

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

Full year financial statements on consolidated results for the year ended 31 December 2017. These figures have been audited.

1(a)(i) Consolidated Statement of Profit or Loss for the year ended 31 December 2017

	2017	2016	+ / (-)
	\$'000	\$'000	%
Revenue			
Interest income and hiring charges	71,929	75,557	(4.8)
Interest expense	(27,335)	(36,942)	(26.0)
Net interest income and hiring charges	44,594	38,615	15.5
Fees and commissions	854	876	(2.5)
Dividends	149	148	0.7
Rental income from investment properties	3,329	3,436	(3.1)
Other income	2,854	751	280.0
Income before operating expenses	51,780	43,826	18.1
Staff costs	(14,570)	(14,226)	2.4
Depreciation of property, plant and equipment	(708)	(756)	(6.3)
Depreciation of investment properties	(377)	(377)	0.0
Other operating expenses	(7,302)	(6,690)	9.2
Profit from operations before impairment losses	28,823	21,777	32.4
Allowances for impairment losses on loans and advances	(2,421)	(5,137)	(52.9)
Profit before income tax	26,402	16,640	58.7
Income tax expense	(3,707)	(2,772)	33.7
Profit for the period attributable to equity holders of the Company	22,695	13,868	63.7

1(a)(ii) Earnings Per Share of the Group

	2017	2016
Annualised earnings per share (cents)		
- Basic	14.40	8.80
- Diluted	14.40	8.80

The Group's basic earnings per share is calculated based on the weighted average number of ordinary shares in issue of 157,625,764 (31 December 2016: 157,625,764) shares.

There are no potential dilutive ordinary shares for the years ended 31 December 2017 and 2016.

1(b) Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2017

	2017	2016	+ / (-)
	\$'000	\$'000	%
Profit for the year	22,695	13,868	63.7
<u>Other comprehensive income</u>			
Items that may be reclassified subsequently to profit or loss			
Net change in fair value of available-for-sale financial assets	6,035	1,666	262.3
Net change in fair value of available-for-sale financial assets reclassified to profit or loss on disposal	(2,426)	-	NM
Income tax relating to components of other comprehensive income that may be reclassified subsequently	(614)	(283)	116.8
Other comprehensive income for the year - net	2,995	1,383	116.6
Total comprehensive income for the year	25,690	15,251	68.5

NM: Not meaningful

2(a) Statements of Financial Position

	Group 2017	2016	Company 2017	2016
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets				
Cash on deposit, at banks and in hand	250,568	405,753	250,499	405,705
Other assets	6,650	7,725	6,650	7,725
Investments	259,775	265,653	259,448	265,297
Loans and advances due within twelve months	420,155	450,149	420,155	450,149
Statutory deposit with the Monetary Authority of Singapore ("MAS")	55,057	58,281	55,057	58,281
Total current assets	992,205	1,187,561	991,809	1,187,157
Non-current assets				
Property, plant and equipment	17,044	16,412	17,044	16,412
Investment properties	23,319	23,696	23,319	23,696
Subsidiary	-	-	25	25
Loans and advances due after twelve months	1,489,106	1,455,307	1,489,106	1,455,307
Total non-current assets	1,529,469	1,495,415	1,529,494	1,495,440
Total assets	2,521,674	2,682,976	2,521,303	2,682,597
LIABILITIES AND EQUITY				
Current liabilities				
Deposits and savings accounts of customers	2,141,763	2,319,272	2,142,512	2,320,016
Other liabilities	31,452	36,776	30,958	36,295
SPRING loans due within twelve months (unsecured)	1,660	1,203	1,660	1,203
Provision for employee benefits	254	260	254	260
Current tax payable	3,690	2,917	3,690	2,917
Total current liabilities	2,178,819	2,360,428	2,179,074	2,360,691
Non-current liabilities				
SPRING loans due after twelve months (unsecured)	2,963	1,260	2,963	1,260
Deferred tax liabilities	2,169	1,374	2,122	1,323
Total non-current liabilities	5,132	2,634	5,085	2,583
Total liabilities	2,183,951	2,363,062	2,184,159	2,363,274
Equity attributable to equity holders of the Company				
Share capital	180,008	180,008	180,008	180,008
Reserves	157,715	139,906	157,136	139,315
Total equity	337,723	319,914	337,144	319,323
Total liabilities and equity	2,521,674	2,682,976	2,521,303	2,682,597
Off-balance sheet items				
Undrawn loan commitments	407,424	419,645	407,424	419,645
Guarantees issued	3,481	4,320	3,481	4,320
Total off-balance sheet items	410,905	423,965	410,905	423,965
2(b) Net asset value per ordinary share (\$)	2.14	2.03	2.14	2.03

The net asset value per ordinary share of the Group and of the Company is calculated based on the net assets of the Group and of the Company and the number of ordinary shares in issue of 157,625,764 (31 December 2016: 157,625,764) shares.

3 Consolidated Statement of Cash Flows for the year ended 31 December 2017

	Group	
	2017	2016
	\$'000	\$'000
Operating activities		
Profit before income tax	26,402	16,640
Adjustments for:		
Impact of accrual of interest income	3,905	(979)
Impact of accrual of interest expense	(6,916)	6,518
Depreciation of property, plant and equipment	708	756
Depreciation of investment properties	377	377
Allowances for impairment losses on loans and advances	2,421	5,137
Gain on disposal of investments	(2,426)	(92)
Dividends	(149)	(148)
Operating cash flows before movements in working capital	24,322	28,209
Changes in working capital		
Other assets	(248)	(320)
Loans and advances	(6,226)	58,821
Statutory deposits with the MAS	3,224	1,021
Deposits and savings accounts of customers	(177,509)	(1,107)
Other liabilities	1,592	8,913
SPRING loans	2,160	419
Provision for employee benefits	(6)	22
Cash (used in) / generated from operating activities	(152,691)	95,978
Income taxes paid	(2,753)	(2,362)
Net cash (used in) / generated from operating activities	(155,444)	93,616
Investing activities		
Purchase of property, plant and equipment and investment properties	(1,340)	(430)
Dividends received	139	92
Purchase of investments	(295,085)	(14,685)
Proceeds from disposal and maturity of investments	304,426	25,344
Proceeds from disposal of property, plant and equipment and investment properties	-	92
Net cash generated from investing activities	8,140	10,413
Financing activities		
Dividend paid	(7,881)	(7,881)
Net cash used in financing activities	(7,881)	(7,881)
Net (decrease) / increase in cash and cash equivalents	(155,185)	96,148
Cash and cash equivalents at beginning of the year	405,753	309,605
Cash and cash equivalents at end of the year	250,568	405,753

4 Statements of Changes in Equity

	Share capital	Statutory reserve	Fair value reserve	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
Balance at 1 January 2016	180,008	95,823	5,353	31,360	312,544
Total comprehensive income for the year					
Profit for the year	-	-	-	13,868	13,868
Other comprehensive income for the year - net	-	-	1,383	-	1,383
Total	-	-	1,383	13,868	15,251
Transfer from accumulated profits to statutory reserve	-	3,466	-	(3,466)	-
Transactions with owners, recognised directly in equity	-	-	-	-	-
Final one-tier tax exempt dividend paid for financial year 2015 of 5 cents per share	-	-	-	(7,881)	(7,881)
Balance at 31 December 2016	180,008	99,289	6,736	33,881	319,914
Total comprehensive income for the year					
Profit for the year	-	-	-	22,695	22,695
Other comprehensive income for the year - net	-	-	2,995	-	2,995
Total	-	-	2,995	22,695	25,690
Transfer from accumulated profits to statutory reserve	-	5,671	-	(5,671)	-
Transactions with owners, recognised directly in equity	-	-	-	-	-
Final one-tier tax exempt dividend paid for financial year 2016 of 5 cents per share	-	-	-	(7,881)	(7,881)
Balance at 31 December 2017	180,008	104,960	9,731	43,024	337,723

4 Statements of Changes in Equity for the year ended 31 December 2017

	Share capital	Statutory reserve	Fair value reserve	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Company					
Balance at 1 January 2016	180,008	95,823	5,062	31,020	311,913
Total comprehensive income for the year					
Profit for the year	-	-	-	13,863	13,863
Other comprehensive income for the year - net	-	-	1,428	-	1,428
Total	-	-	1,428	13,863	15,291
Transfer from accumulated profits to statutory reserve	-	3,466	-	(3,466)	-
Transactions with owners, recognised directly in equity					-
Final one-tier tax exempt dividend paid for financial year 2015 of 5 cents per share	-	-	-	(7,881)	(7,881)
Balance at 31 December 2016	180,008	99,289	6,490	33,536	319,323
Total comprehensive income for the year					
Profit for the year	-	-	-	22,682	22,682
Other comprehensive income for the year - net	-	-	3,020	-	3,020
Total	-	-	3,020	22,682	25,702
Transfer from accumulated profits to statutory reserve	-	5,671	-	(5,671)	-
Transactions with owners, recognised directly in equity	-	-	-	-	-
Final one-tier tax exempt dividend paid for financial year 2016 of 5 cents per share	-	-	-	(7,881)	(7,881)
Balance at 31 December 2017	180,008	104,960	9,510	42,666	337,144

5 Accounting Policies and Comparative Figures

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRSs").

In the current financial year, the Group has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2017. The adoption of these new/ revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

The accounting policies and methods of computation adopted in the financial statements are consistent with those applied in the financial statements for the year ended 31 December 2016.

6 Review of Performance

The Group reported a net profit after tax of \$22.7 million for the financial year ended 31 December 2017, an improvement of \$8.8 million or 63.7% from last year. The better performance was driven by higher net interest income arising from lower funding costs; higher non-interest income and lower allowances for impairment losses on loans and advances. This was marginally offset by slight increase in operating expenses.

Net interest income and hiring charges rose by 15.5% to \$44.6 million compared to \$38.6 million in previous year. This was largely attributable to \$9.6 million decline in interest expenses driven by lower deposit rates and marginally lower deposit base; while interest income declined by \$3.7 million due to lower average loan base during the year. With the benefits of lower funding cost, net interest margin improved from 1.5% to 1.8%.

The Group's total loan assets, net of loan allowances, grew by \$60.9 million during the last quarter of 2017 to close the year at \$1,909.3 million, marginally higher than \$1,905.5 million as at the end of last year. Deposits and savings accounts of customers declined by \$177.5 million year-on-year; resulting in a higher loan-to-deposit ratio of 89.1% compared to 82.2% a year ago.

Non-interest income increased by \$2.0 million primarily from the \$2.4 million gain from sale of SGS bonds. Operating expenses increased by \$0.9 million (4.1%) mainly from higher staff costs (\$0.4 million) and other operating expenses (\$0.6 million).

Allowances for impairment losses on loans and advances of \$2.4 million were 52.9% lower than a year ago. This was mainly due to lower specific provision made during the current year. The Group continues to maintain adequate individual and collective impairment allowances in respect of its loan portfolio.

Tax expenses for the current year was lower primarily due to the enhanced capital allowances claims under the Productivity and Innovation Credit ("PIC") scheme granted by the Singapore Government to support Singapore companies achieve greater automation and productivity gains.

Other Comprehensive Income more than doubled to reach \$3.0 million for the year, mainly from the higher appreciation in the prices of SGS, but partly offset by the realisation of \$2.4 million gain from the SGS portfolio. The Group purchases SGS as part of its liquid assets for purpose of maintaining the regulatory minimum liquid assets requirements.

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 financial year and the date of this report.

7 Comments on Significant Trends and Competitive Conditions in the Industry

According to advance estimates released by the Ministry of Trade and Industry (“MTI”) on 2 January 2018, the Singapore economy grew by 3.1% on a year-on-year basis in the fourth quarter of 2017, easing from the 5.4% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded at a slower pace of 2.8% compared to the 9.4% growth in the third quarter 2017.

For the whole of 2017, the Singapore’s economy ended on a strong footing with a growth of 3.5%. This is at the higher end of the MTI’s earlier forecast range of “3.0 to 3.5%”. The growth was powered largely by the manufacturing sector which expanded by 10.5% based on the advance estimates followed by the 2.5% growth in the service producing industries. However the construction sector continued to contract by about 8.1% largely due to the weakness in private sector construction activities.

Moving forward, the Singapore’s economic outlook for 2018 remains positive, however there are also potential headwinds ahead. The recent sell-off in the equity markets and the sharp jump in the yield of long-term US Treasuries, in anticipation of higher inflation and interest rate in US, have greatly heightened volatility at the start of 2018. Similarly, the effect of higher US interest rate on the Singapore domestic interest rate and increase in funding cost; and the mounting protectionism sentiments on global trade which Singapore is very vulnerable to, given our small and open economy, are also other dark clouds over the horizon. Other uncertainties include the potential geopolitical risk in North Korea peninsula, the South China Sea and Middle East, as well as the likely GST rate’s hike and its impact on inflation and domestic spending pattern.

Notwithstanding the potential volatilities and challenges ahead, the Group will continue to seek new business opportunities within our prudent credit granting criteria, especially with the regulatory relaxation for Finance Companies to offer current account facilities and unsecured lending to Corporates. The Group will remain to be proactive in managing our interest margin and disciplined in our cost controls so as to deliver sustainable returns to all our stakeholders.

8 Dividends

The Board of Directors is pleased to recommend a first and final dividend of 7 cents per share one-tier tax exempt in respect of the financial year 2017 for approval by the shareholders at the next Annual General Meeting.

	Latest Year (2017)	Previous Year (2016)
Name of Dividend	First and final	First and final
Dividend Type	Cash	Cash
Dividend	7 cents per share one-tier tax exempt	5 cents per share one-tier tax exempt

a) Total Annual Dividend

	Latest Year (2017)	Previous Year (2016)
	\$'000	\$'000
Ordinary	\$11,034	\$7,881
Preference	-	-
Total	\$11,034	\$7,881

b) Date Payable

Subject to approval by the shareholders at the next Annual General Meeting and to be announced at a later date.

c) Books closure date

Subject to approval by the shareholders at the next Annual General Meeting and to be announced at a later date.

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

There has been no change in the Company's share capital arising from the above issues.

As at the end of the financial year, there were no outstanding convertibles (31 December 2016: Nil).

10 Sales, transfers, disposal, cancellation and /or use of treasury shares as at the end of the financial period.

Not Applicable. During the financial year, no shares were held as treasury shares.

11 Shareholders' mandate for interested party transactions ("IPT")

The Group has not sought any shareholders' mandate for IPTs pursuant to Rule 920 of the SGX-ST Listing Manual nor does it have any IPTs (31 December 2016: Nil).

12 SGX-ST Listing Manual Rule 720(1) – Procurement of undertakings to comply with listing rules from all directors and executive officers

Pursuant to Rule 720(1) of the SGX-ST Listing Manual, the Company has procured undertakings to comply with the Exchange's listing rules from all its directors and executive officers.

13 Comparative Figures of the Group's Borrowings and Debt Securities

	As at 31/12/2017		As at 31/12/2016	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Amount repayable in one year or less, or on demand	-	1,660	-	1,203
Amount repayable after one year	-	2,963	-	1,260

14 Segmented revenue and results for business or geographical segments

Segment reporting is not required as the Group operates only in one segment. Its activities relate to financing business and related nominee services. All activities are carried out in the Republic of Singapore.

15 Half-Yearly Income and Profit After Tax

	2017	2016	Increase / (Decrease)
	\$'000	\$'000	%
Total Income for first half year	26,153	20,831	25.5
Total Income for second half year	25,627	22,995	11.4
Profit After Tax for first half year	11,600	5,566	108.4
Profit After Tax for second half year	11,095	8,302	33.6

16 Other Information

- Amount of any adjustment for overprovision of tax in respect of prior years – \$62,233 (2016: \$53,564)
- Amount of any pre-acquisition profits – Nil (2016: Nil)
- Amount of profits on any sale of investments, property, plant and equipment – \$2,426,310 (gain from sale of government bonds, 2016: \$92,000 – gain from sale of vehicle)

17 Disclosure of person occupying a managerial position in the issuer or any of its subsidiaries who is a relative of a Director or Chief Executive Officer or Substantial Shareholder of the issuer pursuant to Rule 704(13)

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties and the year the position was first held	Details of changes in duties and position held, if any, during the year
Lee Sze Leong	59	Director/shareholder of F H Lee Holdings Pte Ltd, substantial shareholder. Brother of : <ul style="list-style-type: none"> Lee Sze Siong (Deputy Managing Director & substantial shareholder) Lee Sze Hao (substantial shareholders) 	Managing Director/CEO. Year Appointed: 1997 Oversees the operations of the company.	Nil.

Lee Sze Siong	56	<p>Director/shareholder of F H Lee Holdings Pte Ltd, substantial shareholder.</p> <p>Brother of :</p> <ul style="list-style-type: none"> • Lee Sze Leong (Managing Director/substantial shareholder) • Lee Sze Hao (substantial shareholders) 	<p>Deputy Managing Director Year Appointed: 2010</p> <p>Assists the Managing Director/CEO in overseeing the operations of the company.</p>	Nil
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By order of the Board

Lee Sze Leong
Managing Director
12 February 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SING INVESTMENTS & FINANCE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Sing Investments & Finance Limited (the "Company") and its subsidiary (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") 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 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the 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 *Auditor's 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 ("ACRA") 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 year. 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.

Key Audit Matters	How our audit addressed the key audit matter
<p>Allowance for impairment on loans and advances</p> <p>The allowance for impairment on loans and advances to customers is considered to be a matter of most significance as it requires the application of judgment by management. The Group records both general and specific allowances of loans and advances to customers, in accordance with requirements set out by MAS for the incorporation of historical loss data and qualitative factors on loan grading respectively.</p> <p>As disclosed in Note 4(b)(i) and Note 8, loans and advances constitute approximately 75.7% of the Group's total assets. The Group's gross loan and advances' portfolio is mainly concentrated in land and construction, commercial properties, private residential, and hire purchase receivables. The customers comprise of both corporates and individuals.</p>	<p>Our audit procedures include understanding and testing of the design and implementation and operating effectiveness of the key controls over the following:</p> <ul style="list-style-type: none"> ▪ Timeliness of loan reviews ▪ Identification and timeliness of identifying impairment indicators ▪ Validity and valuation of collaterals <p>Our audit procedures to assess management's provision for allowances included the following:</p> <p>We obtained an understanding of the Group Credit Policy and evaluated the processes for identifying impairment indicators and consequently, the grading of loans for compliance on the classification according to MAS Notice 811.</p> <p>We selected and tested loan samples according to its total credit exposure (by customer) to the Group and assessed the Group's credit review process. The sample selection covers both performing and non-performing loans.</p> <p>We challenged and evaluated management's conclusions on the credit worthiness and classification of the selected loans. We assessed the reasonableness of management's conclusion through our understanding of the prevailing industry trends relevant to the customers, macroeconomic factors, customer repayment conduct, customer financial health and forecasts, collateral valuation and validity, etc.</p> <p>For the selected non-performing loans, we also evaluated management's forecasts on the recoverable cash flows, valuation of collaterals used and other sources of repayment. We re-computed management's calculation of the specific allowances.</p>

Key Audit Matters	How our audit addressed the key audit matter
	<p>With respect to the Group's general allowances, our procedures included the following:</p> <ul style="list-style-type: none"> • we re-computed management's calculation to assess that the Group maintained general allowances on total credit exposure, including guarantees, net of specific allowances, unearned interest and interest-in-suspense in accordance with the Group's policies and regulatory requirements set out by MAS; • we evaluated management's assessment on historical credit losses for reasonableness. <p>We have also assessed the adequacy of the Group's disclosure on the allowance for impairment of loans and the related credit risk in Notes 4(b)(i) and 8 to the financial statements.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Corporate Information, Performance Review, 5 Years Financial Summary, Directors' Statement and Additional Information, but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Chairman's Statement, Board of Directors, Corporate Governance Statement, Sustainability Report, Corporate Social Responsibility, and Statistics of Shareholdings, which are 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 auditor's 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 Chairman's Statement, Board of Directors, Corporate Governance Statement, Sustainability Report, Corporate Social Responsibility, and Statistics of Shareholdings, 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 FRSSs, 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.

Auditor's Responsibility 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 auditor's 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:

- (a) 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 control.
- (b) Obtain an understanding of internal control 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 control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) 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 auditor's 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- (e) 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.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control 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 to 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 auditor's report unless law or regulation precludes 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 the subsidiary corporation 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 auditor's report is Ang Poh Choo.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

Date: 12 February 2018