
FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

Full year financial statements on consolidated results for the year ended 31 December 2015. These figures have been audited.

1(a)(i) Consolidated Statement of Profit or Loss for the year ended 31 December 2015

	2015	2014	+ / (-)
	\$'000	\$'000	%
Revenue			
Interest income and hiring charges	63,518	51,619	23.1
Interest expense	(28,302)	(19,021)	48.8
Net interest income and hiring charges	35,216	32,598	8.0
Fees and commissions	627	466	34.5
Dividends	153	131	16.8
Rental income from investment properties	3,507	3,495	0.3
Other income	746	430	73.5
Income before operating expenses	40,249	37,120	8.4
Staff costs	(13,626)	(12,652)	7.7
Depreciation of property, plant and equipment	(702)	(708)	(0.8)
Depreciation of investment properties	(377)	(378)	(0.3)
Other operating expenses	(6,472)	(7,215)	(10.3)
Profit from operations before impairment losses	19,072	16,167	18.0
Allowances for impairment losses on loans and advances	(3,975)	(1,252)	217.5
Profit before income tax	15,097	14,915	1.2
Income tax expense	(2,283)	(2,257)	1.2
Profit for the year attributable to equity holders of the Company	12,814	12,658	1.2

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

	2015	2014
Earnings per share (cents)		
- Basic	8.13	8.03
- Diluted	8.13	8.03

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 2014: 157,625,764) shares.

There are no potential dilutive ordinary shares for the years ended 31 December 2015 and 2014.

1(b) Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2015

	2015	2014	+ / (-)
	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Profit for the year	12,814	12,658	1.2
<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	(5,025)	6,013	NM
Income tax relating to components of other comprehensive income that may be reclassified subsequently	854	(1,022)	NM
Other comprehensive (loss) income for the year, net of tax	(4,171)	4,991	NM
Total comprehensive income for the year	<u>8,643</u>	<u>17,649</u>	<u>(51.0)</u>

NM: Not meaningful

2(a) Statements of Financial Position

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets				
Cash on deposit, at banks and in hand	309,605	245,781	309,561	245,735
Other assets	6,426	5,271	6,426	5,271
Investments	274,590	231,004	274,181	230,636
Loans and advances due within twelve months	673,640	628,084	673,640	628,084
Statutory deposit with the Monetary Authority of Singapore ("MAS")	59,302	50,538	59,302	50,538
Total current assets	1,323,563	1,160,678	1,323,110	1,160,264
Non-current assets				
Property, plant and equipment	16,736	16,763	16,736	16,763
Investment properties	24,075	24,452	24,075	24,452
Subsidiary	-	-	25	25
Loans and advances due after twelve months	1,295,774	1,062,086	1,295,774	1,062,086
Total non-current assets	1,336,585	1,103,301	1,336,610	1,103,326
Total assets	2,660,148	2,263,979	2,659,720	2,263,590
LIABILITIES AND EQUITY				
Current liabilities				
Deposits and savings accounts of customers	2,313,861	1,921,428	2,314,601	1,922,165
Other liabilities	27,863	20,473	27,386	19,995
SPRING loans due within twelve months (unsecured)	1,491	2,242	1,491	2,242
Provision for employee benefits	238	252	238	252
Current tax payable	2,455	2,343	2,455	2,343
Total current liabilities	2,345,908	1,946,738	2,346,171	1,946,997
Non-current liabilities				
SPRING loans due after twelve months (unsecured)	553	1,861	553	1,861
Deferred tax liabilities	1,143	2,021	1,083	1,968
Total non-current liabilities	1,696	3,882	1,636	3,829
Total liabilities	2,347,604	1,950,620	2,347,807	1,950,826
Equity attributable to equity holders of the Company				
Share capital	180,008	180,008	180,008	180,008
Reserves	132,536	133,351	131,905	132,756
Total equity	312,544	313,359	311,913	312,764
Total liabilities and equity	2,660,148	2,263,979	2,659,720	2,263,590
OFF BALANCE SHEET ITEMS				
Undrawn Loan Commitments	463,897	650,103	463,897	650,103
Guarantees Issued	3,951	4,546	3,951	4,546
Total off-balance sheet items	467,848	654,649	467,848	654,649
2(b) Net asset value per ordinary share (\$)	1.98	1.99	1.98	1.98

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 2014: 157,625,764) shares.

3 Consolidated Statement of Cash Flows for the year ended 31 December 2015

	Group	
	2015	2014
	\$'000	\$'000
Operating activities		
Profit before income tax	15,097	14,915
Adjustments for:		
Impact of accrual of interest income	41	106
Impact of accrual of interest expense	5,801	1,527
Depreciation of property, plant and equipment	702	708
Depreciation of investment properties	377	378
Property, plant and equipment written off	4	-
Allowances for impairment losses on loans and advances	3,975	1,252
Gain on disposal of property, plant & equipment	(93)	-
Dividends	(153)	(131)
Operating cash flows before movements in working capital	<u>25,751</u>	<u>18,755</u>
Changes in working capital		
Other assets	(442)	967
Loans and advances	(283,219)	(144,315)
Statutory deposits with the MAS	(8,764)	(5,657)
Deposits and savings accounts of customers	392,432	180,970
Other liabilities	1,590	1,579
SPRING loans	(2,059)	(2,903)
Provision for employee benefits	(14)	21
Cash generated from operating activities	<u>125,275</u>	<u>49,417</u>
Income taxes paid	(2,195)	(2,034)
Net cash generated from operating activities	<u>123,080</u>	<u>47,383</u>
Investing activities		
Purchase of investments	(98,275)	(23,965)
Purchase of property, plant and equipment	(679)	(466)
Proceeds from disposal of investments	49,000	5,000
Proceeds from disposal of property, plant & equipment	93	-
Dividends received	63	42
Net cash used in investing activities	<u>(49,798)</u>	<u>(19,389)</u>
Financing activities		
Dividends paid	(9,458)	(7,881)
Net cash used in financing activities	<u>(9,458)</u>	<u>(7,881)</u>
Net increase in cash and cash equivalents	63,824	20,113
Cash and cash equivalents at beginning of the year	<u>245,781</u>	<u>225,668</u>
Cash and cash equivalents at end of the year	<u>309,605</u>	<u>245,781</u>

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 2014	180,008	86,291	4,533	32,759	303,591
Total comprehensive income for the year					
Profit for the year	-	-	-	12,658	12,658
Other comprehensive income for the year - net	-	-	4,991	-	4,991
Total	-	-	4,991	12,658	17,649
Transfer from accumulated profits to statutory reserve	-	6,328	-	(6,328)	-
Transactions with owners, recognised directly in equity					
Final one-tier tax exempt dividend paid for financial year 2013 of 5 cents per share	-	-	-	(7,881)	(7,881)
Balance at 31 December 2014	180,008	92,619	9,524	31,208	313,359
Total comprehensive income for the year					
Profit for the year	-	-	-	12,814	12,814
Other comprehensive loss for the year - net	-	-	(4,171)	-	(4,171)
Total	-	-	(4,171)	12,814	8,643
Transfer from accumulated profits to statutory reserve	-	3,204	-	(3,204)	-
Transactions with owners, recognised directly in equity					
Final one-tier tax exempt dividend paid for financial year 2014 of 6 cents per share	-	-	-	(9,458)	(9,458)
At 31 December 2015	180,008	95,823	5,353	31,360	312,544

4 Statements of Changes in Equity for the year ended 31 December 2015

	Share capital	Statutory reserve	Fair value reserve	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Company					
At 1 January 2014	180,008	86,291	4,338	32,425	303,062
Total comprehensive income for the year					
Profit for the year	-	-	-	12,655	12,655
Other comprehensive income for the year - net	-	-	4,928	-	4,928
Total	-	-	4,928	12,655	17,583
Transfer from accumulated profits to statutory reserve	-	6,328	-	(6,328)	-
Transactions with owners, recognised directly in equity					
Final one-tier tax exempt dividend paid for financial year 2013 of 5 cents per share	-	-	-	(7,881)	(7,881)
Balance at 31 December 2014	180,008	92,619	9,266	30,871	312,764
Total comprehensive income for the year					
Profit for the year	-	-	-	12,811	12,811
Other comprehensive loss for the year - net	-	-	(4,204)	-	(4,204)
Total	-	-	(4,204)	12,811	8,607
Transfer from accumulated profits to statutory reserve	-	3,204	-	(3,204)	-
Transactions with owners, recognised directly in equity					
Final one-tier tax exempt dividend paid for financial year 2014 of 6 cents per share	-	-	-	(9,458)	(9,458)
At 31 December 2015	180,008	95,823	5,062	31,020	311,913

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 2015. 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 2014.

6 Review of Performance

Net loan assets grew 16.5% to \$1,969.4 million as compared to \$1,690.2 million as at 31 December 2014. In tandem with the increase in loan assets, deposits and savings accounts of customers increased by 20.4% to \$2,313.9 million as at 31 December 2015.

Interest income and hiring charges rose 23.1% on the back of the 16.5% rise in net loan assets. This was partially offset by an increase of 48.8% in interest expense from a higher deposit base and rates, resulting in an increase of 8.0% in the net interest income and hiring charges. Other income also increased by 11.3%. Operating expenses increased by 1.1% attributable to the higher staff costs incurred to support the increase in business activities.

Profit from operations before impairment losses rose by 18% as compared to the previous year. However, the increase was substantially offset by a 217.5% increase in allowances for impairment losses made resulting in a marginal increase of 1.2% in profit after tax to \$12.8 million for the financial year ended 31 December 2015. The increase in allowances for loan losses were due to higher provisions made for individual impairment as well as additional collective allowance made at a portfolio level compared to the previous year.

The Group continues to maintain adequate individual and collective impairment allowances in respect of its loan portfolio.

There was a decline in the fair value of available-for-sale financial assets under Other Comprehensive Income, mainly from revaluation of Singapore Government Securities (“SGS”). The drop in value was due to interest rate hikes. The Group purchases SGS as part of its liquid assets for purpose 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

According to advance estimates released by the Ministry of Trade and Industry on 4 January 2016, the Singapore economy grew by 2.0% on a year-on-year basis in the fourth quarter of 2015, compared to 1.8% in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 5.7% compared to the 1.7% growth in the preceding quarter.

The manufacturing sector contracted by 6.0% in the fourth quarter on a year-on-year basis. The sector was primarily weighed down by a decline in the output of electronics, transport engineering and precision engineering clusters.

Services grew 3.2% with growth supported mainly by the wholesale & retail trade and finance & insurance sectors while construction expanded by 2.2% with a pick-up in public sector construction activities.

Global growth outlook in 2016 will remain tepid with the volatility in the financial markets and risks of potential capital flight that could result from further United States rate hikes as well as fears of further economic slowdown in China. On the domestic front, slower labour force growth and lacklustre productivity are dragging down Singapore's long-term potential expansion rate.

Given the challenging growth outlook and the continual impact of the property cooling measures and car financing restrictions, we expect the business environment to be increasingly challenging and competitive. Nevertheless, the Group will continue to be prudent in growing our loan portfolio as well as managing our interest margin and operating expenses.

8 Dividends

The Board of Directors is pleased to recommend a first and final dividend of 5 cents per share one-tier tax exempt in respect of the financial year 2015 for approval by the shareholders at the next Annual General Meeting.

	Latest Year (2015)	Previous Year (2014)
Name of Dividend	First and final	First and final
Dividend Type	Cash	Cash
Dividend	5 cents per share one-tier tax exempt	6 cents per share one-tier tax exempt

a) Total Annual Dividend

	Latest Year (2015)	Previous Year (2014)
	\$'000	\$'000
Ordinary	\$7,881	\$9,458
Preference	-	-
Total	\$7,881	\$9,458

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 2014: Nil).

10 Status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 of the SGX Listing Manual and whether the use of the proceeds is in accordance with the stated use.

No proceeds have been raised from any offerings pursuant to Chapter 8 of the SGX Listing Manual since the end of the previous period.

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

Nil (31 December 2014: Nil).

12 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 2014: Nil).

13 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.

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

	As at 31/12/2015		As at 31/12/2014	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Amount repayable in one year or less, or on demand	-	1,491	-	2,242
Amount repayable after one year	-	553	-	1,861

15 Other Information

- (a) Income of the Group is derived primarily from financing business and related nominee services. The Group operates in Singapore only.

	2015	2014	Increase / (Decrease)
	\$'000	\$'000	%
Interest income and hiring charges reported for first half year	29,119	25,119	15.9
Interest income and hiring charges reported for second half year	34,399	26,500	29.8
Operating profit reported for first half year	5,254	6,467	(18.8)
Operating profit reported for second half year	7,560	6,191	22.1

- (b) Amount of any adjustment for overprovision of tax in respect of prior years – \$103,352 (2014: Nil)

(c) Amount of any pre-acquisition profits – Nil (2014: Nil)

(d) Amount of profits on any sale of investments, property, plant and equipment – \$93,458 (2014: Nil)

16 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	56	<p>Director/shareholder of F H Lee Holdings Pte Ltd, substantial shareholder.</p> <p>Son of Lee Fee Huang, substantial shareholder.</p> <p>Brother of :</p> <ul style="list-style-type: none"> • Lee Sze Siong (Deputy Managing Director & substantial shareholder) • Lee Sze Hao and Lee Yit (substantial shareholders) 	<p>Managing Director/CEO.</p> <p>Year Appointed: 1997</p> <p>Oversees the operations of the company.</p>	<p>Stepped down as Chairman of the Board on 1st May 2015 but continued to hold the position of the Managing Director/CEO.</p>
Lee Sze Siong	54	<p>Director/shareholder of F H Lee Holdings Pte Ltd, substantial shareholder.</p> <p>Son of Lee Fee Huang, substantial shareholder.</p> <p>Brother of :</p> <ul style="list-style-type: none"> • Lee Sze Leong (Managing Director/substantial shareholder) • Lee Sze Hao and Lee Yit (substantial shareholders) 	<p>Deputy Managing Director</p> <p>Year Appointed: 2010</p> <p>Assists the Managing Director/CEO in overseeing the operations of the company.</p>	Nil

By order of the Board

Lee Sze Leong
Managing Director
10 February 2016

Directors' Confirmation

The Directors 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 audited financial results and the Company's statement of financial position and statement of changes in equity for the year ended 31 December 2015 to be false or misleading.

On behalf of the Board of Directors

Lee Sze Leong
Managing Director
10 February 2016

The auditors' report on the full financial statements of Sing Investments & Finance Limited for the financial year ended 31 December 2015 is as follows:

"INDEPENDENT AUDITORS' REPORT"

To: Members of Sing Investments & Finance Limited

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 2015, and the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is

sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the 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 Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date.

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 in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

Date: 10 February 2016