
FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

Full year financial statements on consolidated results for the year ended 31 December 2019. These figures have been audited.

1(a)(i) Consolidated Statement of Profit or Loss for the year ended 31 December 2019

	2019	2018	+/-
	\$'000	\$'000	%
Revenue			
Interest income and hiring charges	85,919	76,515	12.3
Interest expense	(40,593)	(29,627)	37.0
Net interest income and hiring charges	45,326	46,888	(3.3)
Fees and commissions	1,080	1,060	1.9
Dividends	195	173	12.7
Rental income from investment properties	3,271	3,275	(0.1)
Other income	592	428	38.3
Income before operating expenses	50,464	51,824	(2.6)
Staff costs	(16,077)	(15,111)	6.4
Depreciation of property, plant and equipment	(1,110)	(1,057)	5.0
Depreciation of investment properties	(377)	(377)	0.0
Depreciation of right of use assets	(28)	-	NM
Other operating expenses	(9,060)	(7,927)	14.3
Total Operating Expenses	(26,652)	(24,472)	8.9
Profit from operations before allowances	23,812	27,352	(12.9)
(Allowances for) / Write-back of credit losses on loans and other assets	(1,693)	1,375	NM
Profit before income tax	22,119	28,727	(23.0)
Income tax expense	(2,101)	(4,699)	(55.3)
Profit for the period attributable to equity holders of the Company	20,018	24,028	(16.7)

NM: Not Meaningful

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

	2019	2018
Annualised earnings per share (cents)		
- Basic	12.70	15.24
- Diluted	12.70	15.24

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 2018: 157,625,764) shares.

There are no potential dilutive ordinary shares for the years ended 31 December 2019 and 2018.

1(b) Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2019

	<u>2019</u>	<u>2018</u>	<u>+ / (-)</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Profit for the year	20,018	24,028	(16.7)
<u>Other comprehensive income</u>			
Items that will not be reclassified subsequently to profit or loss			
Gain on disposal of equity investments at FVOCI	24	-	NM
Net change in fair value of Equity Investments at FVOCI	(166)	(121)	37.2
Income tax relating to items that will not be reclassified subsequently to profit or loss	23	21	9.6
	<u>(119)</u>	<u>(100)</u>	<u>19.0</u>
Items that may be reclassified subsequently to profit or loss			
Net change in fair value of Debt Investments at FVOCI	1,544	(1,395)	NM
Net change in fair value of Debt Investments at FVOCI reclassified to profit or loss on disposal	(206)	-	NM
Income tax relating to items that may be reclassified subsequently to profit or loss	(227)	237	NM
	<u>1,111</u>	<u>(1,158)</u>	<u>NM</u>
Other comprehensive income for the year - net of tax	<u>992</u>	<u>(1,258)</u>	<u>NM</u>
Total comprehensive income for the year	<u>21,010</u>	<u>22,770</u>	<u>(7.7)</u>

NM: Not meaningful

FVOCI: Fair Value through Other Comprehensive Income

2(a) Statements of Financial Position

	Group		Company	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<u>ASSETS</u>				
Cash on deposit, at banks and in hand	282,862	317,119	282,798	317,040
Statutory deposit with the Monetary Authority of Singapore ("MAS")	69,623	62,580	69,623	62,580
Investments	320,937	300,550	320,547	300,213
Loans and advances	2,186,617	2,081,004	2,186,617	2,081,004
Other receivables, deposits and prepayments	7,815	8,408	7,815	8,408
Subsidiary	-	-	25	25
Property, plant and equipment	25,378	21,436	25,378	21,436
Investment properties	22,564	22,942	22,564	22,942
Total assets	2,915,796	2,814,039	2,915,367	2,813,648
<u>LIABILITIES AND EQUITY</u>				
Deposits and balances of customers	2,497,637	2,402,886	2,498,401	2,403,642
Other liabilities	30,421	28,670	29,941	28,170
Enterprise Singapore loans (unsecured)	10,007	9,706	10,007	9,706
Provision for employee benefits	598	268	598	268
Current tax payable	1,393	7,657	1,393	7,657
Deferred tax liabilities	2,759	1,847	2,703	1,800
Total liabilities	2,542,815	2,451,034	2,543,043	2,451,243
Equity attributable to equity holders of the Company				
Share capital	180,008	180,008	180,008	180,008
Reserves	192,973	182,997	192,316	182,397
Total equity	372,981	363,005	372,324	362,405
Total liabilities and equity	2,915,796	2,814,039	2,915,367	2,813,648
<u>Off-balance sheet items</u>				
Undrawn loan commitments	432,494	520,994	432,494	520,994
Guarantees issued	2,009	2,293	2,009	2,293
Total off-balance sheet items	434,503	523,287	434,503	523,287

2(b) Net asset value per ordinary share (\$) **2.37** 2.30 **2.36** 2.30

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 2018: 157,625,764) shares.

3 Consolidated Statement of Cash Flows for the year ended 31 December 2019

	Group	
	2019	2018
	\$'000	\$'000
Operating activities		
Profit before income tax	22,119	28,727
Adjustments for:		
Impact of accrual of interest income	(338)	(400)
Impact of accrual of interest expense	7,189	(402)
Interest expense on lease liabilities	6	-
Depreciation of property, plant and equipment	1,110	1,057
Depreciation of investment properties	377	377
Depreciation of right of use assets	28	-
Allowances for / (Write-back of) credit losses on loans and other assets	1,693	(1,375)
Gain on disposal of investments	(206)	-
Loss on write-off of property, plant and equipment	30	13
Dividends	(195)	(173)
Operating cash flows before movements in working capital	<u>31,813</u>	<u>27,824</u>
Changes in working capital		
Other assets	487	(1,027)
Loans and advances	(107,306)	(154,048)
Statutory deposits with the MAS	(7,042)	(7,523)
Deposits and balances of customers	94,752	261,123
Other liabilities	(5,411)	(2,380)
Enterprise Singapore loans	301	5,083
Provision for employee benefits	329	14
Cash generated from / (used in) operating activities	<u>7,923</u>	<u>129,066</u>
Income taxes paid	(7,657)	(3,570)
Net cash generated from / (used in) operating activities	<u>266</u>	<u>125,496</u>
Investing activities		
Purchase of property, plant and equipment and investment properties	(5,082)	(5,462)
Dividends received	67	103
Purchase of investments	(333,385)	(354,732)
Proceeds from disposal and maturity of investments	314,943	312,180
Net cash (used in) investing activities	<u>(23,457)</u>	<u>(47,911)</u>
Financing activities		
Cash payments of lease liabilities	(32)	-
Dividend paid	(11,034)	(11,034)
Net cash used in financing activities	<u>(11,066)</u>	<u>(11,034)</u>
Net increase / (decrease) in cash and cash equivalents	(34,257)	66,551
Cash and cash equivalents at beginning of the year	317,119	250,568
Cash and cash equivalents at end of the year	<u><u>282,862</u></u>	<u><u>317,119</u></u>

Note

The high cash movements for investments related to the replacements of short-term one-month MAS Bills, which form part of the liquid assets to be maintained for regulatory purposes.

4 Statements of Changes in Equity for the year ended 31 December 2019

	Share capital	Statutory reserve	Regulatory	Fair value reserve	Accumulated profits	Total
			Loss Allowance Reserve			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group						
2019						
Balance at 1 January 2019	180,008	110,964	8,391	8,473	55,169	363,005
Total comprehensive income for the year						
Profit for the year	-	-	-	-	20,018	20,018
Other comprehensive income for the year - net	-	-	-	973	19	992
Total	-	-	-	973	20,037	21,010
Transfer to Regulatory Loss Allowance Reserve	-	-	1,549	-	(1,549)	-
Transfer from accumulated profits to statutory reserve	-	5,001	-	-	(5,001)	-
Transactions with owners, recognised directly in equity						
Final one-tier tax exempt dividend paid for financial year 2018 of 7 cents per share	-	-	-	-	(11,034)	(11,034)
Balance at 31 December 2019	180,008	115,965	9,940	9,446	57,622	372,981
2018						
Balance at 31 December 2017	180,008	104,960		9,731	43,024	337,723
Adjustment on initial application of SFRS(I) 9	-	-		-	13,546	13,546
Adjustment on initial application of revised MAS Notice 811	-	-	6,761	-	(6,761)	-
Balance at 1 January 2018	180,008	104,960	6,761	9,731	49,809	351,269
Total comprehensive income for the year						
Profit for the year	-	-	-	-	24,028	24,028
Other comprehensive income for the year - net	-	-	-	(1,258)	-	(1,258)
Total	-	-	-	(1,258)	24,028	22,770
Transfer from Regulatory Loss Allowance Reserve	-	-	1,630	-	(1,630)	-
Transfer from accumulated profits to statutory reserve	-	6,004	-	-	(6,004)	-
Transactions with owners, recognised directly in equity						
Final one-tier tax exempt dividend paid for financial year 2017 of 7 cents per share	-	-	-	-	(11,034)	(11,034)
Balance at 31 December 2018	180,008	110,964	8,391	8,473	55,169	363,005

4 Statements of Changes in Equity for the year ended 31 December 2019

Company	Share capital	Statutory reserve	Regulatory Loss		Accumulated profits	Total
			Allowance Reserve	Fair value reserve		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2019						
Balance at 1 January 2019	180,008	110,964	8,391	8,243	54,799	362,405
Total comprehensive income for the year						
Profit for the year	-	-	-	-	20,005	20,005
Other comprehensive income for the year - net	-	-	-	929	19	948
Total	-	-	-	929	20,024	20,953
Transfer to Regulatory Loss Allowance Reserve	-	-	1,549	-	(1,549)	-
Transfer from accumulated profits to statutory reserve	-	5,001	-	-	(5,001)	-
Transactions with owners, recognised directly in equity						
Final one-tier tax exempt dividend paid for financial year 2018 of 7 cents per share	-	-	-	-	(11,034)	(11,034)
Balance at 31 December 2019	180,008	115,965	9,940	9,172	57,239	372,324
2018						
Balance at 31 December 2017	180,008	104,960	-	9,510	42,666	337,144
Adjustment on initial application of SFRS(I) 9	-	-	-	-	13,546	13,546
Adjustment on initial application of revised MAS Notice 811	-	-	6,761	-	(6,761)	-
Balance at 1 January 2018	180,008	104,960	6,761	9,510	49,451	350,690
Total comprehensive income for the year						
Profit for the year	-	-	-	-	24,016	24,016
Other comprehensive income for the year - net	-	-	-	(1,267)	-	(1,267)
Total	-	-	-	(1,267)	24,016	22,749
Transfer from Regulatory Loss Allowance Reserve	-	-	1,630	-	(1,630)	-
Transfer from accumulated profits to statutory reserve	-	6,004	-	-	(6,004)	-
Transactions with owners, recognised directly in equity						
Final one-tier tax exempt dividend paid for financial year 2017 of 7 cents per share	-	-	-	-	(11,034)	(11,034)
Balance at 31 December 2018	180,008	110,964	8,391	8,243	54,799	362,405

5 Accounting Policies and Comparative Figures

The financial statements are prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”).

The Group has applied the same accounting policies and methods of computation in the financial statements for the current year as in the audited financial statements for the year ended 31 December 2018 except for the changes arising from the first time adoption of SFRS(I)16 Leases, which is effective for annual periods beginning on or after 1 January 2019.

The adoption of SFRS (I)16 Leases does not have any material impact on the financial statements of the Group and the Company for the current financial year under review.

6 Review of Performance

The Group registered a net profit after tax of \$20.0 million for 2019. This was lower than \$24.0 million in 2018 by \$4.0 million or 16.7%. The weaker performance was primarily attributable to lower net interest income, increase in operating expenses as well as higher loan allowances; but partially cushioned by lower tax charge arising from adjustment for the over provision of prior year’s tax.

Net interest income and hiring charges declined by \$1.6 million or 3.3% to \$45.3 million compared to \$46.9 million in the previous year. This was mainly due to the \$11.0 million increase in interest expense, driven by both higher deposit rates as well as additional customer deposits to support the growth in the loan portfolio. The increase in interest expense was partially compensated by the gain in interest income of \$9.4 million, contributed by the enlarged loan base, compared to last year.

Total loans and advances rose by \$106 million or 5.1% in 2019 to reach a new peak of \$2.19 billion as at 31 December 2019. In tandem with the higher loan balance, deposits and balances of customers also increased by \$94.8 million or 3.9% to \$2.50 billion as at the end of 2019. The loan to deposit ratio was 87.5% at the end of 2019 compared with 86.6% in 2018.

Non-interest income grew marginally with the \$0.2 million gain from the sale of Singapore Government Securities (“SGS”) bonds in 2019 (2018: Nil). Operating expenses increased by \$2.2 million (8.9%) mainly from higher other operating expenses (\$1.1 million) and staff costs (\$1.0 million) to support higher business activities. Depreciation charge also rose by 5.0% as a result of higher investments in technology infrastructure as part of our digital transformation journey.

Additional allowances for credit losses of \$1.7 million were made for 2019 compared to write back of \$1.4 million in 2018. The Group continues to maintain adequate loss allowances in respect of its loan portfolio and other assets.

In compliance with the revised regulatory requirement for loan allowance, there was an additional transfer of \$1.5 million to the Regulatory Loan Allowance Reserve for the full year 2019. The transfer is reflected in Statement of Changes in the Equity.

The increase in the Other Comprehensive Income amounting to \$1.0 million is attributed primarily to the increase in the fair value of the SGS bonds during the year. The Group purchases SGS as part of its liquid assets for the purposes of maintaining the minimum liquid assets required under the Finance Companies Act.

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

Singapore's economy grew by 0.8% on a year-on-year basis in the fourth quarter of 2019, according to the advance estimates by the Ministry of Trade and Industry ("MTI"), which was released on 02 January 2020. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded at a slower pace of 0.1% compared to the 2.4% growth in the third quarter. For the whole of 2019, the Singapore economy grew by 0.7%.

The construction and services clusters continue to buttress growth in the last quarter of 2019, although manufacturing contracted 2.1% which marked its fourth consecutive quarter of decline. The contraction was due to output declines in the electronics, chemicals and transport engineering clusters, which more than offset output expansions in the precision engineering, biomedical manufacturing and general manufacturing clusters.

The construction sector grew by 2.1% on a year-on-year basis in the fourth quarter, slightly slower than the 2.4% expansion in the previous quarter. Growth in the sector was supported by public sector construction activities. On a quarter-on-quarter seasonally-adjusted annualised basis, the sector posted growth of 2.1%, a turnaround from the 1.7% decline in the preceding quarter.

The services producing industries expanded by 1.4% on a year-on-year basis in the fourth quarter, faster than the 0.9% growth in the previous quarter. Growth was primarily supported by the finance & insurance sector, the other services industries, and the business services sector. On the other hand, the wholesale & retail trade sector contracted in tandem with the weakness in our exports and retail sales performance. On a quarter-on-quarter basis, the services producing industries grew at a seasonally-adjusted annualised rate of 2.4%, an improvement from the 0.6% growth in the third quarter.

In view of the challenging outlook in 2020 coupled with the dampening economic effects of the coronavirus outbreak, the Group will continue to be prudent in our credit lending, vigilant in our risk monitoring as well as proactive in our management of interest margin and operating expenses.

8 Dividends

The Board of Directors is pleased to recommend a first and final dividend of 6 cents per share one-tier tax exempt in respect of the financial year 2019 for approval by the shareholders at the next Annual General Meeting.

	Latest Year (2019)	Previous Year (2018)
Name of Dividend	First and Final	First and Final
Dividend Type	Cash	Cash
Dividend	6 cents per share one-tier tax exempt	7 cents per share one-tier tax exempt

a) Total Annual Dividend

	Latest Year (2019)	Previous Year (2018)
	\$'000	\$'000
Ordinary	\$9,458	\$11,034
Preference	-	-
Total	\$9,458	\$11,034

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 2018: 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 2018: 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 31/12/2019		As at 31/12/2018	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Enterprise Singapore Loans	-	10,007	-	9,706

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

	2019	2018	Decrease
	\$'000	\$'000	%
Total Income for first half year	25,137	25,996	(3.3)
Total Income for second half year	25,327	25,828	(1.9)
Profit After Tax for first half year	10,017	12,209	(18.0)
Profit After Tax for second half year	10,001	11,819	(15.4)

16 Other Information

- (a) Amount of any adjustment for overprovision of tax in respect of prior years – \$1,446,282 (2018: \$102,048)
- (b) Amount of any pre-acquisition profits – Nil (2018: Nil)
- (c) Amount of profits on any sale of investments, property, plant and equipment – \$205,663 gain from sale of SGS bonds (2018: Nil)

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	61	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 shareholder) 	Managing Director/CEO. Year Appointed: 1997 Oversees the operations of the company.	Nil.



Lee Sze Siong	58	Director/shareholder of F H Lee Holdings Pte Ltd, substantial shareholder. Brother of : <ul style="list-style-type: none">• Lee Sze Leong (Managing Director/substantial shareholder)• Lee Sze Hao (substantial shareholder)	Deputy Managing Director Year Appointed: 2010 Assists the Managing Director/CEO in overseeing the operations of the company.	Nil
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By order of the Board

Lee Sze Leong
Managing Director

12 February 2020

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 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 2019, 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 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 2019 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SING INVESTMENTS & FINANCE LIMITED

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 Matter	How our audit addressed the key audit matter
<p>Impairment of loans and advances</p> <p>Loans and advances constitute approximately 75.0% of the Group's total assets. SFRS(I) 9 Financial Instruments requires the Group to recognise Expected Credit Losses ("ECL") on these loans and advances. The determination of ECL involves the use of significant judgement and estimates including: forward looking macro-economic factors, criteria used to determine the significant increase in credit risk, probability of default, and loss given default.</p> <p>Given the judgements and estimation uncertainty involved in the determination of ECL arising from the matters described above, and the size of the loan and advances, we have identified the impairment of loans and advances to be a matter of most significance in the audit, and therefore a key audit matter.</p>	<p>Our audit procedures include the following:</p> <ul style="list-style-type: none"> • We tested the design, implementation and operating effectiveness of key controls over the following: <ul style="list-style-type: none"> i. Loan grading and monitoring ii. Validity and valuation of collaterals iii. Identification of significant increases in credit risk iv. Accuracy of data inputs in the ECL model v. Governance over ECL and computation of the ECL • We involved our internal credit modelling specialists to assist us in understanding and evaluating the appropriateness of the Group's ECL model against the requirements of SFRS(I) 9 <i>Financial Instruments</i>. • We tested a sample of loan reviews for the appropriateness of the loan grading and staging, and challenged management's evaluations and conclusions on the credit worthiness and classification of the selected loans. • We tested the accuracy of key inputs into the ECL model by comparing against source systems and documents. • We re-computed the ECL to test the mathematical accuracy of the ECL model. • For selected credit-impaired loans, we evaluated management's forecasts on the recoverable cash flows, including the valuation of collaterals used and other sources of repayment.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SING INVESTMENTS & FINANCE LIMITED

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, Board of Directors 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, Corporate Governance Statement, Sustainability Report, 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, Corporate Governance Statement, Sustainability Report, 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 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SING INVESTMENTS & FINANCE LIMITED

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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SING INVESTMENTS & FINANCE LIMITED

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 Giam Ei Leen.

Public Accountants and
Chartered Accountants
Singapore

12 February 2020