**

	Mr Teo Chiang Long	**Mr Ho Ah Seng, William ("Mr William Ho")**	**Mr Khoo Chi Siang Terence ("Mr Terence Khoo")**
	Present Directorships ● Singapura Finance Ltd ● Teo Soo Chuan (Private) Limited ● Teo Soo Chuan (M) Sdn Bhd ● SBS Nominees Private Limited ● Teo Hang Sam Realty Sdn Bhd ● Teo Soo Chuan Realty Sdn Bhd ● Teo Soo Chuan Holdings Sdn Bhd ● Teo Soo Chuan Development Sdn Bhd ● Teo Soo Chuan Properties Sdn Bhd ● See Hoy Chan (1988) Private Limited ● Hotel Malaya Sdn Bhd ● Hotel Malaya Holdings Sdn Bhd ● High Luck Pte Ltd ● Le Grande Vista Pte Ltd ● Capitol Hill Holding Pte Ltd ● See Hoy Chan Hub Pte Ltd Other commitments ● President of Seu Teck Sean Tong Yiang Sin Sia ● Vice Chairman of Toa Payoh Seu Teck Sean Tong Trustees & Management Committee ● Vice Chairman of Toa Payoh Seu Teck Sean Tong ● President of Seu Teck Sean Tong Yiang Sin Sia Temple Development Fund		

	Mr Teo Chiang Long	Mr Ho Ah Seng, William ("Mr William Ho")	Mr Khoo Chi Siang Terence ("Mr Terence Khoo")
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.			
(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	No	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	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS
SEEKING RE-ELECTION

	Mr Teo Chiang Long	Mr Ho Ah Seng, William ("Mr William Ho")	Mr Khoo Chi Siang Terence ("Mr Terence Khoo")
(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	No	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	No	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	No	No

	Mr Teo Chiang Long	**Mr Ho Ah Seng, William ("Mr William Ho")**	**Mr Khoo Chi Siang Terence ("Mr Terence Khoo")**
(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	No	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	No	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	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :- (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	Yes In 2009, pertaining to Mr Terence Khoo's company Enterprise Sports Group Pte Ltd, Mr Terence Khoo had assisted Corrupt Practices Investigation Bureau (CPIB) in support of Malaysian authorities in their investigation of sponsorship deal relating to a Malaysian sporting event. Upon conclusion of the investigations, there were no adverse findings made against Mr Terence Khoo and no disciplinary action was instituted against him.

	Mr Teo Chiang Long	Mr Ho Ah Seng, William ("Mr William Ho")	Mr Khoo Chi Siang Terence ("Mr Terence Khoo")
(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 (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 (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?			In 2004, Mr Terence Khoo had assisted the Corrupt Practices Investigation Bureau (CPIB) in their investigations on a matter involving the SportsSG (then known as the Singapore Sports Council) where Mr Terence Khoo was employed. Upon conclusion of the CPIB's investigations, CPIB had returned Mr Terence Khoo's files to him and did not institute any disciplinary action against him or pursue the matter any further.
(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?	No	No	No

SINGAPURA FINANCE LTD

(Company Registration No. 196900340N)
(Incorporated in the Republic of Singapore)

PROXY FORM

IMPORTANT:
Please read the notes overleaf before completing this form.

IMPORTANT:

1. Relevant intermediaries (as defined in Section 181 of the Companies Act 1967 and set out under Note 2 below) may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy shares in Singapura Finance Ltd, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

This proxy form has been made available on the Company's website at https://www.singapurafinance.com.sg/investors_agm.php and on the SGXNet.

*I/We (Name), ____________________ (NRIC/Passport/UEN No.) ____________________

of (Address) ____________________

being *a member/members of Singapura Finance Ltd (the "**Company**"), hereby appoint:

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

*and/or

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		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 (the "**AGM**") as *my/our *proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the AGM to be held at 391A Orchard Road, Tower A, #26-00, Ngee Ann City, Singapore 238873 on Wednesday, 19 April 2023 at 11.00 a.m. and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for, against and/or abstain from voting on the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion, as *he/she/they will on any other matter arising at the AGM and at any adjournment thereof.

No.	**Resolutions relating to:**	**Number of Votes / For(1)**	**Number of Votes / Against(1)**	**Number of Votes / Abstain(1)**
Routine Business				
1	Adoption of Directors' Statement and Audited Financial Statements for the year ended 31 December 2022 together with the Auditors' Report			
2	Declaration of a first and final dividend (one-tier tax-exempt) of 2.0 cents per share and a special dividend (one-tier tax-exempt) of 1.25 cents per share for the year ended 31 December 2022			
3	Re-election of the following Directors retiring under article 97:			
3(a)	Mr Teo Chiang Long			
3(b)	Mr William Ho Ah Seng			
3(c)	Mr Terence Khoo Chi Siang			
4	Approval of Directors' fees of $480,000 for the year ended 31 December 2022			
5	Re-appointment of KPMG LLP as Auditor and authorisation for the Directors to fix their remuneration			
Special Business				
6	Authority to issue shares and to make or grant instruments convertible into shares			

(1) 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 (✓) within the relevant box provided. Alternatively, if you wish to exercise some and not all 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 votes in the boxes provided.

Dated this __________ day of ______________ 2023

Total number of Shares in:	**No of Shares**
(a) CDP Register	
(b) Register of Members	

____
Signature of Member(s)
or, Common Seal of Corporate Member

*Delete where inapplicable

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you have shares registered in your name in the Register of Members (maintained by or on behalf of the Company), 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.

2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting ("**AGM**"). Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (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. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "**Relevant intermediary**" means:

   (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, 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, Chapter 289 of Singapore, and who holds shares in that capacity; or

   (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, 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 CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

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Singapura 富雅金融 FINANCE

PROXY FORM FOR AGM

Affix
Postage
Stamp

The Company Secretary
c/o Singapura Finance Ltd
150 Cecil Street #01-00
Singapore 069543

2nd fold here

3. A proxy need not be a member of the Company.

4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a 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 instrument of proxy to the Meeting.

5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 150 Cecil Street #01-00, Singapore 069543 or sent by email to investors.relations@singapurafinance.com.sg by 11.00 a.m. on 16 April 2023, being not less than seventy-two (72) hours before the time appointed for holding the AGM.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies 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 instrument appointing a proxy or proxies 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.

7. 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 Meeting, 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 set out in the Notice of AGM dated 28 March 2023.

GENERAL:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

SINGAPURA FINANCE LTD

150 Cecil Street
#01-00 Singapore 069543

www.singapurafinance.com.sg
www.facebook.com/singapurafinanceltd