

Empowering Dreams, Securing Futures
For A Better Tomorrow

**ANNUAL
REPORT
2023**



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 Singapore 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



YU-FOO YEE SHOON
NON-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 2023 ("FY2023").

PERFORMANCE REVIEW

The external operating environment for FY2023 continued to be challenging even as the world economy opens up post-pandemic. Cost of funds remains high due to interest rate hike to curb inflation. Under this difficult business environment, the Group recorded a profit after tax of \$6.2 million, a decline of 26.2% compared to last year. The weaker performance was arising from lower net interest income as higher cost of funds outpaced the increase in total interest income.

Net interest income and hiring charges declined by 16.1% to \$22.0 million compared to \$26.2 million last year. Total interest income rose by \$14.1 million or 41.3% 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 \$18.3 million or 232.7% during the year. Non-interest income increased by \$0.2 million or 22.7% mainly due to higher loan administrative and penalty fees earned on early settlement. While the

Group continued to forge ahead with our digital transformation journey, total operating expenses remained relatively consistent as compared to last year with a decrease of 0.4% or \$0.1 million.

The net allowances for loans declined to \$0.1 million for the year ended 31 December 2023 compared to \$1.4 million for year ended 31 December 2022 mainly due to lower allowances for credit-impaired loans and non-credit-impaired loans. 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 \$253 million as at 31 December 2023, and are 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 2023 increased by \$0.1 million due to increase 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 2.4% to \$824 million as at 31 December 2023 compared to \$844 million as at 31

December 2022. In line with the lower loan balance, total customers' deposits were managed downwards by 1.8% to \$878 million as at 31 December 2023 compared to \$894 million as at 31 December 2022.

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 1.0 cent per share for FY2023. The total distribution of 3.0 cents per share for the year will amount to approximately \$4.8 million.

OPERATIONS REVIEW

Against the backdrop of a challenging global-macro environment in 2023, the Group continued to focus on our fundamentals by providing competitive rates despite the high interest rates environment and stood by our customers. We also continued to harness on the strengths of our fundamentals through enhancements on our web-based online services SFL Go and SFL IBiz with a focus on better experience for our customers.

The Group continued to forge ahead with our digital transformation initiatives and remains dedicated to drive the digitalization of customer touch-points without compromising

CHAIRMAN'S STATEMENT

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.

Regulators and stakeholders are increasingly taking into account the role financial institutions play in the development of sustainable economies. 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 our corporate philosophy, strategy and goals to the government's vision of green finance, we integrate environmental, social and governance factors in our risk and credit assessment under the Group's environmental risk management framework.

OUTLOOK

The Singapore economy grew by 2.2% on a year-on-year basis in the fourth quarter of 2023, accelerating from the 1.0% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted basis, the economy expanded by 1.2%, slightly faster than the 1.0% growth in the third quarter. For the whole of 2023, the economy expanded by 1.1%, moderating from the 3.8% expansion in 2022.

Despite the overall growth in the economy, Singapore narrowly avoided a technical recession in 2023 amidst the tensions between the United States and China coupled with the troubled international environment with conflicts in Gaza and Ukraine.

As the economy heads into 2024 after two years of high inflation and interest rate hikes, the global market sentiments are such that geopolitical tensions will continue to cloud the global market outlook for 2024. High inflation from the past years are demonstrating a downward trend and is expected to continue to decline into 2024. Interest rates on the other hand are expected to stay high but with inflation easing, central banks may lower interest rates in the second half of 2024.

Global growth rate is forecasted to slowdown from 3.5% in 2022 to 3% in 2023 and 2.9% in 2024, falling below the historical average of 3.8% recorded from 2000 to 2019. Slowing growth in the global economy along with uncertainties relating to change in political leadership in significant economies around the world, geopolitical conflict and central banks policies on the existing persistent high interest rates are expected to impact customer behaviour on credit demand, both globally and in Singapore.

Given the modest economic outlook, the Group will be proactive in managing our net interest margin in the environment of volatile 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

In FY2023, we are pleased to welcome 3 new Directors namely Mr Loh Ching Soo and Mr Lucas Tran Phuoc who joined the Board on 1 June 2023 as independent, non-executive directors and also Dr Christopher Teo Miang Chneh who joined the Board on 1 July 2023 as non-independent, non-executive director. We are confident the addition of these directors in combination with our current directors brings together diverse perspective that will benefit the Group.

Our Independent Directors, namely Mr Teoh Eng Hong, Madam Tan Hui Keng, Martha and Mr William Ho Ah Seng will be retiring at the conclusion of the forthcoming Annual General Meeting, to be held on 25 April 2024, to facilitate Board renewal as they have served as directors for more than 9 years, and pursuant to Listing Rule 210(5)(d)(iv), they will not be considered independent. We want to express our deepest gratitude for their years of service and dedication as directors. Their contributions have left an indelible mark on our organisation, and we wish them all the best in their retirement.

Mr Teo Chiang Long, who has served as Executive Chairman of the Board since 8 November 2002 has retired on 29 February 2024. He has been instrumental in guiding the Group through significant growth and challenges over the past four decades. Under his leadership, the Group has achieved numerous milestones and established itself as a trusted and respected player in the financial industry. Mr Teo has been a visionary leader, driving innovation, strategic decision-making, and fostering a culture of excellence within the organisation.

The Group expressed its gratitude towards Mr Teo for his unwavering dedication, wisdom, and commitment to the Group's success. He leaves behind a lasting legacy and a strong foundation for the Group's continued growth and success. The Board proposed and Mr Teo has graciously accepted the role of Honorary Advisor following his retirement on 29 February 2024.

Together with the Board of Directors, the existing Chief Executive Officer Mr Jamie Teo Miang Yeow who has been in the role for over 16 years, has taken over the helm and will continue with the Group's strategic approach that is guided by our core values of Shareholder Value, People Development, Integrity, Customer Focus and Efficiency ("S.P.I.C.E").

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 supporting the Group in 2023.

YU-FOO YEE SHOON
NON-EXECUTIVE CHAIRMAN

Singapore

BOARD OF DIRECTORS & HONORARY ADVISOR



Front Row (Left to Right):

MR WILLIAM HO, MDM MARTHA TAN, MRS YU-FOO YEE SHOON, MR TEO CHIANG LONG, MR JAMIE TEO, MR TEOH ENG HONG

Back Row (Left to Right):

MR LOH CHING SOO, DR CHRISTOPHER TEO, MR TERENCE KHOO, MR ADAM TAN, MR LUCAS TRAN PHUOC

HONORARY ADVISOR

TEO CHIANG LONG

Honorary Advisor

Mr Teo Chiang Long joined the Board of Singapura Finance Ltd (then known as Singapura Building Society Ltd) 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 retires from the Board on 29 February 2024 and has been appointed Honorary Advisor of the Company.

Mr Teo who has served as Executive Chairman of the Board since 8 November 2002, has been instrumental in guiding the Company through significant growth and challenges over the past four decades. Under his leadership, the Company has achieved numerous milestones and established itself as a trusted and respected player in the financial industry. Mr Teo has been a visionary leader, driving innovation, strategic decision-making, and fostering a culture of excellence within the organisation. He leaves behind a lasting legacy and a strong foundation for the Company's continued growth and success.

BOARD OF DIRECTORS

YU-FOO YEE SHOON

Non-Independent Non-Executive Chairman

Mrs Yu-Foo Yee Shoon joined the Board on 1 November 2011 as an Independent Non-Executive Director. She was appointed the Lead Independent Director on 12 February 2019 and as the Deputy Board Chairman on 11 March 2020. With effect from 29 February 2024, Mrs Yu-Foo has been appointed Non-Independent Non-Executive Chairman of the Company. She is also a member of the Audit, 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 23 April 2021.

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.

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 beside Singapura Finance Ltd. She is an Advisor to various companies including Nuri Holdings (S) Pte. Ltd and Dimensions International College Pte. Ltd. She is a Justice of the Peace and a member of the Board of Visiting Justices & Board of Inspection. Mrs Yu-Foo is Advisor to the heartware Network, Singapore China Friendship Association - Women's Alliance and Sponsorship Committee Member of Trailblazer Chan Chiew Ping Fund. She is an Executive Council Member of the Hainan University in China.

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 of the Company held on 23 April 2021 and a member of the Nominating, Risk Management, Executive and Digitalisation Committees.

Prior to joining the Company, he had worked with Ernst & Young Consultants as a senior consultant. He served at Ngee Ann Kongsi for over 20 years and was President of Ngee Ann Kongsi (2019-2021). He has since stepped down from Ngee Ann and all its companies.

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.

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 holds a Degree (Honours) in Accountancy from the University of Singapore and is also a Fellow Member of the Institute of Singapore Chartered Accountants. 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 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. She was the Chairperson of the Audit Committee but relinquished the Chairmanship of the Audit Committee with effect from 29 February 2024. She continues as a member of the Audit, Nominating, Remuneration and Risk Management Committees.

To comply with Rule 210(5)(d)(iv)¹ of the SGX Listing Manual (9 years' independence rule) and to facilitate Board renewal, Mdm Tan will be stepping down as Non-Independent Director of the Company immediately following the conclusion of the Fifty Fourth AGM. As such she will then cease to be a member of the Audit, Nominating, Remuneration, and Risk Management Committees.

BOARD OF DIRECTORS

LUCAS TRAN PHUOC

Independent Non-Executive Director

Mr Lucas Tran joined the Board on 1 June 2023 as an Independent Non-Executive Director. Mr Lucas Tran was appointed Chairman of the Audit Committee and a member of the Executive Committee with effect from 29 February 2024. He is also a member of the Nominating, Remuneration and Risk Management Committees.

Mr Lucas Tran holds a Bachelor of Commerce from the University of New South Wales, Australia and is a Singapore Chartered Accountant. He is a partner at WLT Assurance LLP and is an Independent director of Kim Heng Limited and Natural Cool Holdings Limited. He is also a member of the Singapore Institute of Directors.

Mr Lucas Tran has over 35 years of public accounting experience. He was a partner with KPMG Singapore from 2000 until his retirement in 2020. He has extensive experience in public accounting which includes auditing, advising on financial reporting matters as well as governance, regulatory compliance matters relating to the Companies Act and SGX-ST listing rules, IPO, restructuring exercises, due diligence and merger and acquisitions.

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. Mr Teoh holds a Bachelor of Economics (1st class Honours) from the University of Adelaide, Australia. He 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 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 currently serves as a director of Ngee Ann Academy.

Mr Teoh 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 was the Chairman of the Remuneration and Executive Committees but relinquished the Chairmanship of both the Remuneration and Executive Committees with effect from 29 February 2024. He remains as a member of the Audit, Nominating, Remuneration, Risk Management and Executive Committees.

To comply with Rule 210(5)(d)(iv)¹ of the SGX Listing Manual and to facilitate Board renewal, Mr Teoh will be stepping down as Non-Independent Director of the Company immediately following the conclusion of the Fifty Fourth AGM and hence he will then ceased to be a member of the Audit, Nominating, Remuneration, Risk Management and Executive Committees.

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

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 19 April 2023 and is a member of the Audit, Nominating, Remuneration and Risk Management Committees.

To comply with Rule 210(5)(d)(iv)¹ of the SGX Listing Manual and to facilitate Board renewal, Mr Ho will be stepping down as Non-Independent Director of the Company immediately following the conclusion of the Fifty Fourth AGM. Concurrently he will relinquish his position as a member of the Audit, Nominating, Remuneration and Risk Management Committees.

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 has, with effect from 29 February 2024, been appointed the Lead Independent Director and Chairman of the Nominating Committee. He is also a member of the Audit, Remuneration, Executive and Digitalisation Committees. He was last re-elected as a Director pursuant to Article 97 of the Constitution of the Company at the Annual General Meeting 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).

BOARD 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 the Chairman of the Digitalisation Committee and is a member of the Audit, Nominating, Remuneration and Risk Management Committees. He was last re-elected as a director pursuant to Article 97 of the Constitution of the Company at the Annual General Meeting of the Company held on 19 April 2023.

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 Deputy President of the Asia Rugby, the governing body for the sport in Asia.

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

LOH CHING SOO

Independent Non-Executive Director

Mr Loh joined the Board on 1 June 2023 as an Independent Non-Executive Director and is a member of the Audit, Nominating, Remuneration, Risk Management and Digitalisation Committees. With effect from 29 February 2024, he was also appointed as Chairman of the Remuneration Committee and Deputy Chairman of the Digitalisation Committee.

Mr Loh brings 30 years of experience driving growth and innovation across technology, entrepreneurship, and board advisory roles. He has extensive experience in the information technology and cybersecurity industry, having held leadership positions in multinational corporations like Cloudflare, Akamai, Citrix, NetApp and EMC in the Asia Pacific region.

Mr Loh holds a Bachelor of Economics from James Cook University and an Executive Program in General Management from the MIT Sloan School of Management. He is a member of the Singapore Institute of Directors.

CHRISTOPHER TEO MIANG CHNEH

Non-Independent Non-Executive Director

Dr Teo joined the Board on 1 July 2023 as a Non-Independent, Non-Executive Director and is a member of the Audit, Nominating, Remuneration and Risk Management Committees.

Dr Teo is a Dentist by training and holds a Bachelor of Dental Surgery and Doctor of Dental Surgery from the University of Adelaide. He went on to complete both international and postgraduate studies in Orthodontic and Dentofacial orthopedic training in the New York University. He is a diplomate for the American Board of Orthodontics. Dr Teo teaches part time at New York University. He currently works with a dental practice in Singapore.

Dr Teo is also active in the family business interests, currently working on property related projects in Singapore and Kuala Lumpur.

Dr Teo sits on the School Management Committee of Ngee Ann Primary and Ngee Ann Secondary schools and is a director of various private companies in Singapore.

⁽¹⁾ Based on Rule 210(5)(d)(iv) of the SGX-ST Listing Manual which came into effect on 11 January 2023, a director will not be independent if he has been a director of the issuer for an aggregate period of more than nine years (whether before or after listing). Such director may continue to be considered independent until the conclusion of the next annual general meeting of the issuer.

FINANCIAL HIGHLIGHTS

	FY2023 S\$'000	FY2022 S\$'000	FY2021 S\$'000	FY2020 S\$'000	FY2019 S\$'000
CAPITAL EMPLOYED					
Total assets	1,163,084	1,172,442	1,177,600	1,175,068	1,120,876
Net assets	253,276	252,222	256,376	254,623	259,164
Net assets per share (dollars)	1.60	1.59	1.62	1.60	1.63
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	831,064	851,414	901,643	844,633	742,797
Deposits	877,710	893,826	907,987	907,474	845,516
PROFIT AND DIVIDEND PAYOUT					
Profit before tax	7,521	10,129	11,533	5,620	9,007
Profit after tax	6,156	8,344	9,618	4,766	7,481
Dividend	4,761	5,157	6,347	2,380	5,554
DIVIDEND AND EARNINGS PER SHARE					
Dividend per share (cents) - tax exempt one-tier	3.00	3.25	4.00	1.50	3.50
Earnings per share (cents) ⁽¹⁾	3.88	5.26	6.06	3.00	4.71

⁽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.

LOANS (\$ MILLION)			DEPOSITS (\$ MILLION)		
2023		831.1	2023		877.7
2022		851.4	2022		893.8
2021		901.6	2021		908.0
2020		844.6	2020		907.5
2019		742.8	2019		845.5
PROFIT BEFORE TAX (\$ MILLION)			NET DIVIDEND PER SHARE (CENTS)		
2023		7.5	2023		3.0
2022		10.1	2022		3.3
2021		11.5	2021		4.0
2020		5.6	2020		1.5
2019		9.0	2019		3.5

FINANCIAL REVIEW

FINANCIAL SUMMARY

	2023 \$'000	2022 \$'000	Variance %
SELECTED INCOME STATEMENT ITEMS			
Net interest income	22,006	26,219	(16.07)
Non-interest income	931	759	22.64
Total income	22,937	26,978	(14.98)
Operating expenses	(15,362)	(15,427)	(0.42)
Profit from operations before allowances	7,575	11,551	(34.42)
(Allowances) / Write-back on loan losses	(54)	(1,422)	(96.20)
Profit before tax	7,521	10,129	(25.65)
Profit after tax attributable to shareholders	6,156	8,344	(26.22)
SELECTED BALANCE SHEET ITEMS			
Total equity	253,276	252,222	0.42
Total assets	1,163,084	1,172,442	(0.80)
Loans and advances (net of allowances)	824,295	844,464	(2.39)
Deposits and savings accounts of customers	877,710	893,826	(1.80)
KEY FINANCIAL RATIOS (%)			
Net interest margin	2.00	2.35	
Non-interest income ratio	4.06	2.81	
Cost-to-income ratio	66.98	57.18	
Loans-to-deposits ratio	93.91	94.48	
Non-performing loans ratio			
- Secured by collateral	3.08	4.75	
- Unsecured and fully provided for	0.25	0.27	
Return on equity ⁽¹⁾	2.43	3.31	
Return on total assets ⁽²⁾	0.53	0.71	
Capital adequacy ratio	29.31	27.28	
PER ORDINARY SHARE DATA			
Basic earnings per share (cents) ⁽³⁾	3.88	5.26	
Net asset value per share (\$)	1.60	1.59	

⁽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 2023 and 31 Dec 2022 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 2023, the Group recorded a profit after tax of \$6.2 million, a decline of 26.2% compared to last year. The weaker performance was arising from lower net interest income as higher cost of funds outpaced the increase in total interest income.

Net interest income and hiring charges declined by 16.1% to \$22.0 million compared to \$26.2 million last year. Total interest income rose by \$14.1 million or 41.3% 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 \$18.3 million or 232.7% during the year. Non-interest income increased by \$0.2 million or 22.7% mainly due to higher loan administrative and penalty fees earned on early settlement. While the Group continued to forge ahead with our digital transformation journey, total operating expenses remained relatively consistent as compared to last year with a decrease of 0.4% or \$0.1 million.

The net allowances for loans declined to \$0.1 million for the year ended 31 December 2023 compared to \$1.4 million for year ended 31 December 2022 mainly due to lower allowances for credit-impaired loans and non-credit-impaired loans. The Group continues to set aside adequate specific and collective allowances in respect of its loan portfolio.

FINANCIAL REVIEW

The Group's shareholders' funds remain robust at \$253 million as at 31 December 2023, 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 2023 increased by \$0.1 million due to increase 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 2.4% to \$824 million as at 31 December 2023 compared to \$844 million as at 31 December 2022. In line with the lower loan balance, total customers' deposits were managed downwards by 1.8% to \$878 million as at 31 December 2023 compared to \$894 million as at 31 December 2022.

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.

NET INTEREST INCOME

Average Balance Sheet and Net Interest Margin

Interest-earning Assets & Interest-bearing Liabilities

	2023			2022			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	806,774	38,931	4.83	885,765	30,253	3.42	8,678	1.41
Singapore Government Securities	215,157	6,654	3.09	161,205	3,094	1.92	3,560	1.17
Other interest-earning assets	79,210	2,565	3.24	66,977	731	1.09	1,834	2.15
Total	1,101,141	48,150	4.37	1,113,946	34,078	3.06	14,072	1.31
INTEREST BEARING-LIABILITIES								
Deposits and savings accounts	844,221	26,144	3.10	871,691	7,859	0.90	18,285	2.20
Total	844,221	26,144	3.10	871,691	7,859	0.90	18,285	2.20
Net interest income/margin as a percentage of interest-earning assets		22,006	2.00		26,219	2.35	(4,213)	(0.36)

Net interest income dropped by \$4.2 million or 16.1% for the year ended 31 Dec 2023 compared to last year mainly attributed to higher of cost of funds which outpaced the increase in total interest income.

Total interest income rose by \$14.1 million or 41.3% 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 \$18.3 million or 232.7% as our average cost of funds spiked from 0.9% to 3.1% during the year.

The Group's net interest margin as a percentage of the interest-earning assets has decreased to 2.00% from 2.35%.

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 1.0 cents per share for FY2023, payable in cash. The total distribution of 3.0 cents per share for the year will amount to approximately \$4.76 million.

	2023 Tax Exempt cents	2022 Tax Exempt cents	Variance cents
DIVIDEND PER SHARE			
- Final	2.00	2.00	-
- Special	1.00	1.25	(0.25)
TOTAL	3.00	3.25	(0.25)

FINANCIAL REVIEW

The table below shows the change in the net interest income in 2023 over 2022 due to the impact of volume and changes in rates.

Volume And Rate Analysis

INCREASE/(DECREASE) FOR YEAR 2023 OVER YEAR 2022	Volume \$'000	Rate \$'000	Total \$'000
INTEREST INCOME			
Loans and advances	(2,698)	11,376	8,678
Singapore Government Securities	1,036	2,524	3,560
Other assets	134	1,700	1,834
Total	(1,528)	15,600	14,072
INTEREST EXPENSE			
Deposits and savings accounts	(248)	18,533	18,285
Total	(248)	18,533	18,285
Net interest income	(1,280)	(2,933)	(4,213)

NON-INTEREST INCOME	2023 \$'000	2022 \$'000	Variance %
Fees and commissions	478	301	58.8
Other operating income	453	419	8.0
Government Grants	-	39	(100.0)
Total non-interest income	931	759	22.6

Non-interest income for FY2023 increased by 22.6% to \$0.9 million primarily attributed to higher number of prepayment of loans subjected to penalty fees and higher loan processing and acceptance fees.

OPERATING EXPENSES	2023 \$'000	2022 \$'000	Variance %
Staff costs	8,326	9,111	(8.6)
Depreciation	1,402	1,330	5.4
Other operating expenses	5,634	4,986	13.0
Total operating expenses	15,362	15,427	(0.4)

Operating expenses decreased by 0.4% compared to same period last year mainly due to lower staff costs.

IMPAIRMENT LOSSES ON LOANS AND ADVANCES	2023 \$'000	2022 \$'000	Variance %
Write-back/(Allowances) of credit impaired loans	37	(770)	(104.8)
(Allowances) of not-credit impaired loans	(91)	(652)	(86.0)
Total Write-back of/(Allowances for) Impairment Losses (Net)	(54)	(1,422)	(96.2)

The net allowances for loans and advances declined to \$0.05 million for FY2023 compared to \$1.42 million for FY2022 mainly due to a write-back on credit impaired loans of \$0.04 million in FY2023 compared to a charge of \$0.77 million last year due to loans redemptions and lower allowances on not-credit impaired loans. The Group continues to set aside adequate specific and collective allowances in respect of its loan portfolio.

TOTAL EQUITY	2023 \$'000	2022 \$'000	Variance %
Share Capital	168,896	168,896	-
Reserves	84,380	83,326	1.3
Total Equity	253,276	252,222	0.4

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

CORPORATE DIRECTORY

BOARD OF DIRECTORS

EXECUTIVE

Mr Teo Chiang Long
(Executive Chairman –
retired 29 Feb 2024)

Mr Jamie Teo Miang Yeow
(Chief Executive Officer)

Non-INDEPENDENT NON-EXECUTIVE

Mrs Yu-Foo Yee Shoon
(Deputy Board Chairman – till 29 Feb
2024 & thereafter Non-Independent
Non-Executive Chairman)

Dr Christopher Teo Miang Chneh
(Appointed 1 Jul 2023)

INDEPENDENT NON-EXECUTIVE

Mr Adam Tan Chin Han
(Lead Independent Director –
appointed 29 Feb 2024)

Mr Teoh Eng Hong
Mr William Ho Ah Seng
Mdm Martha Tan Hui Keng
Mr Terence Khoo Chi Siang
Mr Loh Ching Soo
(Appointed 1 Jun 2023)

Mr Lucas Tran Phuoc
(Appointed 1 Jun 2023)

AUDIT COMMITTEE

Mdm Martha Tan Hui Keng
(Chairman – stepped down wef
29 Feb 2024)

Mr Lucas Tran Phuoc
(Chairman – appointed 29 Feb 2024)

Mrs Yu-Foo Yee Shoon
Mr Teoh Eng Hong
Mr Adam Tan Chin Han
Mr Terence Khoo Chi Siang
Mr William Ho Ah Seng
Mr Loh Ching Soo
Dr Christopher Teo Miang Chneh

NOMINATING COMMITTEE

Mrs Yu-Foo Yee Shoon
(Chairman – stepped down wef
29 Feb 2024)

Mr Adam Tan Chin Han
(Chairman – appointed 29 Feb 2024)

Mr Jamie Teo Miang Yeow
(Appointed 29 Feb 2024)

Mr Terence Khoo Chi Siang
Mr Loh Ching Soo
Mr Lucas Tran Phuoc
Dr Christopher Teo Miang Chneh
Mr Teoh Eng Hong
Mdm Martha Tan Hui Keng
Mr William Ho Ah Seng

REMUNERATION COMMITTEE

Mr Teoh Eng Hong
(Chairman – stepped down wef
29 Feb 2024)

Mr Loh Ching Soo
(Chairman – appointed
29 Feb 2024)

Mrs Yu-Foo Yee Shoon
Mdm Martha Tan Hui Keng
Mr Adam Tan Chin Han
Mr Terence Khoo Chi Siang
Mr William Ho Ah Seng
Mr Lucas Tran Phuoc
Dr Christopher Teo Miang Chneh

RISK MANAGEMENT COMMITTEE

Mr Adam Tan Chin Han (Chairman)
Mrs Yu-Foo Yee Shoon
(Appointed 29 Feb 2024)

Mr Teoh Eng Hong
Mr Jamie Teo Miang Yeow
Mr William Ho Ah Seng
Mdm Martha Tan Hui Keng
Mr Terence Khoo Chi Siang
Mr Loh Ching Soo
Mr Lucas Tran Phuoc
Dr Christopher Teo Miang Chneh
(Appointed 29 Feb 2024)

EXECUTIVE COMMITTEE

Mr Teoh Eng Hong
(Chairman – stepped down wef
29 Feb 2024)

Mr Jamie Teo Miang Yeow
(Chairman – appointed 29 Feb 2024)

Mr Teo Chiang Long
(Member – till 29 Feb 2024)

Mr Adam Tan Chin Han
Mr Lucas Tran Phuoc
(Appointed 29 Feb 2024)

DIGITALIZATION COMMITTEE

Mr Terence Khoo Chi Siang
(Chairman)

Mr Loh Ching Soo
(Deputy Chairman –
appointed 29 Feb 2024)

Mr Adam Tan Chin Han
Mr Jamie Teo Miang Yeow
Mr Melvin Yeo
(Head, Information Services)

COMPANY SECRETARY

Mr Lee Tiong Hock

SHARE REGISTRAR & SHARE TRANSFER OFFICE

B.A.C.S. Private Limited
77 Robinson Road
#06-03 Robinson 77
Singapore 068896

AUDITORS

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

REGISTERED OFFICE

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[Company Registration
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Tel: 68800633
Fax: 62258310
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www.facebook.com/singapurafinanceltd

CORPORATE SUSTAINABILITY REPORTING



BOARD STATEMENT

The Board of Directors (“the Board”) is pleased to present Singapura Finance Limited’s (“SFL” or the “Company”) seventh Sustainability Report (this “Report”).

The long-term success of SFL is guided closely by our core values of Shareholder Value, People Development, Integrity, Customer Focus and Efficiency (“S.P.I.C.E”) which emphasises the creation of shared values for our stakeholders and a balanced focus on short and long-term business sustainability aspects. SFL’s business strategies and initiatives are also developed in alignment with these core values to enable sustainable value creation by SFL.

We place a balanced focus on both the financial and non-financial performance of SFL and its group of subsidiaries (“SFL Group” or the “Group”), including environmental, social, and governance factors that have significant bearing on SFL’s value creation.

The Board of SFL is committed to continuously enhance the Group’s management of the risks relating to material sustainability factors and pursue opportunities in furtherance of SFL’s value to stakeholders, as well as resilience to future uncertainties. This year, the SFL Board has also initiated efforts to begin incorporating elements of the Recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD Recommendations”) in acknowledgement of the Group’s shared responsibilities, as well as keeping up with the local regulations, in combatting climate change.

We continued to validate the Group’s material ESG factors via the materiality assessment process and carried out management and monitoring of the identified material ESG factors which are disclosed in this Report. The Board would like to extend its appreciation to all who have been supporting SFL’s pursuit of its sustainable, shared value creation purpose, towards which the Board will continue to drive the Group.

ABOUT THIS REPORT

This Report covers the sustainability approach and performance of SFL Group, including its key business activities in Singapore, i.e. deposit services and financing for businesses and individuals, for the financial year ended 31 December 2023 (“FY2023”).

This Report is prepared in line with the sustainability reporting requirements of the Singapore Exchange Securities Trading Limited (“SGX-ST”) and with reference to the GRI Standards, which is one of the most established, widely used and recognised international sustainability reporting standards. We believe that the GRI Standards reporting framework also enables us to holistically disclose our governance structures, management systems, policies, measures, targets and performance, as relevant to communicate SFL Group’s sustainability process to stakeholders.

The preparation of this Report has also taken into consideration elements of the TCFD Recommendations. In the preparation of this Report, we have also considered Practice Note 7.6: Sustainability Reporting Guide of the SGX-ST Mainboard Rules.

CORPORATE SUSTAINABILITY REPORTING

This Report has been reviewed by the Group's internal auditors. The internal review conducted by the internal auditor covers key ESG data disclosed in this Report, including the data collection and reporting process. SFL Group's sustainability reporting process, in general, is also subject to internal reviews via the Group's internal audit activities from time to time.

We may consider seeking external assurance for our future Sustainability Reports when such a need arises.

This Report and additional corporate information are available on our Company's corporate website¹. SFL greatly welcomes our stakeholders' feedback and comments which can be directed to feedback@singapurafinance.com.sg.

SUSTAINABILITY GOVERNANCE

The Board is responsible for the long-term success of SFL and this includes incorporating appropriate sustainability considerations in SFL's strategic objectives. The Board incorporates short and long-term sustainability considerations in its review and approval of the Group's strategies and it also ensures a robust governance structure is in place to manage and monitor material ESG factors of the Group.

This year, SFL further reviewed and enhanced its governance structure for sustainability to emphasise an agenda to consider climate-related impacts, including financial impacts. The Board, in its assessment and review of the SFL's strategic objectives, would consider the climate-related impacts on the Group's business model and operations and set objectives to address climate-related impacts.

The development of sustainability objectives and strategies, which shall be approved by the Board is driven by the Sustainability Steering Committee ("SSC"). The Chief Executive Officer is the Chairman of the SSC which comprises of Senior Management team who provides leadership and stewardship to the Management. The SSC is also responsible for overseeing the execution of sustainability strategies and the achievement of sustainability and climate-related targets set by the Board. Policies and procedures relating to sustainability matters are developed by the SSC before they are recommended to the Board for its approval.

The SSC also oversees the Group's stakeholder engagement efforts to ensure stakeholders' views and concerns are adequately understood and that relevant information, including sustainability-related information, is communicated to stakeholders.

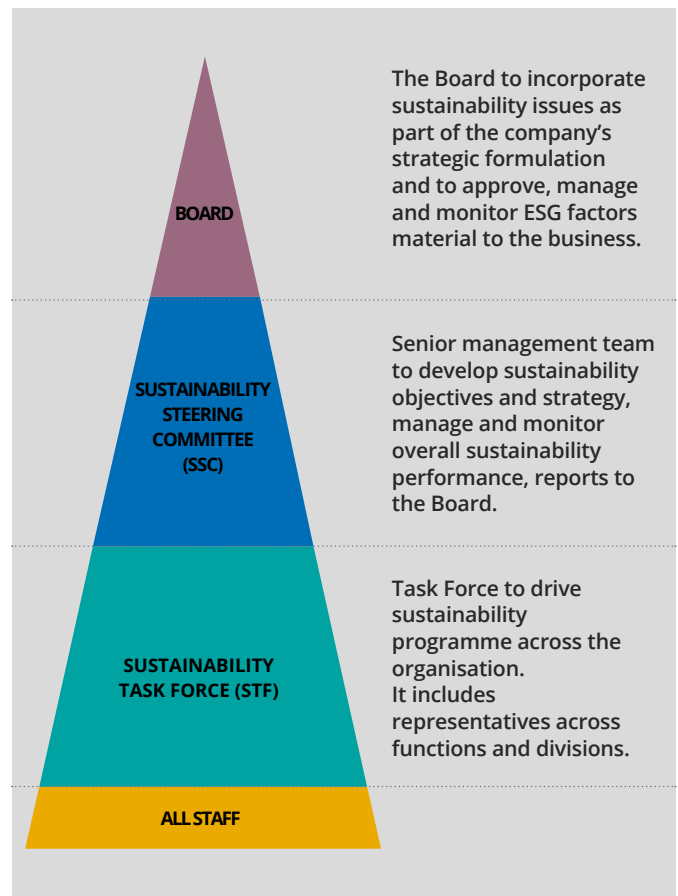
The SSC is supported by the Sustainability Task Force ("STF") whose principal role is to drive and execute the sustainability strategies and programmes across SFL Group. Members of the STF include representatives across functions and

divisions and they are tasked to implement the relevant sustainability initiatives, plans and controls within their respective functions or divisions.

The SSC's responsibilities include performing materiality assessment periodically to determine SFL Group's material ESG factors and ensuring the associated risks, including climate risks, are addressed via the Group's risk management process. This year, the Management team further conducted an assessment to examine the financial impact of climate-related risks to the Group's business operations.

Additionally, the Audit Committee also has a responsibility to review the Group's sustainability reporting in relation to environmental, social and governance matters to ensure appropriate regulatory disclosures. The internal audit reviews the sustainability framework and reporting process, including the internal controls over the data collated and reported in this Report.

Diagram 1. Summary of SFL Group's governance structure relating to the Group's management of sustainability.



¹ <https://sfl.sg>

CORPORATE SUSTAINABILITY REPORTING

STAKEHOLDER ENGAGEMENT

SFL's sustainability depends on strong connections with our diverse range of stakeholders. We are committed to having effective and adequate engagement with our stakeholders to ensure we understand their views and expectations sufficiently and incorporate such considerations in our business strategies, operations and engagement with stakeholders.

In addition, we also strive to establish and maintain open and transparent channels with stakeholders to communicate relevant information, such as key information that facilitates stakeholders' informed decision-making.

Key views or expectations raised during stakeholder engagement activities are highlighted to the STF and/or the SSC, as appropriate, for consideration in the Group's strategies. Stakeholders' views and expectations are also considered in our materiality assessment.

SFL Group has identified five key stakeholder groups and how the Group engages with them and the key topics and concerns of our engagements are summarised in the following table (**Table 1**).

Table 1. Summary of SFL Group'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	<ul style="list-style-type: none"> Customer privacy Comprehensive range of services available Quality of service Pricing of services 	<ul style="list-style-type: none"> Contact form on Company website Feedback channel via email, social media and phone 	When applicable
Employees	<ul style="list-style-type: none"> Training Fair compensation and benefits Personal development Work environment 	<ul style="list-style-type: none"> Meetings with employees Training and development programmes Employee events Online meetings or email with employees Online training and development programmes 	Throughout the year
Government and Regulators	<ul style="list-style-type: none"> Financial performance stability Compliance Cyber/security threats Prevention of financial fraud 	<ul style="list-style-type: none"> Meetings and consultations Online meetings and consultations via Webex 	Throughout the year
Shareholders	<ul style="list-style-type: none"> SFL's financial performance Operational strategy Shareholders' returns 	<ul style="list-style-type: none"> Annual General Meeting Announcements on Company website Annual Reports 	Periodically
Membership of Associations²	<ul style="list-style-type: none"> Sustainable business Responsible employers 	<ul style="list-style-type: none"> Dialogue sessions Online dialogue sessions via Zoom Direct email 	Throughout the year

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

CORPORATE SUSTAINABILITY REPORTING

MATERIALITY ASSESSMENT

Materiality assessment is a process for identifying, assessing and prioritising ESG factors to determine the relative materiality of ESG factors and to facilitate efficient resource allocation.

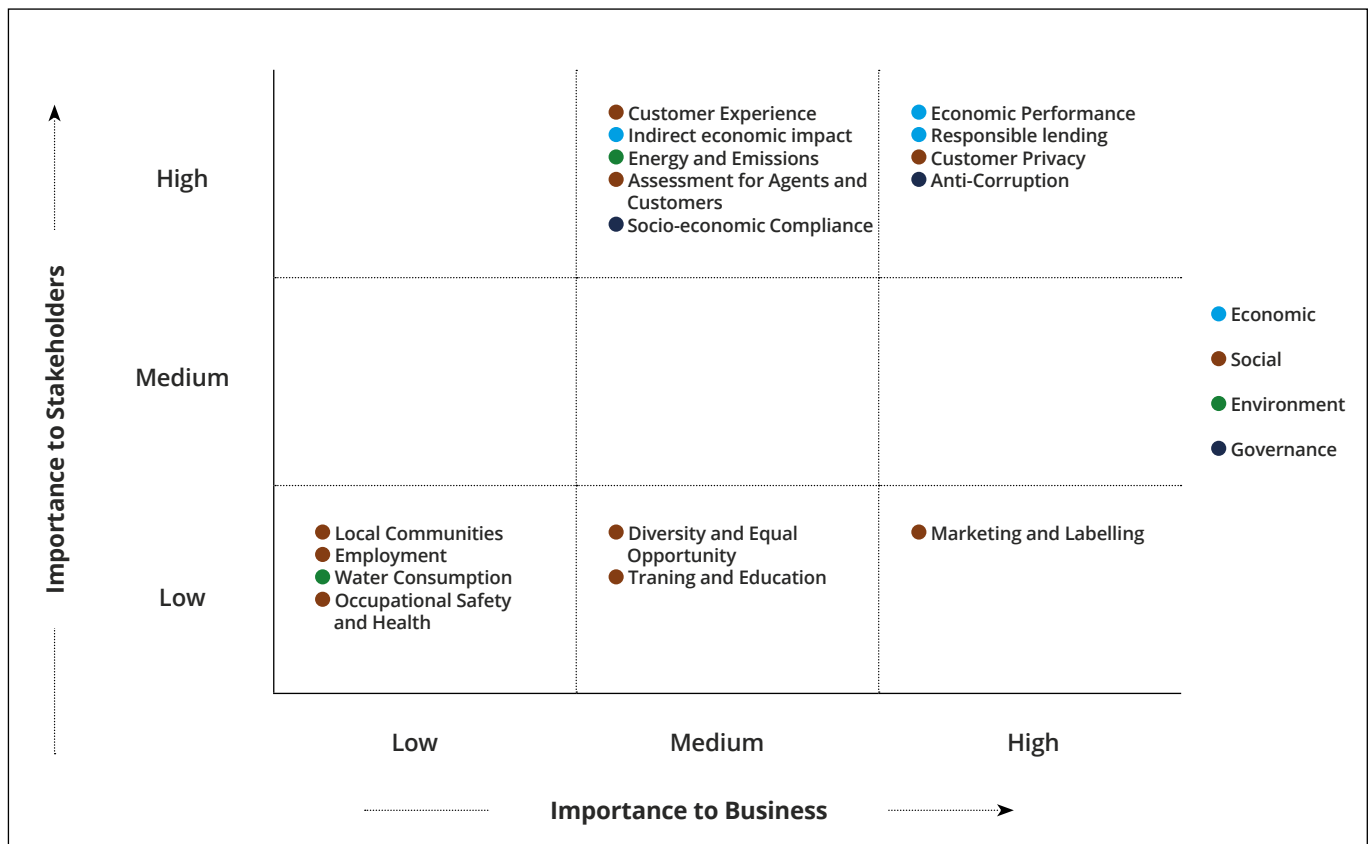
A formal materiality assessment was first conducted in FY2017 to identify ESG factors that are most important to our business and stakeholders. The materiality assessment was conducted in alignment with the GRI's definition of materiality, considering impacts to the organisation and the stakeholders and alignment with our core values of S.P.I.C.E³ and 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.

At SFL Group, materiality assessment is conducted or reviewed by the SSC annually, considering any key stakeholder views and expectations.

During FY2023, the SSC conducted a materiality assessment review of SFL Group's ESG factors which is presented in the materiality matrix (**Diagram 2**).





Diagram 2. Materiality matrix illustrating SFL's FY2023 materiality assessment outcome.



³ S.P.I.C.E: Shareholder Value, People Development, Integrity, Customer Focus and Efficiency

CORPORATE SUSTAINABILITY REPORTING

Table 2. SFL's ESG factors and page reference to the detailed disclosure.

Sustainability Categories	ESG Factors*	Detailed Information
 Economic	Economic Performance	<ul style="list-style-type: none"> Annual Report, Page 107 – Profit from operations before allowances Sustainability Report, Page 18 - SFL's Financial and Non-financial Impacts
	Responsible Lending⁴	<ul style="list-style-type: none"> Sustainability Report, Page 23 - Responsible lending
	Indirect economic impact	<ul style="list-style-type: none"> Sustainability Report, Page 18 - SFL's Financial and Non-financial Impacts
 Environment	Energy and Emissions	<ul style="list-style-type: none"> Sustainability Report, Page 26 - Energy and Emissions
	<i>Water Consumption</i>	<ul style="list-style-type: none"> Sustainability Report, Page 27 - Water and Waste
 Social	Customer privacy	<ul style="list-style-type: none"> Sustainability Report, Page 22 - Customer Privacy and Data Security
	Marketing and labelling	<ul style="list-style-type: none"> Sustainability Report, Page 23 - Product disclosures and communications
	Customer experience⁵	<ul style="list-style-type: none"> Sustainability Report, Page 21 - Customer Experience
	Assessment for agents and customers⁶	<ul style="list-style-type: none"> Sustainability Report, Page 24 - Assessment on Agencies and Property Agents
	<i>Diversity and equal opportunity</i>	<ul style="list-style-type: none"> Sustainability Report, Page 28 - Embracing Diversity and Inclusivity
	<i>Training and education</i>	<ul style="list-style-type: none"> Sustainability Report, Page 31 - Training and Development
	<i>Local communities</i>	<ul style="list-style-type: none"> Sustainability Report, Page 33 - Supporting the Communities
	<i>Employment</i>	<ul style="list-style-type: none"> Sustainability Report, Page 28 - Embracing Diversity and Inclusivity Sustainability Report, Page 30 - Our Work Environment
 Governance	Anti-corruption	<ul style="list-style-type: none"> Sustainability Report, Page 19 - Ethical business practice
	Socio-economic compliance	<ul style="list-style-type: none"> Sustainability Report, Page 19 - Compliance

* Note: Factors in **bold** are material factors; while factors in *italic* are non-material factors, in accordance with **Diagram 2: Materiality matrix illustrating SFL's FY2023 materiality assessment outcome.**

4. Non-GRI material factor
 5. Non-GRI material factor
 6. Non-GRI material factor

CORPORATE SUSTAINABILITY REPORTING

SFL'S FINANCIAL AND NON-FINANCIAL IMPACTS

ESG factors:

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

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

Having a healthy financial position and performance is fundamental to SFL's business continuity. In addition to the financial performance disclosed in other sections of SFL's Annual Report FY2023, the Group also contributes to the development of the economy in which it operates, through employees' compensation and benefits, payments to the government including taxes, dividends to shareholders and procurement of goods and services from vendors and suppliers.

SFL's FY2023 economic value generated and distributed is summarised in the table below (**Table 3**).

Table 3. SFL's economic value generated and distributed in FY2023

	FY2023 (SGD \$'000)
Economic value generated	49,081
Income	49,081
Economic value distributed	46,253
Breakdown:	
Compensation and benefits for employees	8,326
Operating costs	5,634
Financing costs and interest paid to depositors	26,144
Payments to the government including taxes	1,365
Investment in communities	23
Dividend payable to shareholders	4,761 ⁷

Refer to the Chairman's Statement (page 2), Financial Review (pages 9-11) and the audited financial statements (pages 78 to 131) of SFL's Annual Report FY2023 for further details on SFL's financial performance and position.

SFL Group continued to support local suppliers through our local procurement of goods and services. Thriving local businesses of local suppliers also means the creation of more employment opportunities locally. In FY2023, local spending represents 99% of the Group's spending on goods and services in its operations (**Table 4**).

Table 4. SFL Group's spending on goods and services in operations from FY2019 to FY2023.

	Total spending on goods and services in operations (SGD)	Percentage of Local Vendors (%)	Percentage of Local Spending (%)
2019	\$4.8m	99%	98%
2020	\$4.4m	99%	98%
2021	\$4.9m	99%	98%
2022	\$6.5m	99%	99%
2023	\$6.4m	99%	99%

SFL contributes to the Sustainable Development Goal ("SDG") of Decent Work and Economic Growth by providing financing and other financial services to SMEs, local companies and individuals, making an indirect economic impact in Singapore.

⁷ This is subject to shareholders approval at forthcoming AGM on 25th April 2024

CORPORATE SUSTAINABILITY REPORTING

COMPLIANCE, ETHICS, AND INTEGRITY

ESG factors:

Socio-economic Compliance [GRI 3-3, GRI 2-27]

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

Compliance

SFL Group operates in a heavily regulated industry and compliance with the various laws and regulations is paramount to ensuring operational continuity.

Compliance in SFL Group is guided by our Compliance Risk Management Framework which sets out the objective, governance and oversight structure, roles and responsibilities and the processes for compliance risk management. The framework serves as a guide to the Board of Directors, Management, Compliance Department and all employees on key focus areas when managing compliance risks in SFL's operations.

Compliance matters, including topics such as anti-money laundering ("AML") and combating the financing of terrorism ("CFT"), are considered and incorporated in our day-to-day business operations, in the form of policies, controls and procedures in our operational processes and systems. Specific risk assessments may also be carried out to address certain risks in a targeted manner. For example, Enterprise-Wide Risk Assessment ("EWRA") for AML is conducted annually.

Relevant controls are also embedded in the standard operating procedures which are established to ensure employees carry out operational activities in a standardised manner. Employees are trained and briefed on these standard

operating procedures and compliance matters are further emphasised. New employees are also required to attend an AML training conducted by the Compliance Department.

The Compliance Department plays an important role in supporting the Group's oversight and monitoring of compliance-related matters, through periodic compliance checks to ensure standard operating procedures and policies are complied with by our employees.

The Compliance Department regularly keeps itself abreast with any updates to the laws and regulations, including through email alerts from the Monetary Authority of Singapore ("MAS") and other regulatory bodies. Steps are taken to assess the implications and report to the Operational and Technology Risk Committee ("OPTECH"), which convenes every two months and the Risk Management Committee ("RMC") on a quarterly basis. The Compliance Department is also responsible for updating and communicating any new regulations or changes to the regulations to the HODs where the HODs shall develop measures to satisfy the updated compliance requirements.

SFL Group targeted zero cases of significant fines or non-monetary sanctions for non-compliance with all applicable laws and regulations. During FY2023, the Group achieved the target with no such cases recorded.

Table 5. Cases of significant fines or non-monetary sanctions for non-compliance with relevant laws and regulations.

	FY2022		FY2023		FY2024
	Target	Actual	Target	Actual	Target
Cases of significant fines or non-monetary sanctions for non-compliance with relevant laws and regulations	0	0	0	0	0

Ethical business practice

SFL Group is committed to ensuring that we conduct our business with utmost integrity and upholding high standards of business ethics, in line with our core company values. We do not tolerate any form of corruption at SFL Group.

We have a Code of Conduct ("COC") that governs the ethical practices and behaviours of all our Directors, employees and business operations. The COC addresses topics including upholding integrity in dealings with stakeholders, avoiding conflict of interests, safeguarding confidential information, prohibiting insider trading, anti-corruption and anti-bribery, AML and CFT, no discrimination, anti-bullying and anti-harassment including sexual harassment, prohibiting abuse of power and others. The COC is one of the first documents

CORPORATE SUSTAINABILITY REPORTING

a newly appointed Director or a new joiner will be introduced to in order to ensure they are aware of the Group's values and expectations with regard to business ethics.

Reviews of SFL's scrippless shareholders are performed to monitor any non-disclosure of shareholdings or transactions by our employees. The review aims to monitor compliance against our internal guideline which prohibits employees from dealing in SFL's securities during the period commencing one month before the announcement of half-yearly and full-year financial results. In FY2023, all employees complied with the guidelines.

In relation to anti-bribery, SFL Group has established internal guidance and procedures through the COC, addressing transactions which are commonly used to facilitate bribery, such as gifts and entertainment, business commissions and kickbacks, facilitation payments and donations and sponsorships. Guidance is provided to specify the circumstances and limits within which certain transactions

are permissible, as well as controls to minimise the risks of bribery such as declaration requirements and approval limits. SFL views facilitation payments as bribes and prohibits the use of facilitation payments.

The Group's key policies relevant to ethical business practice are accessible on our internal network by all employees. These policies are regularly reviewed to ensure they are up to date and reflect the latest regulatory developments. All new joiners are required to attend AML/CFT training and to familiarise themselves with the above-mentioned policies.

In addition to training for new joiners, refresher training is also provided to employees from time to time to instil an ethical corporate culture and ensure employees are always aligned with the Group's ethical values.

During FY2023, all employees have attended AML/CFT and anti-corruption training.

Table 6. Percentage of employees who attended AML/ CFT and anti-corruption training.

	FY2022		FY2023		FY2024
	Target	Actual	Target	Actual	Target
Percentage of employees who attended AML/ CFT training	100%	100%	100%	100%	100%
Percentage of employees who attended anti-corruption training	100%	100%	100%	100%	100%

Whistleblowing channel

SFL Group has a whistle-blowing policy which provides for access to well-defined channels for any individuals to report in good faith, without fear of reprisal, any suspected wrongdoing to the Chairman of the Audit Committee. The whistleblowing channel is formalised via the Whistleblowing Policy approved by the Board and it provides confidentiality to the whistle-blower, as well as protection against retaliation within the Group. The whistleblowing channel also provides independence and objectivity to the reporting and investigation process by allowing reports to be made to the Chairman of the Audit Committee. Whistle-blowing reports may be sent by email to the Chairman of the Audit Committee to wbo@singapurafinance.com.sg or via post in a sealed envelope marked "Confidential – Only To Be Opened By The Chairman of the Audit Committee" to the following address:

Chairman of the Audit Committee

c/o Singapura Finance Ltd
150 Cecil Street #01-00
Singapore 069543

"Confidential – Only To Be Opened By The Chairman of the Audit Committee"

All reports received are accorded confidentiality and investigated by an independent party appointed by the Chairman of the Audit Committee.

The whistleblowing channels are accessible on SFL's corporate website.

In FY2023, there were no incidents of corruption reported, nor were there any legal cases brought against SFL Group or its employees pertaining to corruption. No whistleblowing reports were recorded during FY2023. We are pleased to report that there were no incidents of breaches of the AML/CFT regulations and there were no incidents of knowingly onboarding high-risk customers without first performing the necessary enhanced due diligence measures.

CORPORATE SUSTAINABILITY REPORTING

Table 7. Incidents of breaches of ethical business practices

	FY2022		FY2023		FY2024
	Target	Actual	Target	Actual	Target
Confirmed incidents of corruption	0	0	0	0	0

DELIVERING VALUE TO CUSTOMERS

ESG factors:

Customer Experience [GRI 3-3]

Customer Privacy [GRI 418-1]

Customer Experience

In line with SFL's core values of customer focus and efficiency, we strive to bring pleasant and positive experience to our customers, in addition to providing reliable financing solutions to them. We serve our customers mainly through our website and our customer service teams.

We provide the relevant training to our client-facing team periodically to equip them with the necessary servicing skills and product-related knowledge. At Customer Centres, the teams receive on-the-job training, supervised by the Branch Managers. SFL also have forums for teams from the Customer Centres to share their experiences and case studies among themselves to enhance and improve customer service quality. We also listen to the views and suggestions of the customer-facing teams to identify areas that may be enhanced.

SFL has a target to ensure all call back requests received via the feedback channels at our Customer Centres are addressed in a timely manner.

Table 8. Percentage of call back requests addressed in a timely manner.

	FY2022		FY2023		FY2024
	Target	Actual	Target	Actual	Target
Percentage of call back requests (at Customer Centres) addressed in a timely manner	100%	100%	100%	100%	100%

Scam alerts are displayed on corporate website, internet banking (mobile and desktop site) and social media platforms to remind and educate customers to be vigilant against scammers.

SFL Group endeavours to continue to explore innovative solutions to elevate customer experience to our diverse customers.

SFL Group has also established various communication channels, such as our website, email, feedback forms and social media to engage with customers, respond to their enquiries and obtain feedback from customers. All channels are monitored daily.

We have a Feedback and Complaint Handling Process which sets out the procedures as well as the timeframe to ensure

customers' feedback or complaint is responded to in a timely manner. The procedures include steps to acknowledge the customers' feedback, investigate the case and make an official reply to the customer.

All complaints and feedback are forwarded to the Risk Management Department ("RMD") who will further analyse if additional improvement measures are required. The Management, RMD and Communications Department are updated on the Feedback and Complaint Handling Process annually.

In FY2023, SFL met its target to ensure all customers' feedback and complaints (if any) received via any delivery channels have been acknowledged and resolved promptly as per the Feedback and Complaint Handling Process.

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Table 9. Percentage of customers’ feedback and complaints addressed in accordance with the Feedback and Complaint Handling Process.

	FY2022		FY2023		FY2024
	Target	Actual	Target	Actual	Target
Percentage of customers’ feedback and complaints addressed in accordance with the Feedback and Complaint Handling Process	100%	100%	100%	100%	100%

Customer Privacy and Data Security

Ensuring the safety and confidentiality of our data and customers’ data and information is very important to us. This includes preventing data and system breaches, as well as ensuring customers’ data is handled in accordance with the applicable personal data privacy laws and regulations, including the Personal Data Protection Act 2012 (“PDPA”)⁸.

In ensuring the Group is informed of changes in data security-related laws and regulations, the Compliance Department subscribed to the MAS mailing list for regular updates while the Accounts Department will check MASNET daily for any announcements or circulars and forward them to the Compliance Department.

At SFL Group, we have various policies and processes to support our target of “Zero Breach” on data privacy.

The handling and management of data security is governed by SFL’s Information Security Policy which has been approved by the OPTECH and Risk Management Committee (“RMC”). We also have policies to guide the proper use of our IT system and devices, namely the Portable Storage Devices Policy and Mobile Device Acceptable Use and Security Policy.

Overall, the Data Protection Officer and Information Services Department are responsible for safeguarding the Group’s data through stringent practices of data privacy and sensitive and confidential information. The Group’s employees are trained and briefed on proper data handling and information protection, as well as the regulatory requirements relating to data privacy and security.

Measures are also taken to safeguard our IT system. Amongst others, Data Loss Prevention (“DLP”) is implemented in our environment to monitor data transmission activities and prevent data leakage. Periodically, we also have external professional service providers to carry out penetration tests on our internet-facing systems to assess the vulnerability of our systems and network. Potential improvement areas are also identified from time to time to enhance the security of our systems.

All employees are required to attend and complete an assessment on security awareness conducted by the Technology Security Team to enhance their understanding of privacy issues. Reminders are sent from time to time on security and privacy policies.

We continued to maintain our target of having zero substantiated complaints concerning breaches of customer privacy and losses of customer data in FY2023.

Table 10. Substantiated complaints concerning breaches of customer privacy and losses of customer data

	FY2022		FY2023		FY2024
	Target	Actual	Target	Actual	Target
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0	0	0

⁸ Refer to our Privacy Policy at http://singapurafinance.com.sg/privacy_policy.html

CORPORATE SUSTAINABILITY REPORTING

RESPONSIBLE FINANCING

ESG factors:

Responsible Lending [GRI 3-3]

Marketing and Labelling [GRI 3-3, GRI 417-2, GRI 417-3]

Assessment for Agents and Customers [GRI 3-3]

As financiers, SFL supports customers, including individuals and businesses, through its lending business. In support of the Association of Banks Singapore (“ABS”) Guidelines on Responsible Financing, SFL acknowledges that its corporate responsibilities extend into ESG.

Various policies and guidelines govern our relationship with customers and our onboarding process incorporates customer due diligence, including Know Your Customer (“KYC”) procedures and litigation search.

Responsible lending

SFL practices responsible lending and we assess the credit profiles of customers to ensure they are able to undertake additional debt positions and repay their loans. Responsible lending practices are also in line with our Credit Risk Management Policy which provides guidelines on establishing and reviewing risk tolerance parameters within our credit strategy. The policy helps to ensure the creditworthiness of the customers before a credit agreement is entered into or significantly increasing the customer’s credit limit and this safeguards SFL from taking on excessive credit risks and safeguards the customers from taking on excessive debt.

For credit-related screening, customers such as individual applicants and personal guarantors are screened via Credit Bureau Singapore (“CBS”) while corporate clients and corporate guarantors are screened via CBS FICO⁹, as applicable.

Our lending activities are guided by SFL’s approved lending guidelines which specify amongst others, the lending appetite for the various industries, credit profiles, collateral types and financing structures.

Credit Risk Management

SFL Group’s credit risk management is also supported by the various controls and procedures established across different function.

- The Risk Management Department (“RMD”) or Credit Control Department (“CCD”) performs independent assessments for loans of more than \$5 million on an obligor basis and for loans with exception from the Company’s lending guidelines.
- The Credit Control Committee (“CCC”) reviews and approves monthly monitoring of non-performing loans (“NPL”) and Watch-Lists of higher risk and special mention loans.
- Relationship Managers initiate regular visits for higher valued loans and customers in more high-risk industries such as oil and gas, construction and hospitality.
- The CCD proactively monitors payment patterns of loans and follow up on NPL as and when required on a daily basis.
- The Credit Review Department (“CRD”) reviews loans on a periodic basis. Higher risk loans such as special mention loans are reviewed more frequently. Cases that warranted further follow up actions are referred to the CCD and CCC.
- The CCC reviews delinquent accounts and makes decisions on recovery actions at the monthly CCC meetings. CCC also reviews the watch lists of higher risk loans.
- In FY2023, we achieved our target to screen 100% of our new customers.

Product disclosures and communications

We adhere to established marketing and advertising standards presenting clear and accurate information to enable customers to make informed decisions about our products and services.

The content of SFL’s marketing materials is reviewed and assessed by our Marketing Department and Communications Department for compliance, appropriateness and accuracy before they are published. The review by these departments also helps to enhance the quality of our communication to reach out to the targeted audience effectively and achieve the desired communication outcomes.

⁹ A FICO score is a credit score created by the Fair Isaac Corporation (FICO).

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Client-facing employees such as Relationship Managers ("RM") play an important role in upholding SFL's responsible marketing practices. Our RMs are sufficiently trained to communicate with customers in alignment with the marketing and advertising guidelines and they are also briefed on the relevant products offered by SFL, as well as new products, if any.

During FY2023, we continued to achieve 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 warning in respect of product and service information and marketing communications.

Assessment on Agencies and Property Agents

We collaborate with agencies for certain products such as property loans and hire purchase. Agencies are required to be screened and checked via our due diligence process before an engagement is entered into.

We also have other screening methods including background searches on property agents who refer property loans to SFL online to ensure they hold a valid licence issued by the Council for Estate Agencies ("CEA").

Our due diligence searches are aimed at ensuring we engage with reliable business partners whose practices do not contradict SFL Group's values, including in the areas of integrity and compliance.

SUSTAINABLE FINANCING

In December 2020, MAS issued the Guidelines on Environmental Risk Management for Banks which aims to enhance the banking sector's resilience to and management of environmental risks through setting out sound risk management practices. Furthermore, SGX has also issued the amendments to the SGX-ST Mainboard Rules which require listed issuers to produce climate-related disclosures consistent with the TCFD Recommendations.

SFL Group's Environmental Risk Management Framework

SFL's Environmental Risk Management Framework details SFL's governance structure and the responsibilities of the Board, management committees and Senior Management. It also sets out SFL's ESG risk appetite, ESG borrower and transaction approval and reporting, scenario analysis and stress testing in the overall management of environment risks in SFL.

SFL adopts a three-lines-of-defence model in its management of environmental risks and Marketing Department forms the first line of defence. The Risk Management Department and

Internal Audit performs the roles of the second and third line of defence, respectively.

SFL adopts MAS's guidelines in managing the ESG Risks arising from our customers. The first line of defence is required to screen and assess borrowers or corporate activities and document the ESG due diligence, via the Due Diligence Checklist, to support their business decisions. The assessment criteria consider the borrower's existing business operations, the activity that the borrower is seeking financing for, the position of borrower in the supply chain, past record of controversies, the responsiveness or capacity of the borrower in addressing ESG issues, amongst others.

SFL classifies a borrower's ESG risk as either unacceptable, high, medium or low. More stringent requirements are placed for borrowers classified as high or unacceptable risks, if required. These includes additional due diligence, mitigative controls or lending conditions imposed on the borrower. SFL has in place an internal ESG reporting process to ensure that the information is captured and reported.

SFL's commitment to Environment Risk Management is embodied in SFL's ESG Risk Appetite Statement- (i) SFL will uphold the highest level of integrity in conducting its operations and has zero-tolerance towards partaking in prohibited practices (including regulation, sanctions, embargoes or similar measures issued by the MAS); (ii) SFL will seek to avoid financing projects or borrowers that knowingly and continuously break environmental laws and will avoid financing sectors with high ESG risk exposures (Agricultural, Energy from Fossil Fuels/ Oil and Gas, Mining and Metals, Chemical, Forestry, Defence, Waste Management and Infrastructure); (iii) Any exception would require mitigation including action plans to assist the borrowers to improve their sustainability profile and performance.

SFL also takes into consideration the sector's contribution to GHG emission, deforestation, air, water and earth pollution/contamination and impact on biodiversity when evaluating if a sector is deemed to be of high risk.

Taking into consideration climate-related risks

Alongside environmental risk considerations, the Management has undertaken an assessment to examine the financial impact of climate-related risks, particularly transition and physical risks.

The climate-related risk assessment focused on the more significant product categories, namely hire purchase or block discounting for automotive vehicles, housing loans and loans relating to the building and construction sector which constitute majority of the Group's loan portfolio, considering exposures of these products in terms of credit, market and liquidity risks.

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The outcome of the climate-related risk assessment is summarised as follows:

Risk Category		Risk	Financial Risks that impact SF	Portfolio		
				Hire Purchase / Block discounting	Housing Loans	Building and constructions
Physical Risks	Acute	Increased severity and frequency of extreme weather events i.e. floods, cyclone and earthquake	Credit Risk	✓	✓	✓
			Market Risk	✓	✓	✓
			Liquidity Risk	✓	✓	✓
	Chronic	Rise in sea levels	Credit Risk		✓	✓
			Market Risk		✓	✓
			Liquidity Risk		✓	✓
Transition Risks	Legal and Regulatory Risks	Increased pricing of GHG emissions or carbon tax	Credit Risk		✓	✓
			Market Risk	✓	✓	✓
			Liquidity Risk	✓	✓	✓
		Mandates and regulations of products and services	Credit Risk			✓
			Market Risk	✓	✓	✓
			Liquidity Risk	✓	✓	✓
	Climate related litigations	Credit Risk			✓	
		Market Risk			✓	
		Liquidity Risk			✓	
	Technology Risks	Replacement of existing products and services with lower emission options	Credit Risk		✓	
			Market Risk	✓	✓	
			Liquidity Risk	✓	✓	
	Market Risks	Changing consumer demand from individuals and corporates	Credit Risk			✓
			Market Risk	✓	✓	✓
			Liquidity Risk	✓	✓	✓

Considering the assessment outcomes, SFL will continue to review and enhance its risk assessment and risk pricing processes. In addition, the Group will also incorporate such considerations when reviewing its strategy on product pricing and portfolio composition.

Moving forward, SFL will expand its scope of risk assessment in relation to the Group's climate-related financial impact to holistically assess and plan for the Group's long-term sustainability, particularly in building resilience for the Group to appropriately manage possible climate risks. SFL will also expand existing practices towards a more robust lending practice in line with responsible lending trends in the banking industry. Moving forward, SFL plans to look out for opportunities for electric vehicle financing in the green financing space. Employees will be provided with training on sustainable finance to elevate our skills and capability.

CORPORATE SUSTAINABILITY REPORTING

MANAGING OUR OPERATING FOOTPRINT

ESG factors:

Energy and Emissions [GRI 3-3, GRI 302-1, GRI 302-3, GRI 305-2, GRI 305-4, GRI 305-5]

Water Consumption [GRI 303-5]

Energy and Emissions

SFL Group continued to make the necessary efforts to measure and monitor its energy consumption and associated emissions. This year, we continue to report our Scope 2 emissions. We have added Scope 1 emissions in this year and are currently developing processes to measure our Scope 3 emissions.

Energy use by SFL Group's operations is mainly derived from purchased electricity consumed at our Head Office, all Customer Centres and warehouse. We measure our energy data based on electricity bills.

We continued to promote energy-saving practices among employees, such as switching off air-conditioners and

IT devices when not in use. Electricity bills are diligently monitored to identify and address any abnormal usage, such as malfunctioning equipment.

SFL Group's annual energy consumption for FY2023 was recorded at 247,917 kWh, a 4.8% decrease from FY2022 and a 23% decrease from FY2017 (**Table 11**). The lower energy consumption during the year could be attributable to our initiatives to convert our Head Office and all branches to LED lighting.

Energy intensity per employee also reduced by 5.7% from FY2022 to FY2023 with an overall decrease of 22.2% from FY2017 to FY2023 (**Table 12**). We achieved our target to limit the year's energy intensity to no more than 2% increase from the previous year.

Table 11. Energy consumption¹⁰

Energy consumption		FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
SFL Group's energy consumption	kWh	321,804	315,588	308,075	290,018	294,680	260,354	247,917
Year-on-year changes	%	NA	-1.93	-2.38	-5.86	1.61	-11.65	-4.78

Table 12. Energy Intensity

Energy intensity		FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Energy consumption per employee	kWh/person	3,094	2,768	2,679	2,762	2,861	2,552	2,407
Year-on-year changes	%	NA	-10.54	-3.22	3.10	3.58	-10.78	-5.68

¹⁰ Energy consumption primarily comprises electricity consumption, as the usage of other fuels is negligible.

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Due to the lower energy consumption during FY2023, SFL Group recorded lower Scope 2 GHG emissions at 103 tCO₂e, 2.8% lower than in FY2022. Scope 1 and 2 GHG emissions intensity reduced to 1.03 tCO₂e/person, approximately 1% reduction from FY2022 (Table 13).

Table 13. GHG Emissions and Intensity

GHG emissions and GHG emissions intensity	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Percentage change(%) compared to base year of 2019
Scope 1 emissions ¹¹	NA	NA	NA	NA	NA	NA	NA	3	NA
Scope 2 emissions ¹²	143	136	132	129	119	120	106	103	-20.2
Total annual GHG emission (tonnes of CO ₂ e) (Scope 1 + Scope 2)	143	136	132	129	119	120	106	106	-17.8
GHG emission intensity by number of employees (tonnes of CO ₂ e/ employee)	1.34	1.31	1.16	1.12	1.13	1.17	1.04	1.03	-8.0

Water and Waste

Further efforts are undertaken to reduce our environmental footprint, reducing waste generation by adopting technology and digitalisation in our operational processes. Since 2020, 80% of SFL's marketing documentation process, including the submission of credit proposals, supporting documents and correspondences has gone paperless. We have also adopted Google Cloud, a carbon-neutral service provider, to host some systems and servers. This helps us to reduce our associated Scope 3 emissions as well as providing a more integrated information system platform to facilitate SFL's internal communications and documentation processes.

As part of our efforts to protect customer and business data, our paper waste is handled by an external service provider who performs shredding and recycles the shredded paper.

While water is not a material factor for SFL Group's operations, we chose to disclose water consumption data since FY2020 to promote awareness and report how we manage the use of water. We have been promoting and raising awareness of water conservation among our employees.

We only use water for domestic consumption at our Head Office and Customer Centres and we measure water consumption based on our water bills.

During FY2023, our water consumption increased by 5.1% to 466.0m³ and water consumption per employee increased by 2.8% to 4.5m³ per person. We will continue to assess initiatives to reduce water consumption and aim to maintain current consumption levels as per previous years.

¹¹ Scope 1 emissions reporting started in 2023, Conversion factors used are derived from World Resource Institute (2015). GHG Protocol tool for stationary combustion. Version 4.1

¹² Conversion factors used are derived from the Grid Emission Factors adapted from Singapore Energy Statistics 2019, Singapore Energy Statistics 2020, Singapore Energy Statistics 2021, Singapore Energy Statistics 2022 and Singapore Energy Statistics 2023 respectively. E.g. FY2023 adapts the latest Grid Emission Factor reported in Singapore Energy Statistics 2023.

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Table 14. Water Consumption

Water consumption		FY2020	FY2021	FY2022	FY2023
Total annual water consumption	m ³	1,205.2	568.9	443.2	466.0
Year-on-year changes	%	NA	-52.8	-22.1	5.1

Table 15. Water Intensity

Water intensity		FY2020	FY2021	FY2022	FY2023
Water consumption / employee	m ³ / employee	11.5	5.5	4.4	4.5
Year-on-year changes	%	NA	-51.9	-21.0	2.8

EMBRACING DIVERSITY AND INCLUSIVITY

ESG factors:

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

Diversity and Equal Opportunity [GRI 405-1]

SFL Group employs 103 employees as of 31 December 2023. Most of our employees are office-based, full-time permanent employees (**Table 16**). We do not have any part-time employees.

Table 16. Employee by Employment Type

Number (percentage) of employees as at 31 December 2023	31 December 2021	31 December 2022	31 December 2023
Full-time permanent employees	101 (98%)	98 (96%)	99 (96%)
Full-time contract-based employees	2 (2%)	4 (3%)	4 (4%)
Total	103	102	103

SFL Group promotes diversity and upholds a no-discrimination principle in all its employment practices. We do not discriminate against anyone based on their gender, age group, ethnicity, sexual orientation, disabilities, or political and cultural beliefs. All employment activities such as recruitment, assessment, promotion, remuneration, and disciplinary actions are based on merits such as skill sets, competency, performance, and contribution to the SFL Group. We believe in the benefits of a diverse workforce as they enable an inclusive environment where decision-making can take into consideration the diverse perspectives and different needs of the general public. The perspectives, experience, and cultural background of a diverse management team also allow decisions to be considered and risk-managed more holistically.

As of 31 December 2023, 18% of the Board is composed of female Directors; and 27% of the Board has an age between 30 to 50 years old (**Table 17**). We also have a diverse workforce in terms of gender and age group (**Table 18**).

CORPORATE SUSTAINABILITY REPORTING

Table 17. Board Composition by Gender and Age Group

Board composition			Number of Directors (Percentage)		
			31 December 2021	31 December 2022	31 December 2023
Directors	Gender	Male	7 (78%)	6 (75%)	9 (82%)
		Female	2 (22%)	2 (25%)	2 (18%)
	Age group	30-50 years old	3 (33%)	2 (25%)	3 (27%)
		> 50 years old	6 (67%)	6 (75%)	8 (73%)

Table 18. Employee Composition by Gender and Age Group

Employee composition		Number of employees (Percentage ¹³)		
		31 December 2021	31 December 2022	31 December 2023
Breakdown by gender				
Senior Management	Male	2 (100%)	2 (100%)	2 (100%)
	Female	0 (0%)	0 (0%)	0 (0%)
Middle Management	Male	4 (31%)	5 (42%)	4 (31%)
	Female	9 (69%)	7 (58%)	9 (69%)
Executive level	Male	23 (44%)	18 (36%)	16 (30%)
	Female	29 (56%)	32 (64%)	37 (70%)
Total	Male	29 (43%)	25 (39%)	22 (32%)
	Female	38 (57%)	39 (61%)	46 (68%)
Breakdown by age group				
Senior Management	< 30 years old	0 (0%)	0 (0%)	0 (0%)
	30 – 50 years old	1 (50%)	1 (50%)	1 (50%)
	> 50 years old	1 (50%)	1 (50%)	1 (50%)
Middle Management	< 30 years old	0 (0%)	0 (0%)	0 (0%)
	30 – 50 years old	3 (23%)	4 (33%)	4 (31%)
	> 50 years old	10 (77%)	8 (67%)	9 (69%)
Executive level	< 30 years old	4 (8%)	6 (12%)	6 (11%)
	30 – 50 years old	33 (63%)	32 (64%)	34 (64%)
	> 50 years old	15 (29%)	12 (24%)	13 (25%)
Total	< 30 years old	4 (6%)	6 (9%)	6 (9%)
	30 – 50 years old	37 (55%)	37 (58%)	39 (57%)
	> 50 years old	26(39%)	21 (33%)	23 (34%)

¹³ Percentage refers to the proportion within the respective employee categories.

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OUR WORK ENVIRONMENT

ESG factors:

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

Training and Education [GRI 3-3, GRI 404-1, GRI 404-3]

SFL Group endeavours to create a respectful and conducive work environment. We respect all employees' fundamental human rights and practice good employment practices. As a progressive employer, SFL adopts the Tripartite Standards in Flexible Work Arrangements, Grievance Handling, Recruitment Practices, Work Life Balance and Unpaid Leave for Unexpected Care Needs. Through the Tripartite Standards, we aim to create and sustain an inclusive workplace, as well as promote the well-being of our employees.

In recognition of the experience and expertise of retired persons, SFL Group extends re-employment opportunities to eligible employees upon their retirement and are usually employed in the same job. Employee beyond retirement age comprise close to 5% of our workforce and we have benefitted from their contribution and experience.

Ongoing employee engagements

We maintain a collaborative relationship with our employees. SFL Group's success depends on the contribution of our employees and we greatly appreciate the contribution of every employee. We strive to remunerate all employees fairly and support them in pursuing a quality work-life.

We have various established channels to engage with employees with an aim to facilitate bi-directional communication and dialogue between SFL and the employees. We adopt an open-door policy where all employees are encouraged to engage, seek clarification, initiate discussions, or raise concerns on how business is operated at SFL Group. We also encourage employees to share their views and experience, regardless of their position, as we believe all employees' views are valuable and we are receptive to the views of employees.

As our HR or HODs become aware of issues or topics which are important to address, information feedback sessions are conducted to communicate to employees the Group's views and perspectives, as well as action plans to address such concerns.

Exit interviews are also conducted with employees to understand their reasons for leaving, for the SFL Group to understand employees' challenges and perspectives to improve its retention strategies.

From time to time, we obtain feedback from employees, as appropriate, to consult them pertaining to any intended changes to employment policies or practices, so their views and considerations can be incorporated into our decisions. When developing or improving employment practices or initiatives, we also conduct benchmarking analysis against industry practices and government initiatives.

We have adopted a flexible approach in our employee engagement and working arrangements to suit the current hybrid working models and different communication preferences of employees.

Employee remuneration and wellbeing

SFL Group has a competitive remuneration policy to attract and retain talent. The Group's remuneration and benefits are benchmarked against compensation reports and surveys, and salary and variable benefits are reviewed regularly as needed. Employees' remuneration and incentives also include portions linked to the employee's performance to reward performance and contribution fairly.

In addition, SFL Group also offers supportive employee benefits such as those related to dental, health screening, insurance, and employee wellness. In terms of working arrangements, we believe in work-life balance and offer options for flexible working arrangements for employees. Depending on employees' preferences, we have different reporting times to suit the various flexible working arrangements. With such arrangements, employees are better able to balance between their responsibilities at work and their responsibilities at home. We believe such an arrangement also helps to support employees' family development.

Flexible working arrangements are now accessible to more employees as SFL Group has streamlined the arrangement process. Now, employees only need to seek approval from their respective HODs and make arrangements according to the needs of their function or department, and we believe this would help to further optimise the benefits of flexible working arrangement for both the employee and the Group. We also aspire to build better teamwork within teams and among employees, instilling a culture of togetherness and mutual support. We aim to conduct at least 3 company events each year to foster a sense of recognition and belonging among our staff.

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During FY2023, SFL Group carried out several company-wide events to bring together our people from the head office and the Customers Centres, as follows:

- CNY Chinese New Year Lohei Reunion Dinner
- SFL Team Bonding
- Company's Year End Dinner

Occupational Health and Safety

As SFL's operations are mostly office-based, we are not exposed to significant occupational safety risks. Nonetheless, as we operate in an environment that involves the handling of cash, we ensure we have adequate security measures at all our Customer Centres. To prepare for workplace emergency situations, we have equipped our head office and Customer Centres with first aid box. We also equip employees with the basic first aid knowledge and skills to respond to workplace emergencies. In FY2023, 7 employees attended the Basic First Aid+ AED training conducted by the Singapore Red Cross Academy.

In addition, we also have safety and health-related policies which provide guidance to employees on safety and health practices, addressing topics such as ergonomics, protecting employees' safety when interacting with customers, and emergency management at Customer Centres. We have a target to maintain having no cases of work-related injuries and ill-health in our operations. In FY2023, we achieved our target.

Table 19. Safety and Health Performance

Group safety and health performance	FY2021	FY2022	FY2023
Number of fatalities as a result of work-related injury	0	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	0
Number of recordable work-related injuries	0	0	0
Number of fatalities as a result of work-related ill health	0	0	0
Number of cases of recordable work-related ill health	0	0	0

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.

Training and Development

All employees are subject to annual performance appraisals. In addition to performing assessments on employees, the performance appraisals also serve as forums where employees are able to share concerns and initiate discussions pertaining to the operations of the Group, to facilitate better understanding, discuss challenges, or express views and concerns. Having such a platform allows the Management to understand employees' perspectives as well as to drive improvement to business and operations.

In addition, the appraisal system also facilitates employees' goal setting and receive feedback on how they can improve themselves to progress along their intended career path. In alignment with the roles and responsibilities of the employees and considering the employees' goals and career aspirations, targets are set and performance is assessed. The performance appraisal process is properly documented to serve as a basis for any further actions, such as promotion, increment, or performance improvement programme. To support the longer-term talent development and succession planning for SFL Group, employees with potential for preferred skill sets and qualities are further identified for development.

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Based on the appraisals and taking into consideration the needs of employees and the various functions, training and development programmes are formulated. HR, together with HODs, may initiate relevant training courses or programmes for the respective employees or functions throughout the year. See **Table 20** for examples of training provided.

Table 20. Examples of training for SFL employees in FY2023.

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 <ul style="list-style-type: none"> • 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.

For FY2023, all employees have gone through the mandatory training requirements for their roles (**Table 20**).

	Target	FY2021	FY2022	FY2023
Percentage of employees completing mandatory training	100%	100%	100%	100%

SFL Group carries out ongoing efforts to enable employees to attend training such as developing more online training to facilitate remote or online completion of training by employees.

We aimed to increase the average training hours per employee in FY2023. We attained approximately 9.45 training hours per employee in FY2023 (**Table 21**) and we will continue to drive training participation and attendance in FY2024.

Table 21. Total and average training hours received by gender.

Employee training	FY2021		FY2022		FY2023	
	Total number of hours	Average number of hours per employee	Total number of hours	Average number of hours per employee	Total number of hours	Average number of hours per employee
By gender						
Male	238	7.2	524	16.9	341	9.0
Female	599	8.6	789	11.1	832	9.7
Total	837	8.1	1,313	12.9	1,173	9.45

We have in place various schemes such as cross training and inter-departmental transfers to offer diversity and exposure to employees, so they can experience and be involved in different job positions and scopes. Such initiatives provide employees with new learning opportunities and cultivate their expertise. This platform also encourages meetings between colleagues from different departments which helps bridge interdepartmental understanding and synergies, as well as mutual understanding of how the overall operational processes may be carried out efficiently or enhanced. This will help to improve the camaraderie and collaborative culture within SFL. Furthermore, communicating with colleagues from other departments can inspire more creative solutions as they are able to offer fresh perspectives.

CORPORATE SUSTAINABILITY REPORTING

SFL Group's turnover and new hires are summarised as follows (**Table 22**).

Table 22. Turnover and New Hire

Employee Turnover and New Hire Rates				
	FY2022		FY2023	
	Turnover	New hire	Turnover	New hire
SFL Group	27.3%	27.3%	23.4%	23.4%
Breakdown by gender				
Male	36%	25%	33%	21%
Female	64%	75%	67%	79%
Breakdown by age group				
< 30 years old	11%	21%	33%	29%
30 – 50 years old	57%	54%	46%	58%
> 50 years old	32%	25%	21%	13%

SUPPORTING THE COMMUNITIES

ESG factors:

Local Communities [GRI 413-1]

SFL Group is keen to contribute to corporate social responsibility initiatives and we also encourage employees to volunteer to contribute to society, supporting those who need help. SFL has a Volunteer Leave scheme where employees can volunteer on a regular basis with approved charities and social enterprises.

In 2023, SFL created a Sponsorship for Aspiring Athletes. Through this newly debuted scheme, SFL hopes to ease some of the high barriers to entry, especially in terms of financial support, to cultivate young athletes looking to represent Singapore on the global sports map. This is part of our mission to empower youths in Singapore to pursue their dreams and be guided by a spirit of excellence that is also at the core of SFL. The first recipient of the sponsorship is 16-year-old budding Brazilian Jiu-Jitsu athlete, Jedd Tan as he embarks on a journey to represent Singapore in the international Jiu-Jitsu arena.

CORPORATE SUSTAINABILITY REPORTING

TCFD SUMMARY

Section	Recommendation	Page Reference / comments
Governance	a. Describe board's oversight of climate-related risks and opportunities	14
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	14
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	24-25
	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	24-25
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	24-25
Risk management	a. Describe the organization's processes for identifying and assessing climate-related risks.	14, 24-25
	b. Describe the organization's processes for managing climate-related risks	14, 24-25
	c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	14, 24-25
Metrics and targets	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	25-27
	b. Disclose Scope 1, Scope 2 and if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	25-27
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	25-27

CORPORATE SUSTAINABILITY REPORTING

GRI CONTENT INDEX

Statement of use	Singapura Finance Limited has reported the information cited in this GRI content index for the period from 1 January 2023 to 31 December 2023 with reference to the GRI Standards
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards(s)	Not applicable

GRI Standard/ Other Source	Disclosure	Information/ Location
General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	<ul style="list-style-type: none"> Annual Report, Pages 5-7,12 – Board of Directors Sustainability Report, Page 13 - About this Report
	2-2 Entities included in the organization's sustainability reporting	<ul style="list-style-type: none"> Sustainability Report, Page 13 - About this Report
	2-3 Reporting period, frequency and contact point	<ul style="list-style-type: none"> Sustainability Report, Page 13 - About this Report
	2-4 Restatements of information	<ul style="list-style-type: none"> There has been no restatement of figures or information disclosed in our previous report
	2-5 External assurance	<ul style="list-style-type: none"> SFL has not sought external assurance on this report
	2-6 Activities, value chain and other business relationships	<ul style="list-style-type: none"> Annual Report, Page 40 – Our Services Annual Report, Page 40 – Our Customer Centres Sustainability Report, Page 18 - SFL's Financial and Non-financial Impacts
	2-7 Employees	<ul style="list-style-type: none"> Sustainability Report, Page 28 - Embracing Diversity and Inclusivity
	2-8 Workers who are not employees	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Annual Report, Pages 5-7,12 – Board of Directors Sustainability Report, Page 14 - Sustainability Governance
	2-11 Chair of the highest governance body	<ul style="list-style-type: none"> Annual Report, Pages 5-7,12 – Board of Directors
	2-12 Role of the highest governance body in overseeing the management of impacts	<ul style="list-style-type: none"> Sustainability Report, Page 14 - Sustainability Governance
	2-13 Delegation of responsibility for managing impacts	<ul style="list-style-type: none"> Sustainability Report, Page 14 - Sustainability Governance
	2-14 Role of the highest governance body in sustainability reporting	<ul style="list-style-type: none"> Sustainability Report, Page 14 - Sustainability Governance

CORPORATE SUSTAINABILITY REPORTING

GRI Standard/ Other Source	Disclosure	Information/ Location
	2-16 Communication of critical concerns	<ul style="list-style-type: none"> Sustainability Report, Page 14 - Sustainability Governance
	2-19 Remuneration policies	<ul style="list-style-type: none"> Annual Report, Page 54 – Corporate Governance: Remuneration Matters
	2-20 Process to determine remuneration	<ul style="list-style-type: none"> Annual Report, Page 54 – Corporate Governance: Remuneration Matters
	2-22 Statement on sustainable development strategy	<ul style="list-style-type: none"> Sustainability Report, Page 13 - Board Statement
	2-23 Policy commitments	<ul style="list-style-type: none"> Sustainability Report, Page 19 - Ethical business practice Sustainability Report, Page 28 - Embracing Diversity and Inclusivity Sustainability Report, Page 30 - Our Work Environment
	2-24 Embedding policy commitments	<ul style="list-style-type: none"> Sustainability Report, Page 19 - Ethical business practice
	2-25 Processes to remediate negative impacts	<ul style="list-style-type: none"> Sustainability Report, Page 20 - Whistleblowing channel Sustainability Report, Page 30 - Our Work Environment
	2-26 Mechanisms for seeking advice and raising concerns	<ul style="list-style-type: none"> Sustainability Report, Page 20 - Whistleblowing channel
	2-27 Compliance with laws and regulations	<ul style="list-style-type: none"> Sustainability Report, Page 19 - Compliance
	2-28 Membership associations	<ul style="list-style-type: none"> Sustainability Report, Page 15 - Stakeholder Engagement
	2-29 Approach to stakeholder engagement	<ul style="list-style-type: none"> Sustainability Report, Page 15 - Stakeholder Engagement
	2-30 Collective bargaining agreements	<ul style="list-style-type: none"> Not applicable, no collective bargaining agreements are in place.
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	<ul style="list-style-type: none"> Sustainability Report, Page 16 - Materiality Assessment
	3-2 List of material topics	<ul style="list-style-type: none"> Sustainability Report, Page 16 - Materiality Assessment
Economic performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> Annual Report, Page 107 – Profit from operations before allowances Sustainability Report, Page 18 - SFL's Financial and Non-financial Impacts

CORPORATE SUSTAINABILITY REPORTING

GRI Standard/ Other Source	Disclosure	Information/ Location
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	• Sustainability Report, Page 18 - SFL's Financial and Non-financial Impacts
	201-2 Financial implications and other risks and opportunities due to climate change	• Sustainability Report, Page 24 - Sustainable Financing
Responsible lending		
GRI 3: Material Topics 2021	3-3 Management of material topics	• Sustainability Report, Page 23 - Responsible lending
Non-GRI topic	NA	• NA
Customer privacy		
GRI 3: Material Topics 2021	3-3 Management of material topics	• Sustainability Report, Page 22 - Customer Privacy and Data Security
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	• Sustainability Report, Page 22 - Customer Privacy and Data Security
Anti-corruption		
GRI 3: Material Topics 2021	3-3 Management of material topics	• Sustainability Report, Page 19 - Ethical business practice
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	• Sustainability Report, Page 19 - Ethical business practice
	205-3 Confirmed incidents of corruption and actions taken	• Sustainability Report, Page 20 - Whistleblowing channel
Marketing and labelling		
GRI 3: Material Topics 2021	3-3 Management of material topics	• Sustainability Report, Page 23 - Product disclosures and communications
GRI 417: Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labelling	• Sustainability Report, Page 23 - Product disclosures and communications
	417-3 Incidents of non-compliance concerning marketing communications	• Sustainability Report, Page 23 - Product disclosures and communications
Customer experience		
GRI 3: Material Topics 2021	3-3 Management of material topics	• Sustainability Report, Page 21 - Customer Experience
Non-GRI topic	NA	• NA
Indirect economic impact		
GRI 3: Material Topics 2021	3-3 Management of material topics	• Sustainability Report, Page 18 - SFL's Financial and Non-financial Impacts

CORPORATE SUSTAINABILITY REPORTING

GRI Standard/ Other Source	Disclosure	Information/ Location
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	<ul style="list-style-type: none"> Sustainability Report, Page 18 - SFL's Financial and Non-financial Impacts
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	<ul style="list-style-type: none"> Sustainability Report, Page 18 - SFL's Financial and Non-financial Impacts
Energy and emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> Sustainability Report, Page 26 - Energy and Emissions
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	<ul style="list-style-type: none"> Sustainability Report, Page 26 - Energy and Emissions
	302-3 Energy intensity	<ul style="list-style-type: none"> Sustainability Report, Page 26 - Energy and Emissions
	302-4 Reduction of energy consumption	<ul style="list-style-type: none"> Sustainability Report, Page 26 - Energy and Emissions
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> Sustainability Report, Page 26 - Energy and Emissions
	305-4 GHG emissions intensity	<ul style="list-style-type: none"> Sustainability Report, Page 26 - Energy and Emissions
	305-5 Reduction of GHG emissions	<ul style="list-style-type: none"> Sustainability Report, Page 26 - Energy and Emissions
Assessment for agents and customer		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> Sustainability Report, Page 24 - Assessment on Agencies and Property Agents
Non-GRI topic	NA	<ul style="list-style-type: none"> NA
Socio-economic compliance		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> Sustainability Report, Page 19 - Compliance
GRI 2: General Disclosures 2021	2-27 Compliance with laws and regulations	<ul style="list-style-type: none"> Sustainability Report, Page 19 - Compliance
Non-material topics - Diversity and equal opportunity		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	<ul style="list-style-type: none"> Sustainability Report, Page 28 - Embracing Diversity and Inclusivity

CORPORATE SUSTAINABILITY REPORTING

GRI Standard/ Other Source	Disclosure	Information/ Location
Non-material topics - Training and education		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	• Sustainability Report, Page 31 - Training and Development
	404-3 Percentage of employees receiving regular performance and career development reviews	• Sustainability Report, Page 31 - Training and Development
Non-material topics - Local communities		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments and development programs	• Sustainability Report, Page 33 - Supporting the Communities
Non-material topics - Employment		
GRI 401: Employment 2016	GRI 401-1 New employee hires and employee turnover	<ul style="list-style-type: none"> • Sustainability Report, Page 33 - Turnover and New Hire • Sustainability Report, Page 30 - Our Work Environment
Non-material topics - Water consumption		
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	• Sustainability Report, Page 27 - Water and Waste
Non-material topics - Occupational safety and health		
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	• Sustainability Report, Page 31 - Occupational Health and Safety
	403-10 Work-related ill health	• Sustainability Report, Page 31 - Occupational Health and Safety

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.

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\$100,000 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

CORPORATE GOVERNANCE

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 2023 (“FY2023”).

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.

CORPORATE GOVERNANCE

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:

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

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 Jamie Teo Miang Yeow	(Chairman) (appointed as Chairman on 29 February 2024)
Mr Teoh Eng Hong	(re-designated as member on 29 February 2024)
Mr Adam Tan Chin Han	
Mr Lucas Tran Phuoc	(appointed as member on 29 February 2024)

On 29 February 2024, Mr Teo Chiang Long retired from the Board and has also relinquished his chairmanship of the EXCO Committee.

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

The DC comprises the following five members:

Mr Terence Khoo Chi Siang	(Chairman)
Mr Loh Ching Soo	(appointed as member on 1 June 2023 and Deputy Chairman on 29 February 2024)
Mr Adam Tan Chin Han	
Mr Jamie Teo Miang Yeow	
Mr 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 information on the NC, RC, RMC and AC including compositions and key functions are described in the other relevant sections of this report.

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

CORPORATE GOVERNANCE

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 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 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.

CORPORATE GOVERNANCE

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 FY2023, 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	5	2	4	-	4	1
Teo Chiang Long ⁽¹⁾	3	3*	-	1*	-	-	-	-
Teoh Eng Hong ⁽²⁾	5	4	4	2	4	-	-	1
Jamie Teo Miang Yeow ⁽³⁾	4	4*	1*	2*	4	-	4	1
William Ho Ah Seng ⁽⁴⁾	5	4	5	2	4	-	-	1
Yu-Foo Yee Shoon ⁽⁵⁾	5	4	5	2	-	-	-	1
Tan Hui Keng, Martha ⁽⁶⁾	5	4	5	2	4	-	-	1
Adam Tan Chin Han ⁽⁷⁾	5	4	4	2	4	-	4	1
Terence Khoo Chi Siang	5	4	4	2	4	-	4	1
Loh Ching Soo ⁽⁸⁾	2	2	-	1	2	-	2	-
Lucas Tran Phuoc ⁽⁹⁾	2	2	-	1	2	-	-	-
Christopher Teo Miang Chneh ⁽¹⁰⁾	1	1	-	1	-	-	-	-

* By invitation

Note:

- (1) Mr Teo Chiang Long retired as the Executive Chairman on 29 February 2024.
- (2) Mr Teoh Eng Hong ceased to be the Chairman of RC and EXCO on 29 February 2024 and will remain as member of AC, NC, RC, RMC and EXCO until the conclusion of the forthcoming AGM.
- (3) Mr Jamie Teo Miang Yeow was appointed as a member of the NC and re-designated as Chairman of EXCO on 29 February 2024.
- (4) Mr William Ho Ah Seng will cease to be a member of AC, NC, RC and RMC after the conclusion of the forthcoming AGM.
- (5) Mrs Yu-Foo Yee Shoon ceased to be Deputy Chairman, Lead Independent Director and Chairman of NC and was re-designated as Non-Independent Non-Executive Chairman, member of NC and appointed as member of RMC on 29 February 2024.
- (6) Madam Tan Hui Keng, Martha ceased to be the Chairman of AC on 29 February 2024 and will remain as a member of AC, NC, RC and RMC until the conclusion of the forthcoming AGM.
- (7) Mr Adam Tan Chin Han was appointed as the Lead Independent Director and re-designated as Chairman of NC on 29 February 2024.
- (8) Mr Loh Ching Soo was appointed as a Director and member of AC, NC, RC, RMC and DC on 1 June 2023 and re-designated as Chairman of the RC and Deputy Chairman of the DC on 29 February 2024.
- (9) Mr Lucas Tran Phuoc was appointed as a Director and member of the AC, NC, RC and RMC on 1 June 2023, re-designated as Chairman of AC and appointed member of EXCO on 29 February 2024.
- (10) Dr Christopher Teo Miang Chneh was appointed as a Director and member of the AC, NC and RC on 1 July 2023 and appointed member of RMC on 29 February 2024.

CORPORATE GOVERNANCE

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, sustainability, 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 appointed 3 new Directors in FY2023.

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, sustainability related matters 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:

- Listed Entity Director Essentials
- Cybersecurity for Financial Professionals
- Cybersecurity awareness seminar
- SGX Climate Reporting Fundamentals for Listed Companies
- Climate Risk Workshop

The NC, with the Board's concurrence, has assessed and is satisfied that the training, courses and seminars attended by the Directors in FY2023 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.

CORPORATE GOVERNANCE

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. Mr Lee Tiong Hock was appointed as Company Secretary in place of Ms Sarah Zeng and Ms Blandina Chia Swee Hoon, who have resigned and retired respectively, with effect from 1 July 2023.

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 2024	Date of Appointment to Board	No. of years on Board at AGM 2024
1.	Yu-Foo Yee Shoon ^(a)	Non-Independent Non-Executive Chairman	Chinese	Female	74	1 Nov 2011	13
2.	Jamie Teo Miang Yeow	Executive Director and Chief Executive Officer ("CEO")	Chinese	Male	51	8 Nov 2002 (Director) 11 Sep 2007 (CEO)	22
3.	Adam Tan Chin Han ^(a)	Lead Independent Director	Chinese	Male	49	3 Jan 2017	7
4.	Teoh Eng Hong	Independent Director	Chinese	Male	81	18 Jun 1992	32
5.	Tan Hui Keng, Martha	Independent Director	Chinese	Female	66	1 Nov 2011	13
6.	William Ho Ah Seng	Independent Director	Chinese	Male	81	26 Aug 2011	13
7.	Terence Khoo Chi Siang	Independent Director	Chinese	Male	53	2 July 2018	6
8.	Loh Ching Soo	Independent Director	Chinese	Male	55	1 June 2023	<1
9.	Lucas Tran Phuoc	Independent Director	Chinese	Male	59	1 June 2023	<1
10.	Christopher Teo Miang Chneh	Non-Independent and Non-Executive Director	Chinese	Male	44	1 July 2023	<1

Note:

^(a) Mr Teo Chiang Long retired as Executive Chairman and Mrs Yu-Foo Yee Shoon and Mr Adam Tan Chin Han were appointed as Non-Independent Non-Executive Chairman and Lead Independent Director respectively on 29 February 2024.

CORPORATE GOVERNANCE

The profile of each Director, including professional qualifications, working experience, other directorships and principal commitments/appointments, can be found on pages 4 to 7 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 judgment 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.

The Board has reviewed and assessed the independence of Mr Adam Tan Chin Han, Mr Terence Khoo Chi Siang, Mr Lucas Tran Phuoc and Mr Loh Ching Soo (these Directors have each abstained 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.

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.

As at the end of FY2023, Mr Teoh Eng Hong, Mr William Ho Ah Seng, Mrs Yu-Foo Yee Shoon and Mdm Tan Hui Keng, Martha, have served on the Board for periods exceeding nine years from the date of their respective first appointments. Pursuant to SGX Listing Rule 210(5)(d)(iv) which came into effect on 11 January 2023, they will continue to be deemed independent until the Company's AGM held for the financial year ended 31 December 2023. As announced by the Company on 29 February 2024, Mr Teoh Eng Hong, Mr William Ho Ah Seng and Mdm Tan Hui Keng, Martha will retire as directors of the Company at the conclusion of the forthcoming Annual General Meeting, to be held on 25 April 2024 while Mrs Yu-Foo Yee Shoon has been re-designated to Non-Independent Non-Executive Chairman.

CORPORATE GOVERNANCE

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.

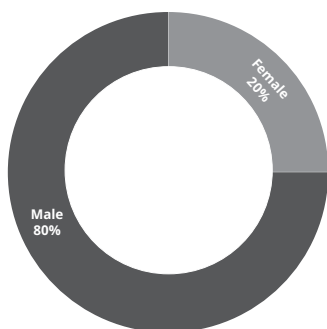
Board Composition

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. 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, the Board members collectively provide the core competencies to allow for diverse and objective perspectives on the Group's business and direction.

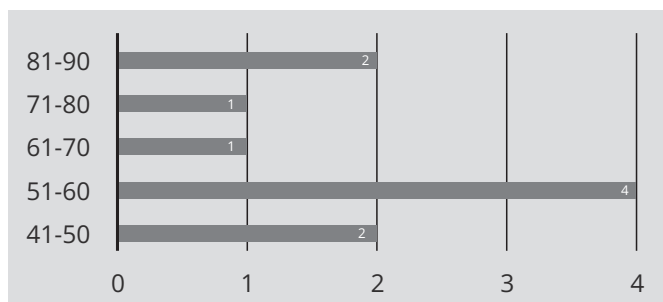
CORPORATE GOVERNANCE

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.

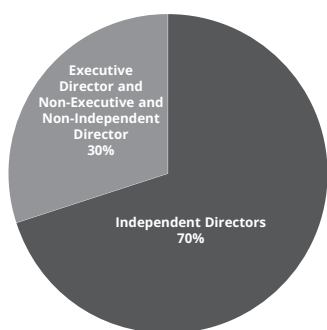
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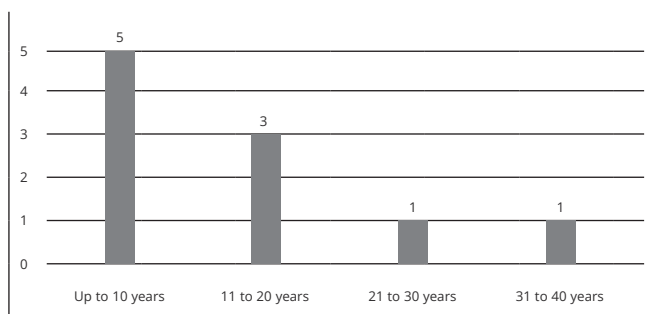
AGE



INDEPENDENCE



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 had set a target in FY2022 to include a Board member with experience/background in technology industry by 2024. The Board has fulfilled the target with the appointment of Mr Loh Ching Soo on 1 June 2023.

The current Board composition reflects the Company's commitment to Board diversity. Each year, the NC conducts its review of the composition of the Board which comprises members of both genders and from different backgrounds whose core competencies, qualifications, skills and experiences meet with the requirements of the Company at this point in time.

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") for FY2023, 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 FY2023.

Mr Adam Tan Chin Han was appointed LID on 29 February 2024.

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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)

During FY2023, 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)

During FY2023, 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. On 29 February 2024, Mr Adam Tan Chin Han was appointed as the LID.

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 ten members, majority of whom are INEDs. The LID, Mr Adam Tan Chin Han, is the Chairman of the NC.

Mr Adam Tan Chin Han	(Chairman) (appointed as Chairman on 29 February 2024)
Mr Jamie Teo Miang Yeow	(appointed as member on 29 February 2024)
Mrs Yu-Foo Yee Shoon	(re-designated as member on 29 February 2024)
Mr Teoh Eng Hong	
Mr William Ho Ah Seng	
Mdm Tan Hui Keng, Martha	
Mr Terence Khoo Chi Siang	
Mr Loh Ching Soo	(appointed as member on 1 June 2023)
Mr Lucas Tran Phuoc	(appointed as member on 1 June 2023)
Dr Christopher Teo Miang Chneh	(appointed as member on 1 July 2023)

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;

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- 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.

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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 Mrs Yu-Foo Yee Shoon, and Mr Jamie Teo Miang Yeow retire pursuant to Article 97 of the Constitution at the upcoming AGM. Pursuant to Article 103 of the Constitution, every newly appointed Director shall hold office only until the next AGM and retire from office, and for this purpose, Mr Lucas Tran Phuoc, Mr Loh Ching Soo and Dr Christopher Teo Miang Chneh shall retire at the forthcoming AGM.

Messrs Yu-Foo Yee Shoon, Jamie Teo Miang Yeow, Lucas Tran Phuoc, Loh Ching Soo and Dr Christopher Teo Miang Chneh had consented to act and offered themselves for re-election. Each of them 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 139 to 149 of this Annual Report.

Succession Planning for the Board, the Board Chairman and Senior Management

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 7.

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;

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- (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.

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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.

Board Evaluation Criteria

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.

Board Committee Evaluation Criteria

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 nine members, majority of whom are INEDs:

Mr Loh Ching Soo	(Chairman) (appointed as member on 1 June 2023 and Chairman on 29 February 2024)
Mrs Yu-Foo Yee Shoon	
Mr Adam Tan Chin Han	
Mr Teoh Eng Hong	(re-designated as member on 29 February 2024)
Mr William Ho Ah Seng	
Mdm Tan Hui Keng, Martha	
Mr Terence Khoo Chi Siang	
Mr Lucas Tran Phuoc	(appointed as member on 1 June 2023)
Dr Christopher Teo Miang Chneh	(appointed as member on 1 July 2023)

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;

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- 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 most 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 FY2023 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 KMP.

Fixed and Variable Components

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.

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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.

Directors' Fees

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\$580,000 for FY2023 and an ex-gratia payment to the retired and retiring directors at \$180,000 each.

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 FY2023 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 FY2023 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.

CORPORATE GOVERNANCE

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	48.19	24.37	21.18	6.26	100
\$500,000 to below \$750,000					
Jamie Teo Miang Yeow	66.90	20.23	3.24	9.63	100
Below \$250,000					
Teoh Eng Hong	-	-	75	25	100
William Ho Ah Seng	-	-	75	25	100
Yu-Foo Yee Shoon	-	-	-	100	100
Tan Hui Keng, Martha	-	-	75	25	100
Adam Tan Chin Han	-	-	-	100	100
Terence Khoo Chi Siang	-	-	-	100	100
Loh Ching Soo	-	-	-	100	100
Lucas Tran Phuoc	-	-	-	100	100
Christopher Dr Teo Miang Chneh	-	-	-	100	100

Note:

- (a) These relate to provision for long-term incentive scheme and staff retirement gratuity. No staff retirement gratuity and termination benefits were paid to any Directors during FY2023. Other Benefits also includes an amount relating to provision for one-time payment of Directors' Ex-Gratia to retired and retiring directors which will be tabled for shareholders' approval at the forthcoming AGM.
- (b) These fees comprise Directors' fees for FY2023 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 20 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.

The Company is cognisant of the amendment to the Listing Rule on remuneration disclosures which will apply to annual reports for the financial year ending on or after 31 December 2024, where the Company is required to disclose the exact amount and breakdown of remuneration paid to directors and the CEO. The Company will make the appropriate disclosure when the Listing Rule is effective.

CORPORATE GOVERNANCE

Remuneration of Key Management Personnel (not being a Director or CEO)

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 Mr Teo Chiang Long (who is the father of both Mr Jamie Teo and Dr Christopher Teo Miang Chneh), Mr Jamie Teo and Dr Christopher Teo Miang Chneh (who are brothers), 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)

Accountability of Board and Management

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.

CORPORATE GOVERNANCE

The RMC comprises the following ten members:

Mr Adam Tan Chin Han	(Chairman)
Mrs Yu-Foo Yee Shoon	(appointed as member on 29 February 2024)
Mr Teoh Eng Hong	
Mr William Ho Ah Seng	
Mdm Tan Hui Keng, Martha	
Mr Terence Khoo Chi Siang	
Mr Jamie Teo Miang Yeow	
Mr Loh Ching Soo	(appointed as member on 1 June 2023)
Mr Lucas Tran Phuoc	(appointed as member on 1 June 2023)
Dr Christopher Teo Miang Chneh	(appointed as member on 29 February 2024)

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; and
- 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.

CORPORATE GOVERNANCE

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.

CORPORATE GOVERNANCE

- 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.

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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), and supported by a set of information technology policies and standards, control processes and risk mitigation programs in alignment to MAS guidelines.

Compliance risk

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.

Internal controls

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

The external auditors carry out in the course of their statutory audit, a review of the effectiveness of the 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 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.

CORPORATE GOVERNANCE

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 2023, 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 2023 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 FY2023. 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 nine, majority of whom are INEDs:

Lucas Tran Phuoc	(Chairman) (appointed as member on 1 June 2023 and Chairman on 29 February 2024)
Mdm Tan Hui Keng, Martha	(re-designated as member on 29 February 2024)
Mr Teoh Eng Hong	
Mr William Ho Ah Seng	
Mrs Yu-Foo Yee Shoon	
Mr Adam Tan Chin Han	
Mr Terence Khoo Chi Siang	
Mr Loh Ching Soo	(appointed as member on 1 June 2023)
Dr Christopher Teo Miang Chneh	(appointed as member on 1 July 2023)

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 FY2023 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;

CORPORATE GOVERNANCE

- 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;
- reviewing related party and interested person transactions; and
- reviewing sustainability reporting in relation to environmental, social and governance (ESG) to ensure appropriate regulatory disclosures.

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 FY2023 on pages 74 to 75 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	<p>The SFRS(I)9 Committee ("SC") as disclosed under "Credit Risk" on pages 59 to 60, supports the AC and the Board of the Group in achieving compliance with SFRS(I) 9.</p> <p>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.</p> <p>The AC has also discussed with the external auditors and was satisfied that the ECL methodologies (including the adjustments for macro-economic variables ("MVA")) and the underlying assumptions were reasonable and fulfilled the requirements of SFRS(I)9 based on the model validation performed by the external auditors.</p> <p>The ECL model is sensitive to judgements and assumptions made regarding formulation of forward looking scenarios and their potential impact on the ECL calculations.</p> <p>The AC has discussed with Management and the external auditors and was satisfied that the overall loan impairment allowances were reasonable and fair.</p>

CORPORATE GOVERNANCE

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 FY2023, 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 FY2023.

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.

CORPORATE GOVERNANCE

Whistleblowing Policy

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 FY2023.

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 FY2023 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	\$1,155,805.85	NIL

The transaction above relates to a 2-year tenancy agreement entered into with High Luck Pte Ltd by the Company in FY2023 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 (retired on 29 February 2024), CEO, Mr Jamie Teo Miang Yeow and Non-Independent Non-Executive Director, Dr Christopher Teo Miang Chneh, 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 FY2023 or if not then subsisting, entered into since the end of the previous financial year.

CORPORATE GOVERNANCE

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 regard 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 conducted 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.

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.

CORPORATE GOVERNANCE

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 1.00 cent per share for FY2023 (FY2022: 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). The total distribution of 3.00 cents per share for the year will amount to approximately \$4.76 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.

CORPORATE GOVERNANCE

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.

CORPORATE GOVERNANCE

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 2023 to require listed companies to subject SR process to review. Listed companies should minimally subject SR process to internal review by IA. For FY2023, 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 2023.

In our opinion:

- (a) the financial statements set out on pages 78 to 131 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the 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	
Loh Ching Soo	(Appointed on 1 June 2023)
Lucas Tran Phuoc	(Appointed on 1 June 2023)
Christopher Teo Miang Chneh	(Appointed on 1 July 2023)

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	-	-

DIRECTORS' STATEMENT

Directors' interests (Continued)

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/date of appointment or at the end of the financial year.

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 January 2024.

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
Loh Ching Soo	Independent, non-executive director
Lucas Tran Phuoc	Independent, non-executive director
Christopher Teo Miang Chneh	Non-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.

DIRECTORS' STATEMENT

Audit Committee (Continued)

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).

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

28 February 2024

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 2023, 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 material accounting policy information, as set out on pages 78 to 131.

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 2023 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.

INDEPENDENT AUDITORS' REPORT

Members of the Company Singapura Finance Ltd

Key audit matters (Continued)

<p>Allowance for expected credit losses amounting to \$6,769,000 (2022: \$6,950,000) (Refer to Note 6 to the financial statements)</p>	
<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>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.</p> <p>The Group's loans and advances to customers represent 71% of its total assets.</p> <p>Loss allowances of the Group are measured on either of the following bases:</p> <p>(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</p> <p>(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").</p> <p>Judgement is required in the following areas including:</p> <ul style="list-style-type: none"> • 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 economic scenario model. 	<p>We tested the design, implementation and operating effectiveness of the key controls in place over the credit approval and review processes.</p> <p>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.</p> <p>For credit impaired exposures, we assessed the reasonableness of management estimates of expected future cashflows, including the realisable value of collaterals if relevant.</p> <p>For non-credit impaired exposures, we reviewed the appropriateness of the ECL methodology and management's assumptions on the key parameters used in the ECL model, including their regression analysis on the relevance of the economic factors to their economic scenario model.</p> <p>We also tested the accuracy of key data inputs into the ECL models for a sample of exposures as at year-end by verifying them against source systems and documents.</p> <p>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.</p> <p>In addition, we considered the adequacy of disclosures of these key assumptions in the financial statements.</p> <p>Based on our procedures performed, the methodology and assumptions adopted by management in the ECL model are acceptable and the ECL computation is consistent with the ECL model.</p>

INDEPENDENT AUDITORS' REPORT

Members of the Company Singapura Finance Ltd

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.

INDEPENDENT AUDITORS' REPORT

Members of the Company Singapura Finance Ltd

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

28 February 2024

BALANCE SHEETS

As at 31 December 2023

	Note	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Assets					
Cash and balances with banks	4	99,447	100,260	99,432	100,243
Statutory deposit with the Monetary Authority of Singapore		22,019	23,445	22,019	23,445
Investments	5	203,911	191,527	203,911	191,527
Loans and advances	6	824,295	844,464	824,295	844,464
Other receivables, deposits and prepayments	8	2,510	2,306	2,510	2,306
Subsidiaries	9	-	-	125	125
Property, plant and equipment	10	7,710	7,288	7,710	7,288
Deferred tax assets	16	3,192	3,152	3,192	3,152
Total assets		1,163,084	1,172,442	1,163,194	1,172,550
Equity					
Share capital	11	168,896	168,896	168,896	168,896
Reserves	11	84,380	83,326	82,024	81,053
Total equity attributable to owners of the Company		253,276	252,222	250,920	249,949
Liabilities					
Deposits and savings accounts of customers	12	877,710	893,826	880,319	896,437
Trade and other payables	13	22,416	12,332	22,280	12,103
Borrowings from MAS	14	6,100	10,000	6,100	10,000
Current tax liabilities		2,239	2,580	2,232	2,579
Staff retirement gratuities	15	1,343	1,482	1,343	1,482
Total liabilities		909,808	920,220	912,274	922,601
Total equity and liabilities		1,163,084	1,172,442	1,163,194	1,172,550

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

CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2023

	Note	Group	
		2023 \$'000	2022 \$'000
Interest income and hiring charges		48,150	34,078
Interest expense		(26,144)	(7,859)
Net interest and hiring charges		22,006	26,219
Fee and commission income		478	301
Other operating income		453	458
Income before operating expenses		22,937	26,978
Staff costs		(8,326)	(9,111)
Depreciation of property, plant and equipment	10	(1,402)	(1,330)
Other operating expenses		(5,634)	(4,986)
Profit from operations before allowances	17	7,575	11,551
Allowances for impairment losses on loans and advances	6	(54)	(1,422)
Profit before tax		7,521	10,129
Tax expense	18	(1,365)	(1,785)
Profit for the year		6,156	8,344
Earnings per share			
Basic earnings per share (cents)	19	3.88	5.26
Diluted earnings per share (cents)	19	3.88	5.26

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2023

	Group	
	2023	2022
	\$'000	\$'000
Profit for the year	6,156	8,344
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:		
Net change in fair value of debt investments measured at FVOCI	66	(7,411)
Related tax	(11)	1,260
	55	(6,151)
Other comprehensive income for the year, net of tax	55	(6,151)
Total comprehensive income for the year	6,211	2,193

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023

Group	Note	Attributable to equity holders of the Company							Total \$'000
		Share capital	Capital reserve	Regulatory loss allowance reserve	Statutory reserve	Fair value reserve	General reserve	Accumulated profits	
		\$'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 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)	-
At 31 December 2022		<u>168,896</u>	<u>1,353</u>	<u>718</u>	<u>84,498</u>	<u>(14,342)</u>	<u>730</u>	<u>10,369</u>	<u>252,222</u>

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023

Group	Note	Attributable to equity holders of the Company							Total \$'000
		Share capital	Capital reserve	Regulatory loss allowance reserve	Statutory reserve	Fair value reserve	General reserve	Accumulated profits	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At 1 January 2023		168,896	1,353	718	84,498	(14,342)	730	10,369	252,222
Total comprehensive income for the year									
Profit for the year		-	-	-	-	-	-	6,156	6,156
Other comprehensive income									
Items that may be reclassified subsequently to profit & loss									
Net change in fair value of debt investments measured at FVOCI		-	-	-	-	66	-	-	66
Tax relating to items that may be reclassified subsequently to profit or loss		-	-	-	-	(11)	-	-	(11)
Total other comprehensive income		-	-	-	-	55	-	-	55
Total comprehensive income for the year		-	-	-	-	55	-	6,156	6,211
Transaction with owners, recorded directly in equity									
Contributions by and distribution to owners									
Dividends declared and paid	11	-	-	-	-	-	-	(5,157)	(5,157)
Total transactions with owners		-	-	-	-	-	-	(5,157)	(5,157)
Transfer from profit for the year to statutory reserve		-	-	-	1,520	-	-	(1,520)	-
At 31 December 2023		168,896	1,353	718	86,018	(14,287)	730	9,848	253,276

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

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023

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 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)	-
At 31 December 2022		<u>168,896</u>	<u>1,353</u>	<u>718</u>	<u>84,498</u>	<u>(14,342)</u>	<u>730</u>	<u>8,096</u>	<u>249,949</u>

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

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023

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 2023		168,896	1,353	718	84,498	(14,342)	730	8,096	249,979
Total comprehensive income for the year									
Profit for the year		-	-	-	-	-	-	6,073	6,073
Other comprehensive income									
Items that may be reclassified subsequently to profit & loss									
Net change in fair value of debt investments measured at FVOCI		-	-	-	-	66	-	-	66
Tax relating to items that may be reclassified subsequently to profit or loss		-	-	-	-	(11)	-	-	(11)
Total other comprehensive income		-	-	-	-	55	-	-	55
Total comprehensive income for the year		-	-	-	-	55	-	6,073	6,128
Transaction with owners, recorded directly in equity									
Contributions by and distribution to owners									
Dividends declared and paid	11	-	-	-	-	-	-	(5,157)	(5,157)
Total transactions with owners		-	-	-	-	-	-	(5,157)	(5,157)
Transfer from profit for the year to statutory reserve		-	-	-	1,520	-	-	(1,520)	-
At 31 December 2023		168,896	1,353	718	86,018	(14,287)	730	7,492	250,920

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

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2023

	Note	Group	
		2023 \$'000	2022 \$'000
Cash flows from operating activities			
Profit for the year		6,156	8,344
Adjustments for:			
Depreciation of property, plant and equipment	10	1,402	1,330
Bad debts written off		2	-
Allowances for impairment losses on loans and advances	6	54	1,422
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	35	19
Interest expense on lease liabilities	22	543	287
Tax expense		1,365	1,785
		<u>9,557</u>	<u>13,122</u>
Changes in working capital:			
Statutory deposit with the Monetary Authority of Singapore		1,426	916
Fixed deposits with original maturity more than 3 months		(5,046)	270
Loans and advances		20,113	50,080
Other receivables, deposits and prepayments		(204)	12
Deposits and savings accounts of customers		(16,116)	(14,161)
Trade and other payables		9,129	3,801
		<u>18,859</u>	<u>54,040</u>
Cash from operations			
Taxes paid		(1,757)	(1,898)
Staff retirement gratuities paid	15	(174)	(104)
		<u>16,928</u>	<u>52,038</u>
Net cash from operating activities			
Cash flows from investing activities			
Purchase of property, plant and equipment		(361)	(1,087)
Proceed from sale of property, plant and equipment		-	46
Purchase of investments		(664,932)	(410,325)
Proceeds from sale and maturity of investments		652,614	342,289
		<u>(12,679)</u>	<u>(69,077)</u>
Net cash used in investing activities			
Cash flows from financing activities			
Dividends paid		(5,157)	(6,347)
(Repayment)/Borrowing from MAS	14	(3,900)	10,000
Payment of lease liabilities	13	(1,051)	(852)
		<u>(10,108)</u>	<u>2,801</u>
Net cash (used in)/from financing activities			
Net decrease in cash and cash equivalents		(5,859)	(14,238)
Cash and cash equivalents at 1 January		97,260	111,498
Cash and cash equivalents at 31 December	4	<u>91,401</u>	<u>97,260</u>

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 28 February 2024.

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 and for the year ended 31 December 2023 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

2. Basis of preparation (Continued)

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 2023:

- *SFRS(I) 17 Insurance contracts*
- *Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies*
- *Amendments to SFRS(I) 1-8: Definition of Accounting Estimates*
- *Amendments to SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single transaction*
- *Amendments to SFRS(I) 1-12: International Tax Reform—Pillar Two Model Rules*

Other than the below, the application of these amendments to standards and interpretations does not have a material effect on the financial statements.

Deferred tax related to assets and liabilities arising from a single transaction

The Group has adopted Amendments to SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences.

For leases, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

The Group previously accounted for deferred tax on leases by applying the 'integrally linked' approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of SFRS(I) 1-12. There was also no impact on the opening retained earnings as at 1 January 2022 as a result of the change.

Material accounting policy information

The Group adopted Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies for the first time in 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

The accounting policies have been applied consistently to all periods presented in these financial statements by Group entities, except as explained above which addresses changes in material accounting policies.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 Material 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 Material 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 Material 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 Group 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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 Material 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.

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).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 Material 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 Material 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 financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of 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 risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Any cumulative gain or loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition 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) 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.

(v) 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

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 Material accounting policies (Continued)

3.4 Impairment (Continued)

Non-derivative financial assets (Continued)

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 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 Material accounting policies (Continued)

3.4 Impairment (Continued)

Non-derivative financial assets (Continued)

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.

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 of amounts due.

3.5 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.

3.6 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 Material accounting policies (Continued)

3.6 Interest (Continued)

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.

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.

3.7 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

3 Material accounting policies (Continued)

3.7 Tax (Continued)

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.

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.

3.8 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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash at banks and in hand	21,901	22,209	21,886	22,192
Fixed deposits with banks	77,546	78,051	77,546	78,051
Cash and balances with banks in the balance sheet	99,447	100,260	99,432	100,243
Less: Fixed deposits with original maturity more than 3 months	(8,046)	(3,000)	(8,046)	(3,000)
Cash and cash equivalents in the cash flow statement	91,401	97,260	91,386	97,243

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

5 Investments

	Group and Company	
	2023	2022
	\$'000	\$'000
Singapore Government Securities	203,911	191,527
Unquoted equity securities	*	*
	203,911	191,527

* Amount less than \$1,000

Singapore Government Securities are measured at FVOCI. They have stated interest rates of 1.875% to 4.211% (2022: 1.75% to 4.78%) and with a maturity of 1 month to 28 years (2022: 1 month to 29 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

	Note	Group and Company	
		2023	2022
		\$'000	\$'000
Mortgage and other secured loans		605,503	674,445
Unsecured loans		9,270	14,008
Hire purchase receivables	7	237,495	174,668
		852,268	863,121
Unearned charges and interest		(21,204)	(11,707)
		831,064	851,414
Allowances for loan losses		(6,769)	(6,950)
		824,295	844,464

These comprise balances:

	Group and Company	
	2023	2022
	\$'000	\$'000
Due within 12 months	93,363	206,784
Due after 12 months	730,932	637,680
	824,295	844,464

As at 31 December 2023, secured loans to directors (including immediate family members) of the Group and Company amounted to \$231,000 (2022: \$288,000).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

6 Loans and advances (Continued)

Unsecured loans include \$9,107,000 (2022: \$13,679,000) 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			Total \$'000
	12-month ECL \$'000	Lifetime ECL - not credit impaired \$'000	Lifetime ECL - credit impaired \$'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	<u>3,525</u>	<u>1,127</u>	<u>2,298</u>	<u>6,950</u>
Balance as at 1 January 2023	3,525	1,127	2,298	6,950
Transferred to 12-month ECL – not credit-impaired	334	(278)	(56)	-
Transferred to Lifetime ECL – not credit-impaired	(54)	58	(4)	-
Transferred to Lifetime ECL – credit-impaired	(77)	(770)	847	-
Changes in assumptions	(322)	618	(385)	(89)
Financial assets repaid	(1,005)	(79)	(441)	(1,525)
New financial assets originated or purchased	1,434	232	2	1,668
Allowances for impairment losses on loans and advances	310	(219)	(37)	54
Amounts written off	-	-	(235)	(235)
Balance as at 31 December 2023	<u>3,835</u>	<u>908</u>	<u>2,026</u>	<u>6,769</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

7 Hire purchase receivables

	2023			2022		
	Gross \$'000	Interest \$'000	Principal \$'000	Gross \$'000	Interest \$'000	Principal \$'000
Group and Company						
Within 1 year	10,319	172	10,147	7,873	128	7,745
Between 1 year and 5 years	172,462	12,538	159,924	151,667	9,239	142,428
After 5 years	54,714	7,996	46,718	15,128	1,853	13,275
	237,495	20,706	216,789	174,668	11,220	163,448

8 Other receivables, deposits and prepayments

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Interest receivable	696	735	696	735
Deposits	372	324	372	324
Other receivables	449	416	449	416
	1,517	1,475	1,517	1,475
Prepayments	993	831	993	831
	2,510	2,306	2,510	2,306

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	
	2023 \$'000	2022 \$'000
Equity investments, at cost	125	125

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Country of incorporation	Ownership interest	
			2023 %	2022 %
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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

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 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
At 1 January 2023	2,263	11,018	2,968	521	6,546	23,316
Additions	-	1,194	1	-	629	1,824
Written off	-	(1,899)	(11)	-	(447)	(2,357)
At 31 December 2023	2,263	10,313	2,958	521	6,728	22,783
Accumulated depreciation						
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
At 1 January 2023	1,417	5,856	2,769	356	5,630	16,028
Depreciation charge for the year	32	802	50	55	463	1,402
Written off	-	(1,899)	(11)	-	(447)	(2,357)
At 31 December 2023	1,449	4,759	2,808	411	5,646	15,073
Carrying amounts						
At 1 January 2022	878	5,891	122	-	559	7,450
At 31 December 2022	846	5,162	199	165	916	7,288
At 31 December 2023	814	5,554	150	110	1,082	7,710

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

10 Property, plant and equipment (Continued)

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

Location	Description	Tenure	Carrying amounts	
			2023 \$'000	2022 \$'000
212 East Coast Road Singapore 428911	2-storey shophouse used as branch premises	Freehold	766	785
203 Henderson Road #02-07 Singapore 159546	Warehouse	Freehold	48	61
Total freehold properties			814	846
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	471	526
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	141	158
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	123	136
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	1,296	1,345
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	2,777	2,871
Total leasehold properties			4,808	5,036
			5,622	6,882

Property, plant and equipment includes right-of-use assets with carrying amounts of \$746,000 (2022: \$126,000) and \$329,000 (2022: \$104,000) related to leasehold land and buildings, furniture and office equipment respectively as at 31 December 2023 (see note 22).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

11 Capital and reserves

Share capital

	Group and Company	
	2023	2022
	No. of shares	No. of shares
	('000)	('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	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Capital reserve	1,353	1,353	1,353	1,353
Statutory reserve	86,018	84,498	86,018	84,498
Regulatory loss allowance reserve	718	718	718	718
Fair value reserve	(14,287)	(14,342)	(14,287)	(14,342)
Revenue reserve:				
- General	730	730	730	730
- Accumulated profits	9,848	10,369	7,492	8,096
	84,380	83,326	82,024	81,053

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

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	
	2023	2022
	\$'000	\$'000
Paid by the Company to owners of the Company		
First and final		
2.0 cents per qualifying ordinary share (2022: 2.0 cents)	3,174	3,174
Special		
1.25 cents per qualifying ordinary share (2022: 2.0 cents)	1,983	3,173
	5,157	6,347

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	
	2023	2022
	\$'000	\$'000
First and final		
2.0 cents per qualifying ordinary share (2022: 2.0 cents)	3,174	3,174
Special		
1.0 cents per qualifying ordinary share (2022: 1.25 cents)	1,587	1,983
	4,761	5,157

12 Deposits and savings accounts of customers

These include deposits placed by subsidiaries amounting to \$2,609,000 (2022: \$2,611,000) in the Company and \$167,772,000 (2022: \$182,421,000) placed by related parties of the Group and the Company, accepted in the ordinary course of business.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

13 Trade and other payables

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Accrued interest payable	14,521	5,052	14,620	5,052
Accrued operating expenses	2,766	3,405	2,757	3,400
Deposits for safe deposit boxes and rental deposits	101	105	101	105
Unclaimed dividends	479	473	479	473
Lease liabilities	1,258	303	1,258	303
Others	3,291	2,994	3,065	2,770
	22,416	12,332	22,280	12,103
These comprise balances:				
Due within 12 months	21,033	11,517	20,897	11,288
Due after 12 months	1,383	815	1,383	815
	22,416	12,332	22,280	12,103

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

	Note	Lease liabilities Group \$'000
At 1 January 2022		806
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)
At 31 December 2022		303
At 1 January 2023		303
Changes in financing cash flows		
Payment of lease liabilities	22	(1,051)
Other changes - liability related		
New leases	22	1,463
Interest expense on lease liabilities	22	543
At 31 December 2023		1,258

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

14 Borrowings from MAS

	Group and Company	
	2023	2022
	\$'000	\$'000
Due within 12 months	6,100	-
Due after 12 months	-	10,000
	6,100	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 \$7,271,000 (2022: \$11,163,000) 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 2022	-
Changes in financing cash flows	
Borrowings from MAS	10,000
At 31 December 2022	10,000
At 1 January 2023	10,000
Changes in financing cash flows	
Repayment of Borrowings from MAS	(3,900)
At 31 December 2023	6,100

15 Staff retirement gratuities

	Group and Company	
	2023	2022
	\$'000	\$'000
At 1 January	1,482	1,567
Provision made during the year	35	19
Utilised	(174)	(104)
At 31 December	1,343	1,482

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

16 Deferred tax (assets)/liabilities

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

	Balance as at 1 January 2022	Recognised in profit or loss (note 18)	Recognised in other comprehensive income	Balance as at 31 December 2022	Recognised in profit or loss (note 18)	Recognised in other comprehensive income	Balance as at 31 December 2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group and Company							
Deferred tax (assets)/liabilities							
Property, plant and equipment	109	56	-	165	(12)	-	153
Other receivables	-	-	-	-	-	-	-
Staff retirement gratuities	(267)	15	-	(252)	24	-	(228)
Directors Ex-Gratia	-	(128)	-	(128)	(63)	-	(191)
Investments	(1,677)	-	(1,260)	(2,937)	-	11	(2,926)
	<u>(1,835)</u>	<u>(57)</u>	<u>(1,260)</u>	<u>(3,152)</u>	<u>(51)</u>	<u>11</u>	<u>(3,192)</u>

17 Profit from operations before allowances

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

	Group	
	2023	2022
	\$'000	\$'000
Interest income and hiring charges		
Interest income on:		
- loans and advances	38,931	30,253
- bank deposits	2,565	731
- Singapore Government Securities	6,654	3,094
	<u>48,150</u>	<u>34,078</u>
Interest expense		
Interest expense on customer deposits	26,135	7,852
Interest expense on borrowings	9	7
	<u>26,144</u>	<u>7,859</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

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	
	2023	2022
	\$'000	\$'000
Other operating income		
Bad debts recovered	73	24
Others	380	395
Government grant	-	39
	453	458
Staff costs		
Salaries and other benefits	7,535	8,110
Contributions to defined contribution plans	791	1,001
	8,326	9,111
Other operating expenses		
Audit fees:		
- auditors of the Company	171	159
Non-audit fees:		
- auditors of the Company	36	77
Property, plant and equipment written-off	-	8
Interest expense on lease liabilities		
- related corporations	426	258
- third parties	117	29
Other operating expense paid to:		
- related corporations	53	49
- third parties	4,831	4,406
	5,634	4,986

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

18 Tax expense

	Note	Group	
		2023 \$'000	2022 \$'000
Tax expense			
Current year		1,416	1,842
Deferred tax credit			
Origination and reversal of temporary differences	16	(51)	(57)
		<u>1,365</u>	<u>1,785</u>
Reconciliation of effective tax rate			
Profit before tax		<u>7,521</u>	10,129
Tax using Singapore tax rate of 17% (2022: 17%)		1,279	1,722
Income not subject to tax		(26)	(17)
Non-deductible expenses		(236)	(304)
Others		348	384
		<u>1,365</u>	<u>1,785</u>

19 Earnings per share

	Group	
	2023 \$'000	2022 \$'000
Basic and diluted earnings per share is based on:		
- Net profit attributable to ordinary shareholders	<u>6,156</u>	<u>8,344</u>
	No. of shares	
	2023 ('000)	2022 ('000)
Weighted average number of ordinary shares	<u>158,686</u>	<u>158,686</u>

There were no dilutive potential ordinary shares for the year ended 31 December 2023 and 2022.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

20 Related parties

Key management personnel compensation

Key management personnel compensation comprised the following:

	Group	
	2023 \$'000	2022 \$'000
Directors' fees	580	480
Directors ex-gratia	370	750
Short-term employee benefits	1,638	1,812
Post-employment benefits	102	108

Total outstanding remuneration payable to personnel who are both Directors and key management personnel amounted to \$2,861,000 (2022: \$2,580,000). 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	
	2023 \$'000	2022 \$'000
Interest on deposits paid to related parties	5,856	2,251
Rental and service charge on office premise paid to related parties	1,018	908

21 Commitments

	Group and Company	
	2023 \$'000	2022 \$'000
Undrawn credit lines and other commitments to extend credit	263,033	221,742

22 Leases

The Group leases an office from related party. 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 Group leases photocopiers with contract terms of 5 years, with an option to renew the lease after that date.

The Group leases colocation racks with contract terms of 5 years, with an option to renew the lease after that date.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

22 Leases (Continued)

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

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 and plant and equipment (see note 10).

	Leasehold land and buildings \$'000	Furniture and office equipment \$'000	Total \$'000
Balance at 1 January 2022	627	32	659
Additions	-	110	110
Depreciation charge for the year	-	(24)	(24)
Balance at 31 December 2022	(501)	(14)	(515)
	<u>126</u>	<u>104</u>	<u>230</u>
Balance at 1 January 2023	126	104	230
Additions	1,194	269	1,463
Depreciation charge for the year	(574)	(44)	(618)
Balance at 31 December 2023	746	329	1,075
		Group and Company	
		2023	2022
		\$'000	\$'000
		<u>(543)</u>	<u>(287)</u>
		<u>-</u>	<u>24</u>
		Group and Company	
		2023	2022
		\$'000	\$'000
Total cash outflow for leases		<u>1,051</u>	<u>852</u>

Extension options

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

23 Financial risk management (Continued)

Credit risk (Continued)

Management of credit risk (Continued)

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.

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.

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, interest rate, unemployment and inflation. These factors are reviewed regularly.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

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 growth in 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.

Macro-economic variable adjustment

The Macro-economic variable adjustment ("MVA") is 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 MVA. The aim of the Group is to incorporate these MVA into the ECL models, where possible, as part of the periodic recalibration and model assessment procedures.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

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			Total \$'000
	12-month ECL - Not credit-impaired \$'000	Lifetime expected credit loss - Not credit-impaired \$'000	Lifetime expected credit loss - Credit-impaired \$'000	
2023				
Performing accounts				
- past due but not impaired	20,162	8,710	-	28,872
- neither past due nor impaired	774,543	-	-	774,543
Substandard	-	-	25,623	25,623
Loss	-	-	2,026	2,026
Gross amount	794,705	8,710	27,649	831,064
Stage 1 & 2 loss allowances	(3,835)	(908)	-	(4,743)
Stage 3 loss allowances	-	-	(2,026)	(2,026)
Carrying amount	790,870	7,802	25,623	824,295
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

There are no loans and advances with renegotiated terms that are neither past due nor impaired as at 31 December 2023 (2022: \$Nil).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

23 Financial risk management (Continued)

Credit risk (Continued)

Inputs, assumptions and techniques used for estimating impairment (Continued)

Exposure to credit risk (Continued)

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.

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	
	2023	2022
	\$'000	\$'000
Gross amount	831,064	851,414
Lifetime ECL on credit impaired exposures	(2,026)	(2,298)
Carrying amount	829,038	849,116
Properties	575,976	641,239
Motor vehicles	189,150	127,730
Vessels	23,269	25,438
Equipment	26,378	34,694
Shares	4,818	6,732
Financial effect of collateral on maximum credit exposure	819,591	835,833
Net exposure	9,447	13,283

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

	Group and Company	
	2023	2022
	\$'000	\$'000
Properties	390	-

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

23 Financial risk management (Continued)

Credit risk (Continued)

Inputs, assumptions and techniques used for estimating impairment (Continued)

Exposure to credit risk (Continued)

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)	
	2023	2022
	\$'000	\$'000
Concentration by sector		
Hire purchase/block discounting	216,789	163,448
Housing loans secured by property	208,891	195,647
Other loans and advances:		
- Agriculture, mining and quarrying	114	137
- Manufacturing	4,857	6,522
- Building and construction	208,731	249,045
- General commerce	59,155	61,321
- Transport, storage and communication	29,097	32,754
- Investment and holding companies	26,443	45,993
- Professional and private individuals	58,195	76,810
- Others	18,792	19,737
	831,064	851,414

Debt investments

The Group and the Company held Singapore Government securities of \$203,911,000 as at 31 December 2023 (2022: \$191,527,000). The credit rating of Singapore Government Securities held at the reporting date accorded by various international credit rating agencies is AAA (2022: 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 \$99,447,000 and \$99,432,000 respectively as at 31 December 2023 (2022: \$100,260,000 and \$100,243,000). 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

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 \$22,019,000 as at 31 December 2023 (2022: \$23,445,000) 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

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 2023							
Deposits and savings accounts of customers	877,710	(907,200)	(110,178)	(150,694)	(522,169)	(124,156)	(3)
Borrowings from MAS	6,100	(6,100)	-	-	(6,100)	-	-
Other liabilities*	7,896	(8,801)	(4,441)	(277)	(2,700)	(1,088)	(295)
	891,706	(922,101)	(114,619)	(150,971)	(530,969)	(125,244)	(298)
Undrawn loan commitments	-	(263,033)	(263,033)	-	-	-	-
	891,706	(1,185,134)	(377,652)	(150,971)	(530,969)	(125,244)	(298)
31 December 2022							
Deposits and savings accounts 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)
Company							
31 December 2023							
Deposits and savings accounts of customers	880,319	(909,842)	(112,820)	(150,694)	(522,169)	(124,156)	(3)
Borrowings from MAS	6,100	(6,100)	-	-	(6,100)	-	-
Other liabilities*	7,661	(8,566)	(4,215)	(268)	(2,700)	(1,088)	(295)
	894,080	(924,508)	(117,035)	(150,962)	(530,969)	(125,244)	(298)
Undrawn loan commitments	-	(263,033)	(263,033)	-	-	-	-
	894,080	(1,187,541)	(380,068)	(150,962)	(530,969)	(125,244)	(298)
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)

* Excludes accrued interest payable

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

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 2023							
Cash and balances with banks	99,447	11,289	80,112	8,046	-	-	99,447
Statutory deposit with the Monetary Authority of Singapore	22,019	22,019	-	-	-	-	22,019
Investments	203,911	-	114,535	4,889	9,849	74,638	203,911
Loans and advances	824,295	20,880	592,429	60,476	104,827	45,683	824,295
Other receivables and deposits*	1,517	1,517	-	-	-	-	1,517
	1,151,189	55,705	787,076	73,411	114,676	120,321	1,151,189
Deposits and savings accounts of customers	877,710	1,158	256,456	500,447	119,646	3	877,710
Borrowings from MAS	6,100	-	-	6,100	-	-	6,100
Other liabilities	22,416	22,416	-	-	-	-	22,416
	906,226	23,574	256,456	506,547	119,646	3	906,226
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

* Excludes prepayments

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

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 2023							
Cash and balances with banks	99,432	11,274	80,112	8,046	-	-	99,432
Statutory deposit with the Monetary Authority of Singapore	22,019	22,019	-	-	-	-	22,019
Investments	203,911	-	114,535	4,889	9,849	74,638	203,911
Loans and advances	824,295	20,880	592,429	60,476	104,827	45,683	824,295
Other receivables and deposits*	1,517	1,517	-	-	-	-	1,517
	1,151,174	55,690	787,076	73,411	114,676	120,321	1,151,174
Deposits and savings accounts of customers	880,319	1,225	256,456	502,989	119,646	3	880,319
Borrowings from MAS	6,100	-	-	6,100	-	-	6,100
Other liabilities	22,280	22,280	-	-	-	-	22,280
	908,699	23,505	256,456	509,089	119,646	3	908,699
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

* Excludes prepayments

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

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 \$2,614,000 (2022: increase by \$2,675,000). The corresponding impact from a 100 basis point fall is an estimated reduction of \$2,613,000 (2022: \$2,674,000) 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 \$204 million (2022: \$192 million). A 1% increase in prices at the reporting date would have increased equity by \$2.0 million (2022: \$1.9 million). An equal change in the opposite direction would have decreased equity by \$2.0 million (2022: \$1.9 million). The analysis is performed on the same basis for 2022.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

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:

	2023	2022
	\$'000	\$'000
Share capital	168,896	168,896
Disclosed reserves	85,015	81,828
Regulatory adjustments	(3,192)	(3,152)
Eligible total capital	250,719	247,572
Risk-weighted assets	855,494	907,632
Capital adequacy ratio	29.31%	27.28%

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

23 Financial risk management (Continued)

Accounting classifications

The following table shows the classification of financial instruments.

	Financial assets at amortised cost \$'000	FVOCI - debt instruments \$'000	Other financial liabilities \$'000	Total carrying amount \$'000
Group				
31 December 2023				
Financial assets				
Cash and balances with banks	99,447	-	-	99,447
Statutory deposit with the Monetary Authority of Singapore	22,019	-	-	22,019
Investments	-	203,911	-	203,911
Loans and advances	824,295	-	-	824,295
Other receivables and deposits*	1,517	-	-	1,517
	947,278	203,911	-	1,151,189
Financial liabilities				
Deposits and savings accounts of customers	-	-	(877,710)	(877,710)
Borrowings from MAS	-	-	(6,100)	(6,100)
Trade and other payables	-	-	(22,416)	(22,416)
	-	-	(906,226)	(906,226)
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)

* Excludes prepayments

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

23 Financial risk management (Continued)

Accounting classifications (Continued)

	Financial assets at amortised cost \$'000	FVOCI - debt instruments \$'000	Other financial liabilities \$'000	Total carrying amount \$'000
Company				
31 December 2023				
Financial assets				
Cash and balances with banks	99,432	-	-	99,432
Statutory deposit with the Monetary Authority of Singapore	22,019	-	-	22,019
Investments	-	203,911	-	203,911
Loans and advances	824,295	-	-	824,295
Other receivables and deposits*	1,517	-	-	1,517
	947,263	203,911	-	1,151,174
Financial liabilities				
Deposits and savings accounts of customers	-	-	(880,319)	(880,319)
Borrowings from MAS	-	-	(6,100)	(6,100)
Trade and other payables	-	-	(22,280)	(22,280)
	-	-	(908,699)	(908,699)
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)

* Excludes prepayments

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

24 Fair values of financial instruments (Continued)

Financial instruments not carried at fair value

	2023		2022	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Group				
Financial assets				
Loans and advances	824,295	832,346	844,464	847,823
Financial liabilities				
Deposits and savings account of customer	877,710	891,233	893,826	907,958
Borrowings from MAS	6,100	6,100	10,000	10,000
Company				
Financial assets				
Loans and advances	824,295	832,346	844,464	847,823
Financial liabilities				
Deposits and savings account of customer	880,319	891,201	896,437	910,668
Borrowings from MAS	6,100	6,100	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 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group and Company					
31 December 2023					
Financial assets					
Investments	5	203,911	-	*	203,911
31 December 2022					
Financial assets					
Investments	5	191,527	-	*	191,527

* Amount less than \$1,000

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

24 Fair values of financial instruments (Continued)

Financial instruments not carried at fair value but for which fair values are disclosed¹

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group				
31 December 2023				
Financial assets				
Loans and advances	-	-	832,346	832,346
Financial liabilities				
Deposits and savings accounts of customers	-	891,233	-	891,233
Borrowings from MAS	-	6,100	-	6,100
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
Company				
31 December 2023				
Financial assets				
Loans and advances	-	-	832,346	832,346
Financial liabilities				
Deposits and savings accounts of customers	-	891,201	-	891,201
Borrowings from MAS	-	6,100	-	6,100
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

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Assets				
Investments	84,487	84,967	84,487	84,967
Loans and advances	730,932	637,680	730,932	637,680
Other receivables, deposits and prepayments	372	324	372	324
Subsidiaries	-	-	125	125
Property, plant and equipment	7,710	7,288	7,710	7,288
Deferred tax assets	3,192	3,152	3,192	3,152
	826,693	733,411	826,818	733,536
Liabilities				
Deposits and savings accounts of customers	119,649	97,724	119,649	97,724
Trade and other payables	1,383	815	1,383	815
Borrowings from MAS	-	10,000	-	10,000
Staff retirement gratuities	743	982	743	982
	121,775	109,521	121,775	109,521

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

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 2023 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) 1-1: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants*
- *SFRS(I) 7: Supplier Finance Arrangements*
- *SFRS(I) 16: Lease Liability in a Sale and Leaseback*
- *SFRS(I) 21: Lack of Exchangeability*

ANALYSIS OF SHAREHOLDINGS

As at 18 March 2024

Class of Shares : Ordinary Shares
Voting Rights : One Vote per Share

SUMMARY OF SHAREHOLDINGS BY SIZE AS AT 18 MARCH 2024

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF ISSUED SHARE CAPITAL
1 to 99	142	5.06	2,810	0.00
100 to 1,000	360	12.83	246,407	0.16
1,001 to 10,000	1,275	45.44	6,764,146	4.26
10,001 to 1,000,000	1,018	36.28	51,042,640	32.17
1,000,001 AND ABOVE	11	0.39	100,629,887	63.41
TOTAL	2,806	100.00	158,685,890	100.00

TOP 20 SHAREHOLDERS AS AT 18 MARCH 2024

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 PTE LTD	8,014,844	5.05
4	MORPH INVESTMENTS LTD	2,636,100	1.66
5	LEE KHING YOONG VINCENT	1,970,166	1.24
6	OCBC SECURITIES PRIVATE LTD	1,416,901	0.89
7	UNITED OVERSEAS BANK NOMINEES PTE LTD	1,344,354	0.85
8	NG POH CHENG	1,281,300	0.81
9	RAFFLES NOMINEES (PTE) LIMITED	1,145,222	0.72
10	PHILLIP SECURITIES PTE LTD	971,057	0.61
11	OCBC NOMINEES SINGAPORE PTE LTD	841,525	0.53
12	ANG CHIAN POH	812,200	0.51
13	KOH GEOK HUAY MRS.TEO GEOK HUAY	800,000	0.51
14	CITIBANK NOMINEES SINGAPORE PTE LTD	741,574	0.47
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		107,940,741	68.02

ANALYSIS OF SHAREHOLDINGS

As at 18 March 2024

SUBSTANTIAL SHAREHOLDERS AS AT 18 MARCH 2024 (As shown in the Company's Register of Substantial Shareholders)

Name	Direct Interest	Number of Shares		%
		%	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-Fourth Annual General Meeting (“**AGM**”) of Singapura Finance Ltd (the “**Company**”) will be held at 391A Orchard Road, Tower A, #26-00, Ngee Ann City, Singapore 238873 on Thursday, 25 April 2024 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 and may be accessed at the URL https://www.singapurafinance.com.sg/investors_agm.php.

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 2023 together with the Auditors’ Report. **(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 1.0 cent per share for the year ended 31 December 2023. [FY2022: 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.] **(Resolution 2)**

3. To re-elect the following Directors, who will retire by rotation pursuant to Article 97 of the Constitution of the Company 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) **Mrs Yu-Foo Yee Shoon** **(Resolution 3(a))**

Mrs Yu-Foo Yee Shoon will, upon re-election, continue as Non-Independent Non-Executive Chairman of the Board and as a member of the Audit, Remuneration, Nominating and Risk Management Committees.

- (b) **Mr Jamie Teo Miang Yeow** **(Resolution 3(b))**

Mr Jamie Teo Miang Yeow will, upon re-election, continue as Executive Director of the Board, Chief Executive Officer, and Chairman of the Executive Committee and as a member of the Nominating, Risk Management and Digitalization Committees.

4. To re-elect the following Directors, who will retire pursuant to Article 103 of the Constitution of the Company and being eligible, offer themselves for re-election, as Directors:

[See Explanatory Note (ii)]

- (a) **Mr Loh Ching Soo** **(Resolution 4(a))**

Mr Loh Ching Soo will, upon re-election, continue as Chairman of the Remuneration Committee and Deputy Chairman of the Digitalization Committee and as a member of the Audit, Nominating and Risk Management Committees, and will be considered independent.

- (b) **Mr Lucas Tran Phuoc** **(Resolution 4(b))**

Mr Lucas Tran Phuoc will, upon re-election, continue as Chairman of the Audit Committee and as a member of the Remuneration, Nominating, Risk Management and Executive Committees, and will be considered independent.

- (c) **Dr Christopher Teo Miang Chneh** **(Resolution 4(c))**

Dr Christopher Teo Miang Chneh will, upon re-election, continue as Non-Independent Non-Executive Director and as a member of the Audit, Remuneration, Nominating and Risk Management Committees.

NOTICE OF ANNUAL GENERAL MEETING

5. To approve the payment of Directors' fees of S\$580,000 for the year ended 31 December 2023 [FY2022: S\$480,000].

[See Explanatory Note (iii)]

(Resolution 5)

6. To approve a one-time payment of Directors' Ex-Gratia of \$180,000 to the retired Executive Chairman, Mr Teo Chiang Long.

[See Explanatory Note (iv)]

(Resolution 6)

7. To approve a one-time payment of Directors' Ex-Gratia of \$540,000 to 3 retiring Independent Directors.

[See Explanatory Note (v)]

(Resolution 7)

8. To re-appoint Messrs KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.

(Resolution 8)

9. 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 an Ordinary Resolutions.

10. Authority for Directors to issue shares and to make or grant convertible instruments

[See Explanatory Note (vi)]

That pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of the SGX-ST, authority be and is hereby given to the Directors of the Company to:

- (a) (i) 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);

NOTICE OF ANNUAL GENERAL MEETING

- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares 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; 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 AGM of the Company is required by law to be held, whichever is the earlier.

(Resolution 9)

By Order of the Board

Lee Tiong Hock
Company Secretary

Singapore
9 April 2024

Notice of Record and Payment Date 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 Monday, 6 May 2024 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 1.0 cent per share for the year ended 31 December 2023 (the "**Proposed Dividends**").

Duly completed registrable transfers and the relevant share certificates in respect of Shares received by the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896 up to 5.00 p.m. on Friday, 3 May 2024 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 Friday, 3 May 2024 will be entitled to the Proposed Dividends.

Payment of the Proposed Dividends, if approved by shareholders at the AGM, will be made on Friday, 10 May 2024.

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- (i) Ordinary Resolutions 3(a) and 3(b), are for the re-election of Mrs Yu-Foo Yee Shoon and Mr Jamie Teo Miang Yeow, as Directors of the Company who are retiring by rotation pursuant to Article 97 of the Constitution of the Company. For more information on these Directors, please refer to the sections entitled “Board of Directors” and “Additional information on Directors seeking re-election” in the Annual Report 2023.
- (ii) Ordinary Resolutions 4(a), 4(b) and 4(c) are for the re-election of Mr Loh Ching Soo, Mr Lucas Tran Phuoc and Dr Christopher Teo Miang Chneh as Directors of the Company who are retiring pursuant to Article 103 of the Constitution of the Company. For more information on these Directors, please refer to the sections entitled “Board of Directors” and “Additional information on Directors seeking re-election” in the Annual Report 2023.
- (iii) The increase in Directors’ fees under Ordinary Resolution 5 is due to the appointment of 3 directors in the 2nd half of FY2023 to facilitate the Board renewal.
- (iv) The proposed one-time ex-gratia payment of S\$180,000 to the retired Executive Chairman of the Company, Mr Teo Chiang Long is in recognition of Mr Teo’s more than 40 years of serving on the Board. Mr Teo had retired on 29 February 2024.
- (v) The proposed one-time ex-gratia payment of S\$540,000 to the 3 retiring Independent Directors, namely Mr Teoh Eng Hong, Madam Tan Hui Keng, Martha and Mr William Ho Ah Seng (“Retiring Directors”), is a token of appreciation and recognition of their contribution in the past years rendered to the Company as Independent Directors. The Retiring Directors will retire at the conclusion of the forthcoming AGM.
- (vi) Ordinary Resolution 9 is to empower the Directors, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM 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 7 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 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 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.

NOTICE OF ANNUAL GENERAL MEETING

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 Monday, 22 April 2024, being not less than seventy-two (72) hours before the time appointed for holding the AGM, failing which the Proxy Form will not be treated as valid.
4. A member may also submit questions related to the resolutions to be tabled for approval at the AGM.

To do so, all questions must be submitted by 5.00 p.m. on Tuesday, 16 April 2024:

- (a) in hard copy by sending 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) by 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 holds 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 2023 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

The following information relating to Directors who will be standing for re-election as a Director at the Annual General Meeting on 25 April 2024, is provided pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Name of person:	Mrs Yu-Foo Yee Shoon ("Mrs Yu-Foo")	Mr Jamie Teo Miang Yeow ("Mr Jamie Teo")
Date of (Initial) Appointment	1 November 2011	8 November 2002
Date of last re-appointment (if applicable)	23 April 2021	23 April 2021
Age	74	51
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mrs Yu-Foo as a Non-Independent Non-Executive Director was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Mrs Yu-Foo's qualifications, expertise, past experiences and overall contribution since she was appointed as a Director of the Company.	The re-election of Mr Jamie Teo as an Executive Director and the Chief Executive Officer was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Mr Jamie Teo's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Independent Non-Executive Director	Executive Director
Job Title (e.g. Lead ID, AC Chairman, AC Member etc)	<ul style="list-style-type: none"> • Non-Independent Non-Executive Chairman • Member of the Audit, Nominating, Remuneration and Risk Management Committees 	<ul style="list-style-type: none"> • Executive Director • Chief Executive Officer • Chairman of Executive Committee • Member of the Nominating, Risk Management and Digitalization Committees
Professional Qualifications	<ul style="list-style-type: none"> • Bachelor of Commerce, Nanyang University of Singapore • Masters Degree in Business, Nanyang Technological University of Singapore • Honorary Doctorate of Education, Wheelock College of Boston, USA 	<ul style="list-style-type: none"> • Bachelor of Arts and Masters in Business Administration from the University of Adelaide, Australia
Working experience and occupation(s) during the past ten years	Mrs Yu-Foo started her career with the National Trades Union Congress (NTUC). She was Deputy Secretary General of NTUC, Senior Parliamentary Secretary for Ministry of Community Development and Sports, 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 services.	Mr Jamie Teo has been an Executive Director of Singapura Finance Ltd since 8 November 2002 and CEO since 11 September 2007. He also holds directorships in various other companies in Singapore and Malaysia.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of person:	Mrs Yu-Foo Yee Shoon ("Mrs Yu-Foo")	Mr Jamie Teo Miang Yeow ("Mr Jamie Teo")
Shareholding interest in the listed issuer and its subsidiaries	Refer to Directors' Statement on pages 71 to 73.	Refer to Directors' Statement on pages 71 to 73.
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiaries	None	<ul style="list-style-type: none"> • Son of Substantial Shareholder Mr Teo Chiang Long • Brother of Non-Independent Non-Executive Director Dr Christopher Teo Miang Chneh • Director of See Hoy Chan (1988) Pte Ltd and Teo Hang Sam Realty Sdn Bhd. See Hoy Chan (1988) Pte Ltd and Teo Hang Sam Realty Sdn Bhd are substantial shareholders and related corporations of the Company and Group.
Conflict of interest (including any competing business)	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
Principal Commitments (including Directorships)		
<ul style="list-style-type: none"> • Present 	<ul style="list-style-type: none"> • Singapura Finance Ltd • KOP Limited • ARA Trust Management (Suntec) Limited 	<ul style="list-style-type: none"> • Singapura Finance Ltd • SBS Realty Services (Private) Limited • SBS Nominees Private Limited • Teo Hang Sam Realty (S) Pte Ltd • Teo Soo Chuan Realty Pte Ltd • Teo Soo Chuan Pte Ltd • See Hoy Chan (1988) Private Limited • See Hoy Chan Hub Pte Ltd • High Luck Pte Ltd • Le Grande Vista Pte Ltd • Capitol Hill Holding Pte Ltd • Bukit Timah Investments Pte Ltd • Teo Hang Sam Realty Sdn Bhd • Teo Soo Chuan (M) Sdn Bhd • Teo Soo Chuan Holdings Sdn Bhd • Teo Soo Chuan Development Sdn Bhd • Teo Soo Chuan Realty Sdn Bhd • Teo Soo Chuan Properties Sdn Bhd • Hotel Malaya Sdn Bhd

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of person:	Mrs Yu-Foo Yee Shoon ("Mrs Yu-Foo")	Mr Jamie Teo Miang Yeow ("Mr Jamie Teo")
<ul style="list-style-type: none"> Past (for the last 5 years) 	<ul style="list-style-type: none"> Director of ARA Trust Management (Dynasty) Pte Ltd Director of Lee Kuan Yew Fund for Bilingualism Chairman of TCM practitioners Board, Ministry of Health Director of ED+ Pte Ltd 	<ul style="list-style-type: none"> Ngee Ann Development Private Limited Ngee Ann Cultural Centre Limited Ngee Ann Academy Pte Ltd Ngee Ann Education Holdings Pte Ltd Ngee Ann Property Management Pte Ltd NAD Triple Funds Pte Ltd RE Properties Pte Ltd Singapore Teochew Foundation Limited
Other Commitments		
<ul style="list-style-type: none"> Present 	<ul style="list-style-type: none"> Advisor of Dimensions International College Pte Ltd Advisor of Nuri Holdings (S) Pte Ltd Advisor of Heartware Network Advisor of Singapore China Friendship Associate Women's Alliance Sponsorship Committee Member of Trailblazer Chan Chiew Ping Fund Member of Executive Council of Hainan University, China Justices of the Peace; Marriage Solemniser; Board of Visiting Justices & Board of Inspection (BOVJ & BOI), MHA Home Team 	<ul style="list-style-type: none"> Chairman and Member of Finance House Association of Singapore (on rotation basis)
<ul style="list-style-type: none"> Past (for the last 5 years) 	<ul style="list-style-type: none"> Advisor to Elomart Pte Ltd 	<ul style="list-style-type: none"> Committee of Management Member of the Ngee Ann Kongsi President of The Ngee Ann Kongsi Council Member of Ngee Ann Polytechnic Pte Ltd Honorary Treasurer of Finance House Association of Singapore (on rotation basis) Executive Committee Member and Vice Chairman of Orchard Road Business Association Vice President, Seu Teck Sean Tong Yiang Siu Sia Chairperson representing Ngee Ann Development Pte Ltd at The Management Corporation Strata Title ("MCST") Plan No. 2929

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Listed Issuer	SINGAPURA FINANCE LTD	
Name of person	Mrs Yu-Foo Yee Shoon ("Mrs Yu-Foo")	Mr Jamie Teo Miang Yeow ("Mr Jamie Teo")
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
(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
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	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
(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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Listed Issuer	SINGAPURA FINANCE LTD	
Name of person	Mrs Yu-Foo Yee Shoon ("Mrs Yu-Foo")	Mr Jamie Teo Miang Yeow ("Mr Jamie Teo")
(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
(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
(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
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :- (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (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?	No	No
(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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of person:	Mr Loh Ching Soo (“Mr Loh”)	Mr Lucas Tran Phuoc (“Mr Lucas Tran”)	Dr Christopher Teo Miang Chneh (“Dr Christopher Teo”)
Date of (Initial) Appointment	1 June 2023	1 June 2023	1 July 2023
Date of last re-appointment (if applicable)	Not applicable	Not applicable	Not applicable
Age	55	59	44
Country of principal residence	Singapore	Singapore	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Loh as an Independent Non-Executive Director was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Mr Loh’s qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr Lucas Tran as an Independent Non-Executive Director was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Mr Lucas Tran’s qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Dr Christopher Teo as an Non-Independent Non-Executive Director was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Dr Christopher Teo’s qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Independent Non-Executive Director	Independent Non-Executive Director	Non-Independent Non-Executive Director
Job Title (e.g. Lead ID, AC Chairman, AC Member etc)	<ul style="list-style-type: none"> Chairman of the Remuneration Committee. Deputy Chairman of the Digitalization Committee Member of the Audit, Nominating and Risk Management Committees 	<ul style="list-style-type: none"> Chairman of the Audit Committee. Member of the Nominating, Remuneration, Risk Management and Executive Committees 	<ul style="list-style-type: none"> Member of the Audit, Remuneration, Nominating and Risk Management Committees
Professional Qualifications	<ul style="list-style-type: none"> Bachelor of Economics, James Cook University Executive Program in General Management, MIT Sloan School of Management. 	<ul style="list-style-type: none"> Bachelor of commerce, University of New South Wales, Australia Chartered Accountant of Singapore 	<ul style="list-style-type: none"> Bachelor of Dental Surgery and Doctor of Dental Surgery, University of Adelaide. Diploma of Orthodontics

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of person:	Mr Loh Ching Soo (“Mr Loh”)	Mr Lucas Tran Phuoc (“Mr Lucas Tran”)	Dr Christopher Teo Miang Chneh (“Dr Christopher Teo”)
Working experience and occupation(s) during the past ten years	Mr Loh has extensive experience in the information technology and cybersecurity industry, with leadership positions in multinational corporations in the Asia Pacific region.	Mr Lucas Tran has over thirty-five years of public accounting experience. He was a partner with KPMG Singapore from year 2000 until his retirement in year 2020. He is a partner at WLT Assurance LLP and is an Independent Director of Kim Heng Limited and Natural Cool Holdings Limited. He is also a member of the Singapore Institute of Directors.	Dr Christopher Teo is a diplomate for the American Board of Orthodontics. He teaches part time at New York University and currently works with a dental practice in Singapore.
Shareholding interest in the listed issuer and its subsidiaries	None	None	Refer to Directors’ Statement on pages 71 to 73.
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiaries	None	None	<ul style="list-style-type: none"> • Son of Substantial Shareholder Mr Teo Chiang Long • Brother of Executive Director and Chief Executive Officer Mr Jamie Teo Miang Yeow • Director of See Hoy Chan (1988) Pte Ltd and Teo Hang Sam Realty Sdn Bhd. See Hoy Chan (1988) Pte Ltd and Teo Hang Sam Realty Sdn Bhd are substantial shareholders and related corporations of the Company and Group.
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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of person:	Mr Loh Ching Soo ("Mr Loh")	Mr Lucas Tran Phuoc ("Mr Lucas Tran")	Dr Christopher Teo Miang Chneh ("Dr Christopher Teo")
Principal Commitments (including Directorships)			
<ul style="list-style-type: none"> • Present 	<ul style="list-style-type: none"> • Singapura Finance Ltd • Noshop Pte Ltd 	<ul style="list-style-type: none"> • Singapura Finance Ltd • WLT Assurance LLP • Seviora Holdings Pte Ltd • Natural Cool Holdings Limited • Kim Heng Limited • Pick Network Pte Ltd 	<ul style="list-style-type: none"> • Singapura Finance Ltd • Teo Soo Chuan (Private) Limited • See Hoy Chan (1998) Pte Ltd • See Hoy Chan Hub Pte Ltd • High Luck Pte Ltd • Teo Hang Sam Realty (S) Pte Ltd • Teo Soo Chuan Realty Pte Ltd • Teo Hang Sam Realty Sdn Bhd • Teo Soo Chuan (M) Sdn Bhd • Teo Soo Chuan Properties Sdn Bhd • Teo Soo Chuan Realty Sdn Bhd • Teo Soo Chuan Holdings Sdn Bhd • Teo Soo Chuan Development Sdn Bhd • Long Luck Sdn Bhd
<ul style="list-style-type: none"> • Past (for the last 5 years) 	None	<ul style="list-style-type: none"> • Wellsley Pte Ltd • KPMG LLP • RSM Chio Lim LLP 	None
Other Commitments			
<ul style="list-style-type: none"> • Present 	<ul style="list-style-type: none"> • Board Advisor, Narfin • Member, Digital & Technology Committee, Singapore Cancer Society 	<ul style="list-style-type: none"> • Partner, WLT Assurance LLP 	<ul style="list-style-type: none"> • American Board of Orthodontics, Diplomate • Orange Orthodontics, Orthodontist • Montefiore Hospital Faculty
<ul style="list-style-type: none"> • Past (for the last 5 years) 	<ul style="list-style-type: none"> • Cloudflare Inc • Akamai Technologies Inc • F5 Inc • Vice President, MIT Club of Singapore 	<ul style="list-style-type: none"> • Partner, KPMG LLP • Partner, RSM Chio Lim LLP 	<ul style="list-style-type: none"> • Planet Smiles, Orthodontist • Simply Orthodontics, Orthodontist • Fort Greene Braces, Orthodontist

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Listed Issuer	SINGAPURA FINANCE LTD		
Name of person	Mr Loh Ching Soo ("Mr Loh")	Mr Lucas Tran Phuoc ("Mr Lucas Tran")	Dr Christopher Teo Miang Chneh ("Dr Christopher Teo")
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
(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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Listed Issuer	SINGAPURA FINANCE LTD		
Name of person	Mr Loh Ching Soo ("Mr Loh")	Mr Lucas Tran Phuoc ("Mr Lucas Tran")	Dr Christopher Teo Miang Chneh ("Dr Christopher Teo")
(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
(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 (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	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Listed Issuer	SINGAPURA FINANCE LTD		
Name of person	Mr Loh Ching Soo ("Mr Loh")	Mr Lucas Tran Phuoc ("Mr Lucas Tran")	Dr Christopher Teo Miang Chneh ("Dr Christopher Teo")
<p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No	No	No
<p>(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?</p>	No	No	No

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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 Thursday, 25 April 2024 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 2023 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 1.0 cent per share for the year ended 31 December 2023			
3	Re-election of the following Directors retiring under Article 97:			
3(a)	Mrs Yu-Foo Yee Shoon			
3(b)	Mr Jamie Teo Miang Yeow			
4	Re-election of the following Directors retiring under Article 103:			
4(a)	Mr Loh Ching Soo			
4(b)	Mr Lucas Tran Phuoc			
4(c)	Dr Christopher Teo Miang Chneh			
5	Approval of Directors' fees of \$580,000 for the year ended 31 December 2023			
6	Approval of one-time payment of Directors' Ex-Gratia of \$180,000 to the retired Executive Chairman			
7	Approval of one-time payment of Directors' Ex-Gratia of \$540,000 to 3 retiring Independent Directors			
8	Re-appointment of KPMG LLP as Auditor and authorisation for the Directors to fix their remuneration			
Special Business				
9	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 _____ 2024

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 1970 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 2001 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 1953 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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**PROXY FORM FOR AGM**

Affix
Postage
Stamp

The Company Secretary
c/o Singapore 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 Monday, 22 April 2024, being not less than seventy-two (72) hours before the time appointed for holding the AGM, failing which the Proxy Form will not be treated as valid.
6. The instrument appointing a proxy or proxies must be under the hand of the appointer 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 appointer, 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 9 April 2024.

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 appointer are not ascertainable from the instructions of the appointer 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 appointer, 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

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