

SINGAPURA FINANCE LTD
Co. Reg. No. 196900340N

Half Year Financial Statements Announcement

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	Group		+/- %
		6 months ended 30 June 2022 \$'000	6 months ended 30 June 2021 \$'000	
Interest income and hiring charges		14,611	14,684	(0.5)
Interest expense		(2,549)	(2,535)	0.6
Net interest income and hiring charges		12,062	12,149	(0.7)
Fee and commission income		174	138	26.1
Other operating income		203	488	(58.4)
Income before operating expenses		12,439	12,775	(2.6)
Staff costs		(3,844)	(3,845)	(0.0)
Depreciation of property, plant and equipment		(555)	(554)	0.2
Other operating expenses		(2,038)	(2,069)	(1.5)
Total operating expenses		(6,437)	(6,468)	(0.5)
Profit from operations before allowances		6,002	6,307	(4.8)
Allowances for impairment losses on loans and advances		(875)	(448)	95.3
Profit before tax	7	5,127	5,859	(12.5)
Tax expense	8	(871)	(952)	(8.5)
Profit after tax		4,256	4,907	(13.3)
Other comprehensive income				
<u>Items that will not be reclassified subsequently to profit or loss (net of tax):</u>				
Fair value changes of equity investments (net)		-	(1,034)	(100.0)
<u>Items that may be reclassified subsequently to profit or loss (net of tax):</u>				
Fair value changes of debt investments (net)		(9,213)	(2,080)	342.9
Total comprehensive (loss)/income for the period		(4,957)	1,793	(376.5)
<u>Earnings per share for the profit for the period attributable to the owners of the Company during the year:</u>				
Basic earnings per share (cents)		5.36	6.18	
Diluted earnings per share (cents)		5.36	6.18	

The Group's basic earnings per share is calculated based on the weighted average number of ordinary shares in issue of 158,685,890 for the periods ended 30 June 2022 and 2021. There are no potential dilutive ordinary shares for the periods ended 30 June 2022 and 2021.

B. Condensed interim statements of financial position

	Note	Group		Company	
		30 June 2022	31 December 2021	30 June 2022	31 December 2021
		\$'000	\$'000	\$'000	\$'000
Assets					
Cash and balances with banks	5	65,360	114,768	65,342	114,751
Statutory deposit with the Monetary Authority of Singapore("MAS")		24,178	24,361	24,178	24,361
Investments	10.2	136,414	130,902	136,414	130,902
Loans and advances	11	891,177	895,966	891,177	895,966
Others receivables, deposits and prepayments		2,877	2,318	2,877	2,317
Subsidiaries		-	-	125	125
Property, plant and equipment	12	6,964	7,450	6,964	7,450
Deferred tax asset		3,743	1,835	3,743	1,835
Total assets		1,130,713	1,177,600	1,130,820	1,177,707
Equity					
Share capital	13	168,896	168,896	168,896	168,896
Reserves		76,176	87,480	73,908	85,216
Total equity attributable to owners of the Company		245,072	256,376	242,804	254,112
Liabilities					
Deposits and savings accounts of customers		865,389	907,987	867,990	910,591
Trade and other payables		6,115	9,034	5,889	8,805
Borrowings from MAS	14	10,000	-	10,000	-
Current tax liabilities		2,568	2,636	2,568	2,632
Staff retirement gratuities		1,569	1,567	1,569	1,567
Total liabilities		885,641	921,224	888,016	923,595
Total equity and liabilities		1,130,713	1,177,600	1,130,820	1,177,707
Net Asset Value					
Net asset value per ordinary share (\$)		1.54	1.62	1.53	1.60

The net asset value per share is calculated based on the number of shares of 158,685,890 ordinary shares in issue at the end of 30 June 2022 and 31 December 2021.

C. Condensed interim consolidated statement of cash flows

	Note	Group	
		6 months ended 30 June 2022	6 months ended 30 June 2021
		\$'000	\$'000
Cash flows from operating activities			
Profit for the period		4,256	4,907
<u>Adjustments for:-</u>			
Depreciation of property, plant and equipment		555	554
Allowances for impairment losses on loans and advances		875	448
Property, plant and equipment written off		1	-
Staff retirement gratuity		45	37
Interest on lease liabilities		181	157
Tax expense		871	952
		6,784	7,055
<u>Changes in working capital:</u>			
Statutory deposit with Monetary Authority of Singapore		183	(1,516)
Fixed deposits with original maturity more than 3 months		(4)	(12,099)
Loans and advances		3,914	(44,308)
Other receivables, deposits and prepayments		(559)	(406)
Deposits and savings accounts of customers		(42,598)	11,082
Trade and other payables		(2,671)	(3,404)
Cash used in operations		(34,951)	(43,596)
Taxes paid		(959)	(886)
Staff retirement gratuities paid		(43)	-
Net cash flows used in operating activities		(35,953)	(44,482)
Cash flows from investing activities			
Purchase of property, plant and equipment		(70)	(311)
Purchase of investments		(212,663)	(174,704)
Proceeds from sale and maturity of investments		196,051	166,364
Net cash flows used in investing activities		(16,682)	(8,651)
Cash flows from financing activities			
Payment of lease liabilities		(429)	(460)
Dividends paid	9	(6,347)	(2,380)
Borrowings from MAS	14	10,000	-
Net cash flows from/(used in) financing activities		3,224	(2,840)
Net decrease in cash and cash equivalents		(49,411)	(55,973)
Cash and cash equivalents at beginning of period		111,498	131,249
Cash and cash equivalents at end of period	5	62,087	75,276

D. Condensed interim statements of changes in equity – Group

	Note	Share Capital	Capital Reserve	Regulatory Loss Allowance Reserve	Statutory Reserve	Fair Value Reserve	General Reserve	Accumulated Profits	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
The Group									
At 31 Dec 2021									
Total comprehensive income for the period									
Profit for the period		-	-	-	-	-	-	4,256	4,256
Other comprehensive income									
Items that will not be reclassified subsequently to profit or loss:									
Net change in fair value of equity investments measured at FVOCI		-	-	-	-	-	-	-	-
Tax relating to items that will not be reclassified subsequently to profit or loss		-	-	-	-	-	-	-	-
Items that may be reclassified subsequently to profit or loss:									
Net change in fair value of debt investments measured at FVOCI		-	-	-	-	(11,100)	-	-	(11,100)
Tax relating to items that may be reclassified subsequently to profit or loss		-	-	-	-	1,887	-	-	1,887
Total other comprehensive income		-	-	-	-	(9,213)	-	-	(9,213)
Total comprehensive income for the period		-	-	-	-	(9,213)	-	4,256	(4,957)
Transaction with owners, recorded directly in equity									
Final dividend of 2 cents and Special dividend of 2 cents per share paid in respect of year 2021	9	-	-	-	-	-	-	(6,347)	(6,347)
Total transactions with owners		-	-	-	-	-	-	(6,347)	(6,347)
Transfer from Regulatory Loss Allowance Reserve to accumulated profits		-	-	-	-	-	-	-	-
At 30 Jun 2022									
The Group									
At 1 Jan 2021									
Total comprehensive income for the period									
Profit for the period		-	-	-	-	-	-	4,907	4,907
Other comprehensive income									
Items that will not be reclassified subsequently to profit or loss:									
Net change in fair value of equity investments measured at FVOCI		-	-	-	-	(1,246)	-	-	(1,246)
Tax relating to items that will not be reclassified subsequently to profit or loss		-	-	-	-	212	-	-	212
Items that may be reclassified subsequently to profit or loss:									
Net change in fair value of debt investments measured at FVOCI		-	-	-	-	(2,506)	-	-	(2,506)
Tax on items that may be reclassified subsequently to profit or loss		-	-	-	-	426	-	-	426
Total other comprehensive income		-	-	-	-	(3,114)	-	-	(3,114)
Total comprehensive income for the period		-	-	-	-	(3,114)	-	4,907	1,793
Transaction with owners, recorded directly in equity									
Final dividend of 1.5 cents per share paid in respect of year 2020	9	-	-	-	-	-	-	(2,380)	(2,380)
Total transactions with owners		-	-	-	-	-	-	(2,380)	(2,380)
Transfer from Regulatory Loss Allowance Reserve to accumulated profits		-	-	(514)	-	-	-	514	-
At 30 Jun 2021									

FVOCI: Fair Value through Other Comprehensive Income

D. Condensed interim statements of changes in equity – Company

	Note	Share Capital	Capital Reserve	Regulatory Loss Allowance Reserve	Statutory Reserve	Fair Value Reserve	General Reserve	Accumulated Profits	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
The Company									
At 1 Jan 2022		168,896	1,353	718	80,178	(8,191)	730	10,428	254,112
Total comprehensive income for the period									
Profit for the period		-	-	-	-	-	-	4,252	4,252
Other comprehensive income									
Items that will not be reclassified subsequently to profit or loss:									
Net change in fair value of equity investments measured at FVOCI		-	-	-	-	-	-	-	-
Tax relating to items that will not be reclassified subsequently to profit or loss		-	-	-	-	-	-	-	-
Items that may be reclassified subsequently to profit or loss:									
Net change in fair value of debt investments measured at FVOCI		-	-	-	-	(11,100)	-	-	(11,100)
Tax relating to items that may be reclassified subsequently to profit or loss		-	-	-	-	1,887	-	-	1,887
Total other comprehensive income		-	-	-	-	(9,213)	-	-	(9,213)
Total comprehensive income for the period		-	-	-	-	(9,213)	-	4,252	(4,961)
Transaction with owners, recorded directly in equity									
Final dividend of 2 cents and Special dividend of 2 cents per share paid in respect of year 2021	9	-	-	-	-	-	-	(6,347)	(6,347)
Total transactions with owners		-	-	-	-	-	-	(6,347)	(6,347)
Transfer from Regulatory Loss Allowance Reserve to accumulated profits		-	-	-	-	-	-	-	-
At 30 Jun 2022		168,896	1,353	718	80,178	(17,404)	730	8,333	242,804
The Company									
At 1 Jan 2021		168,896	1,353	1,985	75,388	(2,706)	730	6,753	252,399
Total comprehensive income for the period									
Profit for the period		-	-	-	-	-	-	4,891	4,891
Other comprehensive income									
Items that will not be reclassified subsequently to profit or loss:									
Net change in fair value of equity investments measured at FVOCI		-	-	-	-	(1,246)	-	-	(1,246)
Tax relating to items that will not be reclassified subsequently to profit or loss		-	-	-	-	212	-	-	212
Items that may be reclassified subsequently to profit or loss:									
Net change in fair value of debt investments measured at FVOCI		-	-	-	-	(2,506)	-	-	(2,506)
Tax on items that may be reclassified subsequently to profit or loss		-	-	-	-	426	-	-	426
Total other comprehensive income		-	-	-	-	(3,114)	-	-	(3,114)
Total comprehensive income for the period		-	-	-	-	(3,114)	-	4,891	1,777
Transaction with owners, recorded directly in equity									
Final dividend of 1.5 cents per share paid in respect of year 2020	9	-	-	-	-	-	-	(2,380)	(2,380)
Total transactions with owners		-	-	-	-	-	-	(2,380)	(2,380)
Transfer from Regulatory Loss Allowance Reserve to accumulated profits		-	-	(514)	-	-	-	514	-
At 30 Jun 2021		168,896	1,353	1,471	75,388	(5,820)	730	9,778	251,796

FVOCI: Fair Value through Other Comprehensive Income

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Singapura Finance Ltd (the Company) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2022 comprise the Company and its subsidiaries (collectively, the Group).

The principal activities of the Company are those relating to finance companies operating under the Finance Companies Act 1967.

2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

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

2.1. New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

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.

Coronavirus (COVID-19) pandemic

The COVID-19 pandemic has increased the estimation uncertainty in the preparation of the financial statements.

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 containment measures by government, businesses and consumers to contain the spread of the virus; 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 30 June 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 significant accounting estimate impacted by these forecasts and associated uncertainties is predominantly related to expected credit losses.

3. Seasonal operations

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

4. Segment and revenue information

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.

5. Cash and balances with banks

	----- Group -----		----- Company -----	
	30 June 2022 \$'000	31 December 2021 \$'000	30 June 2022 \$'000	31 December 2021 \$'000
Cash at banks and in hand	57,087	92,629	57,069	92,612
Fixed deposits with banks	8,273	22,139	8,273	22,139
Cash and balances with banks in the balance sheet	65,360	114,768	65,342	114,751
Less: Fixed deposits with original maturity more than 3 months	(3,273)	(3,270)	(3,273)	(3,270)
Cash and cash equivalents in the cash flow statement	62,087	111,498	62,069	111,481

6. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2022 and 31 December 2021:

	----- Group -----		----- Company -----	
	30 June 2022 \$'000	31 December 2021 \$'000	30 June 2022 \$'000	31 December 2021 \$'000
Financial Assets				
- At amortised cost				
Cash and balances with banks	65,360	114,768	65,342	114,751
Statutory deposit with Monetary Authority of Singapore("MAS")	24,178	24,361	24,178	24,361
Loans and advances	891,177	895,966	891,177	895,966
Other receivables and deposits (excludes prepayments)	1,489	1,375	1,489	1,374
- At fair value through other comprehensive income (FVOCI)				
Debt instruments	136,414	130,902	136,414	130,902
Unquoted Equity instruments	*	*	*	*
	<u>1,118,618</u>	<u>1,167,372</u>	<u>1,118,600</u>	<u>1,167,354</u>
Financial Liabilities				
Deposits and savings accounts of customers	(865,389)	(907,987)	(867,990)	(910,591)
Trade and other payables	(6,115)	(9,034)	(5,889)	(8,805)
Borrowings from MAS	(10,000)	-	(10,000)	-
	<u>(881,504)</u>	<u>(917,021)</u>	<u>(883,879)</u>	<u>(919,396)</u>

*Amount less than S\$1,000

7. Profit before taxation

7.1. Significant items

	Group	
	6 months ended 30 June 2022 \$'000	6 months ended 30 June 2021 \$'000
Interest income and hiring charges		
Interest income on:		
- loans and advances	13,293	13,593
- bank deposits	154	274
- Singapore Government Securities	1,164	817
	<u>14,611</u>	<u>14,684</u>
Interest expense		
Interest expense on customer deposits	2,547	2,535
Interest expense on Borrowings	2	-
	<u>2,549</u>	<u>2,535</u>
Other operating income		
Bad debts recovered	5	18
Others	159	176
Government grant	39	294
	<u>203</u>	<u>488</u>
Staff costs		
Salaries and other benefits	3,414	3,448
Contributions to defined contribution plans	430	397
	<u>3,844</u>	<u>3,845</u>

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	
	6 months ended 30 June 2022 \$'000	6 months ended 30 June 2021 \$'000
Other operating expenses		
Audit fees to auditors		
- provision in respect of current year	80	84
Non-audit fees to auditors of the Company	8	47
Interest expense on lease liabilities		
- related corporations	167	140
- third parties	14	17
Other operating expense paid to:		
- related corporations	24	25
- third parties	1,745	1,756
	<u>2,038</u>	<u>2,069</u>

7.2. Related party transactions

Key management personnel compensation

Compensation payable to key management personnel comprise:

	Group	
	6 months ended 30 June 2022 \$'000	6 months ended 30 June 2021 \$'000
Directors' fees	240	270
Short-term employee benefits	1,052	615
Post-employment benefits	63	50

Directors' remuneration included in key management personnel compensation amounted to \$1,079,000 (30 June 2021: \$739,000). 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	
	6 months ended 30 June 2022 \$'000	6 months ended 30 June 2021 \$'000	6 months ended 30 June 2022 \$'000	6 months ended 30 June 2021 \$'000
Interest on deposits paid to subsidiaries	-	-	8	4
Interest on deposits paid to related parties	449	586	449	586

8. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	6 months ended 30 June 2022	6 months ended 30 June 2021
	\$'000	\$'000
Tax expense		
Current year	891	935
Deferred tax debit/(credit)		
Origination and reversal of temporary differences	(20)	17
	871	952
	871	952

9. Dividend

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

	Group and Company	
	6 months ended 30 June 2022	6 months ended 30 June 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 cent)	3,174	-
	6,347	2,380
	6,347	2,380

10. Fair value of financial instruments

10.1. Fair value measurement

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. For financial assets and liabilities not carried at fair value on the financial statements, the Group has determined that their fair values were not materially different from the carrying amounts at the reporting date. The carrying amounts and fair values of financial instruments of the Group are described below.

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 and equity securities

The fair values of FVOCI-debt instruments are determined by reference to their quoted closing bid prices at the reporting date.

The fair value of the FVOCI-equity instrument is determined using the discounted cash flows method.

10.2 Financial assets at fair value through other comprehensive income

The financial assets at fair value through other comprehensive income comprise the following:

Investments	Group and Company	
	30 June 2022	31 December 2021
	\$'000	\$'000
Singapore Government Securities	136,414	130,902
Unquoted equity securities	*	*
	<u>136,414</u>	<u>130,902</u>

*Amount less than S\$1,000

10.3 Fair value hierarchy

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

- 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.

The following table presented the assets measured at fair value:

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Group and Company				
Financial assets				
30 June 2022				
FVOCI investments	<u>136,414</u>	<u>—</u>	<u>*</u>	<u>136,414</u>
31 December 2021				
FVOCI investments	<u>130,902</u>	<u>—</u>	<u>*</u>	<u>130,902</u>

*Amount less than S\$1,000

Valuation techniques and significant unobservable inputs

The following tables shows the valuation technique used in measuring Level 2 and Level 3 fair values.

Financial instruments carried at fair value

Description	Valuation technique	Unobservable input	Sensitivity to changes in significant unobservable inputs
FVOCI-equity instrument	Discounted cash flows	Weighted average cost of capital ('WACC') Expected cash flows	The estimated fair value would increase (decrease) if: <ul style="list-style-type: none"> • the expected cash flows were higher (lower); or • the WACC was lower (higher) A 5% increase (decrease) in the WACC and 10% (decrease) increase in expected cash flow would not significantly (decrease) increase the fair value.

The following table shows a reconciliation from the opening balances to the ending balances for Level 3 fair values:

	Group and Company Equity investment at FVOCI \$'000
At 1 January 2021	1,536
Purchases	1,361
Disposals	(1,361)
Total gains recognised in other comprehensive income	
- Net change in fair value of FVOCI financial assets	<u>(1,536)</u>
At 31 December 2021 and 30 June 2022	<u><u>*</u></u>

*Amount less than S\$1,000

11. Loans and advances

	Group and Company	
	30 Jun 2022	31 Dec 2021
	\$'000	\$'000
Mortgage and other secured loans	725,101	716,526
Unsecured loans	16,316	17,938
Hire purchase receivables	167,043	178,715
	<u>908,460</u>	<u>913,179</u>
Unearned charges and interest	(10,731)	(11,536)
	<u>897,729</u>	<u>901,643</u>
Allowances for loan losses	(6,552)	(5,677)
	<u>891,177</u>	<u>895,966</u>
These comprise balances:		
Due within 12 months	191,128	102,224
Due after 12 months	700,049	793,742
	<u>891,177</u>	<u>895,966</u>

The movements 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 Jan 2021	2,024	825	3,898	6,747
Allowances for/(write-back)	1,399	(248)	33	1,184
Amounts written off	-	-	(2,254)	(2,254)
Balance as at 31 Dec 2021	<u>3,423</u>	<u>577</u>	<u>1,677</u>	<u>5,677</u>
Allowances for/(write-back)	(554)	554	875	875
Amounts written off	-	-	-	-
Balance as at 30 Jun 2022	<u>2,869</u>	<u>1,131</u>	<u>2,552</u>	<u>6,552</u>

12. Property, plant and equipment

During the six months ended 30 June 2022, the Group acquired fixed assets amounting to \$69,000 (30 June 2021: \$311,000) and right-of-use assets of \$NIL (30 June 2021: \$1,003,000).

13. Share capital

	Group and Company			
	30 June 2022		31 December 2021	
	Number of shares '000	Amount \$'000	Number of shares '000	Amount \$'000
Fully paid ordinary shares, with no par value:				
At the beginning and end of financial period	158,686	168,896	158,686	168,896

The Company did not hold any treasury shares as at 30 June 2022.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2022 and 31 December 2021.

14. Borrowings from MAS

	Group and Company	
	30 June 2022	31 December 2021
	\$'000	\$'000
Due within 12 months	-	-
Due after 12 months	10,000	-
	<u>10,000</u>	<u>-</u>

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.

15. Non-current assets and liabilities

Assets and liabilities other than those disclosed below are current.

	Group		Company	
	30 June 2022 \$'000	31 December 2021 \$'000	30 June 2022 \$'000	31 December 2021 \$'000
Assets				
Investments	81,559	95,870	81,559	95,870
Loans and advances	700,049	793,742	700,049	793,742
Other receivables, deposits and prepayments	325	323	325	323
Subsidiaries	-	-	125	125
Property, plant and equipment	6,964	7,450	6,964	7,450
Deferred tax assets	3,743	1,835	3,743	1,835
	<u>792,640</u>	<u>899,220</u>	<u>792,765</u>	<u>899,345</u>
Liabilities				
Deposits and savings accounts of customers	38,840	121,948	38,840	121,948
Trade and other payables	139	256	139	256
Borrowings from MAS	10,000	-	10,000	-
Staff retirement gratuities	1,459	1,546	1,459	1,546
	<u>50,438</u>	<u>123,750</u>	<u>50,438</u>	<u>123,750</u>

16. Subsequent events

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

Other information required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated statement of financial position of Singapura Finance Ltd and its subsidiaries as at 30 June 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

For the half year ended 30 June 2022, the Group recorded a profit after tax of \$4.3 million, a decline of 13.3% as compared to the same period last year. The weaker performance was primarily attributed to lower other operating income and higher impairment allowances on loans.

Net interest income and hiring charges remained stable compared to the previous corresponding period. Non-interest income declined by \$0.2 million or 39.8% with the curtailment of the Government grant for the Job Support Scheme. Total operating expenses was well managed and remained largely unchanged.

There was a net charge for loan impairment losses amounting to \$0.9 million for the half year ended 30 June 2022 compared to \$0.4 million during the same period last year. This was mainly attributed to additional allowances for non-performing loans while the allowances for non-impaired loans remain unchanged. The Group continues to set aside adequate specific and collective allowances in respect of its loan portfolio.

There was a charge of \$9.2 million to other comprehensive income for the half year ended 30 June 2022 due to decrease in the fair value of the Singapore Government Securities (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 0.5% to \$891 million as at 30 June 2022 compared to \$896 million as at 31 December 2021. Total customers' deposits decreased by 4.7% to \$865 million as at 30 June 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.

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

Not applicable.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

According to the Ministry of Trade and Industry ("MTI")'s advance GDP estimates on 14 July 2022, the Singapore economy grew by 4.8% on a year-on-year basis in the second quarter of 2022 extending the 4.0% growth recorded in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the GDP was unchanged in the second quarter, after posting an expansion of 0.9% in the first quarter.

Since January 2022, global economic prospects have deteriorated. The fallout from the Russian-Ukraine war and China's strict zero-COVID strategy compounded inflationary pressure and weighed on an already fragile global recovery. US Federal Reserve is expected to raise its interest rate further to curb inflation, with SGD interest rates tracking in the same direction. Global economic recovery post COVID-19 is fraught with uncertainties and unexpected disruptions.

Against the backdrop of weaker economic prospect for Singapore resulting from the prevailing global economic uncertainties, the Group will continue to proactively manage our asset quality. In view of the rising interest rate outlook, the Group remains vigilant and disciplined in managing our net interest margin and operating expenses even as we forge ahead with our efforts to digitalise our services and processes.

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

Nil.

6. Borrowings and debt securities as at the end of the current financial period and as at the end of the immediately preceding financial year

The Group and the Company's borrowings are as disclosed under Note 14 to the condensed interim consolidated financial statements. There are no outstanding debt securities issuance as at 30 June 2022 (31 December 2021: \$Nil) for the Group and the Company.

7. Dividend Information

7a. Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

No dividend has been declared / recommended for the half year ended 30 June 2022. The Group pays dividends on an annual basis, subject to review and approval of the Board and the Shareholders.

7b. Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

8. Interested person transactions

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

9. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

Confirmation by the Board pursuant to Rule 705(5)

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 30 June 2022 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Teo Chiang Long
Director

Tan Hui Keng, Martha
Director

By Order of the Board
Sarah Zeng
Company Secretary

5 August 2022