



Annual Report 2024

Building Foundations for Your Future



Our Logo

Our iconic Singapura Phoenix has been updated with a contemporary look that draws from both Eastern and Western values, reflecting the harmonious balance of Singapore's business environment. The Eastern Fenghuang represents the Chinese symbol of prosperity, wisdom and integrity, while the Western Phoenix embodies ambition and strength, reflecting our brand's resilience as well as our ability to remain relevant in a dynamic financial landscape.

Vision

To be Singapore's trusted partner in building financial stability and generational wealth, empowering families and businesses.

Mission

To offer grounded financial solutions that grow with you—supporting savings, home ownership, business growth, and helping individuals and families achieve enduring wealth and success.



Our Refreshed Brand

As we commemorate our 75th anniversary in 2025, we take this milestone as an opportunity for deep reflection on who we are and where we are headed. Our brand, much like the people who define it, must continue to grow and evolve in a way that stays relevant and connected to the world today. It must tell a story that aligns with our core values, mission, and the solutions we provide.

As we build on the legacy we have established, we remain steadfast in our unwavering purpose: to be a trusted partner that empowers generations with strong financial fundamentals. Our commitment to innovation and excellence ensures that we will continue to lead with purpose and drive, while remaining grounded in the values that have shaped our success.

Our Values

We look to the future guided by values that form the very heart of Singapura Finance, driving our vision and shaping our impact across generations.



Empathy

We build relationships founded on trust and care by fostering genuine connections with our customers, employees, and communities.



Resilience

We empower our customers and employees to navigate challenges with strength and adaptability. Resilience fuels our ability to evolve without losing sight of our purpose.



Integrity

With honesty, fairness, and ethical responsibility guiding every decision, we ensure transparency and accountability in all we do.



Innovation

We leverage forward-thinking ideas and technologies to transform challenges into opportunities to create financial solutions that are effective and aligned with the aspirations of those we serve.



Sustainable Growth

This value represents our promise to build wealth that transcends generations by making decisions today that benefit not only our customers but also the world of tomorrow.

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Chairman's Statement



In 2025, Singapura Finance Ltd commemorates our 75th anniversary, a significant milestone marking over seven decades of service to Singapore's financial sector. This anniversary provides an opportunity for reflection on our values, legacy and continued commitment to our communities.

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 2024 ("FY2024").

CELEBRATING OUR 75TH ANNIVERSARY

In 2025, Singapura Finance Ltd commemorates our 75th anniversary, a significant milestone marking over seven decades of service to Singapore's financial sector. This anniversary provides an opportunity for reflection on our values, legacy and continued commitment to our communities.

We have recently undertaken a transformation with the launch of our refreshed brand identity. The Singapura Phoenix is a powerful emblem of renewal, resilience and ambition; this rebranding is a reaffirmation of our mission of empowering our customers to achieve their financial aspirations.

The transformation will strengthen our commitment to remaining relevant and impactful in an ever-changing financial landscape, and promoting sustainable, purpose-driven success, as well as fostering the financial literacy of current and potential customers.

FY2024 PERFORMANCE REVIEW

FY2024 continued to be an economic environment filled with challenges and uncertainty. Cost of funds remained high and only started to ease slightly later in the year. Despite these challenges, the Group recorded a profit after tax of \$6.1 million, a decline of 1.0% compared to the previous year. The weaker performance was due to the increase in higher impairment losses on loans and advances.

Net interest income and hiring charges rose by 5.6% to \$23.2 million compared to \$22.0 million last year. Total interest income rose by \$5.8 million or 12.1%, mainly attributable to the increase in interest income from the growth in loans and advances. Correspondingly, total interest expense also increased sharply by \$4.6 million or 17.5% during the year. Non-interest income increased marginally by \$0.05 million or 5.6% largely due to higher loan administrative and penalty fees earned on early settlement. Total operating expenses increased by \$1.0 million or 6.8% for the most part arising from higher staffing costs.

Net allowances for loans and advances of \$0.5 million were made for 2024 compared to \$0.1 million for year ended 31 December 2023. The higher allowances were predominantly for general allowances for non-credit impaired loans as we grew our loans book, and the uncertain macroeconomic outlook. The Group continues to set aside adequate specific and collective allowances with respect to its loan portfolio.

The Group's shareholders' funds remain robust at \$255 million as at 31 December 2024, 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 2024 increased by \$0.05 million due to a decrease in the fair value of the Singapore Government Securities (SGS). The Group purchases SGS for the purposes of maintaining minimum liquid assets as required under the Finance Companies Act.

The Group's total loan, net of allowances, increased by 19.2% to \$983 million as at 31 December 2024 compared to \$824 million as at 31 December 2023. In line with the higher loan

Chairman's Statement

balance, total customers' deposits were managed upwards by 17.6% to \$1,032 million as at 31 December 2024 compared to \$878 million as at 31 December 2023.

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 FY2024. The total distribution of 3.0 cents per share for the year will amount to approximately \$4.8 million.

OPERATIONS REVIEW

In 2024, the Group prioritized core fundamentals and provided unwavering support to our customers by maintaining competitive rates despite the high interest rate environment. We also strengthened these fundamentals by enhancing our online services, SFL Go and SFL IBiz, focusing on improving customer experience.

We continued on expanding customer's digital touchpoints while prioritizing transaction security through security by design. Cybersecurity risk monitoring remains a high priority.

Recognizing the growing importance of financial institutions' role in sustainable economies, we are committed to responsible corporate citizenship. We are actively reducing our carbon footprint and aligning our corporate philosophy, strategy, and goals with the government's green finance vision. This includes integrating environmental, social and governance factors into our risk and credit assessments through our environmental risk management framework.

OUTLOOK

The Singapore economy grew by 5.0 per cent on a year-on-year basis in the fourth quarter of 2024, moderating from the 5.7 per cent growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted basis, the economy expanded by 0.5 per cent, slower than the 3.0 per cent expansion in the third quarter. For the whole of 2024, the economy grew by 4.4 per cent, faster than the 1.8 per cent growth in 2023.

Despite the overall growth in the economy, Singapore navigates the next phase of its economic development within a global economic landscape marked by heightened geopolitical tensions and rapid technological disruption. The world is facing increasing volatility and uncertainties where risks from the new United States administration could increase trade tensions and further dampen growth prospects.

Against the backdrop of global economic uncertainties, MAS also eased its monetary policy in late January 2025 for the first time since March 2020. This indicates a potential slowdown in economic growth.

Given the underwhelming economic prospects, the Group will be mindful of any unexpected shifts in the global and local macro environment, remain steadfast in managing our risk exposures and be proactive in managing our net interest margin in an environment of volatile interest rates. The Group continues its aim to stay relevant and competitive to sustain long-term growth for the benefit of all our stakeholders.

ACKNOWLEDGEMENTS

The Group has manoeuvred through ups and downs in the economy through the last seven decades with strength and adaptability. On this, our 75th anniversary, we look forward to a future guided by our values of Empathy, Resilience, Integrity, Innovation and Sustainable Growth.

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 loyalty. I thank our late Honorary Advisor Mr Teo Chiang Long and my fellow Board members for their counsel and guidance.

The Board of Directors was greatly saddened by the passing of Mr Teo Chiang Long, who served as Chairman of the Board from 2002 to 2024, and was instrumental in guiding the Company through significant growth and various challenges over the past four decades. Under his leadership, the Company achieved numerous milestones and established itself as a trusted and respected player in the financial industry. Mr Teo had a strong personality and was a driving force in making enterprising decisions and fostering a strong organisational culture.

He left behind a lasting legacy and a strong foundation for the Company's continued growth and success. We will continue to strive to ensure that his legacy continues to prosper.

I also acknowledge and commend our management and staff for their diligence and hard work in supporting the Group in 2024.

Yu-Foo Yee Shoon
Non-Executive Chairman

Singapore

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, Risk, Nominating and Remuneration 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 25 April 2024.

Mrs Yu-Foo is also an Independent Director of ESR Trust Management (Suntec) Limited. She is the Advisor of Nuri Holdings (S) Pte Ltd, Dimensions International College Ptd Ltd, Heartware Network and Honorary Advisor to the Singapore China Friendship Association Women Alliance.

Mrs Yu-Foo is a Justice of Peace since 2013. She is the Board member of Visiting Justices (BOVJ, Board of Inspection (BOI) of MHA Hometeam and also the Marriage Solemnizer of Registry of Marriages, MSF.

Mrs Yu-Foo was the former Minister of State and served for 27 years as a Member of Parliament (MP). She was the first woman Mayor in Singapore and the first woman to chair the NTUC Central Committee in 1980.

She was also Board Member of several statutory boards, co-operatives and listed companies such as: Economic Development Board (EDB), Singapore Telecommunications, NTUC Insurance Co-operative, NTUC FairPrice, NTUC Childcare, NTUC FoodFare, Jurong Town Corporation, Land Transport Authority, National University of Singapore Council and Singapore Bus Services.

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

Board of Directors



Jamie Teo Miang Yeow

Chief Executive Officer and Executive Director

Mr Jamie Teo Miang Yeow joined the Company as corporate planner on 30 March 2000 and was appointed to the Board as an Executive Director on 8 November 2002. Mr Teo was appointed Deputy Chief Executive Officer of the Company on 17 March 2005 and has held the position of Chief Executive Officer since 11 September 2007. He was last re-elected as a Director pursuant to Article 97 of the Constitution of the Company at the Annual General Meeting of the Company held on 25 April 2024. Mr Teo is the Chairman of the Executive Committee and is a member of the Nominating, Risk Management, 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).

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.



Lucas Tran Phuoc

Independent Non-Executive Director

Mr Lucas Tran Phuoc joined the Board on 1 June 2023 as an Independent Non-Executive Director. Mr Lucas Tran is the Chairman of the Audit Committee and is also a member of the Nominating, Risk Management, Remuneration and Executive Committees. He was last re-elected as a Director pursuant to Article 103 of the Constitution of the Company at the Annual General Meeting of the Company held on 25 April 2024.

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 Ltd, Olam Group Limited and Natural Cool Holding Ltd. He is also a member of the Singapore Institute of Directors.

Mr Lucas Tran has over thirty-five 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.

Board of Directors



Adam Tan Chin Han

Independent Non-Executive Director

Mr Adam Tan Chin Han joined the Board on 3 January 2017 as an Independent Non-Executive Director. Mr Tan is the Lead Independent Director and Chairman of the Risk Management and Nominating Committees. 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 a director of Agrimax Pte Ltd and 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).



Terence Khoo Chi Siang

Independent Non-Executive Director

Mr Terence Khoo Chi Siang 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.

Board of Directors



Loh Ching Soo

Independent Non-Executive Director

Mr Loh Ching Soo joined the Board on 1 June 2023 as an Independent Non-Executive Director. He serves as Chairman of the Remuneration Committee and Deputy Chairman of the Digitalisation Committee, and is also a member of the Audit, Nominating and Risk Management Committees. He was last re-elected as a Director pursuant to Article 103 of the Constitution of the Company at the Annual General Meeting of the Company held on 25 April 2024.

With 30 years of experience driving growth and innovation, Mr Loh brings extensive expertise across technology, entrepreneurship and board advisory roles. His background in information technology and cybersecurity includes leadership positions at multinational corporations such as Cloudflare, Akamai, Citrix, NetApp and EMC throughout the Asia Pacific region.

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



Dr Christopher Teo Miang Chneh

Non-Independent Non-Executive Director

Dr Christopher Teo Miang Chneh joined the Board on 1 July 2023 as a Non-Independent, Non-Executive Director and is a member of the Audit, Risk Management, Nominating and Remuneration Committees. He was last re-elected as a Director pursuant to Article 103 of the Constitution of the Company at the Annual General Meeting of the Company held on 25 April 2024.

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.

Financial Highlights

	FY2024 S\$'000	FY2023 S\$'000	FY2022 S\$'000	FY2021 S\$'000	FY2020 S\$'000
CAPITAL EMPLOYED					
Total assets	1,313,720	1,163,084	1,172,442	1,177,600	1,175,068
Net assets	254,561	253,276	252,222	256,376	254,623
Net assets per share (dollars)	1.60	1.60	1.59	1.62	1.60
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	989,783	831,064	851,414	901,643	844,633
Deposits	1,031,864	877,710	893,826	907,987	907,474
PROFIT AND DIVIDEND PAYOUT					
Profit before tax	7,337	7,521	10,129	11,533	5,620
Profit after tax	6,094	6,156	8,344	9,618	4,766
Dividend	4,761	4,761	5,157	6,347	2,380
DIVIDEND AND EARNINGS PER SHARE					
Dividend per share (cents) - tax-exempt one-tier	3.00	3.00	3.25	4.00	1.50
Earnings per share (cents) ⁽¹⁾	3.84	3.88	5.26	6.06	3.00

⁽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 (S\$ million)



DEPOSITS (S\$ million)



PROFIT BEFORE TAX (S\$ million)



NET DIVIDEND PER SHARE (cents)



Financial Review

Financial Summary

	2024 \$'000	2023 \$'000	Variance %
SELECTED INCOME STATEMENT ITEMS			
Net interest income	23,248	22,006	5.64
Non-interest income	983	931	5.59
Total income	24,231	22,937	5.64
Operating expenses	(16,400)	(15,362)	6.76
Profit from operations before allowances	7,831	7,575	3.39
(Allowances) / Write-back on loan losses	(494)	(54)	814.81
Profit before tax	7,337	7,521	(2.45)
Taxation	(1,243)	(1,365)	(8.94)
Profit after tax attributable to shareholders	6,094	6,156	(1.01)
SELECTED BALANCE SHEET ITEMS			
Total equity	254,561	253,276	0.51
Total assets	1,313,720	1,163,084	12.95
Loans and advances (net of allowances)	982,832	824,295	19.23
Deposits and savings accounts of customers	1,031,864	877,710	17.56
KEY FINANCIAL RATIOS (%)			
Net interest margin	1.87	2.00	
Non-interest income ratio	4.06	4.06	
Cost-to-income ratio	67.68	66.98	
Loans-to-deposits ratio	95.25	93.91	
Non-performing loans ratio			
- Secured by collateral	2.70	3.08	
- Unsecured and fully provided for	0.18	0.25	
Return on equity ⁽¹⁾	2.39	2.43	
Return on total assets ⁽²⁾	0.46	0.53	
Capital adequacy ratio	24.91	29.31	
PER ORDINARY SHARE DATA			
Basic earnings per share (cents) ⁽³⁾	3.84	3.88	
Net asset value per share (\$)	1.60	1.60	

⁽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 2024 and 31 Dec 2023 are calculated based on profit after tax on weighted average of 158,685,890 shares in issue.

Analysis of Performance

Full Year 2024

For the year ended 31 December 2024, the Group recorded a profit after tax of \$6.1 million, a decline of 1.0% compared to last year. The weaker performance primarily attributable to the increase in higher impairment losses on loans and advances.

Net interest income and hiring charges rose by 5.6% to \$23.2 million compared to \$22.0 million last year. Total interest income rose by \$5.8m or 12.1% mainly attributed to the increase in interest income from the growth of our loans and advances. Correspondingly, total interest expense also increased sharply by \$4.6m or 17.5% during the year. Non-interest income increased marginally by \$0.05 million or 5.6% mainly due to higher loan administrative and penalty fees earned on early settlement. Total operating expenses increased by \$1.0 million or 6.8% mainly arising from higher staff costs as compared to last year.

Net allowances for loans and advances of \$0.5 million were made for 2024 compared to \$0.1 million for year ended 31 Dec 2023. The higher allowances were predominantly for general allowances for non-credit impaired loans as we grew our loans book and the uncertain macroeconomic outlook. 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 \$255 million as at 31 December 2024, 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 2024 increased by \$0.05 million due to decrease in the fair value of the SGS. The Group purchases SGS for the purposes of maintaining minimum liquid assets as required under the Finance Companies Act.

Financial Review

The Group's total loan, net of allowances, increase by 19.2% to \$983 million as at 31 December 2024 compared to \$824 million as at 31 December 2023. In line with the higher loan balance, total customers' deposits were managed upwards by 17.6% to \$1,032 million as at 31 December 2024 compared to \$878 million as at 31 December 2023.

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

Dividend per Share

Subject to approval of shareholders at the forthcoming Annual General Meeting, the Board is recommending a first and final one-tier tax-exempt dividend of 2.0 cents per share and a special one-tier tax-exempt dividend of 1.0 cent per share for FY2024, payable in cash. The total distribution of 3.0 cents per share for the year will amount to approximately \$4.76 million.

	2024 Tax-Exempt cents	2023 Tax-Exempt cents	Variance cents
DIVIDEND PER SHARE			
- Final	2.00	2.00	-
- Special	1.00	1.00	-
Total	3.00	3.00	-

Net Interest Income

Interest-earning Assets & Interest-bearing Liabilities

	2024			2023			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	929,365	44,884	4.83	806,774	38,931	4.83	5,953	0.00
Singapore Government Securities	216,793	6,182	2.85	215,157	6,654	3.09	(472)	(0.24)
Other interest-earning assets	96,445	2,905	3.01	79,210	2,565	3.24	340	(0.23)
Total	1,242,603	53,971	4.34	1,101,141	48,150	4.37	5,821	(0.03)
INTEREST-BEARING LIABILITIES								
Deposits and savings accounts	971,270	30,723	3.16	844,221	26,144	3.10	4,579	0.06
Total	971,270	30,723	3.16	844,221	26,144	3.10	4,579	0.06
Net interest income/margin as a percentage of interest-earning assets		23,248	1.87		22,006	2.00	1,242	(0.13)

Net interest income rose by \$1.24 million or 5.64% for the year ended 31 December 2024 compared to last year mainly attributed to higher interest received from interest-bearing assets which outpaced the increase in cost of funds.

Total interest income rose by \$5.82 million or 12.09% mainly attributed to the increase in interest income from loans and advances and other interest-earning assets.

Correspondingly, total interest expense increased moderately by \$4.58 million or 17.51% as our average cost of funds spiked from 3.10% to 3.16% during the year.

The Group's net interest margin as a percentage of the interest-earning assets has decreased to 1.87% from 2.00%.

Financial Review

The table on below shows the change in the net interest income due to the impact of volume and rate changes.

Volume And Rate Analysis

INCREASE/(DECREASE) FOR YEAR 2024 OVER YEAR 2023	Volume \$'000	Rate \$'000	Total \$'000
INTEREST INCOME			
Loans and advances	5,916	37	5,953
Singapore Government Securities	51	(523)	(472)
Other assets	558	(218)	340
Total	6,525	(704)	5,821
INTEREST EXPENSE			
Deposits and savings accounts	3,934	645	4,579
Total	3,934	645	4,579
Net interest income	2,591	(1,349)	1,242

NON-INTEREST INCOME	2024 \$'000	2023 \$'000	Variance %
Fees and commissions	542	478	13.4
Other operating income	441	453	(2.6)
Total non-interest income	983	931	5.6

Non-interest income for FY2024 increased by 5.6% to \$1.0 million primarily attributed to higher number of prepayment of loans subjected to penalty fees and higher loan processing and acceptance fees.

OPERATING EXPENSES	2024 \$'000	2023 \$'000	Variance %
Staff costs	9,352	8,326	12.3
Depreciation	1,415	1,402	0.9
Other operating expenses	5,633	5,634	(0.0)
Total operating expenses	16,400	15,362	6.8

Operating expenses increased by 6.8% compared to the same period last year, mainly due to higher staff costs stemming from increased in headcount and higher depreciation. Other operating expenses have remained stable and consist primarily of repairs and maintenance for computer equipment and office premises, promotion and advertising expenses, as well as professional fees paid to consultants and other parties.

IMPAIRMENT LOSSES ON LOANS AND ADVANCES	2024 \$'000	2023 \$'000	Variance %
(Allowances)/Write-back of credit impaired loans	(84)	37	(327.0)
(Allowances) of not-credit impaired loans	(410)	(91)	350.5
Total (Allowances for)/Write-back of Impairment Losses (Net)	(494)	(54)	814.8

Net allowances for loans and advances of \$0.5 million were made for 2024 compared to \$0.1 million for year ended 31 December 2023. The higher allowances were predominantly for general allowances for non-credit impaired loans as we grew our loans book and the uncertain macroeconomic outlook. The Group continues to set aside adequate specific and collective allowances in respect of its loan portfolio.

Corporate Directory

Board of Directors

Executive

Jamie Teo Miang Yeow
(Chief Executive Officer)

Non-Independent Non-Executive (“NINE”)

Yu-Foo Yee Shoon
(Chairman of the Board of Directors)
Christopher Teo Miang Chneh

Independent Non-Executive

Adam Tan Chin Han
(Lead Independent Director)
Lucas Tran Phuoc
Terence Khoo Chi Siang
Loh Ching Soo

Committee Members

Executive Committee (“EXCO”)

Jamie Teo Miang Yeow
(Chairman)
Adam Tan Chin Han
Lucas Tran Phuoc

Audit Committee (“AC”)

Lucas Tran Phuoc (Chairman)
Yu-Foo Yee Shoon
Adam Tan Chin Han
Terence Khoo Chi Siang
Loh Ching Soo
Christopher Teo Miang Chneh

Nominating Committee (“NC”)

Adam Tan Chin Han (Chairman)
Yu-Foo Yee Shoon
Jamie Teo Miang Yeow
Terence Khoo Chi Siang
Loh Ching Soo
Lucas Tran Phuoc
Christopher Teo Miang Chneh

Remuneration Committee (“RC”)

Loh Ching Soo (Chairman)
Yu-Foo Yee Shoon
Adam Tan Chin Han
Terence Khoo Chi Siang
Lucas Tran Phuoc
Christopher Teo Miang Chneh

Risk Management Committee (“RMC”)

Adam Tan Chin Han (Chairman)
Yu-Foo Yee Shoon
Jamie Teo Miang Yeow
Terence Khoo Chi Siang
Loh Ching Soo
Lucas Tran Phuoc
Christopher Teo Miang Chneh

Digitalisation Committee (“DC”)

Terence Khoo Chi Siang (Chairman)
Loh Ching Soo (Deputy Chairman)
Jamie Teo Miang Yeow
Adam Tan Chin Han
Melvin Yeo, COO/CISO

Company Secretary

Mr Lee Tiong Hock

Share Registrar & Share Transfer Office

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Singapore 068896

Auditors

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Singapore 018961
Audit Partner:
Mr Tan Chun Wei (Chen Junwei)
[wef Financial Year 2020]

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Corporate Sustainability Report



BOARD STATEMENT

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

At SFL, our core values of Empathy, Resilience, Integrity, Innovation and Sustainable Growth forms the foundation of our commitment to creating shared value for our stakeholders. These values guide the development of our business strategies and initiatives, enabling sustainable value creation while balancing short-term priorities and long-term business sustainability goals.

We continue to adopt a balanced approach that integrates both financial and non-financial performance measures, including environmental, social and governance (ESG) considerations, to ensure the resilience and long-term success of SFL and its group of subsidiaries (“SFL Group” or the “Group”).

This year, SFL reaffirmed its commitment to addressing material sustainability factors by conducting a second climate risk workshop. During this workshop, we deep-dived into assessing our climate-related risks and evaluated physical risk

scenarios using the Shared Socioeconomic Pathways SSP2 and SSP3 frameworks. These insights are integral to strengthening the Group’s resilience to climate-related challenges and uncertainties. We are pleased to report continued progress on incorporating elements of the Recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD Recommendations”), reflecting our commitment to addressing climate change in alignment with local and global regulatory developments.

The Board also undertook a comprehensive review of SFL’s sustainability targets and evaluated their performance, ensuring alignment with the Group’s strategic objectives and our stakeholders’ evolving expectations. The details of the review have been included in the report.

The Board would like to express its appreciation to all stakeholders who have supported SFL’s vision for sustainable value creation. We remain steadfast in driving the Group’s efforts toward a resilient, inclusive and sustainable future.

Corporate Sustainability Report

ABOUT THIS REPORT

This Sustainability Report (“the Report”) highlights the sustainability strategy, initiatives, and performance of Singapura Finance Ltd (“SFL” or the “Company”) and its subsidiaries (“SFL Group” or the “Group”). It covers our primary business activities in Singapore, including deposit services and financing for businesses and individuals, for the financial year ended 31 December 2024 (“FY2024”).

REPORTING STANDARDS AND FRAMEWORKS

The Report is prepared in accordance with the sustainability reporting requirements of the Singapore Exchange Securities Trading Limited (“SGX-ST”) and with reference to the following internationally recognised standards and guidelines:

- **GRI Standards:** A globally recognised framework that supports transparent and comprehensive disclosures of governance structures, management systems, policies, measures, targets and performance.
- **Task Force on Climate-related Financial Disclosures (TCFD) Recommendations:** Elements of the TCFD framework have been incorporated to enhance our climate-related disclosures, focusing on governance, strategy, risk management and metrics and targets.
- **SGX-ST Practice Note 7.6: Sustainability Reporting Guide:** This guide has been considered to ensure compliance with the sustainability reporting requirements of the Mainboard Rules.
- **United Nations Sustainable Development Goals (SDGs):** Our sustainability initiatives and disclosures are aligned with selected SDGs to contribute to global sustainable development priorities. Relevant SDGs are identified for some material ESG topic.

This year, we have also taken a significant step forward by aligning our reporting practices with the International Financial Reporting Standards (IFRS) S1 and S2 guidelines. We conducted a gap assessment to evaluate our current disclosures against these standards and are committed to addressing identified gaps in subsequent reports.

SCOPE AND BOUNDARIES

This Report covers SFL’s operations in Singapore and focuses on material environmental, social and governance (ESG) topics that are relevant to our business, stakeholders and the broader sustainability context.

ASSURANCE AND DATA VERIFICATION

The content of this Report has been internally reviewed to ensure accuracy and reliability. The Group’s internal auditors conducted a review of the key ESG data, focusing on data collection and reporting processes. Additionally, our sustainability reporting processes are periodically evaluated

as part of the Group’s internal audit activities. While we have not sought external assurance for this Report, we are exploring options for external verification in future reporting cycles to further enhance stakeholder confidence.

ACCESSIBILITY AND STAKEHOLDER ENGAGEMENT

The Report is available on SFL’s corporate website, along with additional corporate information. We encourage stakeholders to share their feedback and comments with us at feedback@singapurafinance.com.sg.

By continuously refining our sustainability practices and disclosures, we remain committed to delivering meaningful insights into our efforts to create long-term value for all stakeholders.

FY2024 PERFORMANCE HIGHLIGHTS

With a focus on our four sustainability pillars, FY2024 proved to be an instrumental year for us in attaining our sustainability goals. Hence, our accomplishments are a testament to our continuous efforts to enhance our sustainability performance.

Economic	
\$9.35 million distributed in employee wages and benefits	98% of the procurement by amount spend from local vendors

Environment	
29% reduction in total water consumption intensity as compared to FY2023	21.8% reduction in total emission intensity as compared to FY2019 (base year)

Social	
Achieved zero work-related fatalities	70% of workforce is women
13.8 hours of average training per employee as compared to 9.45 average training hours in FY2023	

Governance	
Have set targets for all material topics	Zero non-compliances with any local laws
Zero reported incidents of bribery or corruption	100% employees attended AML/CFT training

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OUR METRICS AND TARGETS

Table 1. Summary of SFL Group's key Targets

Sustainability Categories	ESG Factors	Targets
 Economic	Economic performance	<ul style="list-style-type: none"> Achieve sustainable growth
	Responsible lending	<ul style="list-style-type: none"> Support energy transition by financing green energy products
	Indirect economic impact	<ul style="list-style-type: none"> 98% of Group's spending on goods and services from local suppliers
 Environment	Energy and emissions	<ul style="list-style-type: none"> Limit the year's energy consumption intensity to no more than 2% increase from the previous year
 Social	Customer privacy	<ul style="list-style-type: none"> Zero substantiated complaints concerning breaches of customer privacy and losses of customer data
	Marketing and labelling	<ul style="list-style-type: none"> No reported incidents of non-compliance with voluntary codes nor non-compliance with regulations resulting in a significant fine
	Customer experience	<ul style="list-style-type: none"> 100% of call back requests (at Customer Centres) addressed in a timely manner 100% of customers' feedback and complaints addressed in accordance with the Feedback and Complaint Handling Process
	Assessment for customers	<ul style="list-style-type: none"> Screen 100% of new customers
	Occupational safety and health	<ul style="list-style-type: none"> No cases of work-related injuries and ill-health in our operations
 Governance	Anti-corruption	<ul style="list-style-type: none"> 100% employees attend AML/ CFT training 100% employees attend anti-corruption training No incidents of corruption or whistleblowing reports
	Socio-economic compliance	<ul style="list-style-type: none"> Zero significant fines or non-monetary sanctions for non-compliance with laws and regulations

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SUSTAINABILITY GOVERNANCE

The Board bears ultimate responsibility for the Group’s long-term success. This includes integrating sustainability considerations into strategic objectives and decision-making processes. The Board ensures a robust governance framework is in place to manage and monitor material environmental, social and governance (ESG) factors while balancing short- and long-term sustainability priorities.

Board Oversight and Governance Framework

The Board plays a pivotal role in reviewing and approving SFL’s sustainability strategies, emphasizing the identification and mitigation of climate-related risks and opportunities. These considerations, which include financial implications, are integral to the Group’s strategic planning and operational resilience. To support the Board’s efforts, SFL has established a structured governance framework that enables effective development and execution of sustainability initiatives.

The Sustainability Steering Committee (SSC), chaired by the Chief Executive Officer and comprising members of the Management team, drives the formulation of sustainability objectives and strategies. The SSC ensures alignment with the Board’s approved objectives and oversees progress toward achieving these targets. It is also responsible for recommending sustainability-related policies and procedures for Board approval, monitoring material ESG factors, and engaging stakeholders to incorporate their perspectives and effectively communicate sustainability-related information.

Supporting the SSC is the Sustainability Task Force (STF), a cross-functional team that implements sustainability strategies across the Group. STF members, drawn from various divisions, ensure the integration of sustainability initiatives into daily operations and oversee the execution of controls, plans, and programmes aligned with the Group’s sustainability objectives.

Climate Risk Management

SFL’s governance framework places significant emphasis on climate-related risks. This year, the Group conducted a deeper assessment of the financial implications of climate risks, evaluating potential impacts on its business model and operations. These efforts included scenario analyses, enabling SFL to better understand and address physical risks associated with climate change. The findings from this exercise inform both the Group’s risk management processes and its long-term strategic planning.

By embedding climate-related considerations into its governance framework, SFL aims to enhance its resilience against climate risks while leveraging opportunities for sustainable growth.

Audit and Assurance

To ensure the reliability and accuracy of ESG disclosures, the Audit Committee reviews SFL’s sustainability reporting in line with regulatory requirements. Additionally, the Internal Audit team evaluates the sustainability framework and reporting processes, focusing on the effectiveness of internal controls related to data collection and reporting. These oversight mechanisms reinforce the integrity of SFL’s sustainability efforts and provide stakeholders with confidence in the Group’s ESG disclosures.

Through this comprehensive governance framework, SFL reaffirms its commitment to addressing sustainability challenges, managing risks effectively, and delivering long-term value for its stakeholders.

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



STAKEHOLDER ENGAGEMENT

SFL recognises that sustainable growth is built on strong, collaborative relationships with our diverse stakeholders. We are committed to engaging effectively and meaningfully with our stakeholders to understand their views, concerns, and expectations. This understanding allows us to integrate stakeholder perspectives into our business strategies, operations and sustainability initiatives, fostering trust and alignment.

To ensure informed and transparent communication, we maintain open and accessible channels for sharing key information with stakeholders. These channels allow us to provide relevant updates that support stakeholders in making well-informed decisions and contribute to their active engagement in our sustainability journey.

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The insights gained through our stakeholder engagement activities are reviewed by the Sustainability Task Force (STF) and the Sustainability Steering Committee (SSC), where appropriate. These insights are integral to refining the Group's strategies and ensuring that stakeholder perspectives are adequately reflected in our materiality assessment process.

SFL Group has identified five key stakeholder groups. A summary of how we engage with these stakeholders and the key topics of interest raised during our interactions is presented in Table 2.

Table 2. 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 	<ul style="list-style-type: none"> • Throughout the year
 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 & Newsletters • Employee Engagement Survey • Online meetings or email with employees • Online training and development programmes 	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Periodically
 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 	<ul style="list-style-type: none"> • Throughout the year
 Membership of Associations ¹	<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 	<ul style="list-style-type: none"> • Throughout the year

MATERIALITY ASSESSMENT

The materiality assessment process is central to identifying, evaluating and prioritising ESG factors that significantly influence SFL Group's business and stakeholders. This structured approach ensures the efficient allocation of resources to areas with the greatest impact and aligns with SFL's core values of Empathy, Resilience, Integrity, Innovation and Sustainable Growth.

A formal materiality assessment was first conducted in FY2017 to identify the ESG factors most critical to SFL and its stakeholders. The process adhered to the GRI's definition of materiality, which considers the impacts on both the organisation and its stakeholders. Over the years, this assessment has been updated periodically to reflect emerging trends, industry challenges and stakeholder expectations.

¹ 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, (4) The Institute of Banking & Finance and 5) Singapore Business Federation

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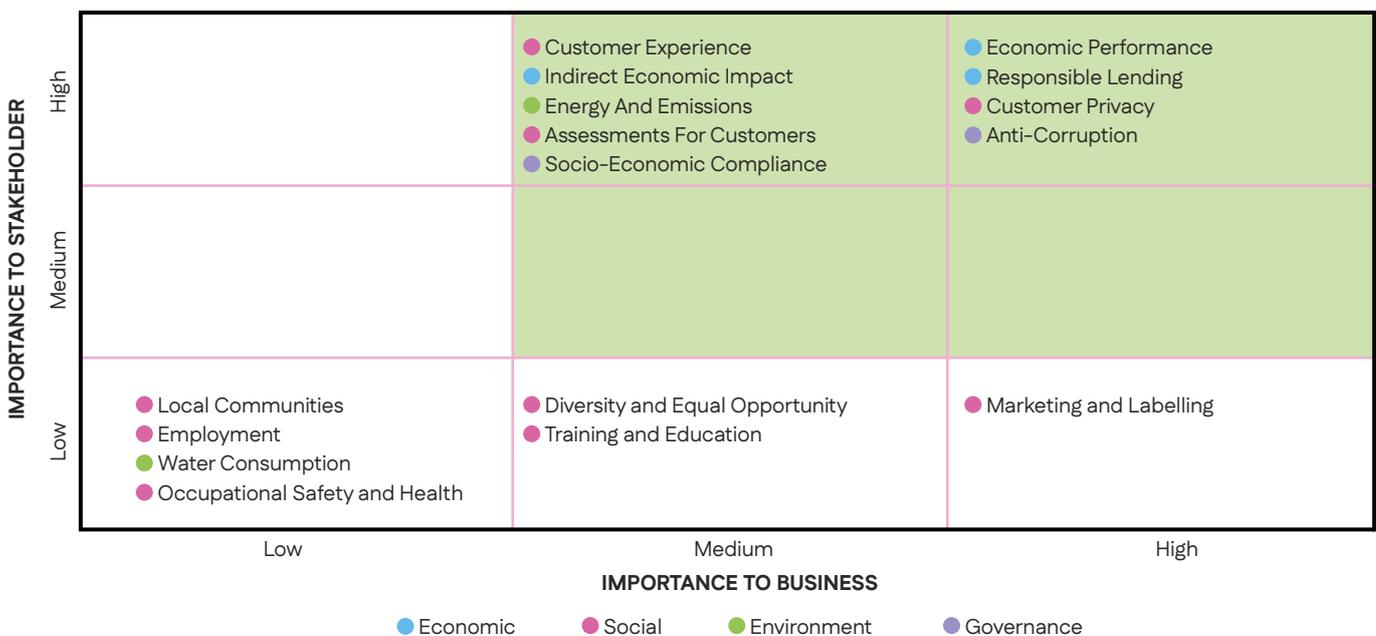
The prioritisation of ESG factors in previous years has been guided by:

1. SFL's existing risk analysis, disclosures and long-term strategic vision.
2. Global and local emerging trends.
3. Key topics and challenges identified within the financial services sector.
4. Insights from interactions with both internal and external stakeholders.

This year, SFL conducted a review of material ESG topics in collaboration with an external consultant. This process allowed for reevaluation of the relevance and impact of these factors within current context of SFL's operations and stakeholder expectations. Next year, SFL plans to conduct an in-depth materiality assessment to further refine the identification and prioritisation of ESG topics. This assessment will align closely with the ISSB recommendations, ensuring our ESG disclosures remain relevant, comprehensive and in line with global best practices.

The Sustainability Steering Committee (SSC) continues to oversee the materiality assessment process annually. Insights from stakeholder engagements and emerging industry trends are integral to this review, ensuring that material ESG factors remain aligned with the Group's strategic objectives. The outcomes of the materiality assessment for FY2024, including the ESG factors identified as most material, are illustrated in the materiality matrix (Diagram 2).

Diagram 2: Materiality matrix illustrating SFL's FY2024 materiality assessment outcome.



Economical	Environmental	Social	Governance
<ul style="list-style-type: none"> Economic Performance Responsible Lending Indirect Economic Impact 	<ul style="list-style-type: none"> Energy and Emissions Water Consumption 	<ul style="list-style-type: none"> Customer Privacy Customer Experience² Assessment for customers² Marketing and labelling Diversity and equal opportunity Training and education Local communities Employment Occupational safety and health 	<ul style="list-style-type: none"> Anti-corruption Socio-economic compliance

Material Topics

² Non-GRI Material Factors

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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]

SFL remains committed to supporting local businesses and strengthening Singapore's economy through responsible procurement practices. In FY2024, 98% of the Group's spending on goods and services was directed toward local suppliers (Table 3). To reinforce this commitment, SFL has set a target to maintain at least 98% of its spending on local suppliers annually. By prioritising local procurement, we contribute to the resilience of supply chains, foster business growth and create employment opportunities within the community.

Table 3. SFL Group's spending on goods and services in operations from FY2020 to FY2024.

	Total spending on goods and services in operations (SGD)	Percentage of Local Vendors (%)	Percentage of Local Spending (%)
2020	\$4.4m	99%	98%
2021	\$4.9m	99%	98%
2022	\$6.5m	99%	99%
2023	\$6.4m	99%	99%
2024	\$6.5m	99%	98%

SFL's financial stability and performance underpin its ability to sustain operations, meet stakeholder expectations and contribute to the broader economy. Beyond the financial performance disclosed in detail in SFL's Annual Report FY2024, the Group actively generates economic value for its stakeholders through employee compensation and benefits, payments to the government (including taxes), dividends to shareholders and procurement of goods and services from suppliers.

SFL's economic value generated and distributed for FY2024 is summarised in Table 4, reflecting our ongoing contribution to local economic growth and stakeholder value creation.

Table 4. SFL's economic value generated and distributed in FY2024

	FY2023 (SGD \$'000)	FY2024 (SGD \$'000)
Economic value generated (Income)	49,081	54,954
Economic value distributed	46,253 (100%)	51,712 (100%)
Breakdown:		
Compensation and benefits for employees	18.0%	18.1%
Operating costs	12.2%	10.9%
Financing costs and interest paid to depositors	56.5%	59.4%
Payments to the government including taxes	3%	2.4%
Investment in communities	0.05%	0.01%
Dividend payable to shareholders	10.3%	9.2% ³

For additional details on SFL's financial performance, please refer to the Chairman's Statement (page 2), Financial Review (pages 9-11), and the audited financial statements (pages 79-130) in the Annual Report FY2024.

As part of its mission to contribute to economic growth, SFL provides tailored financing and financial solutions to small and medium enterprises (SMEs), local companies and individuals. These efforts enable businesses to expand operations, invest in new opportunities and enhance financial resilience. In FY2024, SFL's financial services supported various SMEs, particularly in sectors critical to Singapore's economy.

Through these initiatives, SFL contributes to the Sustainable Development Goals (SDGs) of **Decent Work and Economic Growth (SDG 8)** and **Industry, Innovation, and Infrastructure (SDG 9)**. By facilitating financial inclusion and supporting local businesses, SFL promotes innovation, strengthens infrastructure and drives sustainable economic development in Singapore.

³ This is subject to shareholders approval at forthcoming AGM on 25 April 2025.

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SUSTAINABLE FINANCING

ESG factors:

Responsible Lending [GRI 3-3]

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

Assessment for Customers [GRI 3-3]

At SFL, responsible lending is not just a commitment but a cornerstone of our role as financial stewards. By integrating environmental, social and governance (ESG) principles into our lending practices, we aim to empower individuals and businesses while ensuring financial sustainability and accountability.

We align with the Association of Banks Singapore (ABS) Guidelines on Responsible Financing, acknowledging the significance of our corporate responsibilities in fostering ethical and sustainable growth. Guided by comprehensive policies and stringent due diligence procedures, SFL remains steadfast in maintaining the integrity of our lending portfolio.

Assessment for Agents and Customers

SFL upholds the highest standards of integrity and accountability when engaging with external partners and customers. Rigorous assessment processes are integral to ensuring that our business operations and relationships are aligned with our values of compliance, transparency, and ethical conduct.

Partnerships and Third-Party Assessments

Our partnerships with agencies and property agents are governed by a robust due diligence framework aimed at ensuring reliability and integrity. These assessments encompass:

- **Licensing Validation:** Property agents referring loans to SFL are required to hold a valid license issued by the Council for Estate Agencies (CEA). Background checks and licensing verification are conducted for all agents prior to engagement.
- **Compliance Screening:** Agencies collaborating with SFL for hire purchase and property loans undergo screening to ensure they adhere to regulatory and ethical standards. This includes reputational assessments.

By ensuring that we collaborate only with reliable business partners, SFL fosters a network of trust and mutual accountability. This approach not only mitigates risks but also reinforces our commitment to promoting ethical business practices within the financial ecosystem.

Customer Assessment

We are committed to maintaining a responsible lending approach that prioritizes the financial well-being of our customers while ensuring compliance with regulatory requirements. Our comprehensive customer assessment framework includes rigorous due diligence procedures and risk evaluations to safeguard both individual and corporate clients.

- **Know Your Customer (KYC):** To ensure the legitimacy and financial standing of our customers, we have established robust KYC and creditworthiness evaluation processes. These include:
 - Screening customers against regulatory and internal databases, including:
 - World Check for global sanctions and adverse media screening.
 - Accounting and Corporate Regulatory Authority (ACRA) searches for corporate entities.
 - Internal blacklist database checks covering borrowers, guarantors, directors, shareholders, and ultimate beneficial owners for corporate clients.
 - Credit Bureau Singapore (CBS) search for individual borrowers, principals, and guarantors.
- **Creditworthiness Evaluation:** To ensure customers are financially capable of managing debt obligations responsibly, SFL conducts comprehensive credit assessments, which include:
 - Reviewing financial standing through submitted documents such as signed application forms, income substantiation (income evidence and/or financial statements), the latest 3 to 6 months' bank statements and others where applicable.
 - Evaluating credit history and risk profile using CBS reports for individuals and CBS FICO for corporate clients.
- **Customer Engagement and Loan Advisory:** For residential property loans, Relationship Managers (RMs) engage with borrowers before the submission of loan applications to ensure they are well-informed about the key features of the credit facility. These discussions cover:
 - Loan tenor, interest rates, credit amount, repayment schedules, and applicable fees and charges.
 - A mandatory Loan Factsheet (Appendix D) that must be acknowledged by both the borrower and the RM, confirming that all relevant details have been explained.

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- **ESG Considerations:** As part of our commitment to responsible lending, borrowers with total credit exposure of SGD 10 million or more (on a group basis) are required to complete an ESG checklist. This evaluation helps SFL assess the borrower’s alignment with sustainability practices and responsible business conduct.

Through these comprehensive processes, SFL strives to ensure that our customers are well-informed and financially capable while maintaining a strong governance framework that aligns with regulatory requirements and our corporate values.

In FY2024, we achieved our target to screen 100% of our new customers.

Credit Risk Management and Screening

Our Credit Risk Management Policy serves as the foundation of responsible lending by delineating risk tolerance parameters and ensuring creditworthiness. This policy safeguards both SFL and our customers from excessive credit exposure. All customers undergo rigorous screening processes to uphold these principles:

- **Individual and Corporate Screening:** Credit Bureau Singapore (CBS) is leveraged for individual applicants and personal guarantors, while CBS FICO⁴ supports corporate client assessments.
- **Independent Loan Assessments:** The Risk Management Department (RMD) and Credit Control Department (CCD) conduct independent reviews for loans exceeding \$5 million or those outside SFL’s standard lending guidelines.
- **Monitoring Mechanisms:** High-value loans and customers in industries such as oil and gas, construction, and hospitality receive additional oversight through relationship managers and regular site visits.
- **Non-Performing Loan (NPL) Management:** The Credit Control Committee (CCC) actively monitors NPLs, special mention loans, and recovery actions during monthly meetings, ensuring proactive risk mitigation.

Our approved lending guidelines outline clear parameters for industry appetite, credit profiles, collateral types, and financing structures. These guidelines reflect our commitment to supporting industries while maintaining prudent financial practices.

Recognizing the increasing importance of climate-related risks, SFL has enhanced its responsible lending framework to incorporate climate risk considerations. These include assessing the environmental impact of borrowers and their industries, with a focus on transition and physical risks associated with climate change. Refer to “Climate Risk Management and Integration into Business Strategy” section for more details.

⁴ A FICO score is a credit score created by the Fair Isaac Corporation (FICO).

Transparent Communication and Marketing Practices

Transparency and accuracy are the hallmarks of our product disclosures. Marketing and advertising materials are carefully reviewed by our Marketing and Communications Departments to ensure compliance, clarity and appropriateness. This ensures that customers are well-informed and confident in their decision-making.

SFL’s Relationship Managers (RMs) play a pivotal role in responsible communication. They receive regular training on products, services and ethical marketing practices to foster trust and credibility with clients.

In FY2024, we maintained a clean record with no incidents of non-compliance related to product or service information or marketing communications.

CLIMATE RISK MANAGEMENT AND INTEGRATION INTO BUSINESS STRATEGY

As climate change increasingly impacts economic and financial systems, SFL recognizes the critical importance of embedding climate risk considerations into our decision-making processes. This commitment aligns with the Monetary Authority of Singapore (MAS) Guidelines on Environmental Risk Management for Banks, which enhance resilience and sound risk management practices, as well as the Singapore Exchange (SGX) requirements for climate-related disclosures consistent with the TCFD recommendations.

Environmental Risk Management Framework

SFL’s Environmental Risk Management Framework establishes a structured approach to addressing environmental risks across governance, strategy and operations. This framework outlines the roles and responsibilities of the Board, management committees and Senior Management while defining SFL’s ESG risk appetite and key processes such as ESG borrower approval, scenario analysis and stress testing.

A **three-lines-of-defence model** supports this framework:

First Line of Defence:	Second Line of Defence:	Third Line of Defence:
The Marketing Department conducts borrower screenings and ESG due diligence using a structured checklist i.e. Due Diligence Checklist.	The Risk Management Department reviews and monitors compliance with ESG risk controls.	Internal Audit provides independent assurance on the effectiveness of these controls.

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As part of its due diligence process, SFL screens borrowers and corporate activities against ESG risk factors using a structured assessment approach. This includes evaluating the borrower's current operations, the nature of the financing sought, supply chain positioning, past controversies and responsiveness to ESG concerns. Borrowers are classified into ESG risk categories—unacceptable, high, medium, or low—based on the findings. Enhanced due diligence measures, including additional controls and lending conditions, are applied to borrowers categorized under high or unacceptable risk.

SFL's ESG Risk Appetite Statement reinforces our commitment to responsible lending by setting clear boundaries. SFL maintains a zero-tolerance policy toward prohibited activities, such as those that violate environmental regulations, sanctions, or embargoes imposed by regulatory authorities. Additionally, SFL seeks to avoid financing sectors with inherently high ESG risks, including agriculture, fossil fuel-based energy, mining and metals, chemicals, forestry, defense, waste management and infrastructure. Any exceptions to these restrictions require comprehensive mitigation plans to support borrowers in improving their sustainability performance.

When assessing sectoral risks, SFL considers factors such as greenhouse gas (GHG) emissions, deforestation, pollution and biodiversity impact to ensure informed decision-making that aligns with our long-term sustainability objectives.

Climate-Related Risk Assessment

We recognise the growing financial implications of climate-related risks and has undertaken a structured assessment to identify and manage these risks within our lending portfolio. The assessment focuses on both transition risks—arising from shifts in policies, regulations and market preferences—and physical risks related to climate change impacts such as extreme weather events.

Our climate-related risk assessment process begins by identifying key portfolios that are most exposed to climate risks, specifically hire purchase or block discounting for automotive vehicles, housing loans and loans related to the building and construction sector. These portfolios represent a significant portion of SFL's loan exposure and are subject to financial risks including credit risk, market risk and liquidity risk.

Table 5. SFL Group's climate risks and their impact on the portfolio categories

Risk Category		Risk	Financial Risks that impact SFL	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	✓	✓	✓

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Once the relevant risk drivers are identified, a qualitative analysis is conducted through discussions with management to assess the impact and likelihood of these risks. This evaluation takes into account existing mitigation measures and regulatory developments, allowing us to gain a comprehensive understanding of potential vulnerabilities. Each identified risk is then rated using a methodology aligned with SFL's Enterprise Risk Management (ERM) framework, ensuring consistency with the Group's overall risk governance practices.

Risk Assessment of Organisation is as follows:-

Table 6. SFL Group's climate risks and their impact on growth and operations with Time period of impact

			Credit Risk rating	Market Risk Rating	Liquidity Risk Rating	Operations Risk Rating	Time Period
Physical Risks	Acute	Increased severity and frequency of extreme weather events i.e floods, cyclone and earthquake	Low	Low	Medium	Medium	Medium and Long Term
	Chronic	Rise in sea levels	Low	Low	Medium	Medium	Long Term
Transition Risks	Legal and Regulatory Risks	Increased pricing of GHG emissions or carbon tax	Low	Low	Low	Low	Short and Medium Term
		Mandates and regulations of products and services	Low	Medium	Low	Low	Medium and Long Term
		Climate related litigations	Low	Low	Low	Low	Medium and Long Term
	Technology Risks	Replacement of existing products and services with lower emission options	Low	Low	Low	Low	Short and Medium Term
	Market Risks	Changing consumer demand from individuals and corporates	Low	Low	Low	Low	Short and Medium Term

Summary of the risk rating based on the time period is as follows:-

	Physical Risk			Transition Risk			
	Short Term	Medium Term	Long Term	Short Term	Medium Term	Long Term	
Credit	Low	Low	Low	Low	Low	Low	
Market	Low	Low	Low	Low	Low	Medium	
Liquidity	Low	Low	Medium	Low	Low	Low	
Operational	Low	Low	Medium	Low	Low	Low	

Low

Medium

High

We have adopted a structured approach to assessing climate risks by considering different time horizons to ensure comprehensive risk management and strategic planning. These time horizons are categorized as short term (less than 3 years), medium term (3-10 years) and long term (beyond 10 years).

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Understanding Risks through Scenario Analysis

To proactively manage climate-related risks, SFL conducted a comprehensive scenario analysis to assess both physical and transition risks, ensuring a strategic response to evolving climate challenges.

For physical risks, SFL evaluated the potential impact of rising sea levels on its property loans portfolio using the SSP3-7 climate scenario, which represents a high-emission future characterized by continued fossil fuel reliance, rapid economic growth and severe climate change impacts, including significant temperature increases and rising sea levels. This scenario was selected due to the availability of localized Singapore-specific data on physical climate risks, enabling a more precise assessment of potential impacts. To mitigate these risks, we have implemented measures such as enhancing property screening criteria and collaborating with stakeholders to build sectoral resilience. Additionally, we are in the process of establishing robust quantification methodologies, which we plan to implement in the coming years to better evaluate and manage these risks.

On the transition risk front, SFL utilized two key scenarios from the Network for Greening the Financial System (NGFS): the Net Zero 2050 (Orderly Transition) and Current Policies scenarios. These scenarios provide insights into both an accelerated decarbonization pathway and a business-as-usual trajectory, helping us anticipate regulatory, market and technological shifts. Our assessment identified that mandates and regulations of products and services pose relatively higher transition risks for SFL. This heightened risk is primarily driven by stricter emission limits for vehicles, which could impact our current block hire and discounting portfolio, as well as evolving green building regulations, which could significantly affect our property and construction financing activities. Meeting

these regulatory requirements may require adjustments in our lending strategies, increased due diligence and closer engagement with clients to facilitate their transition to lower-carbon alternatives.

SFL recognizes the importance of quantifying these transition risks and is actively working on establishing processes to measure and monitor them more effectively. These processes will enable us to enhance risk-informed decision-making and ensure the long-term sustainability of our portfolio.

Through this structured approach, SFL continues to strengthen its resilience to climate risks, adapting to regulatory changes and market expectations while supporting our clients in their sustainability journey.

Strengthening Resilience and Strategy

SFL is committed to enhancing its resilience to climate-related risks by implementing a range of mitigation measures to reduce potential financial and operational impacts. In line with our risk management approach, various measures have been established and discussed with management to address both physical and transition risks. These measures help safeguard our portfolio and support our customers in navigating the evolving sustainability landscape.

Through qualitative assessment, we identified that the Building and Construction portfolio carries high climate-related risks, necessitating proactive interventions to ensure long-term portfolio stability. Given the sector's exposure to climate-sensitive materials, regulatory shifts and operational dependencies on environmental factors, SFL has taken initial steps to enhance resilience by incorporating climate considerations into loan structuring and risk pricing mechanisms.

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The following table outlines the key climate-related risks identified and the corresponding mitigation measures adopted by SFL:

			Mitigation Measures
Physical Risks	Acute	Increased severity and frequency of extreme weather events i.e floods, cyclone and earthquake	<ol style="list-style-type: none"> Insurance Measures: Require or obtain insurance coverage (e.g., flood insurance) for high-risk assets. Business Continuity: Strengthen business continuity plans and crisis management frameworks implemented in SFL
	Chronic	Rise in sea levels	<ol style="list-style-type: none"> Scenario Analysis: Utilize long-term climate scenario analysis to assess and plan for potential impacts. Lending Adjustments: Revise lending criteria for sectors and geographies prone to chronic climate risks, including assessments based on SASB-aligned questionnaires. Infrastructure Investment: Create phased plans for climate-proofing infrastructure investments. Resilience Partnerships: Collaborate with developers and municipalities on flood defenses and resilience projects. Funding Strategy: Monitor and diversify funding sources in anticipation of evolving investor sentiment.
Transition Risks	Legal and Regulatory Risks	Increased pricing of GHG emissions or carbon tax	<ol style="list-style-type: none"> Regulatory Monitoring: Stay updated on emerging regulations and carbon pricing mechanisms. Client Engagement: Support clients in developing transition plans to adapt to or diversify from high-risk activities. Legal Risk Management: Strengthen legal reviews and due diligence for potential climate-related litigation. ESG Reporting: Maintain robust stakeholder communication and transparent ESG reporting.
		Mandates and regulations of products and services	
		Climate related litigations	
	Technology Risks	Replacement of existing products and services with lower emission options	<ol style="list-style-type: none"> Technology Monitoring: Track emerging climate technologies and consider “technology disruption” scenarios in risk assessments. Client Support: Offer financing, advisory services, or innovation partnerships to help clients transition. Staff Training: Invest in staff upskilling to manage advanced climate technologies. IT Governance: Ensure strong IT governance and cybersecurity for new systems.
	Market Risks	Changing consumer demand from individuals and corporates	<ol style="list-style-type: none"> Trend Monitoring: Regularly track consumer preferences and investor sentiment regarding sustainability. Portfolio Rebalancing: Shift investments toward sectors supporting net-zero and low-carbon transitions. Transparency: Enhance transparency and reporting on the company’s ESG strategies.

Through the implementation of these measures, SFL aims to proactively mitigate climate-related risks while continuing to strengthen the resilience of our financial products and services. We remain dedicated to further refining our approach as the regulatory and environmental landscape evolves.

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MANAGING OUR ENVIRONMENTAL 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 remains committed to measuring and monitoring its energy consumption and associated emissions as part of our environmental stewardship efforts. Energy consumption within SFL Group's operations primarily arises from purchased electricity used at our Head Office, Customer Centres and warehouse facilities. Our energy usage data is derived directly from electricity bills, ensuring accuracy and consistency in measurement.

In FY2024, the total energy consumption of SFL Group was 229,996 KWh, representing more than 7% decrease as compared to the previous year. Energy intensity per employee for FY2024 was recorded at 2,035, continuing the Group's efforts to enhance energy efficiency. Our target is to limit the year's energy consumption intensity to no more than 2% increase from the previous year.

SFL encourages energy-saving practices among employees, such as turning off air-conditioners and IT devices when not in use. Regular monitoring of electricity bills helps to identify and resolve any abnormal consumption patterns, such as those caused by malfunctioning equipment. Energy efficiency measures, such as the transition to LED lighting across all branches and facilities, have contributed significantly to reducing energy usage.

Table 7. Energy consumption⁵

Energy consumption		FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
SFL Group's energy consumption	kWh	321,804	315,588	308,075	290,018	294,680	260,354	247,917	229,996
Year-on-year changes	%	NA	-1.93	-2.38	-5.86	1.61	-11.65	-4.78	-7.23

Table 8. Energy Intensity

Energy intensity		FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Energy consumption per employee	kWh/person	3,094	2,768	2,679	2,762	2,861	2,552	2,407	2,035
Year-on-year changes	%	NA	-10.54	-3.22	3.10	3.58	-10.78	-5.68	-15.44

SFL Group continues to track its emissions and report on its Scope 1 and Scope 2 emissions, while also developing robust systems to measure Scope 3 emissions. In FY2024, Scope 1 emissions were recorded at 4 tonnes CO₂e. Scope 2 emissions, derived from purchased electricity, amounted to 95 tonnes CO₂e. Efforts are underway to align our emissions tracking with global best practices and further enhance our emissions reduction strategies.

⁵ Energy consumption primarily comprises electricity consumption, as the usage of other fuels is negligible.

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Table 9. GHG Emissions and Intensity

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	Percentage change (%) compared to base year of 2019
Scope 1 emissions ⁶	NA	3	4	33.3						
Scope 2 emissions ⁷	143	136	132	129	119	120	106	103	95	-26.4
Total annual GHG emission (tonnes of CO ₂ e) (Scope 1 + Scope 2)	143	136	132	129	119	120	106	106	99	-23.3
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	0.88	-21.8

SFL remains focused on improving its energy and emissions management capabilities and will continue to pursue initiatives to drive energy efficiency and lower its environmental footprint. Future plans include expanding emissions tracking to cover Scope 3 categories and exploring renewable energy solutions for its operations.

Water and Waste

SFL Group continues to take steps to reduce its environmental footprint by minimising waste generation and promoting efficient resource use. Leveraging technology and digitalisation, we have significantly reduced paper usage across our operations. Since 2020, 80% of our marketing documentation processes—including submission of credit proposals, supporting documents and correspondences—have transitioned to a paperless format. Additionally, we use Google Cloud, a carbon-neutral service provider, to host several systems and servers, ensuring a more integrated and sustainable platform for internal communications and documentation processes.

Our paper waste is managed responsibly to protect customer and business data. An external service provider is engaged to securely shred and recycle all paper waste, reinforcing our commitment to a circular economy.

While water usage is not a material aspect of SFL Group's operations, we disclose water consumption data to promote awareness and demonstrate responsible management. Water consumption is limited to domestic use at our Head Office and Customer Centres and is measured through water bills. In FY2024, total water consumption was recorded at 363 m³, representing a 22% change in water consumption compared to the previous year. Water consumption per employee was 3.2, reflecting our ongoing efforts to maintain efficiency.

SFL Group will continue to promote water conservation among employees and explore further initiatives to optimise water usage while maintaining current consumption levels. These actions are part of our broader strategy to responsibly manage environmental resources and minimise our operational impact.

⁶ 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

⁷ Conversion factors used are derived from the Grid Emission Factors adapted from Singapore Energy Statistics 2019, Singapore Energy Statistics 2020, Singapore Energy Statistics 2021 and Singapore Energy Statistics 2022 and Singapore Energy Statistics 2023 respectively. E.g. FY2023 adapts the latest Grid Emission Factor reported in Singapore Energy Statistics 2022.

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Table 10. Water Consumption

Water consumption		FY2020	FY2021	FY2022	FY2023	FY2024
Total annual water consumption	m ³	1,205.2	568.9	443.2	466.0	363.0
Year-on-year changes	%	NA	-52.8	-22.1	5.1	-22.1

Table 11. Water Intensity

Water intensity		FY2020	FY2021	FY2022	FY2023	FY2024
Water consumption / employee	m ³ /employee	11.5	5.5	4.4	4.5	3.2
Year-on-year changes	%	NA	-51.9	-21.0	2.8	-29.0

DELIVERING VALUE TO CUSTOMERS

ESG factors:

Customer Experience [GRI 3-3]

Customer Privacy [GRI 418-1]

Customer Experience

At SFL, we prioritize customer focus and efficiency as core values, striving to deliver a seamless and positive experience alongside our reliable financing solutions. Our primary engagement channels include our website and dedicated customer service teams.

To ensure exceptional service delivery, we provide regular training to our client-facing team members, equipping them with essential skills and product knowledge. On-the-job training at Customer Centres is supervised by Branch Managers and forums are organized for team members to share experiences and case studies, fostering continuous improvement. Input from customer-facing teams is actively encouraged to identify and enhance service areas. Additionally, we have a feedback channel on our website for customer to send in their feedback/enquiry.

We are committed to addressing customer feedback promptly and have set a target to ensure all call-back requests received via feedback channels are addressed in a timely manner.

Table 12. Percentage of call back requests addressed in a timely manner

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

Scam awareness initiatives are a vital aspect of customer education. Alerts are displayed on our corporate website, internet banking platforms and social media to promote vigilance against scams.

SFL is continuously exploring innovative solutions to enhance customer experiences for our diverse clientele. To engage with customers effectively, we have established multiple communication channels, including our website, email, feedback forms and social media platforms, all monitored daily to ensure timely responses.

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Our **Feedback and Complaint Handling Process** outlines procedures and timelines for acknowledging, investigating and resolving customer feedback or complaints. All complaints are escalated to the Risk Management Department (RMD) for analysis to identify potential improvement measures. Updates on the process are shared annually with the Management, RMD and Communications Department.

In FY2024, we successfully met our target of promptly acknowledging and resolving all customer feedback and complaints in accordance with the Feedback and Complaint Handling Process.

Table 13. Percentage of customers' feedback and complaints addressed in accordance with the Feedback and Complaint Handling Process

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

Customer Privacy and Data Security

At SFL, safeguarding customer data and ensuring its confidentiality remain key priorities. We are committed to preventing data and system breaches while ensuring that customers' information is managed in compliance with applicable personal data privacy laws and regulations, including the Personal Data Protection Act 2012 (PDPA)⁸.

To stay updated on changes in data security laws and regulations, the Compliance Department subscribes to the Monetary Authority of Singapore (MAS) mailing list for regular updates. Additionally, the Accounts Department monitors MASNET daily for relevant announcements or circulars, forwarding them to the Compliance Department for review.

SFL has established robust policies and processes aimed at achieving a target of "Zero Breach" on data privacy. Data security management is governed by the **Information Security Policy**, which has been approved by the OPTECH and Risk Management Committee (RMC). Other supporting policies include the **Portable Storage Devices Policy** and the **Mobile Device Acceptable Use and Security Policy**, which guide the proper use of IT systems and devices.

The **Data Protection Officer** and the **Information Services Department** oversee the safeguarding of data through stringent data privacy practices and protection of sensitive information. Employees receive training on proper data handling, regulatory requirements and the importance of information security.

To further enhance IT security, measures such as **Data Loss Prevention (DLP)** are in place to monitor data transmission activities and prevent data leakage. External professional service providers conduct periodic penetration tests on our internet-facing systems to identify vulnerabilities and propose improvements for enhanced system security.

Employee awareness of data security is reinforced through regular security awareness training and assessments conducted by the Technology Security Team. Timely reminders on security and privacy policies are also circulated to ensure adherence.

In FY2024, SFL successfully maintained its target of **zero substantiated complaints** concerning breaches of customer privacy and losses of customer data.

Table 14. Substantiated complaints concerning breaches of customer privacy and losses of customer data

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

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

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OUR PEOPLE AND CULTURE

ESG factors:

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

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

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

Diversity and Equal Opportunity [GRI 405-1]

At SFL Group, we are dedicated to fostering a respectful, inclusive and empowering work environment that upholds fundamental human rights and fair employment practices. Guided by the Tripartite Standards, we prioritize flexible work arrangements, grievance handling, recruitment practices, work-life balance and unpaid leave for unexpected care needs. These efforts create an inclusive workplace that supports employee well-being and growth.

We value the expertise of retired employees, offering re-employment opportunities that enrich our workforce with their knowledge and dedication. Employees beyond retirement age currently make up approximately 5% of our workforce, reflecting our commitment to diversity and experience.

This section highlights our efforts in creating a sustainable workplace culture, with a focus on diversity, professional development, employee welfare, and safety.

Embracing Diversity and Inclusivity

As of 31 December 2024, SFL Group employs 113 employees, all of whom are office-based and engaged as full-time permanent staff (Table 15). We do not have any part-time employees, reflecting our commitment to offering stable and secure employment.

Table 15. Employee by Employment Type

Number (percentage) of employees as of:	31 December 2021	31 December 2022	31 December 2023	31 December 2024
Full-time permanent employees	101 (98%)	98 (96%)	99 (96%)	107 (95%)
Full-time contract-based employees	2 (2%)	4 (3%)	4 (4%)	6 (5%)
Total	103	102	103	113

Diversity and inclusivity are foundational to SFL's workplace culture. We abide by the Guidelines on Fair Employment practices and Workplace Fairness, ensuring fairness in recruitment, assessment, promotion, remuneration and disciplinary actions. These activities are based solely on merit, including skills, competencies, performance and contributions to the organization.

We continue to prioritize initiatives and practices that build a vibrant, collaborative and inclusive workplace. Our workforce reflects diversity in terms of gender and age group (Table 16) and we are committed to creating an environment where all employees feel valued and empowered to contribute.

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Table 16. Employee Composition by Gender and Age Group

Employee composition		Number of employees (Percentage ⁹)		
		31 December 2022	31 December 2023	31 December 2024
Breakdown by gender				
Senior Management	Male	2 (100%)	2 (100%)	1 (100%)
	Female	0 (0%)	0 (0%)	0 (0%)
Middle Management	Male	5 (42%)	4 (31%)	4 (33%)
	Female	7 (58%)	9 (69%)	8 (66%)
Executive level	Male	18 (36%)	16 (30%)	19 (29%)
	Female	32 (64%)	37 (70%)	47 (71%)
Total	Male	25 (39%)	22 (32%)	24 (30%)
	Female	39 (61%)	46 (68%)	55 (70%)
Breakdown by age group				
Senior Management	< 30 years old	0 (0%)	0 (0%)	0 (0%)
	30 – 50 years old	1 (50%)	1 (50%)	0 (0%)
	> 50 years old	1 (50%)	1 (50%)	1 (100%)
Middle Management	< 30 years old	0 (0%)	0 (0%)	0 (0%)
	30 – 50 years old	4 (33%)	4 (31%)	5 (42%)
	> 50 years old	8 (67%)	9 (69%)	7 (58%)
Executive level	< 30 years old	6 (12%)	6 (11%)	7 (11%)
	30 – 50 years old	32 (64%)	34 (64%)	46 (70%)
	> 50 years old	12 (24%)	13 (25%)	13 (19%)
Total	< 30 years old	6 (9%)	6 (9%)	7 (9%)
	30 – 50 years old	37 (58%)	39 (57%)	51 (64%)
	> 50 years old	21 (33%)	23 (34%)	21 (27%)

⁹ Percentage refers to the proportion within the respective employee categories.

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Employee Engagement and Well-being

SFL Group recognizes that the success of our organization relies heavily on the dedication and contributions of our employees. We strive to foster a workplace culture that values collaboration, fairness and open communication, ensuring employees feel supported and empowered.

Employee Engagement

SFL Group maintains various channels to engage with employees, promoting open dialogue and feedback. Our open-door policy encourages employees at all levels to share their views, raise concerns, or seek clarification on business operations. We value the perspectives of every employee and ensure their feedback is heard and considered.

We have quarterly internal newsletters for employees to foster communication, collaboration and engagement within SFL. It serves as a platform to keep employees informed about important updates, upcoming events, achievements and changes. It helps to strengthen the sense of SFL spirit, encourage transparency and boost morale, ultimately contributing to a positive work culture.

SFL also conducted an employee engagement survey this year to assess the level of employee satisfaction, motivation and commitment within SFL. It provides valuable insights into how employees feel about their work environment, management, organizational culture and overall job satisfaction. We are pleased to share that the results from our recent employee engagement survey show a positive outcome, reflecting strong engagement and satisfaction across our teams. SFL is committed to building on these results by addressing the areas where improvement is needed. Our leadership team will focus on strengthening communication, providing additional professional development opportunities and implementing initiatives aimed at boosting overall employee well-being.

To address key issues and foster transparency, the Group conducts informal information feedback sessions when topics of importance arise. Exit interviews are conducted with departing employees to gain insights into their challenges and perspectives, helping us refine our retention strategies. Additionally, we consult employees and benchmark against industry practices when developing or updating employment policies, ensuring alignment with their needs and industry trends.

We take a flexible approach to engagement and support flexible work arrangements, ensuring that work and family time remain well-balanced.

Employee Well-being and Remuneration

SFL Group is committed to fair and competitive remuneration practices. Employee compensation and benefits are benchmarked against industry standards, with regular reviews to ensure relevance and competitiveness. Performance-linked incentives further ensure employees are rewarded fairly for their contributions.

In addition to remuneration, we offer a range of benefits, including dental care, health screening, insurance and wellness initiatives. Flexible working arrangements have also been streamlined, enabling employees to balance professional responsibilities with personal commitments more effectively.

Fostering Team Spirit

To strengthen teamwork and cultivate a culture of mutual support and belonging, SFL organizes annual events to bring employees together. In FY2024, we conducted several successful company-wide events:

- Our annual Chinese New Year buffet @ City HQ
- Friendly bowling competition @ Home Team NS Khatib
- Company's Annual Dinner
- Promoting healthy living by distributing healthy snacks to all staff.

By fostering recognition, togetherness and support, we aim to create an engaging and inclusive environment for our employees.

Occupational Health and Safety

At SFL Group, the safety and well-being of our employees remain a priority, even though our office-based operations present minimal occupational safety risks. We are committed to fostering a safe and healthy workplace environment, equipping employees with essential knowledge and skills and encouraging an active lifestyle to support overall well-being.

Workplace Safety Measures

- **Emergency Preparedness:** SFL ensures that its Head Office and Customer Centres are equipped with first aid kits and employees are trained in basic first aid.
- **Safety Policies:** We have implemented safety and health policies covering key aspects such as ergonomics, customer interaction safety and emergency management, particularly for our Customer Centres.
- **Security Measures:** Recognizing the handling of cash as a potential risk, we maintain stringent security protocols at all Customer Centres to safeguard employees and operations.

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Health and Wellness Initiatives

SFL promotes a healthy lifestyle among employees. For example:

- **Active Lifestyle Programs:** We participate in the National Steps Corporate Challenge organized by the Health Promotion Board, encouraging employees to adopt healthier and more active habits. Some employees initiates walking events as a way to promote physical fitness and well-being within the workplace after working hours. Such events also fostered a sense of community and camaraderie among employees and strengthening team bonding.

Table 17. Safety and Health Performance

Group safety and health performance	FY2022	FY2023	FY2024
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

In FY2024, SFL met its target of zero cases of work-related injuries or illnesses. This underscores the effectiveness of our safety measures and our ongoing commitment to occupational health and safety.

Employee Development and Talent Management

Training and Development

At SFL Group, we prioritize the continuous growth and professional development of our employees. Our structured performance appraisal system serves a dual purpose: evaluating employee performance and providing a platform for open communication. Employees are encouraged to share their concerns, discuss challenges and set clear career goals, while managers offer constructive feedback and guidance on skill enhancement and career progression.

The appraisal process helps identify employees with potential and align their development with organizational needs, supporting long-term talent development and succession planning. Documented performance reviews serve as the foundation for promotions, increments, or performance improvement programs.

Training and development programs are tailored to individual and departmental needs. Key initiatives in FY2024 included:

- **Compliance and AML/CFT Training:** New joiners completed training within their first six months to build foundational knowledge.
- **Technology Security and Risk Management Training:** Employees were trained on security awareness and operational risk management.
- **Professional Certification Support:** Employees received sponsorships for relevant certifications and qualifications.

To enhance accessibility, SFL expanded online training options, enabling employees to complete training remotely. In FY2024, all employees fulfilled their mandatory training requirements. On average, employees received 13.8 hours of training during the year and we aim to further increase participation and training hours in FY2025.

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Table 18. Percentage of employees completing mandatory training

	Target	FY2022	FY2023	FY2024
Percentage of employees completing mandatory training	100%	100%	100%	100%

Table 19. Total and average training hours received by gender

Employee training	FY2021		FY2022		FY2023		FY2024	
	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	Total number of hours	Average number of hours per employee
By gender								
Male	238	7.2	524	16.9	341	9.0	333	10.4
Female	599	8.6	789	11.1	832	9.7	1,158	13.5
Total	837	8.1	1,313	12.9	1,173	9.45	1,491	13.8

Our cross-training and inter-departmental transfer programs provide employees with diverse learning opportunities, fostering expertise, inter-departmental collaboration and creative problem-solving. These initiatives enhance camaraderie and cultivate a collaborative culture within SFL.

Turnover and New Hires

SFL monitors employee turnover and new hires to align workforce planning with organizational goals. In FY2024, turnover and new hire rates were tracked, providing insights into workforce dynamics and supporting data-driven decisions to strengthen employee retention and recruitment strategies.

Table 20. Employee Turnover and New Hire rates by gender and age

Employee Turnover and New Hire Rates						
	FY2022		FY2023		FY2024	
	Turnover	New hire	Turnover	New hire	Turnover	New hire
SFL Group	27.3%	27.3%	23.4%	23.4%	14.7%	24.8%
Breakdown by gender						
Male	36%	25%	33%	21%	31%	44%
Female	64%	75%	67%	79%	69%	56%
Breakdown by age group						
< 30 years old	11%	21%	33%	29%	13%	33%
30 – 50 years old	57%	54%	46%	58%	62%	59%
> 50 years old	32%	25%	21%	13%	25%	8%

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SUPPORTING THE COMMUNITIES

ESG factors:

Local Communities [GRI 413-1]

At SFL Group, we are dedicated to contributing to society through meaningful corporate social responsibility (CSR) initiatives that positively impact the communities we serve. We actively encourage our employees to engage in volunteer activities to support those in need. Since 2023, SFL has implemented a Volunteer Leave scheme, allowing employees to contribute their time and skills to approved charities and social enterprises. This initiative reflects our commitment to fostering a culture of social responsibility and community support within our organization.

In 2024, as part of our efforts to promote environmental awareness and contribute to a greener Singapore, SFL participated in the national OneMillionTrees movement. This initiative, under the Plant-A-Tree Programme, provides a platform for organizations and individuals to actively participate in the greening of Singapore's urban landscape by planting trees. Through this effort, SFL reaffirms its commitment to environmental sustainability and supports Singapore's vision of becoming a City in Nature.

In addition to our environmental efforts, we are also committed to safeguarding our customers and the broader community from financial scams. With the rising prevalence of scams, SFL organized a Scam Awareness Roadshow at our Bedok Customer Centre in November 2024 to educate the public on common scam tactics and preventive measures to protect their finances. This initiative aims to create awareness among residents around our Customer Centres, equipping them with knowledge to recognize and avoid scams. As part of our continued commitment to financial literacy and customer protection, the Scam Awareness Roadshow will be extended to all our Customer Centres over the next year.

CORPORATE GOVERNANCE

ESG factors:

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

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

Governance at SFL is built on a foundation of compliance, ethical business practices, and transparency, underscored by a commitment to maintaining robust systems and controls to uphold the highest standards of accountability. As of 31 December 2024, women make up 14% of our Board of Directors, with 29% of the Board aged between 30 and 50 years old. Additionally, four out of seven directors are independent, reinforcing our commitment to objective oversight and balanced decision-making.

Table 21. Board Composition by Gender and Age Group

Board composition			Number of Directors (Percentage)		
			31 December 2022	31 December 2023	31 December 2024
Directors	Gender	Male	6 (75%)	9 (82%)	6 (86%)
		Female	2 (25%)	2 (18%)	1 (14%)
	Age group	30-50 years old	2 (25%)	3 (27%)	2 (29%)
		> 50 years old	6 (75%)	8 (73%)	5 (71%)

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Compliance

Compliance forms the backbone of SFL's operations, ensuring adherence to the stringent regulatory standards that govern the financial sector. SFL's approach to compliance is guided by its **Compliance Risk Management Framework**, which provides a structured methodology for identifying, assessing and mitigating compliance risks.

This framework outlines:

- **Governance and Oversight:** Roles and responsibilities of the Board of Directors, Management, Compliance Department and all employees in managing compliance risks.
- **Processes and Procedures:** Clear policies and controls to guide operational activities and mitigate risks effectively.

Key Compliance Measures

- **Risk Assessments and Policies**
 - Annual **Enterprise-Wide Risk Assessments (EWRA)** are conducted to evaluate risks related to Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT).
 - Comprehensive **Standard Operating Procedures (SOPs)** ensure consistency in operational processes, embedding compliance requirements at every stage.
- **Employee Training and Awareness**
 - Employees receive regular training on AML/CFT, compliance policies and SOPs.
 - New employees attend mandatory training conducted by the Compliance Department, emphasizing the importance of compliance from the outset.
- **Monitoring and Reporting**
 - The **Compliance Department** performs periodic compliance checks to ensure adherence to policies and SOPs.
 - Updates to regulations are tracked through alerts from the Monetary Authority of Singapore (MAS) and other regulatory bodies.
 - Implications of regulatory updates are assessed and reported to the **Operational and Technology Risk Committee (OPTECH)** and the **Risk Management Committee (RMC)**.
- **Zero-Tolerance Approach**
 - SFL upholds a zero-tolerance policy for non-compliance. Measures are implemented promptly to address any gaps, ensuring the Group remains fully aligned with regulatory standards.

Achievements in FY2024

SFL achieved its target of zero significant fines or non-monetary sanctions for non-compliance with laws and regulations. This accomplishment underscores the effectiveness of SFL's robust compliance systems and employee dedication to maintaining high standards.

	FY2022		FY2023		FY2024		FY2025
	Target	Actual	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	0	0

By continually refining its compliance framework and processes, SFL ensures it remains resilient in a dynamic regulatory landscape, safeguarding its reputation and operational integrity.

Corporate Sustainability Report

Ethical Business Practices

Conducting business with integrity and upholding the highest standards of ethics are fundamental principles that guide our operations. These principles are deeply embedded in SFL's corporate culture and aligned with the Group's core values.

Code of Conduct (COC)

The cornerstone of ethical business practices at SFL is our Code of Conduct (COC). The COC provides clear guidance for Directors, employees and business operations, addressing key areas such as:

- Upholding integrity in dealings with stakeholders.
- Avoiding conflicts of interest.
- Safeguarding confidential information.
- Prohibiting insider trading, bribery and corruption.
- Preventing discrimination, harassment and abuse of power.

The COC is introduced to all newly appointed Directors and employees, ensuring early alignment with SFL's ethical expectations. It is also reviewed regularly to remain up-to-date with evolving regulatory and operational requirements.

Achievements in FY2024

- No cases of corruption, ethical violations, or breaches of the Code of Conduct were reported.

Anti-Bribery and Corruption

SFL has robust policies to address transactions that could facilitate bribery, including:

- Gifts and Entertainment: Strict guidelines on acceptance thresholds and declaration requirements.
- Business Commissions and Kickbacks: Prohibited unless fully documented and approved within prescribed limits.
- Facilitation Payments: Explicitly treated as bribes and strictly prohibited.
- Donations and Sponsorships: Allowed only under defined circumstances, with clear approvals and documentation.

To instil a culture of ethics, SFL provides regular training for all employees. New joiners complete mandatory sessions on anti-bribery, AML/CFT and ethical business conduct, while refresher courses reinforce these principles.

Regular monitoring ensures adherence to ethical practices, including reviews of employee transactions to detect conflicts of interest and compliance with blackout periods for trading in SFL securities. In FY2024, no violations of these policies were recorded.

By embedding a strong culture of integrity and ethical business conduct, SFL strengthens stakeholder trust and ensures sustainable long-term growth.

Whistleblowing Channel

SFL's Whistleblowing Policy, approved by the Board, outlines a formal mechanism for reporting suspected misconduct or wrongdoing. It provides clear guidance on how concerns can be raised, assures confidentiality for whistleblowers and includes safeguards to protect individuals from any form of reprisal.

Reporting Channels

Individuals can submit whistleblowing reports directly to the Chairman of the Audit Committee through secure and confidential channels:

- **Email:** wbo@singapurafinance.com.sg
- **Mail:**
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"**

These channels are accessible to all stakeholders and detailed on SFL's corporate website to ensure ease of use.

Corporate Sustainability Report

All whistleblowing reports are handled by an independent party appointed by the Chairman of the Audit Committee. Investigations are conducted with impartiality and findings are reported directly to the Board for resolution.

	FY2022		FY2023		FY2024		FY2025
	Target	Actual	Target	Actual	Target	Actual	Target
Percentage of employees who attended AML/CFT training	100%	100%	100%	100%	100%	100%	100%
Percentage of employees who attended anti-corruption training	100%	100%	100%	100%	100%	100%	100%

	FY2022		FY2023		FY2024		FY2025
	Target	Actual	Target	Actual	Target	Actual	Target
Confirmed incidents of corruption	0	0	0	0	0	0	0

FY2024 Achievements

- All employees completed AML/CFT and anti-corruption training.
- No incidents of corruption or whistleblowing reports were recorded.
- No breaches of AML/CFT regulations occurred.
- SFL maintained full compliance with enhanced due diligence measures for high-risk customers.

Through our robust whistleblowing framework, SFL ensures that integrity remains at the core of our operations while providing a safe avenue for stakeholders to voice concerns.

Corporate Sustainability Report

TCFD SUMMARY

Section	Recommendation	Page Reference / comments
Governance	a. Describe board's oversight of climate-related risks and opportunities	16
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	16
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	22
	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	22
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	22
Risk management	a. Describe the organization's processes for identifying and assessing climate-related risks.	16, 22
	b. Describe the organization's processes for managing climate-related risks	16, 22
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	16, 22
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.	26
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	26
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	26

Corporate Sustainability Report

GRI CONTENT INDEX

Statement of use	Singapura Finance Ltd has reported the information cited in this GRI content index for the period from 1 January 2024 to 31 December 2024 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, Page 4 - Board of Directors Sustainability Report, Page 14 - About this Report
	2-2 Entities included in the organization's sustainability reporting	<ul style="list-style-type: none"> Sustainability Report, Page 14 - About this Report
	2-3 Reporting period, frequency and contact point	<ul style="list-style-type: none"> Sustainability Report, Page 14 - 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 44 - Our Services Annual Report, Page 44 - Our Customer Centres Sustainability Report, Page 19 - SFL's Financial and Non-financial Impacts
	2-7 Employees	<ul style="list-style-type: none"> Sustainability Report, Page 30 - Our People and Culture
	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, Page 4 - Board of Directors Annual Report, Page 2 - FY2024 Performance Highlights
	2-11 Chair of the highest governance body	<ul style="list-style-type: none"> Annual Report, Page 4 - 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 16 - Sustainability Governance
	2-13 Delegation of responsibility for managing impacts	<ul style="list-style-type: none"> Sustainability Report, Page 16 - Sustainability Governance
	2-14 Role of the highest governance body in sustainability reporting	<ul style="list-style-type: none"> Sustainability Report, Page 16 - Sustainability Governance
	2-16 Communication of critical concerns	<ul style="list-style-type: none"> Sustainability Report, Page 16 - Sustainability Governance
2-19 Remuneration policies	<ul style="list-style-type: none"> Annual Report, Page 56 - Corporate Governance: Remuneration Matters 	
2-20 Process to determine remuneration	<ul style="list-style-type: none"> Annual Report, Page 56 - Corporate Governance: Remuneration Matters 	

Corporate Sustainability Report

GRI Standard/ Other Source	Disclosure	Information/ Location
General Disclosures		
GRI 2: General Disclosures 2021	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 35 - Corporate Governance Sustainability Report, Page 30 - Our People and Culture
	2-24 Embedding policy commitments	<ul style="list-style-type: none"> Sustainability Report, Page 35 - Corporate Governance
	2-25 Processes to remediate negative impacts	<ul style="list-style-type: none"> Sustainability Report, Page 35 - Corporate Governance Sustainability Report, Page 30 - Our People and Culture
	2-26 Mechanisms for seeking advice and raising concerns	<ul style="list-style-type: none"> Sustainability Report, Page 35 - Corporate Governance
	2-27 Compliance with laws and regulations	<ul style="list-style-type: none"> Sustainability Report, Page 36 - Compliance
	2-28 Membership association	<ul style="list-style-type: none"> Sustainability Report, Page 16 - Stakeholder Engagement
	2-29 Approach to stakeholder engagement	<ul style="list-style-type: none"> Sustainability Report, Page 16 - 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 17 - Materiality Assessment
	3-2 List of material topics	<ul style="list-style-type: none"> Sustainability Report, Page 17 - Materiality Assessment
Economic performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> Annual Report, Page 80 - Profit from operations before allowances Sustainability Report, Page 19 - SFL's Financial and Non-financial Impacts
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	<ul style="list-style-type: none"> Sustainability Report, Page 19 - SFL's Financial and Non-financial Impacts
	201-2 Financial implications and other risks and opportunities due to climate change	<ul style="list-style-type: none"> Sustainability Report, Page 21 - Climate Risk Management and Integration into Business Strategy
Responsible lending		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> Sustainability Report, Page 20 - Sustainable Financing
Non-GRI topic	NA	<ul style="list-style-type: none"> NA

Corporate Sustainability Report

GRI Standard/ Other Source	Disclosure	Information/ Location
Customer privacy		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> Sustainability Report, Page 29 - Customer Privacy and Data Security
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	<ul style="list-style-type: none"> Sustainability Report, Page 29 - Customer Privacy and Data Security
Anti-corruption		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> Sustainability Report, Page 37 - Anti-Bribery and Corruption
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	<ul style="list-style-type: none"> Sustainability Report, Page 37 - Anti-Bribery and Corruption
	205-3 Confirmed incidents of corruption and actions taken	<ul style="list-style-type: none"> Sustainability Report, Page 37 - Anti-Bribery and Corruption
Marketing and labelling		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> Sustainability Report, Page 21 - Credit Risk Management and Screening
GRI 417: Marketing and Labelling 2016	417-2 Incidents of non-compliance concerning product and service information and labelling	<ul style="list-style-type: none"> Sustainability Report, Page 21 - Credit Risk Management and Screening
	417-3 Incidents of non-compliance concerning marketing communications	<ul style="list-style-type: none"> Sustainability Report, Page 21 - Credit Risk Management and Screening
Customer experience		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> Sustainability Report, Page 28 - Customer Experience
Non-GRI topic	NA	<ul style="list-style-type: none"> NA
Indirect economic impact		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> Sustainability Report, Page 19 - SFL's Financial and Non-financial Impacts
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	<ul style="list-style-type: none"> Sustainability Report, Page 19 - 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 19 - 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

Corporate Sustainability Report

GRI Standard/ Other Source	Disclosure	Information/ Location
Energy and emissions		
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	• Sustainability Report, Page 26 – Energy and Emissions
	305-4 GHG emissions intensity	• Sustainability Report, Page 26 – Energy and Emissions
	305-5 Reduction of GHG emissions	• Sustainability Report, Page 26 – Energy and Emissions
Assessment for customer		
GRI 3: Material Topics 2021	3-3 Management of material topics	• Sustainability Report, Page 20 – Assessment for Agents and Customers
Non-GRI topic	NA	• NA
Socio-economic compliance		
GRI 3: Material Topics 2021	3-3 Management of material topics	• Sustainability Report, Page 36 – Compliance
GRI 2: General Disclosures 2021	2-27 Compliance with laws and regulations	• Sustainability Report, Page 36 – Compliance
Non-material topics – Diversity and equal opportunity		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	• Sustainability Report, Page 30 – Embracing Diversity and Inclusivity
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 33 – Employee Development and Talent Management
	404-3 Percentage of employees receiving regular performance and career development reviews	• Sustainability Report, Page 33 – Employee Development and Talent Management
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 35 – 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 – Employee Development and Talent Management • Sustainability Report, Page 32 – Employee Engagement and Well-being
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 32 – Occupational Health and Safety
	403-10 Work-related ill health	• Sustainability Report, Page 32 – Occupational Health and Safety

Our Services



Personal Savings

- Vivid Savings Account
- Vivid Fixed Deposit
- 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 Cycles
- Purchase of Commercial Vehicle
- Purchase of Pleasure Craft

Corporate Loan

- Purchase of Equipment and Machinery
- Purchase of Motor Vehicle
- Purchase of Commercial and Industrial Property
- Land and Construction Loan
- Vessel Loan
- Block Discounting/Floor Stock for Bikes/Commercial/Passenger Vehicles Loans
- Unsecured Working Capital Loan for Medical Practitioner
- Purchase of Electric Vehicle and Financing of Sustainable/Green Equipment
- Business Loans (Secured and Unsecured)
- Syndicated Loans

Other Services

- Safe Deposit Boxes (City HQ* & Bedok Customer Centre)

* Safe Deposit Box Service at City HQ will cease on 31 May 2025

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 2024 (“FY2024”).

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 in:

- 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:

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

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

Executive Committee

The EXCO comprises the following three members:

Mr Jamie Teo Miang Yeow (Chairman)
Mr Adam Tan Chin Han
Mr Lucas Tran Phuoc

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 (Deputy Chairman)
Mr Adam Tan Chin Han
Mr Jamie Teo Miang Yeow
Mr Melvin Yeo (Chief Operating Officer/Chief Information Security Officer)

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

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

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

Corporate Governance

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.

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.

Corporate Governance

The number of Board and Board Committees meetings as well as general meetings held during FY2024, 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	4	4	2	2	4	–	4	1
Yu-Foo Yee Shoon	4	4	2	2	3	–	–	1
Jamie Teo Miang Yeow	4	4*	2	2*	4	–	4	1
Adam Tan Chin Han	4	4	2	2	4	–	4	1
Terence Khoo Chi Siang	3	3	1	1	4	–	4	1
Loh Ching Soo	4	4	2	2	4	–	4	1
Lucas Tran Phuoc	4	4	2	2	4	–	–	1
Christopher Teo Miang Chneh	4	4	2	2	2	–	–	1

* By invitation

Directors' Orientation, Induction, Training and Development (Provision 1.2)

A formal letter is sent to newly appointed Directors upon their appointment explaining their duties and obligations as Directors. New Directors receive appropriate training and briefing in areas such as accounting, 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 did not appoint any new Director in FY2024.

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
- Innovating Through Design Thinking: The Fundamentals
- Technology Governance and Oversight at the Top
- Corporate Governance Statement of Support "Pledge" 2024
- Anti-Money Laundering (AML) Directors Training

The NC, with the Board's concurrence, has assessed and is satisfied that the training, courses and seminars attended by the Directors in FY2024 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.

Corporate Governance

Complete, Adequate and Timely Information (Provision 1.6)

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

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

Access to Management, the Company Secretary and Independent Professional Advice (Provision 1.7)

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

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

The Directors have separate and independent access to the advice and services of the Company Secretary or his/her representative(s) who attends and records the minutes of all Board and Board Committee meetings. The Company Secretary or his/her representative(s) attends all Board meetings and is responsible for, among other things, ensuring that Board procedures are observed and that applicable rules and regulations are complied with. The appointment and removal of the Company Secretary require the approval of the Board.

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 2025	Date of Appointment to Board	No. of years on Board at AGM 2025
1.	Yu-Foo Yee Shoon	Non-Independent Non-Executive Chairman	Chinese	Female	75	1 Nov 2011	14
2.	Jamie Teo Miang Yeow	Executive Director and Chief Executive Officer ("CEO")	Chinese	Male	52	8 Nov 2002 (Director) 11 Sep 2007 (CEO)	23
3.	Adam Tan Chin Han	Lead Independent Director	Chinese	Male	50	3 Jan 2017	8
4.	Terence Khoo Chi Siang	Independent Director	Chinese	Male	54	2 July 2018	7
5.	Loh Ching Soo	Independent Director	Chinese	Male	56	1 June 2023	2
6.	Lucas Tran Phuoc	Independent Director	Chinese	Male	60	1 June 2023	2
7.	Christopher Teo Miang Chneh	Non-Independent and Non-Executive Director	Chinese	Male	45	1 July 2023	2

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 judgement in the best interests of the Company. The NC annually reviews the independence of each Director by taking into account the definition of an independent Director and the relevant provisions and listing rules under the Code and the SGX-ST Listing Manual respectively.

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

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

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

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

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

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.

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.

Corporate Governance

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. The current board composition has representation of both male and female 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.

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.

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.

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 from different backgrounds whose core competencies, qualifications, skills and experiences meet with the requirements of the Company.

As part of its continuous effort in promoting diversity of the Board, the Company targeted to include a Board member with experience/background in Finance by 2028. The Board will regularly engage individuals with the correct profile and assess their suitability to be appointed.

Meeting of Independent Directors without Management (Provisions 2.5)

The INEDs constructively challenge, assist with development of strategic proposals, review the performance of Management in meeting goals and objectives and monitor the reporting of performance.

The INEDs, led by the Lead Independent non-Executive Director ("LID"), Mr Adam Tan Chin Han, 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 Non-Independent Non-Executive Chairman after such meetings. No meeting of the Independent Directors was convened in FY2024.

Corporate Governance

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 FY2024, the offices of the Non-Independent Non-Executive Chairman and the CEO are held by separate individuals. Mrs Yu-Foo Yee Shoon is the Non-Independent Non-Executive Chairman of the Company and Mr Jamie Teo Miang Yeow is the CEO.

Lead Independent Director (Provision 3.3)

The NC had appointed Mr Adam Tan Chin Han as the LID (i) to serve as the principal liaison on Board issues between the INEDs and the CEO, and (ii) to address any queries and shareholders' concerns which contact through the normal channels of the CEO has failed to resolve or for which such contact is inappropriate. Shareholders may reach the LID at leadid@singapurafinance.com.sg.

Roles of Chairman and CEO (Provision 3.2)

There is a clear division of responsibilities between the Non-Independent Non-Executive Chairman and the CEO, which are set out in writing and agreed by the Board.

The Non-Independent Non-Executive Chairman leads the Board to monitor and review the general progress and long-term development of the Company. She 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. She 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 seven 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)
Mr Jamie Teo Miang Yeow
Mrs Yu-Foo Yee Shoon
Mr Terence Khoo Chi Siang
Mr Loh Ching Soo
Mr Lucas Tran Phuoc
Dr Christopher Teo Miang Chneh

Role and Responsibilities of the NC (Provision 4.1)

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

- reviewing the structure, size and composition of the Board, taking into account, aspects of Board diversity, and making recommendations to the Board with regard to any adjustments that are deemed necessary;
- identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
- determining annually, and if circumstances require, the independence of a Director;
- reviewing the ability of a Director to adequately carry out his duties as Director when he has multiple board representations;
- reviewing and recommending the nomination for re-appointment of Directors;

Corporate Governance

- reviewing the succession planning of the Board and KMP;
- assessing the effectiveness and performance of the Board, Board Committees and individual Directors;
- reviewing and recommending relevant matters relating to Board diversity;
- reviewing the training and professional development programs for the Board; and
- reviewing its TOR to ensure alignment with the Code.

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

Selection, appointment and re-appointment of Directors (Provision 4.3)

Criteria and Process for Nomination and Selection of New Directors

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

- (a) consider the range of diversity aspects in particular, skills, knowledge, experience including familiarity in the Company's core markets, age, gender and length of service, and assess the combined factors against the requirements needed to govern and direct the Company's strategic objectives.
- (b) identify and nominate suitable candidates to the Board based on merit and independence, and against objective criteria while paying due regard to the need for diversity on the Board.

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

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

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

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

Re-appointment of Directors

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

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

The NC had recommended to the Board that Mr Adam Tan Chin Han and Mr Terence Khoo Chi Siang retire pursuant to Article 97 of the Constitution at the upcoming AGM. The Board had accepted the NC's recommendations.

Corporate Governance

Mr Adam Tan Chin Han and Mr Terence Khoo Chi Siang 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 138 to 142 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;
- (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;

Corporate Governance

- (f) whether the Director has been a Director on the Board for an aggregate period of more than nine years; and
- (g) any other applicable circumstances.

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

Board Performance

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

Assessing the effectiveness of the Board, Board Committees and Individual Directors (Provisions 5.1 and 5.2)

The Company has in place a formal process for assessment of the effectiveness of the Board as a whole, the Board Committees and the contribution by each Director to the effectiveness of the Board.

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

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

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

- (a) background information concerning the Director including his/her attendance records at Board and Board Committee meetings;
- (b) questionnaire for completion by each individual Board member; and
- (c) the NC's evaluation based on certain assessment parameters.

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

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

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.

Corporate Governance

Individual Director Evaluation Criteria

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

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

Composition of the RC (Provision 6.2)

The RC comprises the following six members, majority of whom are INEDs:

Mr Loh Ching Soo (Chairman)
Mrs Yu-Foo Yee Shoon
Mr Adam Tan Chin Han
Mr Terence Khoo Chi Siang
Mr Lucas Tran Phuoc
Dr Christopher Teo Miang Chneh

Role and responsibilities of the RC (Provision 6.1)

Based on the TOR approved by the Board, the principal functions of the RC are:

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

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In 2023, the Directors' Ex-Gratia Policy was introduced to reward Directors for their long services. The Directors Ex-Gratia will be paid to the Directors upon completion of 9 years of directorship or upon their cessation as a Director, whichever is earlier.

The remuneration packages of executive Director and KMP are approved by the Board upon recommendations by the RC. The executive Director and KMP do not participate in discussion of their compensation packages. The executive Director and KMP are on service contract with fixed appointment periods. Effective FY2025 onwards, the service contracts will be converted to employment contracts. The RC reviews the employment contracts of executive Director 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 Director 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. To assist the RC in its work and benchmarking exercises, the RC, during the financial year has commissioned HR Guru, as independent advisor, to review and benchmark the Group's remuneration schemes and practices, and to advise on any changes thereto. There is no existing relationship between the Company and HR Guru, that will affect their independence and objectivity.

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 Director 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 Director's and KMP's performance, and the Company's performance and industry practices.

In determining the variable incentives for an executive Director and a KMP, his/her individual performance and contribution is taken into consideration together with the competitive market practices and information gathered from market surveys conducted by the Company's Human Resources department and Independent advisor. 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/her 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.

Corporate Governance

The RC has recommended that the Board tables for shareholders' approval at the AGM, the payment of Directors' fees of S\$520,000 for FY2024.

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 FY2024 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 FY2024 is set out below. The disclosure is provided to enable a better understanding of the link between the remuneration paid to Directors, CEO and KMP and the performance of the individual and the Group. The criteria in setting the remuneration are disclosed under Principle 7 above.

Directors	Base Salary & Employer's CPF	Bonus/ Allowances	Other Benefits ^(a)	Board/Board Committee Fees ^(b)	Directors' Ex-Gratia ^(c)	Total
	%	%	%	%	%	\$
Yu-Foo Yee Shoon	–	–	–	100	–	90,000
Adam Tan Chin Han	–	–	–	75	25	80,000
Terence Khoo Chi Siang	–	–	–	75	25	80,000
Loh Ching Soo	–	–	–	100	–	60,000
Lucas Tran Phuoc	–	–	–	100	–	60,000
Teoh Eng Hong (retired on 25 April 2024)	–	–	–	100	–	20,000
William Ho Ah Seng (deceased) (retired on 25 April 2024)	–	–	–	100	–	20,000
Tan Hui Keng, Martha (retired on 25 April 2024)	–	–	–	100	–	20,000
Sub Total	–	–	–	90.70	9.30	430,000
Teo Chiang Long (deceased) (retired on 29 February 2024)	64.45	24.00	3.18	8.37	–	119,498
Jamie Teo Miang Yeow	62.61	20.52	8.22	8.65	–	693,656
Dr Christopher Teo Miang Chneh	–	–	–	100	–	60,000
Total	39.24	13.12	4.67	39.90	3.07	1,303,154

Notes:

^(a) These relate to provision for long-term incentive scheme and staff retirement gratuity.

^(b) These fees comprise Directors' fees for FY2024.

^(c) The Directors' Ex-Gratia Policy was introduced in 2023 to reward Directors for long services. The Directors' Ex-Gratia will be paid to the Directors upon completion of 9 years of directorship or upon their cessation as a Director, whichever is earlier.

Corporate Governance

In addition to the Directors' Ex-Gratia for FY2024, the cumulative Directors' Ex-Gratia entitlement up to 31 December 2023 are as follows:

Directors	Cumulative Directors' Ex-Gratia entitlement up to 31 December 2023
	\$
Yu-Foo Yee Shoon	180,000
Adam Tan Chin Han	140,000
Terence Khoo Chi Siang	100,000
Sub Total	420,000
Jamie Teo Miang Yeow	180,000
Total	600,000

The Directors' fees and Ex-Gratia are subject to shareholders approval at the forthcoming AGM.

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.

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 one 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 the KMP, Mr Melvin Yeo Khee Wee who is the Chief Operating Officer and Chief Information Security Officer of the Company 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. Except for Mr Jamie Teo Miang Yeow 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.

Corporate Governance

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.

The RMC comprises the following seven members:

Mr Adam Tan Chin Han (Chairman)
Mrs Yu-Foo Yee Shoon
Mr Terence Khoo Chi Siang
Mr Jamie Teo Miang Yeow
Mr Loh Ching Soo
Mr Lucas Tran Phuoc
Dr Christopher Teo Miang Chneh

Roles and Responsibilities of RMC

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

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

Corporate Governance

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

Risk management and internal control systems

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

Credit Risk

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

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

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

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

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

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

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

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

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

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

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

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

Environmental Risk

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

Corporate Governance

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

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

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

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

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

Market Risk

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

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

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

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

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

Corporate Governance

Liquidity Risk

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

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

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

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

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

Operational and Technology Risk

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

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

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

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

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

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

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.

Corporate Governance

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.

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 2024, 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 2024 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 FY2024. Accordingly, the Company has complied with Listing Rule 1207(10).

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

Audit Committee

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

AC Composition (Provision 10.2)

The AC comprises the following six, majority of whom are INEDs:

Mr Lucas Tran Phuoc (Chairman)
Mrs Yu-Foo Yee Shoon
Mr Adam Tan Chin Han
Mr Terence Khoo Chi Siang
Mr Loh Ching Soo
Dr Christopher Teo Miang Chneh

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 FY2024 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;

Corporate Governance

- reviewing with Management and the external auditors the audited financial statements issued by the Group to ensure their completeness, accuracy and fairness;
- reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the Group's financial statements and announcements relating to the Group's financial performance;
- reviewing and reporting to the Board the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls;
- reviewing the Internal Auditors' and External Auditors' respective audit plans;
- reviewing the scope and results of the external audit and the independence and objectivity of the external auditors; and the nature and extent of the non-audit services provided by the external auditors;
- reviewing with Management, the reports and findings of the review of the Group's internal controls by the internal and external auditors;
- making recommendations to the Board on the appointment, re-appointment and removal of the external auditors and approving the remuneration and terms of engagement of the external auditors;
- reviewing the independence, effectiveness and adequacy of the resource of the internal auditors' function;
- approving the appointment, resignation or dismissal of the internal auditors;
- 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 FY2024 on pages 75 to 76 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 page 61, 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 FY2024, please refer to note 17 of the Notes to the Financial Statements.

The AC is satisfied that the external auditor 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 FY2024.

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 once 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 FY2024.

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 FY2024 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	\$1,222,409.86	NIL

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

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 FY2024 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/her 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 FY2024 (FY2023: First and final one-tier tax-exempt dividend of 2.0 cents per share and a special one-tier tax-exempt dividend of 1.00 cent 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 is potential conflict of interests.

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

INTERNAL CODE ON DEALING IN SECURITIES

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

- (a) on short-term considerations;
- (b) while in possession of unpublished material price-sensitive information in relation to such securities; and
- (c) during the period commencing one month before the date of announcement of the half-year and full-year financial results ("closed period").

Corporate Governance

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 FY2024, 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 2024.

In our opinion:

- (a) the financial statements set out on pages 79 to 130 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the 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:

Yu-Foo Yee Shoon
Jamie Teo Miang Yeow
Tan Chin Han, Adam
Khoo Chi Siang, Terence
Loh Ching Soo
Lucas Tran Phuoc
Christopher Teo Miang Chneh

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				
Yu-Foo Yee Shoon	9,000	9,000	10,010	10,010

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 2025.

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.

Directors' Statement

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:

Lucas Tran Phuoc	(Chairman) Independent, non-executive director (appointed on 29 February 2024)
Yu-Foo Yee Shoon	Independent, non-executive director
Tan Chin Han, Adam	Independent, non-executive director
Khoo Chi Siang, Terence	Independent, non-executive director
Loh Ching Soo	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.

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.

Directors' Statement

Auditors

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

On behalf of the Board of Directors

Yu-Foo Yee Shoon
Director

Lucas Tran Phuoc
Director

28 February 2025

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 2024, 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 material accounting policy information, as set out on pages 79 to 130.

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 2024 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)

Allowance for expected credit losses amounting to \$6,951,000 (2023: \$6,769,000) (Refer to Note 6 to the financial statements)	
<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 75% 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"> • 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 realisable value of collaterals.</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>Based on our procedures performed, the ECL allowance is within a reasonable range of outcomes.</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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 2025

Balance Sheets

As at 31 December 2024

	Note	Group		Company	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Assets					
Cash and balances with banks	4	81,801	99,447	81,775	99,432
Statutory deposit with the Monetary Authority of Singapore		28,610	22,019	28,610	22,019
Investments	5	207,763	203,911	207,763	203,911
Loans and advances	6	982,832	824,295	982,832	824,295
Other receivables, deposits and prepayments	8	3,072	2,510	3,069	2,510
Subsidiaries	9	–	–	125	125
Property, plant and equipment	10	6,587	7,710	6,587	7,710
Deferred tax assets	16	3,055	3,192	3,055	3,192
Total assets		1,313,720	1,163,084	1,313,816	1,163,194
Equity					
Share capital	11	168,896	168,896	168,896	168,896
Reserves	11	85,665	84,380	85,298	82,024
Total equity attributable to owners of the Company		254,561	253,276	254,194	250,920
Liabilities					
Deposits and savings accounts of customers	12	1,031,864	877,710	1,032,544	880,319
Trade and other payables	13	24,430	22,416	24,214	22,280
Borrowings from MAS	14	–	6,100	–	6,100
Current tax liabilities		2,027	2,239	2,026	2,232
Staff retirement gratuities	15	838	1,343	838	1,343
Total liabilities		1,059,159	909,808	1,059,622	912,274
Total equity and liabilities		1,313,720	1,163,084	1,313,816	1,163,194

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

Consolidated Income Statement

Year ended 31 December 2024

	Note	Group	
		2024 \$'000	2023 \$'000
Interest income and hiring charges		53,971	48,150
Interest expense		(30,723)	(26,144)
Net interest and hiring charges		23,248	22,006
Fee and commission income		542	478
Other operating income		441	453
Income before operating expenses		24,231	22,937
Staff costs		(9,352)	(8,326)
Depreciation of property, plant and equipment	10	(1,415)	(1,402)
Other operating expenses		(5,633)	(5,634)
Profit from operations before allowances	17	7,831	7,575
Allowances for impairment losses on loans and advances	6	(494)	(54)
Profit before tax		7,337	7,521
Tax expense	18	(1,243)	(1,365)
Profit for the year		6,094	6,156
Earnings per share			
Basic earnings per share (cents)	19	3.84	3.88
Diluted earnings per share (cents)	19	3.84	3.88

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

Consolidated Statement of Comprehensive Income

Year ended 31 December 2024

	Group	
	2024 \$'000	2023 \$'000
Profit for the year	6,094	6,156
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	(58)	66
Related tax	10	(11)
	(48)	55
Other comprehensive income for the year, net of tax	(48)	55
Total comprehensive income for the year	6,046	6,211

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

Consolidated Statement of Changes in Equity

Year ended 31 December 2024

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		<u>168,896</u>	<u>1,353</u>	<u>718</u>	<u>86,018</u>	<u>(14,287)</u>	<u>730</u>	<u>9,848</u>	<u>253,276</u>

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

Consolidated Statement of Changes in Equity

Year ended 31 December 2024

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 2024		168,896	1,353	718	86,018	(14,287)	730	9,848	253,276
Total comprehensive income for the year									
Profit for the year		-	-	-	-	-	-	6,094	6,094
Other comprehensive income									
Items that may be reclassified subsequently to profit & loss									
Net change in fair value of debt investments measured at FVOCI		-	-	-	-	(58)	-	-	(58)
Tax relating to items that may be reclassified subsequently to profit or loss		-	-	-	-	10	-	-	10
Total other comprehensive income		-	-	-	-	(48)	-	-	(48)
Total comprehensive income for the year		-	-	-	-	(48)	-	6,094	6,046
Transaction with owners, recorded directly in equity									
Contributions by and distribution to owners									
Dividends declared and paid	11	-	-	-	-	-	-	(4,761)	(4,761)
Total transactions with owners		-	-	-	-	-	-	(4,761)	(4,761)
Transfer from profit for the year to statutory reserve		-	-	-	2,030	-	-	(2,030)	-
At 31 December 2024		168,896	1,353	718	88,048	(14,335)	730	9,151	254,561

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

Statement of Changes in Equity

Year ended 31 December 2024

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	249,949
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		<u>168,896</u>	<u>1,353</u>	<u>718</u>	<u>86,018</u>	<u>(14,287)</u>	<u>730</u>	<u>7,492</u>	<u>250,920</u>

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

Statement of Changes in Equity

Year ended 31 December 2024

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 2024		168,896	1,353	718	86,018	(14,287)	730	7,492	250,920
Total comprehensive income for the year									
Profit for the year		-	-	-	-	-	-	8,083	8,083
Other comprehensive income									
Items that may be reclassified subsequently to profit & loss									
Net change in fair value of debt investments measured at FVOCI		-	-	-	-	(58)	-	-	(58)
Tax relating to items that may be reclassified subsequently to profit or loss		-	-	-	-	10	-	-	10
Total other comprehensive income		-	-	-	-	(48)	-	-	(48)
Total comprehensive income for the year		-	-	-	-	(48)	-	8,083	8,035
Transaction with owners, recorded directly in equity									
Contributions by and distribution to owners									
Dividends declared and paid	11	-	-	-	-	-	-	(4,761)	(4,761)
Total transactions with owners		-	-	-	-	-	-	(4,761)	(4,761)
Transfer from profit for the year to statutory reserve		-	-	-	2,030	-	-	(2,030)	-
At 31 December 2024		168,896	1,353	718	88,048	(14,335)	730	8,784	254,194

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

Consolidated Cash Flow Statement

Year ended 31 December 2024

	Note	Group	
		2024 \$'000	2023 \$'000
Cash flows from operating activities			
Profit for the year		6,094	6,156
Adjustments for:			
Depreciation of property, plant and equipment	10	1,415	1,402
Bad debts written off		(21)	2
Allowances for impairment losses on loans and advances	6	494	54
Staff retirement gratuities	15	14	35
Interest expense on lease liabilities	22	499	543
Tax expense		1,243	1,365
		<u>9,738</u>	<u>9,557</u>
Changes in working capital:			
Statutory deposit with the Monetary Authority of Singapore		(6,591)	1,426
Fixed deposits with original maturity more than 3 months		4,046	(5,046)
Loans and advances		(159,010)	20,113
Other receivables, deposits and prepayments		(562)	(204)
Deposits and savings accounts of customers		154,154	(16,116)
Trade and other payables		2,702	9,129
Cash from operations		<u>4,477</u>	<u>18,859</u>
Taxes paid		(1,309)	(1,757)
Staff retirement gratuities paid	15	(519)	(174)
Net cash from operating activities		<u>2,649</u>	<u>16,928</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(292)	(361)
Purchase of investments		(604,997)	(664,932)
Proceeds from sale and maturity of investments		601,088	652,614
Net cash used in investing activities		<u>(4,201)</u>	<u>(12,679)</u>
Cash flows from financing activities			
Dividends paid		(4,761)	(5,157)
Repayment on Borrowing from MAS	14	(6,100)	(3,900)
Payment of lease liabilities	13	(1,187)	(1,051)
Net cash used in financing activities		<u>(12,048)</u>	<u>(10,108)</u>
Net decrease in cash and cash equivalents		<u>(13,600)</u>	<u>(5,859)</u>
Cash and cash equivalents at 1 January		91,401	97,260
Cash and cash equivalents at 31 December	4	<u>77,801</u>	<u>91,401</u>

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

Notes to the Financial Statements

Year ended 31 December 2024

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 2025.

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 2024 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 prospectively.

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in note 3.4 Impairment and note 23 Financial risk management.

Notes to the Financial Statements

Year ended 31 December 2024

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 2024:

- *Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to SFRS (1) 1-1*
- *Lease Liability in a Sale and Leaseback – Amendments to SFRS (1) 16*
- *Disclosures: Supplier Finance Arrangements – Amendments to SFRS (1) 1-7 and SFRS(1) 7*

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

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.

Notes to the Financial Statements

Year ended 31 December 2024

3 Material accounting policies (Continued)

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.

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.

Notes to the Financial Statements

Year ended 31 December 2024

3 Material accounting policies (Continued)

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.

(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.

Notes to the Financial Statements

Year ended 31 December 2024

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).

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.

Notes to the Financial Statements

Year ended 31 December 2024

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)

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.

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.

(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.

Notes to the Financial Statements

Year ended 31 December 2024

3 Material accounting policies (Continued)

3.3 Financial instruments (Continued)

(iii) Derecognition (Continued)

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.

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.

Notes to the Financial Statements

Year ended 31 December 2024

3 Material accounting policies (Continued)

3.4 Impairment (Continued)

General approach (Continued)

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.

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.

Notes to the Financial Statements

Year ended 31 December 2024

3 Material accounting policies (Continued)

3.4 Impairment (Continued)

Presentation of allowance for ECLs in the statement of financial position

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

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

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

Write-off

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

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.

Notes to the Financial Statements

Year ended 31 December 2024

3 Material accounting policies (Continued)

3.6 Interest (Continued)

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.

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.

Notes to the Financial Statements

Year ended 31 December 2024

3 Material accounting policies (Continued)

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	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Cash at banks and in hand	21,775	21,901	21,749	21,886
Fixed deposits with banks	60,026	77,546	60,026	77,546
Cash and balances with banks in the balance sheet	81,801	99,447	81,775	99,432
Less: Fixed deposits with original maturity more than 3 months	(4,000)	(8,046)	(4,000)	(8,046)
Cash and cash equivalents in the cash flow statement	77,801	91,401	77,775	91,386

5 Investments

	Group and Company	
	2024 \$'000	2023 \$'000
Singapore Government Securities	207,763	203,911
Unquoted equity securities	*	*
	207,763	203,911

* Amount less than \$1,000

Singapore Government Securities are measured at FVOCI. They have stated interest rates of 1.875% to 3.690% (2023: 1.875% to 4.211%) and with a maturity of 1 month to 27 years (2023: 1 month to 28 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.

Notes to the Financial Statements

Year ended 31 December 2024

6 Loans and advances

	Note	Group and Company	
		2024	2023
		\$'000	\$'000
Mortgage and other secured loans		761,955	605,503
Unsecured loans		5,283	9,270
Hire purchase receivables	7	244,120	237,495
		<u>1,011,358</u>	<u>852,268</u>
Unearned charges and interest		(21,575)	(21,204)
		<u>989,783</u>	<u>831,064</u>
Allowances for loan losses		(6,951)	(6,769)
		<u><u>982,832</u></u>	<u><u>824,295</u></u>

These comprise balances:

	Group and Company	
	2024	2023
	\$'000	\$'000
Due within 12 months	143,574	93,363
Due after 12 months	839,258	730,932
	<u><u>982,832</u></u>	<u><u>824,295</u></u>

As at 31 December 2024, secured loans to directors (including immediate family members) of the Group and Company amounted to \$174,000 (2023: \$231,000).

Unsecured loans include \$3,688,000 (2023: \$9,107,000) of loans disbursed under the 'Temporary Bridging Loan Programme' initiated by Enterprise Singapore.

Notes to the Financial Statements

Year ended 31 December 2024

6 Loans and advances (Continued)

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 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>
Balance as at 1 January 2024	3,835	908	2,026	6,769
Transferred to 12-month ECL – not credit-impaired	647	(126)	(521)	–
Transferred to Lifetime ECL – not credit-impaired	(1,112)	1,112	–	–
Transferred to Lifetime ECL – credit-impaired	(277)	(267)	544	–
Changes in assumptions	(2,579)	961	576	(1,042)
Financial assets repaid	(336)	(497)	(515)	(1,348)
New financial assets originated or purchased	2,884	–	–	2,884
Allowances/(write back) for impairment losses on loans and advances	(773)	1,183	84	494
Amounts written off	–	–	(312)	(312)
Balance as at 31 December 2024	<u>3,062</u>	<u>2,091</u>	<u>1,798</u>	<u>6,951</u>

Notes to the Financial Statements

Year ended 31 December 2024

7 Hire purchase receivables

	2024			2023		
	Gross \$'000	Interest \$'000	Principal \$'000	Gross \$'000	Interest \$'000	Principal \$'000
Group and Company						
Within 1 year	10,436	194	10,242	10,319	172	10,147
Between 1 year and 5 years	171,164	12,654	158,511	172,462	12,538	159,924
After 5 years	62,520	8,562	53,957	54,714	7,996	46,718
	<u>244,120</u>	<u>21,410</u>	<u>222,710</u>	<u>237,495</u>	<u>20,706</u>	<u>216,789</u>

8 Other receivables, deposits and prepayments

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Interest receivable	770	696	770	696
Deposits	364	372	364	372
Other receivables	745	449	742	449
	<u>1,879</u>	<u>1,517</u>	<u>1,876</u>	<u>1,517</u>
Prepayments	1,193	993	1,193	993
	<u>3,072</u>	<u>2,510</u>	<u>3,069</u>	<u>2,510</u>

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	
	2024 \$'000	2023 \$'000
Equity investments, at cost	<u>125</u>	<u>125</u>

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Country of incorporation	Ownership interest	
			2024 %	2023 %
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 2024

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 2023	2,263	11,018	2,968	521	6,546	23,316
Additions	–	1,194	270	–	360	1,824
Written off	–	(1,899)	(11)	–	(447)	(2,357)
At 31 December 2023	<u>2,263</u>	<u>10,313</u>	<u>3,227</u>	<u>521</u>	<u>6,459</u>	<u>22,783</u>
At 1 January 2024	2,263	10,313	3,227	521	6,459	22,783
Additions	–	–	83	–	209	292
Written off	–	–	(27)	–	(112)	(139)
At 31 December 2024	<u>2,263</u>	<u>10,313</u>	<u>3,283</u>	<u>521</u>	<u>6,556</u>	<u>22,936</u>
Accumulated depreciation						
At 1 January 2023	1,417	5,856	2,769	356	5,630	16,028
Depreciation charge for the year	32	802	72	55	441	1,402
Written off	–	(1,899)	(11)	–	(447)	(2,357)
At 31 December 2023	<u>1,449</u>	<u>4,759</u>	<u>2,830</u>	<u>411</u>	<u>5,624</u>	<u>15,073</u>
At 1 January 2024	1,449	4,759	2,830	411	5,624	15,073
Depreciation charge for the year	31	825	115	55	389	1,415
Written off	–	–	(27)	–	(112)	(139)
At 31 December 2024	<u>1,480</u>	<u>5,584</u>	<u>2,918</u>	<u>466</u>	<u>5,901</u>	<u>16,349</u>
Carrying amounts						
At 1 January 2023	<u>846</u>	<u>5,162</u>	<u>199</u>	<u>165</u>	<u>916</u>	<u>7,288</u>
At 31 December 2023	<u>814</u>	<u>5,554</u>	<u>397</u>	<u>110</u>	<u>835</u>	<u>7,710</u>
At 31 December 2024	<u>783</u>	<u>4,729</u>	<u>365</u>	<u>55</u>	<u>655</u>	<u>6,587</u>

Notes to the Financial Statements

Year ended 31 December 2024

10 Property, plant and equipment (Continued)

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

Location	Description	Tenure	Carrying amounts	
			2024 \$'000	2023 \$'000
212 East Coast Road Singapore 428911	2-storey shophouse used as branch premises	Freehold	749	766
203 Henderson Road #02-07 Singapore 159546	Warehouse	Freehold	33	48
Total freehold properties			782	814
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	415	471
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	125	141
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	110	123
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	1,247	1,296
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	2,683	2,777
Total leasehold properties			4,580	4,808
			5,362	5,622

Property, plant and equipment includes right-of-use assets with carrying amounts of \$149,000 (2023: \$746,000) and \$253,000 (2023: \$329,000) related to leasehold land and buildings, furniture and office equipment respectively as at 31 December 2024 (see note 22).

Notes to the Financial Statements

Year ended 31 December 2024

11 Capital and reserves

Share capital

Group and Company	
2024	2023
No. of shares (‘000)	No. of shares (‘000)
158,686	158,686

Fully paid ordinary shares, with no par value:

At beginning and end of financial year

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	
	2024 \$’000	2023 \$’000	2024 \$’000	2023 \$’000
Capital reserve	1,353	1,353	1,353	1,353
Statutory reserve	88,048	86,018	88,048	86,018
Regulatory loss allowance reserve	718	718	718	718
Fair value reserve	(14,335)	(14,287)	(14,335)	(14,287)
Revenue reserve:				
– General	730	730	730	730
– Accumulated profits	9,151	9,848	8,784	7,492
	85,665	84,380	85,298	82,024

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 2024

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	
	2024	2023
	\$'000	\$'000
Paid by the Company to owners of the Company		
First and final		
2.0 cents per qualifying ordinary share (2023: 2.0 cents)	3,174	3,174
Special		
1.0 cent per qualifying ordinary share (2023: 1.25 cents)	1,587	1,983
	<u>4,761</u>	<u>5,157</u>

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	
	2024	2023
	\$'000	\$'000
First and final		
2.0 cents per qualifying ordinary share (2023: 2.0 cents)	3,174	3,174
Special		
1.0 cent per qualifying ordinary share (2023: 1.0 cents)	1,587	1,587
	<u>4,761</u>	<u>4,761</u>

12 Deposits and savings accounts of customers

These include deposits placed by subsidiaries amounting to \$680,000 (2023: \$2,609,000) in the Company and \$146,169,000 (2023: \$167,772,000) placed by related parties of the Group and the Company, accepted in the ordinary course of business. \$1,067,000 (2023: \$1,491,000) of deposits placed by customers are pledged as collaterals for loans borrowings.

Notes to the Financial Statements

Year ended 31 December 2024

13 Trade and other payables

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Accrued interest payable	17,509	14,521	17,525	14,620
Accrued operating expenses	2,647	2,766	2,642	2,757
Deposits for safe deposit boxes and rental deposits	96	101	96	101
Unclaimed dividends	479	479	479	479
Lease liabilities	570	1,258	570	1,258
Others	3,129	3,291	2,902	3,065
	24,430	22,416	24,214	22,280
These comprise balances:				
Due within 12 months	23,449	21,033	23,233	20,897
Due after 12 months	981	1,383	981	1,383
	24,430	22,416	24,214	22,280

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

	Note	Lease liabilities Group \$'000
At 1 January 2023		303
<i>Changes in financing cash flows</i>		
Payment of lease liabilities	22	(1,051)
<i>Other changes – liability related</i>		
New leases	22	1,463
Interest expense on lease liabilities	22	543
At 31 December 2023		1,258
At 1 January 2024		1,258
<i>Changes in financing cash flows</i>		
Payment of lease liabilities	22	(1,187)
<i>Other changes – liability related</i>		
Interest expense on lease liabilities	22	499
At 31 December 2024		570

Notes to the Financial Statements

Year ended 31 December 2024

14 Borrowings from MAS

	Group and Company	
	2024	2023
	\$'000	\$'000
Due within 12 months	–	6,100
Due after 12 months	–	–
	<u>–</u>	<u>6,100</u>

Borrowings from MAS represents amounts advanced by MAS to the Group in order to partially finance the Enterprise Singapore ('ESG') loan schemes for Small and Medium Enterprises ('SMEs'), administered by Enterprise Singapore. The ESG Loan Schemes comprise the Enhanced Enterprise Financing Scheme – SME Working Capital Loan ('EFS-WCL') and the Temporary Bridging Loan Programme ('TBLP'). Borrowings from MAS SGD Facility is secured by assignment of eligible loan agreements as collaterals amounting to \$Nil (2023: \$7,271,000) 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 2023	10,000
<i>Changes in financing cash flows</i>	
Repayment of Borrowings from MAS	(3,900)
At 31 December 2023	<u>6,100</u>
At 1 January 2024	6,100
<i>Changes in financing cash flows</i>	
Repayment of Borrowings from MAS	(6,100)
At 31 December 2024	<u>–</u>

15 Staff retirement gratuities

	Group and Company	
	2024	2023
	\$'000	\$'000
At 1 January	1,343	1,482
Provision made during the year	14	35
Utilised	(519)	(174)
At 31 December	<u>838</u>	<u>1,343</u>

Notes to the Financial Statements

Year ended 31 December 2024

16 Deferred tax (assets)/liabilities

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

	Balance as at 1 January 2023 \$'000	Recognised in profit or loss (note 18) \$'000	Recognised in other comprehensive income \$'000	Balance as at 31 December 2023 \$'000	Recognised in profit or loss (note 18) \$'000	Recognised in other comprehensive income \$'000	Balance as at 31 December 2024 \$'000
Group and Company							
Deferred tax (assets)/ liabilities							
Property, plant and equipment	165	(12)	–	153	(23)	–	130
Staff retirement gratuities	(252)	24	–	(228)	86	–	(142)
Directors Ex-Gratia	(128)	(63)	–	(191)	113	–	(78)
Leases	–	–	–	–	(29)	–	(29)
Investments	(2,937)	–	11	(2,926)	–	(10)	(2,936)
	<u>(3,152)</u>	<u>(51)</u>	<u>11</u>	<u>(3,192)</u>	<u>147</u>	<u>(10)</u>	<u>(3,055)</u>

17 Profit from operations before allowances

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

	Group	
	2024	2023
	\$'000	\$'000
Interest income and hiring charges		
Interest income on:		
- loans and advances	44,884	38,931
- bank deposits	2,905	2,565
- Singapore Government Securities	6,182	6,654
	<u>53,971</u>	<u>48,150</u>
Interest expense		
Interest expense on customer deposits	30,690	26,135
Interest expense on borrowings	33	9
	<u>30,723</u>	<u>26,144</u>

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

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

Notes to the Financial Statements

Year ended 31 December 2024

17 Profit from operations before allowances (Continued)

	Group	
	2024	2023
	\$'000	\$'000
Other operating income		
Bad debts recovered	88	73
Others	353	380
	<u>441</u>	<u>453</u>
Staff costs		
Salaries and other benefits	8,298	7,535
Contributions to defined contribution plans	1,054	791
	<u>9,352</u>	<u>8,326</u>
Other operating expenses		
Audit fees:		
- auditors of the Company	183	171
Non-audit fees:		
- auditors of the Company	26	36
Interest expense on lease liabilities		
- related corporations	307	426
- third parties	192	117
Other operating expense paid to:		
- related corporations	53	53
- third parties	4,872	4,831
	<u>5,633</u>	<u>5,634</u>

Notes to the Financial Statements

Year ended 31 December 2024

18 Tax expense

	Note	Group	
		2024 \$'000	2023 \$'000
Tax expense			
Current year		1,139	1,416
Overprovision in respect of prior year		(43)	–
		<u>1,096</u>	<u>1,416</u>
Deferred tax credit			
Origination and reversal of temporary differences	16	147	(51)
		<u>1,243</u>	<u>1,365</u>
Reconciliation of effective tax rate			
Profit before tax		<u>7,337</u>	<u>7,521</u>
Tax using Singapore tax rate of 17% (2023: 17%)		1,247	1,279
Income not subject to tax		(359)	(26)
Non-deductible expenses		14	(236)
Overprovision in respect of prior year		(43)	–
Others		384	348
		<u>1,243</u>	<u>1,365</u>

19 Earnings per share

	Group	
	2024 \$'000	2023 \$'000
Basic and diluted earnings per share is based on:		
- Net profit attributable to ordinary shareholders	<u>6,094</u>	<u>6,156</u>
	No. of shares	
	2024 ('000)	2023 ('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 2024 and 2023.

Notes to the Financial Statements

Year ended 31 December 2024

20 Related parties

Key management personnel compensation

Key management personnel compensation comprised the following:

	Group	
	2024 \$'000	2023 \$'000
Directors' fees	520	580
Directors ex-gratia	60	370
Short-term employee benefits	1,142	1,692
Staff retirement gratuities	61	48

Total outstanding remuneration payable to personnel who are both Directors and key management personnel amounted to \$1,434,000 (2023: \$2,861,000). 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	
	2024 \$'000	2023 \$'000
Interest on deposits paid to related parties	4,653	5,856
Rental and service charge on office premise paid to related parties	1,062	1,018

21 Commitments

	Group and Company	
	2024 \$'000	2023 \$'000
Undrawn credit lines and other commitments to extend credit	220,174	263,033

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.

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

Notes to the Financial Statements

Year ended 31 December 2024

22 Leases (Continued)

Right-of-use assets

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

	Leasehold land and buildings \$'000	Furniture and office equipment \$'000	Total \$'000
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	<u>746</u>	<u>329</u>	<u>1,075</u>
Balance at 1 January 2024	746	329	1,075
Additions	–	–	–
Depreciation charge for the year	(597)	(76)	(673)
Balance at 31 December 2024	<u>149</u>	<u>253</u>	<u>402</u>

Group and Company

2024	2023
\$'000	\$'000

Amounts recognised in profit or loss

Interest on lease liabilities	<u>(499)</u>	<u>(543)</u>
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Amounts recognised in statement of cash flows

Group and Company

2024	2023
\$'000	\$'000

Total cash outflow for leases	<u>1,187</u>	<u>1,051</u>
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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.

The Company has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liability of \$1,261,000 (2023: Nil).

Notes to the Financial Statements

Year ended 31 December 2024

23 Financial risk management

Overview

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

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

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

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

Credit risk

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

Management of credit risk

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

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

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

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

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.

Notes to the Financial Statements

Year ended 31 December 2024

23 Financial risk management (Continued)

Credit risk (Continued)

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').

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 including GDP Growth, Interest rate, Household Liability/Networth, Overall Banking System Non-Performing Loans ('NPL') Ratio and Government Expenditure. These factors are reviewed regularly.

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.

Notes to the Financial Statements

Year ended 31 December 2024

23 Financial risk management (Continued)

Credit risk (Continued)

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

Calculation of expected credit losses (Continued)

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.

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	
2024				
Performing accounts				
- past due but not impaired	32,320	15,427	-	47,747
- neither past due nor impaired	913,544	-	-	913,544
Substandard	-	-	26,694	26,694
Loss	-	-	1,798	1,798
Gross amount	945,864	15,427	28,492	989,783
Stage 1 & 2 loss allowances	(3,062)	(2,091)	-	(5,153)
Stage 3 loss allowances	-	-	(1,798)	(1,798)
Carrying amount	<u>942,802</u>	<u>13,336</u>	<u>26,694</u>	<u>982,832</u>
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	<u>790,870</u>	<u>7,802</u>	<u>25,623</u>	<u>824,295</u>

Notes to the Financial Statements

Year ended 31 December 2024

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 table below shows the gross carrying amount of loans that have been modified during the year:

	Group and Company	
	2024	2023
	\$'000	\$'000
Mortgage loans	895	–
Unsecured loans	550	–
Total	<u>1,445</u>	<u>–</u>

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	
	2024	2023
	\$'000	\$'000
Gross amount	989,783	831,064
Lifetime ECL on credit impaired exposures	(1,798)	(2,026)
Carrying amount	<u>987,985</u>	<u>829,038</u>
Properties	713,486	575,976
Motor vehicles	199,407	189,150
Vessels	43,627	23,269
Equipment	17,312	26,378
Shares	4,691	4,818
Financial effect of collateral on maximum credit exposure	<u>978,523</u>	<u>819,591</u>
Net exposure	<u>9,462</u>	<u>9,447</u>

Notes to the Financial Statements

Year ended 31 December 2024

23 Financial risk management (Continued)

Credit risk (Continued)

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

Exposure to credit risk (Continued)

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	
	2024	2023
	\$'000	\$'000
Properties	–	390

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)	
	2024	2023
	\$'000	\$'000
Concentration by sector		
Hire purchase/block discounting	222,710	216,789
Housing loans secured by property	183,719	208,891
Other loans and advances:		
- Agriculture, mining and quarrying	90	114
- Manufacturing	3,950	4,857
- Building and construction	282,418	208,731
- General commerce	83,133	59,155
- Transport, storage and communication	47,283	29,097
- Investment and holding companies	30,786	26,443
- Professional and private individuals	74,317	58,195
- Others	61,377	18,792
	989,783	831,064

Debt investments

The Group and the Company held Singapore Government securities of \$207,763,000 as at 31 December 2024 (2023: \$203,911,000). The credit rating of Singapore Government Securities held at the reporting date accorded by various international credit rating agencies is AAA (2023: 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.

Notes to the Financial Statements

Year ended 31 December 2024

23 Financial risk management (Continued)

Credit risk (Continued)

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

Cash and balances with banks

The Group and the Company held cash and balances with banks of \$81,801,000 and \$81,775,000 respectively as at 31 December 2024 (2023: \$99,447,000 and \$99,432,000). 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.

Statutory deposit with the Monetary Authority of Singapore

The Group and the Company held statutory deposit with the Monetary Authority of Singapore of \$28,610,000 as at 31 December 2024 (2023: \$22,019,000) 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 2024

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 2024							
Deposits and savings accounts of customers	1,031,864	(1,061,242)	(256,411)	(175,573)	(608,629)	(20,609)	(20)
Other liabilities*	6,921	(7,328)	(5,119)	(382)	(846)	(890)	(91)
	<u>1,038,785</u>	<u>(1,068,570)</u>	<u>(261,530)</u>	<u>(175,955)</u>	<u>(609,475)</u>	<u>(21,499)</u>	<u>(111)</u>
Undrawn loan commitments	–	(220,174)	(220,174)	–	–	–	–
	<u>1,038,785</u>	<u>(1,288,744)</u>	<u>(481,704)</u>	<u>(175,955)</u>	<u>(609,475)</u>	<u>(21,499)</u>	<u>(111)</u>
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)
	<u>891,706</u>	<u>(922,101)</u>	<u>(114,619)</u>	<u>(150,971)</u>	<u>(530,969)</u>	<u>(125,244)</u>	<u>(298)</u>
Undrawn loan commitments	–	(263,033)	(263,033)	–	–	–	–
	<u>891,706</u>	<u>(1,185,134)</u>	<u>(377,652)</u>	<u>(150,971)</u>	<u>(530,969)</u>	<u>(125,244)</u>	<u>(298)</u>

* Excludes accrued interest payable

	Carrying amount \$'000	Gross nominal inflow/ (outflow) \$'000	On demand/ less than 1 month \$'000	Within 3 months \$'000	3 months to 1 year \$'000	1 to 3 years \$'000	More than 3 years \$'000
Company							
31 December 2024							
Deposits and savings accounts of customers	1,032,544	(1,061,750)	(256,919)	(175,573)	(608,629)	(20,609)	(20)
Other liabilities*	6,689	(7,095)	(4,892)	(376)	(846)	(890)	(91)
	<u>1,039,233</u>	<u>(1,068,845)</u>	<u>(261,811)</u>	<u>(175,949)</u>	<u>(609,475)</u>	<u>(21,499)</u>	<u>(111)</u>
Undrawn loan commitments	–	(220,174)	(220,174)	–	–	–	–
	<u>1,039,233</u>	<u>(1,289,019)</u>	<u>(481,985)</u>	<u>(175,949)</u>	<u>(609,475)</u>	<u>(21,499)</u>	<u>(111)</u>
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)
	<u>894,080</u>	<u>(924,508)</u>	<u>(117,035)</u>	<u>(150,962)</u>	<u>(530,969)</u>	<u>(125,244)</u>	<u>(298)</u>
Undrawn loan commitments	–	(263,033)	(263,033)	–	–	–	–
	<u>894,080</u>	<u>(1,187,541)</u>	<u>(380,068)</u>	<u>(150,962)</u>	<u>(530,969)</u>	<u>(125,244)</u>	<u>(298)</u>

* Excludes accrued interest payable

Notes to the Financial Statements

Year ended 31 December 2024

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 2024

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 2024							
Cash and balances with banks	81,801	8,832	68,969	4,000	–	–	81,801
Statutory deposit with the Monetary Authority of Singapore	28,610	28,610	–	–	–	–	28,610
Investments	207,763	–	79,849	54,103	10,149	63,662	207,763
Loans and advances	982,832	21,541	708,589	109,263	96,109	47,330	982,832
Other receivables and deposits*	1,879	1,879	–	–	–	–	1,879
	<u>1,302,885</u>	<u>60,862</u>	<u>857,407</u>	<u>167,366</u>	<u>106,258</u>	<u>110,992</u>	<u>1,302,885</u>
Deposits and savings accounts of customers	1,031,864	4,144	417,425	590,243	20,032	20	1,031,864
Other liabilities	24,430	24,430	–	–	–	–	24,430
	<u>1,056,294</u>	<u>28,574</u>	<u>417,425</u>	<u>590,243</u>	<u>20,032</u>	<u>20</u>	<u>1,056,294</u>
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
	<u>1,151,189</u>	<u>55,705</u>	<u>787,076</u>	<u>73,411</u>	<u>114,676</u>	<u>120,321</u>	<u>1,151,189</u>
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
	<u>906,226</u>	<u>23,574</u>	<u>256,456</u>	<u>506,547</u>	<u>119,646</u>	<u>3</u>	<u>906,226</u>

* Excludes prepayments

Notes to the Financial Statements

Year ended 31 December 2024

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 2024							
Cash and balances with banks	81,775	8,806	68,969	4,000	–	–	81,775
Statutory deposit with the Monetary Authority of Singapore	28,610	28,610	–	–	–	–	28,610
Investments	207,763	–	79,849	54,103	10,149	63,662	207,763
Loans and advances	982,832	21,541	708,589	109,263	96,109	47,330	982,832
Other receivables and deposits*	1,876	1,876	–	–	–	–	1,876
	<u>1,302,856</u>	<u>60,833</u>	<u>857,407</u>	<u>167,366</u>	<u>106,258</u>	<u>110,992</u>	<u>1,302,856</u>
Deposits and savings accounts of customers	1,032,544	4,332	417,425	590,735	20,032	20	1,032,544
Other liabilities	24,214	24,214	–	–	–	–	24,214
	<u>1,056,758</u>	<u>28,546</u>	<u>417,425</u>	<u>590,735</u>	<u>20,032</u>	<u>20</u>	<u>1,056,758</u>
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
	<u>1,151,174</u>	<u>55,690</u>	<u>787,076</u>	<u>73,411</u>	<u>114,676</u>	<u>120,321</u>	<u>1,151,174</u>
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
	<u>908,699</u>	<u>23,505</u>	<u>256,456</u>	<u>509,089</u>	<u>119,646</u>	<u>3</u>	<u>908,699</u>

* Excludes prepayments

Notes to the Financial Statements

Year ended 31 December 2024

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 \$1,379,000 (2023: increase by \$2,614,000). The corresponding impact from a 100 basis point fall is an estimated reduction of \$1,379,000 (2023: \$2,613,000) 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 \$207,763,000 (2023: \$203,911,000). A 1% increase in prices at the reporting date would have increased equity by \$2,078,000 (2023: \$2,039,000). An equal change in the opposite direction would have decreased equity by \$2,078,000 (2023: \$2,039,000). The analysis is performed on the same basis for 2024.

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 2024

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:

	2024	2023
	\$'000	\$'000
Share capital	168,896	168,896
Disclosed reserves	86,410	85,015
Regulatory adjustments	(3,055)	(3,192)
Eligible total capital	<u>252,251</u>	<u>250,719</u>
Risk-weighted assets	1,012,742	855,494
Capital adequacy ratio	<u>24.91%</u>	<u>29.31%</u>

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 2024

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 2024				
Financial assets				
Cash and balances with banks	81,801	–	–	81,801
Statutory deposit with the Monetary Authority of Singapore	28,610	–	–	28,610
Investments	–	207,763	–	207,763
Loans and advances	982,832	–	–	982,832
Other receivables and deposits*	1,879	–	–	1,879
	<u>1,095,122</u>	<u>207,763</u>	<u>–</u>	<u>1,302,885</u>
Financial liabilities				
Deposits and savings accounts of customers	–	–	(1,031,864)	(1,031,864)
Trade and other payables	–	–	(24,430)	(24,430)
	<u>–</u>	<u>–</u>	<u>(1,056,294)</u>	<u>(1,056,294)</u>
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
	<u>947,278</u>	<u>203,911</u>	<u>–</u>	<u>1,151,189</u>
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)
	<u>–</u>	<u>–</u>	<u>(906,226)</u>	<u>(906,226)</u>

* Excludes prepayments

Notes to the Financial Statements

Year ended 31 December 2024

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 2024				
Financial assets				
Cash and balances with banks	81,775	–	–	81,775
Statutory deposit with the Monetary Authority of Singapore	28,610	–	–	28,610
Investments	–	207,763	–	207,763
Loans and advances	982,832	–	–	982,832
Other receivables and deposits*	1,876	–	–	1,876
	<u>1,095,093</u>	<u>207,763</u>	<u>–</u>	<u>1,302,856</u>
Financial liabilities				
Deposits and savings accounts of customers	–	–	(1,032,544)	(1,032,544)
Trade and other payables	–	–	(24,214)	(24,214)
	<u>–</u>	<u>–</u>	<u>(1,056,758)</u>	<u>(1,056,758)</u>
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
	<u>947,263</u>	<u>203,911</u>	<u>–</u>	<u>1,151,174</u>
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)
	<u>–</u>	<u>–</u>	<u>(908,699)</u>	<u>(908,699)</u>

* Excludes prepayments

Notes to the Financial Statements

Year ended 31 December 2024

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.

Notes to the Financial Statements

Year ended 31 December 2024

24 Fair values of financial instruments (Continued)

Financial instruments not carried at fair value

	2024		2023	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Group				
Financial assets				
Loans and advances	982,832	992,935	824,295	832,346
Financial liabilities				
Deposits and savings account of customer	1,031,864	1,039,499	877,710	891,233
Borrowings from MAS	–	–	6,100	6,100
Company				
Financial assets				
Loans and advances	982,832	992,935	824,295	832,346
Financial liabilities				
Deposits and savings account of customer	1,032,544	1,040,180	880,319	891,201
Borrowings from MAS	–	–	6,100	6,100

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 2024					
Financial assets					
Investments	5	207,763	–	*	207,763
31 December 2023					
Financial assets					
Investments	5	203,911	–	*	203,911

* Amount less than \$1,000

Notes to the Financial Statements

Year ended 31 December 2024

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 2024				
Financial assets				
Loans and advances	–	–	992,935	992,935
Financial liabilities				
Deposits and savings accounts of customers	–	1,039,499	–	1,039,499
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
Company				
31 December 2024				
Financial assets				
Loans and advances	–	–	992,935	992,935
Financial liabilities				
Deposits and savings accounts of customers	–	1,040,180	–	1,040,180
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

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 2024

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	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Assets				
Investments	73,811	84,487	73,811	84,487
Loans and advances	839,258	730,932	839,258	730,932
Other receivables, deposits and prepayments	364	372	364	372
Subsidiaries	–	–	125	125
Property, plant and equipment	6,587	7,710	6,587	7,710
Deferred tax assets	3,055	3,192	3,055	3,192
	923,075	826,693	923,200	826,818
Liabilities				
Deposits and savings accounts of customers	20,052	119,649	20,052	119,649
Trade and other payables	980	1,383	980	1,383
Staff retirement gratuities	741	743	741	743
	21,773	121,775	21,773	121,775

Notes to the Financial Statements

Year ended 31 December 2024

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 2024 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements.

The following new accounting standards and amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements.

- Amendments to SFRS(I) 1-21 *The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability*
- Amendments to SFRS(I) 9 *Financial Instruments* and SFRS(I) 7 *Financial Instruments: Disclosures: Classification and Measurement of Financial Instruments*
- Annual Improvements to SFRS(I) Accounting Standards – Amendments to:
 - SFRS(I) 1 *First-time Adoption of International Financial Reporting Standards*;
 - SFRS(I) 7 *Financial Instruments: Disclosures and its accompanying Guidance on implementing SFRS(I) 7*;
 - SFRS(I) 9 *Financial Instruments*;
 - SFRS(I) 10 *Consolidated Financial Statements*; and
 - SFRS(I) 1-7 *Statement of Cash flows*
- SFRS(I) 18 *Presentation and Disclosure in Financial Statements*
- SFRS(I) 19 *Subsidiaries without Public Accountability: Disclosures*
- Amendments to SFRS(I) 10 *Consolidated Financial Statements* and SFRS(I) 1-28 *Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Analysis of Shareholdings

As at 18 March 2025

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

SUMMARY OF SHAREHOLDINGS BY SIZE AS AT 18 MARCH 2025

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF ISSUED SHARE CAPITAL
1 - 99	142	5.24	2,819	0.00
100 - 1,000	358	13.21	242,651	0.15
1,001 - 10,000	1,228	45.31	6,494,548	4.09
10,001 - 1,000,000	973	35.91	51,154,086	32.24
1,000,001 & above	9	0.33	100,791,786	63.52
TOTAL	2,710	100.00	158,685,890	100.00

TOP 20 SHAREHOLDERS AS AT 18 MARCH 2025

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	% OF 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	8,219,656	5.18
4	MORPH INVESTMENTS LTD	2,636,100	1.66
5	LEE KHING YOONG VINCENT	1,970,166	1.24
6	NG POH CHENG	1,480,600	0.93
7	UNITED OVERSEAS BANK NOMINEES PTE LTD	1,307,854	0.82
8	SEE BENG LIAN JANICE	1,294,000	0.82
9	RAFFLES NOMINEES (PTE) LIMITED	1,066,411	0.67
10	PHILLIP SECURITIES PTE LTD	960,985	0.61
11	CITIBANK NOMINEES SINGAPORE PTE LTD	872,196	0.55
12	ANG CHIAN POH	812,200	0.51
13	KOH GEOK HUAY MRS.TEO GEOK HUAY	800,000	0.50
14	OCBC NOMINEES SINGAPORE PTE LTD	775,275	0.49
15	TAN HUA TOCK	707,800	0.45
16	LIM HUI KONG	629,000	0.40
17	TAY HWA LANG @TAY AH KOU OR JORDAN TAY SHIH LIANG	600,000	0.38
18	LALCHAND JETHANAND DARYANANI	542,000	0.34
19	CHIAM TOON CHEW	536,100	0.34
20	EST OF LEONG SENG FATT, DEC'D	445,911	0.28
	TOTAL	108,477,254	68.36

Analysis of Shareholdings

As at 18 March 2025

SUBSTANTIAL SHAREHOLDERS AS AT 18 MARCH 2025

(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
Estate of Teo Chiang Long, Deceased	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 Estate of Teo Chiang Long, 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;
 - (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-Fifth 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 Friday, 25 April 2025 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 2024 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 2024. [FY2023: 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.]

(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) Mr Adam Tan Chin Han

(Resolution 3(a))

Mr Adam Tan Chin Han will, upon re-election, continue as Lead Independent Director, Chairman of the Nominating and Risk Management Committees and as a member of the Audit, Remuneration, Executive and Digitalisation Committees.

(b) Mr Terence Khoo Chi Siang

(Resolution 3(b))

Mr Terence Khoo Chi Siang will, upon re-election, continue as Chairman of the Digitalisation Committee and as a member of the Audit, Nominating, Remuneration and Risk Management Committees.

4. To approve Directors’ fees and Directors’ Ex-Gratia of \$430,000 for the year ended 31 December 2024.

[See Explanatory Note (ii)]

(Resolution 4)

5. To approve Directors’ fees for Mr Teo Chiang Long, Mr Jamie Teo Miang Yeow and Dr Christopher Teo Miang Chneh of \$130,000 for the year ended 31 December 2024.

(Resolution 5)

6. To approve Directors’ cumulative Ex-gratia entitlement of \$420,000 up to 31 December 2023 for 3 Directors, namely Mrs Yu-Foo Yee Shoon, Mr Adam Tan Chin Han and Mr Terence Khoo Chi Siang.

[See Explanatory Note (ii)]

(Resolution 6)

7. To approve Director’s cumulative Ex-Gratia entitlement of \$180,000 for Mr Jamie Teo Miang Yeow up to 31 December 2023.

[See Explanatory Note (ii)]

(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.

Notice of Annual General Meeting

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications, the following resolutions which will be proposed as an Ordinary Resolutions.

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

[See Explanatory Note (iii)]

That pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of the 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);
- (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

Notice of Annual General Meeting

- (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 2025

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, 5 May 2025 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 2024 (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, 2 May 2025 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, 2 May 2025 will be entitled to the Proposed Dividends.

Payment of the Proposed Dividends, if approved by shareholders at the AGM, will be made on Friday, 9 May 2025.

Explanatory Notes:

- (i) Ordinary Resolutions 3(a) and 3(b), are for the re-election of Mr Adam Tan Chin Han and Mr Terence Khoo Chi Siang, 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 2024.
- (ii) The proposed Directors' Ex-Gratia entitlement is a token of appreciation and recognition for long-serving directors. The Directors' Ex-Gratia will only be paid to the Directors upon completion of 9 years of directorship or upon their cessation as a director, whichever is earlier.
- (iii) 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 9 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.

Notice of Annual General Meeting

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.
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 Tuesday, 22 April 2025, 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 Wednesday, 16 April 2025:

- (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 2024 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.

Notice of Annual General Meeting

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 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 2025, is provided pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Name of person:	Mr Adam Tan Chin Han ("Mr Adam Tan")	Mr Terence Khoo Chi Siang ("Mr Terence Khoo")
Date of (Initial) Appointment:	3 January 2017	2 July 2018
Date of last re-appointment (if applicable):	22 April 2022	19 April 2023
Age:	50	54
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 Mr Adam Tan as an Independent Non-Executive Director was recommended by the Nominating Committee, and the Board has accepted the recommendation, after taking into consideration Mr Adam Tan's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr Terence Khoo as an Independent Non-Executive Director was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Mr Terence Khoo's qualifications, expertise, past experiences and overall contribution since he was 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
Job Title (e.g. Lead ID, AC Chairman, AC Member etc):	<ul style="list-style-type: none"> Lead Independent Director Chairman of the Nominating and Risk Management Committees Member of the Audit, Remuneration, Digitalisation and Executive Committees 	<ul style="list-style-type: none"> Chairman of the Digitalization Committee. Member of the Audit, Nominating, Remuneration and Risk Management Committees.
Professional Qualifications:	<ul style="list-style-type: none"> Bachelor of in Accountancy (Honours), Nanyang Technological University, Singapore Chartered Accountant of Singapore 	<ul style="list-style-type: none"> Law degree, University of Sheffield, United Kingdom
Working experience and occupation(s) during the past ten years:	Mr Adam Tan started his career in Merrill Lynch before leaving to manage Plasticscommerce Pte. Ltd in 2000 and was the Chief Executive Officer of Agrimax Pte Ltd from 2014 to March 2025.	Mr Terence Khoo started his career in the Singapore Rugby Union and went on to various appointments within the private and public sector of the sports industry until 2005 when he started his diversified marketing company Enterprise Sports Group Pte Ltd where he is still the Managing Director. Mr Terence Khoo is currently the Deputy President of the Asia Rugby, the governing body for the sport in Asia.

Additional Information on Directors Seeking Re-election

Name of person:	Mr Adam Tan Chin Han ("Mr Adam Tan")	Mr Terence Khoo Chi Siang ("Mr Terence Khoo")
Shareholding interest in the listed issuer and its subsidiaries:	Nil	No
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	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Principal Commitments* including Directorships #		
<ul style="list-style-type: none"> Present 	<ul style="list-style-type: none"> Plasticscommerce Pte Ltd German Training Centre for Injection Moulding (Asia) Pte Ltd Rochdale Ventures Limited Agrimax Pte Ltd Agrifreeze Pte Ltd 	<ul style="list-style-type: none"> Enterprise Sports Group Pte Ltd Bukit Timah Investments Pte Ltd Coolpay Pte Ltd My Healthcare Collective Pte Ltd MYHC Marketing Pte Ltd
<ul style="list-style-type: none"> Past (for the last 5 years) 	Nil	<ul style="list-style-type: none"> ESG Sports Singapore Pte Ltd
Principal Commitments* excluding Directorships		
<ul style="list-style-type: none"> Present 	<ul style="list-style-type: none"> Board of Governors, Anglo Chinese School Committee Member, ACS Old Boys Association 	<ul style="list-style-type: none"> Advisor of Singapore Rugby Union (Society) Deputy President of the Asia Rugby
<ul style="list-style-type: none"> Past (for the last 5 years) 	<ul style="list-style-type: none"> Assistant Honorary Treasurer, ACS Old Boys Association Honorary Treasurer: ACS Old Boys Association 	<ul style="list-style-type: none"> Council Member, Asia Rugby

Additional Information on Directors Seeking Re-election

Name of Listed Issuer	SINGAPURA FINANCE LTD	
Name of person	Mr Adam Tan Chin Han ("Mr Adam Tan")	Mr Terence Khoo Chi Siang ("Mr Terence Khoo")
Information required		
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	Mr Adam Tan Chin Han ("Mr Adam Tan")	Mr Terence Khoo Chi Siang ("Mr Terence Khoo")
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(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	No No	Yes In 2009, pertaining to Mr Terence Khoo's company Enterprise Sports Group Pte Ltd, Mr Terence Khoo had assisted Corrupt Practices Investigation Bureau (CPIB) in support of Malaysian authorities in their investigation of sponsorship deal relating to a Malaysian sporting event. Upon conclusion of the investigations, there were no adverse findings made against Mr Terence Khoo and no disciplinary action was instituted against him. Yes In 2004, Mr Terence Khoo had assisted the Corrupt Practices Investigation Bureau (CPIB) in their investigations on a matter involving the SportsSG (then known as the Singapore Sports Council) where Mr Terence Khoo was employed. Upon conclusion of the CPIB's investigations, CPIB had returned Mr Terence Khoo's files to him and did not institute any disciplinary action against him or pursue the matter any further.

Additional Information on Directors Seeking Re-election

Name of Listed Issuer	SINGAPURA FINANCE LTD	
Name of person	Mr Adam Tan Chin Han ("Mr Adam Tan")	Mr Terence Khoo Chi Siang ("Mr Terence Khoo")
(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
(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

SINGAPURA FINANCE LTD
(Company Registration No. 196900340N)
(Incorporated in the Republic of Singapore)

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 Singapore 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.

PROXY FORM

IMPORTANT:

Please read the notes overleaf before completing this form.

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 Singapore 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 Friday, 25 April 2025 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 2024 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 2024.			
3	Re-election of the following Directors retiring under Article 97:			
3(a)	Mr Adam Tan Chin Han			
3(b)	Mr Terence Khoo Chi Siang			
4	Approval of Directors' fees and Directors' Ex-Gratia of \$430,000 for the year ended 31 December 2024.			
5	Approval of Directors' fees for Mr Teo Chiang Long, Mr Jamie Teo Miang Yeow and Dr Christopher Teo Miang Chneh of \$130,000 for the year ended 31 December 2024.			
6	Approval of the Directors' cumulative Ex-Gratia entitlement of \$420,000 up to 31 December 2023 for 3 Directors, namely Mrs Yu-Foo Yee Shoon, Mr Adam Tan Chin Han and Mr Terence Khoo Chi Siang.			
7	Approval of Director's cumulative Ex-Gratia entitlement of \$180,000 for Mr Jamie Teo Miang Yeow up to 31 December 2023.			
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 _____ 2025

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

2nd fold here

3. A proxy need not be a member of the Company.
4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 150 Cecil Street #01-00, Singapore 069543 or sent by email to investors.relations@singapurafinance.com.sg by 11.00 a.m. on Tuesday, 22 April 2025, 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 appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act 1967 of Singapore.

PERSONAL DATA PRIVACY:

By attending the AGM and/or any adjournment thereof or submitting an instrument appointing a proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 9 April 2025.

GENERAL:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.



Singapura Finance Ltd

150 Cecil Street
#01-00 Singapore 069543

www.singapurafinance.com.sg
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