

SINGAPURA FINANCE LTD
Co. Reg. No. 196900340N

Six Months And Full Year Financial Statements Announcement

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

	Note	Group					
		6 months ended	6 months ended	+/-	12 months ended	12 months ended	
		31 Dec	31 Dec		31 Dec	31 Dec	
		2023	2022		2023	2022	
		\$'000	\$'000	%	\$'000	\$'000	%
Interest income and hiring charges		24,024	19,467	23.4	48,150	34,078	41.3
Interest expense		(13,700)	(5,310)	158.0	(26,144)	(7,859)	232.7
Net interest income and hiring charges		10,324	14,157	(27.1)	22,006	26,219	(16.1)
Fee and commission income		268	127	111.0	478	301	58.8
Other operating income		174	255	(31.8)	453	458	(1.1)
Income before operating expenses		10,766	14,539	(26.0)	22,937	26,978	(15.0)
Staff costs		(4,294)	(5,267)	(18.5)	(8,326)	(9,111)	(8.6)
Depreciation of property, plant and equipment		(759)	(775)	(2.1)	(1,402)	(1,330)	5.4
Other operating expenses		(2,949)	(2,948)	0.0	(5,634)	(4,986)	13.0
Total operating expenses		(8,002)	(8,990)	(11.0)	(15,362)	(15,427)	(0.4)
Profit from operations before allowances		2,764	5,549	(50.2)	7,575	11,551	(34.4)
Write back/(Allowances) for impairment losses on loans and advances	11	6	(547)	(101.1)	(54)	(1,422)	(96.2)
Profit before tax	7	2,770	5,002	(44.6)	7,521	10,129	(25.7)
Tax expense	8	(562)	(914)	(38.5)	(1,365)	(1,785)	(23.5)
Profit after tax		2,208	4,088	(46.0)	6,156	8,344	(26.2)
Other comprehensive income							
<u>Items that may be reclassified subsequently to profit or loss (net of tax):</u>							
Fair value changes of debt investments (net)		(282)	3,062	n.m.	55	(6,151)	n.m.
Total comprehensive income for the period		1,926	7,150	(73.1)	6,211	2,193	183.2
<u>Earnings per share for the profit for the period attributable to the owners of the Company during the year:</u>							
Basic earnings per share (cents)		2.78	5.15		3.88	5.26	
Diluted earnings per share (cents)		2.78	5.15		3.88	5.26	

n.m. – not meaningful

The Group's basic earnings per share is calculated based on the weighted average number of ordinary shares in issue of 158,685,890 for the periods ended 31 December 2023 and 2022. There are no potential dilutive ordinary shares for the periods ended 31 December 2023 and 2022.

B. Condensed full year statements of financial position

	Note	Group		Company	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
		\$'000	\$'000	\$'000	\$'000
Assets					
Cash and balances with banks	5	99,447	100,260	99,432	100,243
Statutory deposit with the Monetary Authority of Singapore("MAS")		22,019	23,445	22,019	23,445
Investments	10.2	203,911	191,527	203,911	191,527
Loans and advances	11	824,295	844,464	824,295	844,464
Others receivables, deposits and prepayments		2,510	2,306	2,510	2,306
Subsidiaries		-	-	125	125
Property, plant and equipment	12	7,710	7,288	7,710	7,288
Deferred tax asset		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	13	168,896	168,896	168,896	168,896
Reserves		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	15	877,710	893,826	880,319	896,437
Trade and other payables		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		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
Net Asset Value					
Net asset value per ordinary share (\$)		1.60	1.59	1.58	1.58

The net asset value per share is calculated based on the number of shares of 158,685,890 ordinary shares in issue at the end of 31 December 2023 and 31 December 2022.

C. Condensed full year consolidated statement of cash flow:

	Note	12 months ended 31 Dec 2023 \$'000	12 months ended 31 Dec 2022 \$'000
Cash flows from operating activities			
Profit for the period		6,156	8,344
<u>Adjustments for:-</u>			
Depreciation of property, plant and equipment		1,402	1,330
Bad Debts written off		2	-
Allowances for impairment losses on loans and advances		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 gratuity		35	19
Interest expense on lease liabilities		543	287
Tax expense		1,365	1,785
		9,557	13,122
<u>Changes in working capital:</u>			
Statutory deposit with 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
		18,859	54,040
Cash from operations			
Taxes paid		(1,757)	(1,898)
Staff retirement gratuity paid		(174)	(104)
		16,928	52,038
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
		(12,679)	(69,077)
Net cash used in investing activities			
Cash flows from financing activities			
Payment of lease liabilities		(1,051)	(852)
Dividends paid	9	(5,157)	(6,347)
(Repayment)/Borrowings from MAS	14	(3,900)	10,000
		(10,108)	2,801
Net cash (used in)/ from financing activities			
Net decrease in cash and cash equivalents		(5,859)	(14,238)
Cash and cash equivalents at beginning of period		97,260	111,498
Cash and cash equivalents at end of year	5	91,401	97,260

D. Condensed full year statements of changes in equity – Group

	Note	Share Capital	Capital Reserve	Regulatory Loss Allowance Reserve	Statutory Reserve	Fair Value Reserve	General Reserve	Accumulated Profits	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
The Group									
At 1 Jan 2023		168,896	1,353	718	84,498	(14,342)	730	10,369	252,222
Total comprehensive income for the period									
Profit for the period		-	-	-	-	-	-	6,156	6,156
Other comprehensive income									
Items that may be reclassified subsequently to profit or 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									
Final dividend of 2 cents and Special dividend of 1.25 cents per share paid in respect of year 2022	9	-	-	-	-	-	-	(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)	-
Transfer from Regulatory Loss Allowance Reserve to accumulated profits		-	-	-	-	-	-	-	-
At 31 Dec 2023		168,896	1,353	718	86,018	(14,287)	730	9,848	253,276
The Group									
At 1 Jan 2022		168,896	1,353	718	80,178	(8,191)	730	12,692	256,376
Total comprehensive income for the period									
Profit for the period		-	-	-	-	-	-	8,344	8,344
Other comprehensive income									
Items that may be reclassified subsequently to profit or 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									
Final dividend of 2 cents and Special dividend of 2 cents per share paid in respect of year 2021	9	-	-	-	-	-	-	(6,347)	(6,347)
Total transactions with owners		-	-	-	-	-	-	(6,347)	(6,347)
Transfer from profit for the year to Statutory Reserve		-	-	-	4,320	-	-	(4,320)	-
Transfer from Regulatory Loss Allowance Reserve to accumulated profits		-	-	-	-	-	-	-	-
At 31 Dec 2022		168,896	1,353	718	84,498	(14,342)	730	10,369	252,222

FVOCI: Fair Value through Other Comprehensive Income

D. Condensed full year statements of changes in equity – Company

	Note	Share Capital	Capital Reserve	Regulatory Loss Allowance Reserve	Statutory Reserve	Fair Value Reserve	General Reserve	Accumulated Profits	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
The Company									
At 1 Jan 2023									
		168,896	1,353	718	84,498	(14,342)	730	8,096	249,949
Total comprehensive income for the period									
Profit for the period		-	-	-	-	-	-	6,073	6,073
Other comprehensive income									
Items that may be reclassified subsequently to profit or 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									
Final dividend of 2 cents and Special dividend of 1.25 cents per share paid in respect of year 2022	9	-	-	-	-	-	-	(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)	-
Transfer from Regulatory Loss Allowance Reserve to accumulated profits		-	-	-	-	-	-	-	-
At 31 Dec 2023									
		168,896	1,353	718	86,018	(14,287)	730	7,492	250,920
The Company									
At 1 Jan 2022									
		168,896	1,353	718	80,178	(8,191)	730	10,428	254,112
Total comprehensive income for the period									
Profit for the period		-	-	-	-	-	-	8,335	8,335
Other comprehensive income									
Items that may be reclassified subsequently to profit or 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									
Final dividend of 2 cents and Special dividend of 2 cents per share paid in respect of year 2021	9	-	-	-	-	-	-	(6,347)	(6,347)
Total transactions with owners									
		-	-	-	-	-	-	(6,347)	(6,347)
Transfer from profit for the year to Statutory Reserve		-	-	-	4,320	-	-	(4,320)	-
Transfer from Regulatory Loss Allowance Reserve to accumulated profits		-	-	-	-	-	-	-	-
At 31 Dec 2022									
		168,896	1,353	718	84,498	(14,342)	730	8,096	249,949

FVOCI: Fair Value through Other Comprehensive Income

E. Notes to the condensed interim and full year consolidated financial statements

1. Corporate information

Singapura Finance Ltd (the Company) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements for the six months and full year ended 31 December 2023 comprise the Company and its subsidiaries (collectively, the Group).

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

2. Basis of Preparation

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

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

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

2.1. New and amended standards adopted by the Group

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*
- *SFRS(I) 1-8: Definition of Accounting Estimates*
- *SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single transaction*
- *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.

2.2. Use of judgements and estimates

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

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

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.

3. Seasonal operations

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

4. Segment and revenue information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The Group operates in only one segment. Its activities relate to financing business. All activities are carried out in the Republic of Singapore. Revenue in respect of these activities is disclosed in the financial statements accordingly.

5. Cash and balances with banks

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

6. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2023 and 31 December 2022:

	----- Group -----		----- Company -----	
	31 Dec 2023 \$'000	31 Dec 2022 \$'000	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Financial Assets				
- At amortised cost				
Cash and balances with banks	99,447	100,260	99,432	100,243
Statutory deposit with Monetary Authority of Singapore ("MAS")	22,019	23,445	22,019	23,445
Loans and advances	824,295	844,464	824,295	844,464
Other receivables and deposits (excludes prepayments)	1,517	1,475	1,517	1,475
- At fair value through other comprehensive income (FVOCI)				
Debt instruments	203,911	191,527	203,911	191,527
Unquoted equity instruments	*	*	*	*
	<u>1,151,189</u>	<u>1,161,171</u>	<u>1,151,174</u>	<u>1,161,154</u>
Financial Liabilities				
Deposits and savings accounts of customers	(877,710)	(893,826)	(880,319)	(896,437)
Trade and other payables	(22,416)	(12,332)	(22,280)	(12,103)
Borrowings from MAS	(6,100)	(10,000)	(6,100)	(10,000)
	<u>(906,226)</u>	<u>(916,158)</u>	<u>(908,699)</u>	<u>(918,540)</u>

*Amount less than S\$1,000

7. Profit before taxation

7.1. Significant items

	Group			
	6 months ended 31 Dec 2023 \$'000	6 months ended 31 Dec 2022 \$'000	12 months ended 31 Dec 2023 \$'000	12 months ended 31 Dec 2022 \$'000
Interest income and hiring charges				
Interest income on:				
- loans and advances	19,326	16,960	38,931	30,253
- bank deposits	1,157	577	2,565	731
- Singapore Government Securities	3,541	1,930	6,654	3,094
	24,024	19,467	48,150	34,078
Interest expense				
Interest expense on customer deposits	13,696	5,305	26,135	7,852
Interest expense on Borrowings	4	5	9	7
	13,700	5,310	26,144	7,859
Other operating income				
Bad debts recovered	3	19	73	24
Others	171	236	380	395
Government grant	-	-	-	39
	174	255	453	458
Staff costs				
Salaries and other benefits	3,907	4,696	7,535	8,110
Contributions to defined contribution plans	387	571	791	1,001
	4,294	5,267	8,326	9,111

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

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

	Group			
	6 months ended 31 Dec 2023 \$'000	6 months ended 31 Dec 2022 \$'000	12 months ended 31 Dec 2023 \$'000	12 months ended 31 Dec 2022 \$'000
Other operating expenses				
Audit fees :				
-auditors of the Company	89	79	171	159
Non-audit fees:				
-auditors of the Company	31	69	36	77
Property, plant and equipment written-off	-	8	-	8
Interest expense on lease liabilities				
- related corporations	268	91	426	258
- third parties	88	15	117	29
Other operating expense paid to:				
- related corporations	28	25	53	49
- third parties	2,445	2,661	4,831	4,406
	2,949	2,948	5,634	4,986

7.2. Related party transactions

Key management personnel compensation

Key management personnel compensation comprised the following:

	Group			
	6 months ended	6 months ended	12 months ended	12 months ended
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	\$'000	\$'000	\$'000	\$'000
Directors' fees	290	240	580	480
Directors' Ex-Gratia	167	750	370	750
Short-term employee benefits	489	760	1,638	1,812
Post-employment benefits	38	45	102	108

Total outstanding remuneration payable to personnel who are both Directors and Key management personnel amounted to \$2,861,000 (31 December 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			
	6 months ended	6 months ended	12 months ended	12 months ended
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	\$'000	\$'000	\$'000	\$'000
Interest on deposits paid to related parties	2,771	1,802	5,856	2,251
Rental and service charges paid to related parties	531	454	1,018	908

8. Taxation

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

	Group			
	6 months ended	6 months ended	12 months ended	12 months ended
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	\$'000	\$'000	\$'000	\$'000
Tax expense				
Current year	581	951	1,416	1,842
Deferred tax debit/(credit)				
Origination and reversal of temporary differences	(19)	(37)	(51)	(57)
	562	914	1,365	1,785

9. Dividend

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

	Group and Company	
	12 months ended 31 Dec 2023	12 months ended 31 Dec 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 cent)	1,983	3,173
	<u>5,157</u>	<u>6,347</u>
Dividend per share (net of tax) (cents)	3.25	4.0

10. Fair value of financial instruments

10.1. Fair value measurement

In assessing the fair value of financial instruments, the Group uses a variety of methods and make assumptions that are based on market conditions existing at each reporting date.

Although management have employed their best judgement in the estimation of fair values, there is inevitably a significant element of subjectivity involved in the calculations. Therefore, the fair value estimates presented below are not necessarily indicative of the amounts the Group could have realised in a sales transaction at the reporting date. For financial assets and liabilities not carried at fair value on the financial statements, the Group has determined that their fair values were not materially different from the carrying amounts at the reporting date. The carrying amounts and fair values of financial instruments of the Group are described below.

The methodologies and assumptions used depend on the terms and risk characteristics of the various instruments and include the following:

Financial instruments for which fair value approximates the carrying amount

The carrying values of statutory deposit with the Monetary Authority of Singapore, other receivables and deposits, cash and balances with banks and trade and other payables, approximate their fair values as these balances are short-term in nature or are receivable or payable on demand.

Investment in Singapore Government Securities

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

10.2 Financial assets at fair value through other comprehensive income

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

	Group and Company	
	31 Dec 2023	31 Dec 2022
	\$'000	\$'000
Investments		
Singapore Government Securities	203,911	191,527
Unquoted equity securities	*	*
	<u>203,911</u>	<u>191,527</u>

*Amount less than S\$1,000

10.3 Fair value hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: unobservable inputs for the asset or liability.

The following table presented the assets measured at fair value:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group and Company				
Financial assets				
31 December 2023				
FVOCI investments	203,911	–	*	203,911
31 December 2022				
FVOCI investments	191,527	–	*	191,527

*Amount less than S\$1,000

11. Loans and advances

	Group and Company	
	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Mortgage and other secured loans	605,503	674,445
Unsecured loans	9,270	14,008
Hire purchase receivables	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:		
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).

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

	Group and Company			Total
	12-month ECL	Lifetime ECL- not credit impaired	Lifetime ECL – credit impaired	
	\$'000	\$'000	\$'000	
Balance as at 1 Jan 2022	3,423	577	1,677	5,677
Allowances for/(write-back)	102	550	770	1,422
Amounts written off	-	-	(149)	(149)
Balance as at 31 Dec 2022	3,525	1,127	2,298	6,950
Allowances for/(write-back)	310	(219)	(37)	54
Amounts written off	-	-	(235)	(235)
Balance as at 31 Dec 2023	3,835	908	2,026	6,769

12. Property, plant and equipment

During the year ended 31 December 2023, the Group acquired property, plant and equipment amounting to \$361,000 (31 December 2022: \$1,087,000) and right-of-use assets of \$1,463,000 (31 December 2022: \$110,000).

13. Share capital

	Group and Company			
	31 Dec 2023		31 Dec 2022	
	Number of shares '000	Amount \$'000	Number of shares '000	Amount \$'000
Fully paid ordinary shares, with no par value:				
At the beginning and end of financial year	158,686	168,896	158,686	168,896

The Company did not hold any treasury shares as at 31 December 2023.

The Company's subsidiaries did not hold any shares in the Company as at 31 December 2023 and 31 December 2022.

14. Borrowings from MAS

	Group and Company	
	31 Dec 2023	31 Dec 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.

15. 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.

16. Non-current assets and liabilities

Assets and liabilities other than those disclosed below are current.

	----- Group -----		----- Company -----	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	\$'000	\$'000	\$'000	\$'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
	<u>826,693</u>	<u>733,411</u>	<u>826,818</u>	<u>733,536</u>
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
	<u>121,775</u>	<u>109,521</u>	<u>121,775</u>	<u>109,521</u>

17. Subsequent events

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

Other information required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated statement of financial position of Singapura Finance Ltd and its subsidiaries as at 31 December 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

	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 (Allowances)/Write-back on loan losses	7,575 (54)	11,551 (1,422)	(34.42) (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.

Second Half 2023

For the second half of 2023, the Group recorded a profit after tax of \$2.2 million, a decline of 46.0% as compared to the same period last year. The weaker performance was primarily attributed to lower net interest income.

Net interest income and hiring charges decreased by 27.1% to \$10.3 million compared to the previous corresponding period as increase in cost of deposits outpaced the rise in interest income amidst a higher interest rate environment. Non-interest income increased by \$0.1 million or 15.7% due to higher loan administrative and penalty fees earned on early settlement. Despite rising business costs, total operating expenses decreased by 11.0% to \$8.0 million largely from staff costs and depreciation of property, plant and equipment.

Net write-back for impairment losses on loans and advances amount to \$0.01 million as compared to net charge of \$0.5 million during the same period last year. The Group continues to set aside adequate specific and collective allowances in respect of its loan portfolio.

Full Year 2023

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 \$14.1m 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 \$18.3m 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 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.

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

Not applicable.

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

The Ministry of Trade and Industry (“MTI”) announced on 15 February 2024 that the Singapore economy grew by 2.2% on a year-on-year basis in the fourth quarter of 2023, accelerating from the 1.0% expansion 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 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 by International Monetary Fund (“IMF”) 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.

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.

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

Nil.

6. Group’s borrowings and debt securities as at the end of the current financial period and as at the end of the corresponding period of the immediately preceding financial year.

The Group and the Company’s borrowings are as disclosed under Note 14 to the condensed interim consolidated financial statements. There are no outstanding debt securities issuance as at 31 December 2023 and 31 December 2022 for the Group and the Company.

7. Dividend Information

7a. Current Financial Period Reported on

Any dividend recommended for the current financial period reported on? Yes.

Subject to shareholders' approval at the forthcoming Annual General Meeting, the Board of Directors is recommending a first and final dividend one-tier tax-exempt of 2.0 cents per share and a special one-tier tax exempt dividend of 1.0 cents per share in cash for the year ended 31 December 2023.

Name of Dividend	First & final	Special
Dividend Type	Cash	Cash
Dividend Rate	2.0 cents per share	1.0 cents per share
Tax Rate	Tax exempt one-tier	Tax exempt one-tier
Total Dividend	\$3,173,718	\$1,586,859
Total Annual Dividend		
Ordinary	\$4,760,577	
Preference	-	
Total	<u>\$4,760,577</u>	

The book closure and dividend payment dates are subject to shareholders' approval at the forthcoming Annual General Meeting and will be announced at a later date.

7b. Corresponding Period of the Immediate Preceding Financial Year

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

Name of Dividend	First & final	Special
Dividend Type	Cash	Cash
Dividend Rate	2.0 cents per share	1.25 cents per share
Tax Rate	Tax exempt one-tier	Tax exempt one-tier
Total Dividend	\$3,174,000	\$1,983,574
Total Annual Dividend		
Ordinary	\$5,157,574	
Preference	-	
Total	<u>\$5,157,574</u>	

8. Half-Yearly Income and Profit After Tax

	Year ended 31 December 2023	Year ended 31 December 2022	Increase/ (Decrease)
	\$'000	\$'000	%
Total Income			
First Half Year	12,171	12,439	(2.2)
Second Half Year	10,766	14,539	(26.0)
Profit After Tax			
First Half Year	3,948	4,256	(7.2)
Second Half Year	2,208	4,088	(46.0)

9. Interested person transactions

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

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

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

11. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
NIL	NIL	NIL	NIL	NIL

Confirmation by the Board pursuant to Rule 705(5)

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month and full year ended 31 December 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Teo Chiang Long
Director

Tan Hui Keng, Martha
Director

By Order of the Board
Lee Tiong Hock
Company Secretary

27 February 2024