



HONG LEONG FINANCE

Half-Year Financial Statements And Dividend Announcement

Condensed interim consolidated financial statements for the six months ended 30 June 2023. These figures have not been audited.

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

Group			
Note	6 months ended 30 Jun 2023	6 months ended 30 Jun 2022	+ / (-)
	\$'000	\$'000	%
Interest on loans	217,234	98,458	120.6
Hiring charges	23,489	19,584	19.9
Other interest income	32,572	8,920	265.2
Interest income/hiring charges	273,295	126,962	115.3
Less: Interest expense	171,834	30,530	462.8
Net interest income/hiring charges	101,461	96,432	5.2
Fee and commission income	4,404	8,108	(45.7)
Other operating income	68	76	(10.5)
Income before operating expenses	105,933	104,616	1.3
Less: Staff costs	40,685	36,086	12.7
Depreciation of property, plant and equipment	3,804	3,992	(4.7)
Other operating expenses	8,311	8,393	(1.0)
Total operating expenses	52,800	48,471	8.9
Profit from operations before allowances	53,133	56,145	(5.4)
Add/(Less): (Allowances for)/reversal or recovery of doubtful debts and other financial assets	2,731	(1,833)	(249.0)
Profit before tax	55,864	54,312	2.9
Less: Income tax expense	9,288	9,196	1.0
Profit for the period/Comprehensive income attributable to owners of the Company	46,576	45,116	3.2
Annualised earnings per share (cents)			
- Basic	20.78	20.14	
- Diluted	20.77	20.13	

B. Condensed interim statements of financial position

Note	Group		Company	
	30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
	\$'000	\$'000	\$'000	\$'000
Assets				
Cash at banks and in hand	740,640	584,669	738,512	583,633
Statutory deposit with the Monetary Authority of Singapore ("MAS")	341,682	339,438	341,682	339,438
Singapore Government debt securities, MAS Bills and MAS Floating Rate Note ("FRN")	1,696,589	1,625,349	1,696,589	1,625,349
Hire purchase receivables	1,812,245	1,711,178	1,812,245	1,711,178
Loans, advances and factoring receivables	9,875,276	9,964,587	9,875,276	9,964,587
	11,687,521	11,675,765	11,687,521	11,675,765
Allowances for doubtful debts	(22,040)	(24,793)	(22,040)	(24,793)
	11,665,481	11,650,972	11,665,481	11,650,972
Other receivables, deposits and prepayments	22,090	25,153	22,090	25,152
Subsidiaries and long-term investments	-	-	535	535
Property, plant and equipment	63,812	49,931	63,812	49,931
Total assets	14,530,294	14,275,512	14,528,701	14,275,010
Liabilities				
Deposits and balances of customers	12,164,306	12,030,183	12,168,658	12,034,533
Trade and other payables	313,833	177,484	311,478	176,148
Current tax payable	21,735	26,146	21,732	26,145
Deferred tax liabilities	1,598	1,003	1,598	1,003
Total liabilities	12,501,472	12,234,816	12,503,466	12,237,829
Equity				
Share capital	891,435	890,553	891,435	890,553
Reserves	815,461	811,724	815,461	811,724
Accumulated profits	321,926	338,419	318,339	334,904
Equity attributable to owners of the Company	2,028,822	2,040,696	2,025,235	2,037,181
Total equity and liabilities	14,530,294	14,275,512	14,528,701	14,275,010
Acceptances, guarantees and other obligations on behalf of customers	239	759	239	759
Number of shares in issue	448,486,933	448,131,733	448,486,933	448,131,733
Net asset value per share (\$)	4.52	4.55	4.52	4.55

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 2023	890,553	798,671	2,307	2,203	8,543	338,419	2,040,696
Issue of shares under share option scheme	825						825
Value of employee services received for issue of share options				149			149
Value of employee services transferred for share options exercised or lapsed	57			(122)		65	-
Final dividend of 13.25 cents per share (tax exempt one-tier) paid in respect of year 2022						(59,424)	(59,424)
Adjustment under MAS 811					3,710	(3,710)	-
Comprehensive income for the period						46,576	46,576
At 30 June 2023	891,435	798,671	2,307	2,230	12,253	321,926	2,028,822
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

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 2023	890,553	798,671	2,307	2,203	8,543	334,904	2,037,181
Issue of shares under share option scheme	825						825
Value of employee services received for issue of share options				149			149
Value of employee services transferred for share options exercised or lapsed	57			(122)		65	-
Final dividend of 13.25 cents per share (tax exempt one-tier) paid in respect of year 2022						(59,424)	(59,424)
Adjustment under MAS 811					3,710	(3,710)	-
Comprehensive income for the period						46,504	46,504
At 30 June 2023	891,435	798,671	2,307	2,230	12,253	318,339	2,025,235
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

D. Condensed interim consolidated statement of cash flows

	Group	
	6 months ended 30 Jun 2023	6 months ended 30 Jun 2022
	\$'000	\$'000
Operating activities		
Profit for the period	46,576	45,116
Adjustments for:		
Impact of accrual of interest income	(882)	(1,552)
Impact of accrual of interest expense	127,471	6,534
Allowances for doubtful debts	(2,623)	1,852
Interest expense on lease liabilities	498	181
Interest expense on borrowings	59	39
Depreciation of property, plant and equipment	3,804	3,992
Value of employee services received for issue of share options	149	107
Income tax expense	9,288	9,196
	184,340	65,465
Changes in working capital:		
Loans, advances and receivables	(11,829)	(761,158)
Other receivables, deposits and prepayments	3,888	1,264
Singapore Government debt securities, MAS Bills and MAS FRN	(71,240)	(139,409)
Deposits and balances of customers	134,123	941,511
Trade and other payables	4,422	51,209
Cash generated from operations	243,704	158,882
Income taxes paid	(13,104)	(8,639)
Cash flows from operating activities	230,600	150,243
Investing activities		
Purchase of property, plant and equipment	(1,994)	(51)
Cash flows used in investing activities	(1,994)	(51)
Financing activities		
Payment for lease liabilities	(3,102)	(3,327)
Proceeds from exercise of share options	825	708
Proceeds from borrowings	300	5,014
Repayment of borrowings	(8,433)	(10,736)
Interest paid	(557)	(220)
Dividends paid	(59,424)	(36,969)
Cash flows used in financing activities	(70,391)	(45,530)
Net increase in cash and cash equivalents	158,215	104,662
Cash and cash equivalents at beginning of period	924,107	826,806
Cash and cash equivalents at end of period	1,082,322	931,468

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

	30 Jun 2023	30 Jun 2022
	\$'000	\$'000
Cash at banks and in hand	740,640	605,568
Statutory deposit with the Monetary Authority of Singapore ("MAS")	341,682	325,900
Cash and cash equivalents	1,082,322	931,468

In addition to the cash and cash equivalents above, marketable Singapore Government debt securities, MAS Bills and MAS FRN amounted to \$1,696,589,000 (30 June 2022: \$1,497,084,000) 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 2023 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 2023 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 2022.

The adoption of the new/revised/amendments to SFRS(I)s which came into effect from 1 January 2023 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 2023 are consistent with those applied in the audited financial statements for the year ended 31 December 2022.

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 2022.

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

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 2022: \$Nil) for the half year ended 30 June 2023.

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	6 months ended
	30 Jun 2023	30 Jun 2022
	\$'000	\$'000
Current year	8,635	9,178
Adjustment for prior years	58	-
Current tax expense	8,693	9,178
Deferred tax expense relating to origination and reversal of temporary differences	595	18
Total income tax expense	9,288	9,196

The effective tax rate for the period ended 30 June 2023 is 16.5% (30 June 2022: 16.9%).

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 2023 (31 December 2022: \$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 30 Jun 2023 \$'000	Fair value 30 Jun 2023 \$'000	Carrying amount 31 Dec 2022 \$'000	Fair value 31 Dec 2022 \$'000
Financial assets				
Loans, advances and receivables	11,665,481	11,600,824	11,650,972	11,559,319
Singapore Government debt securities, MAS bills and MAS FRN	1,696,589	1,684,676	1,625,349	1,611,734
	13,362,070	13,285,500	13,276,321	13,171,053
Financial liabilities				
Deposits and balances of customers	(12,164,306)	(12,305,021)	(12,030,183)	(12,215,281)
	1,197,764	980,479	1,246,138	955,772

	Company			
	Carrying amount 30 Jun 2023 \$'000	Fair value 30 Jun 2023 \$'000	Carrying amount 31 Dec 2022 \$'000	Fair value 31 Dec 2022 \$'000
Financial assets				
Loans, advances and receivables	11,665,481	11,600,824	11,650,972	11,559,319
Singapore Government debt securities, MAS bills and MAS FRN	1,696,589	1,684,676	1,625,349	1,611,734
	13,362,070	13,285,500	13,276,321	13,171,053
Financial liabilities				
Deposits and balances of customers	(12,168,658)	(12,309,376)	(12,034,533)	(12,219,699)
	1,193,412	976,124	1,241,788	951,354

- 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 \$2.91 billion (31 December 2022: \$3.05 billion) against a carrying value of \$2.974 billion (31 December 2022: \$3.142 billion). Singapore Government debt securities, MAS bills and MAS FRN are Level 1 instruments with fair value of \$1.68 billion (31 December 2022: \$1.61 billion). The portion of deposits and balances of customers being Level 2 instruments have a fair value of \$10.48 billion (31 December 2022: \$10.52 billion) against a carrying value of \$10.34 billion (31 December 2022: \$10.34 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 2023	31 Dec 2022
	\$'000	\$'000
Borrowings from MAS SGD Facility (secured)		
- Amount repayable within one year	6,872	8,941
- Amount repayable after one year	17,659	23,723
	24,531	32,664

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 \$59,000 for the period ended 30 June 2023 (30 June 2022: \$25,000).

There are no bank borrowings as at 30 June 2023 (31 December 2022: \$Nil). Interest expense on bank borrowings amounting to \$Nil for the period ended 30 June 2023 (30 June 2022: \$14,000).

10. During the six months ended 30 June 2023, the Group acquired property, plant and equipment amounting to \$17,685,000 (30 June 2022: \$1,178,000) of which \$15,691,000 (30 June 2022: \$1,127,000) relates to right-of-use assets and cash payments of \$1,994,000 (30 June 2022: \$51,000) were made to purchase property, plant and equipment.

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

11. There are no outstanding debt securities issuance as at 30 June 2023 (31 December 2022: \$Nil) for the Group and the Company.

F. Other information

1. Review of the performance of the Group

The Group reported a net attributable profit of \$46.6 million for first half-year ended 30 June 2023, up 3.2% from the same period last year, mainly driven by higher net interest income and write-back of expected credit loss allowances.

Net interest income rose 5.2% to \$101.5 million on the back of improved interest yields. Net interest margin was moderated by four basis points at 1.48% as the rise in funding cost outpaced the uplift in asset yields year-on-year, amid the elevated interest rate environment.

Fee and commission income declined by 45.7% to \$4.4 million for first half-year 2023 on subdued lending activities for development and club loans in current financial markets.

Total operating expenses increased by 8.9% to \$52.8 million for first half-year 2023 due to higher staff cost on lower base in first half last year partially offset by lower operating expenses with tightened cost control.

Net allowances for loans and other financial assets for first half-year 2023 was a net reversal of \$2.7 million as compared to a net allowance of \$1.8 million in the corresponding period. This included a reversal of \$2.1 million in allowances for non credit-impaired loans on revised risk parameters and a reversal of \$0.6 million in allowances for credit-impaired loans. Asset quality remained resilient 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 remained stable at 1.6%.

Net loan assets totalling \$11,665 million as at 30 June 2023, up by 0.1% or \$14 million over the previous year's base of \$11,651 million as at 31 December 2022 and 1.8% or \$210 million over corresponding period as at 30 June 2022. The loan portfolio remained well-secured.

Deposits and balances of customers increased to \$12,164 million as at 30 June 2023, representing an increase of 1.1% or \$134 million over the previous year's base of \$12,030 million as at 31 December 2022 and 3.5% or \$416 million over corresponding period as at 30 June 2022. 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 \$2,779 million as at 30 June 2023 (31 December 2022: \$2,549 million). The Group maintained liquidity buffer above regulatory Minimum Liquid Asset ("MLA") and stayed well-positioned to withstand the market uncertainties.

Group shareholders' funds as at 30 June 2023 totalled \$2,029 million (31 December 2022: \$2,041 million) with net asset value at \$4.52 per share (31 December 2022: \$4.55 per share). The Group's Capital Adequacy Ratio stood at 16.6% as at 30 June 2023, well above regulatory requirement and remained strong to support lending activities.

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 estimates released by Ministry of Trade and Industry (“MTI”), in the second quarter of 2023, construction sector grew by 6.6%, together with the expansion of 3.0% in the services sector, offsetting the manufacturing sector’s deeper 7.5% year-on-year contraction. Overall, Singapore economy grew by 0.7% on a year-on-year basis, faster than the 0.4% growth recorded in the previous quarter. It expanded by 0.3% on a quarter-on-quarter seasonally-adjusted basis, a turnaround from the 0.4% contraction in the first quarter of 2023.

The domestic core inflation is expected to moderate further in the second half of 2023, with official projections for headline and core inflation at between 4.5% and 5.5%, and between 3.5% and 4.5% respectively for the year.

On the global front, the Federal Reserve (“Fed”) raised benchmark rate by 25 basis points on 26 July 2023 to target range of 5.25% - 5.5%. The policy makers signalled the possibility of more monetary tightening ahead to drive inflation lower towards 2% target, before a pivot towards rate cuts thereafter when it steps in to support growth and help the economy achieve a soft landing.

With the pass-through of Fed rate hikes into the SGD interest rates in 2022, we expect the SGD benchmark rates to stay elevated and taper off toward the tail end of the Fed rate hikes.

Amidst challenging operating environment, Hong Leong Finance Limited (“HLF”) has scaled up its digital transformation via business partnership with leading automotive groups and dealers to launch dealer portal for vehicle financing and collaborated with HDB on its launch of HDB Flat Portal. We will continue to grow our digital adoption and drive value-added services through auto finance ecosystem.

This year, HLF is honored to be awarded “Top Performance Rankings (Singapore)” and “Top 1000 World Banks 2023” by The Banker, “ASEAN Finance Company 2023” by Asian Banking and Finance, and “Top 100 Singaporean Brand 2023” by Brand Finance. The awards recognise our outstanding performance as a financial institution that has adapted well in serving the financial needs of the society through the market cycles.

We stay focused in driving operational resilience and business sustainability through the on-going upgrade of our technology infrastructure, expansion of our digital services and capabilities, and integration of omnichannel customer experience. The transformation roadmap aims to boost business agility, deepens customer engagement, and drives sustainable growth. As a responsible financier, we remain committed to adopt sustainable practices, foster innovation, and prioritise customer needs.

Against the backdrop of economic challenge and market volatility, HLF will continue to strengthen the strategic management of its assets and liabilities to optimise the return on net interest margin and mitigate the interest rate and liquidity risk.

F. Other information (continued)

3. Dividends

The directors are pleased to declare an interim dividend of 3.5 cents per share (tax exempt one-tier) (2022: 3.75 cents per share, tax exempt one tier) in respect of the financial year 2023. The interim dividend will be paid on 31 August 2023.

	Latest Period	Previous Period
Name of Dividend	Interim	Interim (paid on 1 September 2022)
Dividend Type	Cash	Cash
Dividend Rate	3.5 cents per share	3.75 cents per share
Total Dividend	\$15,697,000*	\$16,804,000
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 2023. 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 2023 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 355,200 shares upon exercise of options under the Share Option Scheme

Share price	Number of shares issued
\$2.56	6,100
\$2.34	30,500
\$2.23	70,500
\$2.58	4,500
\$2.31	158,600
\$2.38	85,000
Total	<u>355,200</u>

- (ii) options to 501,400 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 14,074,900 shares (30 June 2022: 14,545,680 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 2023 and 30 June 2022. There were also no shares held as subsidiary holdings as at 30 June 2023 and 30 June 2022.

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 17 August 2023 up to (and including) 18 August 2023. 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 17 August 2023 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 3rd day of August 2023

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 2023 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

3 August 2023