



HONG LEONG FINANCE

Half-Year Financial Statements And Dividend Announcement

Condensed interim consolidated financial statements for the six months ended 30 June 2022. These figures have not been audited.

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

	Note	6 months ended 30 Jun 2022	6 months ended 30 Jun 2021	+ / (-)
		\$'000	\$'000	%
Interest on loans		98,458	91,659	7.4
Hiring charges		19,584	23,035	(15.0)
Other interest income		8,920	8,408	6.1
Interest income/hiring charges		126,962	123,102	3.1
Less: Interest expense	E9	30,530	33,879	(9.9)
Net interest income/hiring charges		96,432	89,223	8.1
Fee and commission income		8,108	4,671	73.6
Other operating income	E6	76	157	(51.6)
Income before operating expenses		104,616	94,051	11.2
Less: Staff costs		36,086	32,558	10.8
Depreciation of property, plant and equipment		3,992	3,991	-
Other operating expenses		8,393	6,945	20.8
Total operating expenses		48,471	43,494	11.4
Profit from operations before allowances		56,145	50,557	11.1
Add/(Less): (Allowances for)/reversal or recovery of doubtful debts and other financial assets		(1,833)	3,039	(160.3)
Profit before tax		54,312	53,596	1.3
Less: Income tax expense	E7	9,196	8,911	3.2
Profit for the period/Comprehensive income attributable to owners of the Company		45,116	44,685	1.0
Annualised earnings per share (cents)				
- Basic		20.14	19.97	
- Diluted		20.13	19.96	

B. Condensed interim statements of financial position

Note	Group		Company	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	\$'000	\$'000	\$'000	\$'000
Assets				
Cash at banks and in hand	605,568	528,208	603,986	527,198
Statutory deposit with the Monetary Authority of Singapore ("MAS")	325,900	298,598	325,900	298,598
Singapore Government debt securities, MAS Bills and MAS Floating Rate Note ("FRN")	1,497,084	1,357,675	1,497,084	1,357,675
Hire purchase receivables	1,568,270	1,476,391	1,568,270	1,476,391
Loans, advances and factoring receivables	9,915,288	9,246,176	9,915,288	9,246,176
	11,483,558	10,722,567	11,483,558	10,722,567
Allowances for doubtful debts	(28,758)	(27,073)	(28,758)	(27,073)
	11,454,800	10,695,494	11,454,800	10,695,494
Other receivables, deposits and prepayments	17,251	16,963	17,251	16,962
Subsidiaries and long-term investments	-	-	535	535
Property, plant and equipment	52,511	55,325	52,511	55,325
Total assets	13,953,114	12,952,263	13,952,067	12,951,787
Liabilities				
Deposits and balances of customers	11,748,382	10,806,871	11,752,719	10,811,206
Trade and other payables	214,531	164,710	212,621	163,365
Current tax payable	17,704	17,165	17,703	17,163
Deferred tax liabilities	988	970	988	970
Total liabilities	11,981,605	10,989,716	11,984,031	10,992,704
Equity				
Share capital	890,533	889,771	890,533	889,771
Reserves	778,962	778,592	778,962	778,592
Accumulated profits	302,014	294,184	298,541	290,720
Equity attributable to owners of the Company	1,971,509	1,962,547	1,968,036	1,959,083
Total equity and liabilities	13,953,114	12,952,263	13,952,067	12,951,787
Acceptances, guarantees and other obligations on behalf of customers	395	1,978	395	1,978
Number of shares in issue	448,123,733	447,817,233	448,123,733	447,817,233
Net asset value per share (\$)	4.40	4.38	4.39	4.37

C. Condensed interim statements of changes in equity

	Share capital \$'000	Statutory reserve \$'000	Capital reserve \$'000	Share option reserve \$'000	Regulatory loss allowance reserve \$'000	Accumulated profits \$'000	Total \$'000
Group							
At 1 January 2022	889,771	765,950	2,307	2,468	7,867	294,184	1,962,547
Issue of shares under share option scheme	708						708
Value of employee services received for issue of share options				107			107
Value of employee services transferred for share options exercised or lapsed	54			(114)		60	-
Final dividend of 8.25 cents per share (tax exempt one-tier) paid in respect of year 2021						(36,969)	(36,969)
Adjustment under MAS 811					377	(377)	-
Comprehensive income for the period						45,116	45,116
At 30 June 2022	890,533	765,950	2,307	2,461	8,244	302,014	1,971,509
At 1 January 2021	889,117	744,744	2,307	2,397	7,493	272,055	1,918,113
Issue of shares under share option scheme	122						122
Value of employee services received for issue of share options				175			175
Value of employee services transferred for share options exercised or lapsed	11			(51)		40	-
Final dividend of 5.5 cents per share (tax exempt one-tier) paid in respect of year 2020						(24,618)	(24,618)
Adjustment under MAS 811					2,201	(2,201)	-
Comprehensive income for the period						44,685	44,685
At 30 June 2021	889,250	744,744	2,307	2,521	9,694	289,961	1,938,477

C. Condensed interim statements of changes in equity (continued)

	Share capital \$'000	Statutory reserve \$'000	Capital reserve \$'000	Share option reserve \$'000	Regulatory loss allowance reserve \$'000	Accumulated profits \$'000	Total \$'000
Company							
At 1 January 2022	889,771	765,950	2,307	2,468	7,867	290,720	1,959,083
Issue of shares under share option scheme	708						708
Value of employee services received for issue of share options				107			107
Value of employee services transferred for share options exercised or lapsed	54			(114)		60	-
Final dividend of 8.25 cents per share (tax exempt one-tier) paid in respect of year 2021						(36,969)	(36,969)
Adjustment under MAS 811					377	(377)	-
Comprehensive income for the period						45,107	45,107
At 30 June 2022	890,533	765,950	2,307	2,461	8,244	298,541	1,968,036
At 1 January 2021	889,117	744,744	2,307	2,397	7,493	268,612	1,914,670
Issue of shares under share option scheme	122						122
Value of employee services received for issue of share options				175			175
Value of employee services transferred for share options exercised or lapsed	11			(51)		40	-
Final dividend of 5.5 cents per share (tax exempt one-tier) paid in respect of year 2020						(24,618)	(24,618)
Adjustment under MAS 811					2,201	(2,201)	-
Comprehensive income for the period						44,676	44,676
At 30 June 2021	889,250	744,744	2,307	2,521	9,694	286,509	1,935,025

D. Condensed interim consolidated statement of cash flows

	6 months ended 30 Jun 2022	6 months ended 30 Jun 2021
	\$'000	\$'000
Operating activities		
Profit for the period	45,116	44,685
Adjustments for:		
Impact of accrual of interest income	(1,552)	(1,775)
Impact of accrual of interest expense	6,534	(24,487)
Allowances for doubtful debts	1,852	(2,863)
Interest expense on lease liabilities	181	172
Depreciation of property, plant and equipment	3,992	3,991
Value of employee services received for issue of share options	107	175
Income tax expense	9,196	8,911
	65,426	28,809
Changes in working capital:		
Loans, advances and receivables	(761,158)	320,259
Other receivables, deposits and prepayments	1,264	6,777
Singapore Government debt securities, MAS Bills and MAS FRN	(139,409)	(22,322)
Deposits and balances of customers	941,511	(364,066)
Trade and other payables	51,209	7,332
Cash generated from/(used in) operations	158,843	(23,211)
Income taxes paid	(8,639)	(13,201)
Cash flows from/(used in) operating activities	150,204	(36,412)
Investing activities		
Purchase of property, plant and equipment	(51)	(327)
Cash flows used in investing activities	(51)	(327)
Financing activities		
Payment for lease liabilities	(3,508)	(3,494)
Proceeds from exercise of share options	708	122
Proceeds from borrowings	(5,722)	11,280
Dividends paid	(36,969)	(24,618)
Cash flows used in financing activities	(45,491)	(16,710)
Net increase/(decrease) in cash and cash equivalents	104,662	(53,449)
Cash and cash equivalents at beginning of period	826,806	931,396
Cash and cash equivalents at end of period	931,468	877,947

Cash and cash equivalents included in the condensed interim consolidated statement of cash flows comprise the following:

	30 Jun 2022	30 Jun 2021
	\$'000	\$'000
Cash at banks and in hand	605,568	565,816
Statutory deposit with the Monetary Authority of Singapore ("MAS")	325,900	312,131
Cash and cash equivalents	931,468	877,947

In addition to the cash and cash equivalents above, marketable Singapore Government debt securities, MAS Bills and MAS FRN amounted to \$1,497,084,000 (30 June 2021: \$1,427,756,000) for the Group.

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Hong Leong Finance Limited (the “Company”) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the half year ended 30 June 2022 comprise the Company and its subsidiaries (collectively, the “Group”). The principal activities of the Company are those relating to financing business and provision of corporate advisory services. The principal activities of the subsidiaries are the provision of nominee services.

2. Basis of preparation

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

The adoption of the new/revised/amendments to SFRS(I)s which came into effect from 1 January 2022 does not have a material impact on the financial statements of the Group and the Company for the period under review.

Other than the above, the accounting policies and methods of computation used in the condensed interim financial statements as at and for the half year ended 30 June 2022 are consistent with those applied in the audited financial statements for the year ended 31 December 2021.

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

3. Use of estimates and judgements

The preparation of the condensed interim 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.

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

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

E. Notes to the condensed interim consolidated financial statements (continued)

4. Seasonal operations

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

5. Segment information

The majority of the revenue for the Group is from the same business segment. Its principal activities relate to financing business augmented by secondary non-lending activities such as provision of corporate advisory services and provision of nominee services. All activities are carried out in the Republic of Singapore.

6. Other operating income includes profit or loss on disposal of plant and equipment amounting to \$Nil (30 June 2021: \$Nil) for the half year ended 30 June 2022.

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense are:

	Group	
	6 months ended 30 Jun 2022	6 months ended 30 Jun 2021
	\$'000	\$'000
Current year	9,178	8,662
Adjustment for prior years	-	(113)
Current tax expense	9,178	8,549
Deferred tax expense relating to origination and reversal of temporary differences	18	362
Total income tax expense	9,196	8,911

The effective tax rate for the period ended 30 June 2022 is 16.9% (30 June 2021: 16.8%).

8. Financial instruments

Accounting classifications and fair values

(i) Loans, advances and receivables and deposits and balances of customers

The fair value of fixed rate loans, advances and receivables and deposits and balances of customers, which will mature and reprice more than six months after the reporting date, has been determined by discounting the relevant cash flows using current interest rates for similar instruments at the reporting date. The carrying amounts of financial assets and financial liabilities with a maturity of six months or less (including other loans, advances and receivables, and other deposits/savings accounts) approximate their fair values.

(ii) Singapore Government debt securities, MAS bills and MAS FRN

Fair value is based on quoted market bid prices at the reporting date.

E. Notes to the condensed interim consolidated financial statements (continued)

8. Financial instruments (continued)

Accounting classifications and fair values (continued)

(iii) Investments (long-term), other financial assets and financial liabilities

Investments (long-term) in unquoted securities amounted to \$12,000, are classified as fair value through other comprehensive income and fully impaired as at 30 June 2022 (31 December 2021: \$12,000, fully impaired).

The carrying amounts of other financial assets and financial liabilities with a maturity of less than one year (including other receivables, other deposits, cash, trade payables and other payables) are estimated to approximate their fair values in view of the short period to maturity.

In accordance with the accounting policy on Financial Instruments, certain financial assets and financial liabilities are not carried at fair value in the statements of financial position as at the reporting dates. The aggregate net fair values of these financial assets and financial liabilities are disclosed in the following table:-

	Group			
	Carrying amount	Fair value	Carrying amount	Fair value
	30 Jun 2022	30 Jun 2022	31 Dec 2021	31 Dec 2021
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Loans, advances and receivables	11,454,800	11,436,545	10,695,494	10,704,980
Singapore Government debt securities, MAS bills and MAS FRN	1,497,084	1,482,825	1,357,675	1,362,858
	12,951,884	12,919,370	12,053,169	12,067,838
Financial liabilities				
Deposits and balances of customers	(11,748,382)	(11,791,824)	(10,806,871)	(10,825,699)
	1,203,502	1,127,546	1,246,298	1,242,139

	Company			
	Carrying amount	Fair value	Carrying amount	Fair value
	30 Jun 2022	30 Jun 2022	31 Dec 2021	31 Dec 2021
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Loans, advances and receivables	11,454,800	11,436,545	10,695,494	10,704,980
Singapore Government debt securities, MAS bills and MAS FRN	1,497,084	1,482,825	1,357,675	1,362,858
	12,951,884	12,919,370	12,053,169	12,067,838
Financial liabilities				
Deposits and balances of customers	(11,752,719)	(11,796,163)	(10,811,206)	(10,830,037)
	1,199,165	1,123,207	1,241,963	1,237,801

E. Notes to the condensed interim consolidated financial statements (continued)

8. Financial instruments (continued)

Fair value hierarchy

Fair value measurements for financial assets and financial liabilities by the levels in the fair value hierarchy are 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 including prices of an item that is not identical.

*Group/Company financial assets and financial liabilities not carried at fair value but for which fair values are disclosed**

The fair value of the portion of loans, advances and receivables being Level 3 instruments amounts to \$2.93 billion (31 December 2021: \$2.47 billion) against a carrying value of \$2.952 billion (31 December 2021: \$2.462 billion). Singapore Government debt securities, MAS bills and MAS FRN are Level 1 instruments with fair value of \$1.48 billion (31 December 2021: \$1.36 billion). The portion of deposits and balances of customers being Level 2 instruments have a fair value of \$9.84 billion (31 December 2021: \$8.94 billion) against a carrying value of \$9.80 billion (31 December 2021: \$8.92 billion).

*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 or frequent repricing and where the effect of discounting is immaterial.

9. Trade and other payables

Included in trade and other payables are borrowings from MAS SGD Facility as follows:

	Group and Company	
	30 Jun 2022	31 Dec 2021
	\$'000	\$'000
Borrowings from MAS SGD Facility (secured)		
- Amount repayable within one year	37,760	42,914
- Amount repayable after one year	8,373	8,941
	46,133	51,855

Borrowings from MAS SGD Facility are secured by assignment of eligible loan agreements as collaterals under Enterprise Singapore's Enhanced Enterprise Financing Scheme. Interest expense on MAS SGD Facility amounting to \$25,000 for the period ended 30 June 2022 (30 June 2021: \$25,000).

There are no bank borrowings as at 30 June 2022 (31 December 2021: \$Nil). Interest expense on bank borrowings amounting to \$14,000 for the period ended 30 June 2022 (30 June 2021: \$Nil).

10. There are no outstanding debt securities issuance as at 30 June 2022 (31 December 2021: \$Nil) for the Group and the Company.

F. Other information

1. Review of the performance of the Group

The Group attained profit from operations before allowances of \$56.1 million for first half-year 2022, rose 11.1% over a year ago. After setting aside higher expected loan loss allowances built on loan growth, the Group reported a net attributable profit of \$45.1 million for first half year ended 30 June 2022, up 1.0% from the same period last year.

The resilient performance was underpinned by higher net interest income of 8.1% at \$96.4 million, boosted by improved interest yield on the healthy asset growth and lower funding cost sustained amidst elevated benchmark rates driven by global interest rate hikes. Net interest margin lifted by 10 basis points to 1.52%.

Fee and commission income surged 73.6% to \$8.1 million for first half-year 2022 led by fee income from rebound lending activities.

Total staff expenses increased by 10.8% to \$36.1 million for first half-year 2022 on lower base in first half last year as well as cost associated with headcount growth in our drive to further enhance our risk and compliance management and technology transformation. Other operating expenses increased 20.8% to \$8.4 million mainly attributed to higher business transaction and promotional cost linked to improved lending activities amidst competitive market costs coupled with higher energy price.

Net allowances for loans and other financial assets for first half-year 2022 was a net allowance of \$1.8 million arising from higher allowances for non credit-impaired loans as compared to corresponding period which included a reversal of \$2.7 million in allowances for non credit-impaired loans on revised risk parameters. Asset quality remained sound as the Group continued to exercise prudence in its credit risk management and underwriting parameters with adequate loss allowances to cover the loan portfolio. The non-performing loan ratio has declined to 0.8% with proactive management of its loan portfolio.

Net loan assets totalling \$11,455 million as at 30 June 2022, up by 7.1% or \$760 million over the previous year's base of \$10,695 million as at 31 December 2021 and 7.8% or \$824 million over corresponding period as at 30 June 2021. The loan portfolio remained well-secured.

In tandem with strong loan growth, deposits and balances of customers increased to \$11,748 million as at 30 June 2022, representing an increase of 8.7% or \$941 million over the previous year's base of \$10,807 million as at 31 December 2021 and 8.5% or \$918 million over corresponding period as at 30 June 2021. Cash and cash equivalents including statutory deposit with the Monetary Authority of Singapore ("MAS") together with Singapore Government debt securities, MAS Bills and MAS FRN held as liquid assets amounted to \$2,429 million as at 30 June 2022 (31 December 2021: \$2,184 million). The Group's balance sheet remained robust with strong liquidity and capital to support lending activities and well-positioned to ride through current market uncertainties.

Group shareholders' funds as at 30 June 2022 totalled \$1,972 million (31 December 2021: \$1,963 million) with higher net asset value at \$4.40 per share (31 December 2021: \$4.38 per share).

There has been no forecast or prospect statement previously disclosed to shareholders in respect of the period under review.

F. Other information (continued)

2. Commentary on significant trends and competitive conditions in the industry

Based on advance GDP estimates released by the Ministry of Trade and Industry (“MTI”), on a year-on-year basis, the Singapore economy grew by 4.8% in the second quarter of 2022, extending the expansion of 4.0% in the previous quarter. The quarter-on-quarter seasonally-adjusted GDP was flat in the second quarter, after recording an expansion of 0.9% in the first quarter. Although the economic growth momentum has eased amidst external headwinds, three major sectors – manufacturing, construction and services – have showed improvements. MTI maintained its forecast for 2022 GDP growth to come in at lower half of 3.0% to 5.0% forecast range.

The Monetary Authority of Singapore (“MAS”) conducted a fourth round of tightening in mid-July 2022, characterising the latest move as building on previous tightening moves to lean against increasingly acute and persistent price pressures which are expected to remain in the months ahead. MAS expects Singapore economy to remain on track to expand at a creditable pace in 2022, though with slowing momentum.

While the business environment has rebounded strongly from the reopening of pandemic-hit economy since 2021, it has hit several roadblocks with the persistent inflation, supply chain bottlenecks and escalating geopolitical tensions.

Globally, the US Federal Reserve (“Fed”) has raised interest rate by another 75 basis points in July 2022 in its stepped-up efforts to curb searing inflation, lifting the federal fund rate to the level of 2.25% to 2.50% now. The policy makers signalled more outsized hikes that will be dependent on economic data going forward. Into 2023, the challenge for the Fed would be to maintain a balance between taming inflationary pressures and averting recessionary risks faced by the economy. The domestic benchmark rates have already frontloaded and priced in the higher rates, in anticipation of more rate hikes on the cards.

Amid challenging business environment, Hong Leong Finance’s (“HLF”) strong brand value has made it to the Top 100 Singaporean Brand 2022 for the fifth consecutive year. HLF has also been awarded for the ninth consecutive year the “ASEAN Finance Company of the Year Award” in the ABF Retail Banking Awards 2022. In addition, HLF has earned its place in the Top 1000 World Banks 2022 in recognition for its robust Capital position. This is the fifth consecutive year that the company is in the leader board. HLF is honoured to be ranked first in the overall performance for Top Singaporean Bank by The Banker. The good track record is a testament of HLF’s commitment in supporting our customers’ needs amid the evolving landscape.

As a first move into the fintech space, HLF has launched HLF FASTPAY, a multi-currency e-wallet payment solution in May 2022. In collaboration with Nium, the global platform for modern money movement, HLF FASTPAY provides a seamless cross-border digital payment solution for small and medium-sized enterprises (“SMEs”), corporates and consumers to manage and transfer funds in multiple currencies through a fast, secure and cost-efficient platform. This is part of our continuous efforts to join forces with our strategic partners to create long-term value-added solution and support our customers’ global business expansion needs. We have also successfully integrated the digital platforms to enable end-to-end processing of loan application and approval with our business partners.

F. Other information (continued)

2. Commentary on significant trends and competitive conditions in the industry (continued)

The outlook of 2022 and beyond remains volatile with heightened uncertainties on the evolution of interest rate hikes and its impact on the economy and business growth. We expect the higher interest rate to provide a boost to our assets yields while remain cautious in the management of elevated market funding cost. As we navigate the challenging time, we continue to stay vigilant on the management of interest rate volatility and asset quality amid the global economic headwinds.

F. Other information (continued)

3. Dividends

The directors are pleased to declare an interim dividend of 3.75 cents per share (tax exempt one-tier) (2021: 3.75 cents per share, tax exempt one tier) in respect of the financial year 2022. The interim dividend will be paid on 1 September 2022.

	Latest Period	Previous Period
Name of Dividend	Interim	Interim (paid on 8 September 2021)
Dividend Type	Cash	Cash
Dividend Rate	3.75 cents per share	3.75 cents per share
Total Dividend	\$16,805,000*	\$16,789,000
Tax Rate	Tax exempt one-tier	Tax exempt one-tier

* The amount of dividend is computed on the shares in issue as at 30 June 2022. This amount is subject to change arising from the issue of shares upon exercise of options, if any, under the Hong Leong Finance Share Option Scheme 2001 ("Share Option Scheme") between 30 June 2022 and the last day for exercise of options to determine shareholders' entitlement to the interim dividend.

4. Shares issued and outstanding convertibles

Since the end of the previous financial year,

- (i) the Company issued the following 306,500 shares upon exercise of options under the Share Option Scheme

Share price	Number of shares issued
\$2.45	17,500
\$2.34	32,500
\$2.23	43,000
\$2.31	213,500
Total	<u>306,500</u>

- (ii) options to 434,000 shares under the Share Option Scheme lapsed upon cessation of employment of participants.

As at the end of the period, unissued shares of the Company under options amounted to 14,545,680 shares (30 June 2021: 14,893,350 shares).

Pursuant to the Finance Companies Act 1967, the Company does not hold treasury shares and accordingly, there were no treasury shares held as at 30 June 2022 and 30 June 2021. There were also no shares held as subsidiary holdings as at 30 June 2022 and 30 June 2021.

F. Other information (continued)

5. Closure of books

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed from 5.00 pm on 18 August 2022 up to (and including) 19 August 2022. Duly completed registrable transfers received by the Company's Registrar, M & C Services Private Limited of 112 Robinson Road #05-01, Singapore 068902 up to 5.00 pm on 18 August 2022 will be registered to determine shareholders' entitlement to the interim dividend. In respect of shares in the securities accounts with The Central Depository (Pte) Limited ("CDP"), the interim dividend will be paid by the Company to CDP which will distribute the interim dividend to holders of the securities accounts.

6. Shareholders' mandate for interested person transactions

The Company has not sought any shareholders' mandate for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

7. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 in accordance with Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD
YEO SWEE GIM, JOANNE
NG SIEW PING, JASLIN
COMPANY SECRETARIES

Dated this 4th day of August 2022

Directors' Confirmation

The Directors hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the Group's unaudited condensed interim financial statements for the half year ended 30 June 2022 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Kwek Leng Beng

Director

Peter Chay Fook Yuen

Director

Singapore

4 August 2022