
FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

Full year financial statements on consolidated results for the year ended 31 December 2016. These figures have been audited.

1 (a) (i) Consolidated Statement of Profit or Loss for the year ended 31 December 2016

	Group		
	2016	2015	+/(−)
	\$'000	\$'000	%
Revenue			
Interest income and hiring charges	75,557	63,518	19.0
Interest expense	(36,942)	(28,302)	30.5
Net interest income and hiring charges	38,615	35,216	9.7
Fees and commissions	876	627	39.7
Dividends	148	153	(3.3)
Rental income from investment properties	3,436	3,507	(2.0)
Other income	751	746	0.7
Income before operating expenses	43,826	40,249	8.9
Staff costs	(14,226)	(13,626)	4.4
Depreciation of property, plant and equipment	(756)	(702)	7.7
Depreciation of investment properties	(377)	(377)	0.0
Other operating expenses	(6,690)	(6,472)	3.4
Profit from operations before impairment losses	21,777	19,072	14.2
Allowances for impairment losses on loans and advances	(5,137)	(3,975)	29.2
Profit before income tax	16,640	15,097	10.2
Income tax expense	(2,772)	(2,283)	21.4
Profit for the year attributable to equity holders of the Company	13,868	12,814	8.2

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

	Group	
	2016	2015
Earnings per share (cents)		
-Basic	8.80	8.13
-Diluted	8.80	8.13

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 2015: 157,625,764) shares. There are no potential dilutive ordinary shares for the years ended 31 December 2016 and 2015.

1(b) Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2016

	Group		
	2016	2015	+ / (-)
	\$'000	\$'000	%
Profit for the year	13,868	12,814	8.2%
<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	1,666	(5,025)	nm
Income tax relating to components of other comprehensive income that may be classified subsequently	(283)	854	nm
Other comprehensive income/(loss) for the year, net of tax	<u>1,383</u>	<u>(4,171)</u>	nm
Total comprehensive income for the year	<u><u>15,251</u></u>	<u><u>8,643</u></u>	<u>76.5%</u>

nm: Not meaningful

2(a) Statements of Financial Position

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
ASSETS				
Current assets				
Cash on deposit, at banks and in hand	405,753	309,605	405,705	309,561
Other assets	7,725	6,426	7,725	6,426
Investments	265,653	274,590	265,297	274,181
Loans and advances due within twelve months	450,149	673,640	450,149	673,640
Statutory deposit with Monetary Authority of Singapore ("MAS")	58,281	59,302	58,281	59,302
Total current assets	1,187,561	1,323,563	1,187,157	1,323,110
Non-current assets				
Property, plant and equipment	16,410	16,736	16,410	16,736
Investment properties	23,698	24,075	23,698	24,075
Subsidiary	-	-	25	25
Loans and advances due after twelve months	1,455,307	1,295,774	1,455,307	1,295,774
Total non-current assets	1,495,415	1,336,585	1,495,440	1,336,610
Total assets	2,682,976	2,660,148	2,682,597	2,659,720
LIABILITIES AND EQUITY				
Current liabilities				
Deposits and savings accounts of customers	2,319,272	2,313,861	2,320,016	2,314,601
Other liabilities	36,776	27,863	36,295	27,386
SPRING loans due within twelve months (unsecured)	1,203	1,491	1,203	1,491
Provision for employee benefits	260	238	260	238
Current tax payable	2,917	2,455	2,917	2,455
Total current liabilities	2,360,428	2,345,908	2,360,691	2,346,171
Non-current liabilities				
SPRING loans due after twelve months (unsecured)	1,260	553	1,260	553
Deferred tax liabilities	1,374	1,143	1,323	1,083
Total non current liabilities	2,634	1,696	2,583	1,636
Total liabilities	2,363,062	2,347,604	2,363,274	2,347,807
Equity attributable to equity holders of the Company				
Share capital	180,008	180,008	180,008	180,008
Reserves	139,906	132,536	139,315	131,905
Total equity	319,914	312,544	319,323	311,913
Total liabilities and equity	2,682,976	2,660,148	2,682,597	2,659,720
OFF BALANCE SHEET ITEMS				
Undrawn Loan Commitments	419,645	463,897	419,645	463,897
Guarantees Issued	4,320	3,951	4,320	3,951
Total off-balance sheet items	423,965	467,848	423,965	467,848
2(b) Net asset value per ordinary share (\$)	2.03	1.98	2.03	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 2015: 157,625,764) shares

3 Consolidated Statement of Cash Flows for the year ended 31 December 2016

	Group	
	2016 \$'000	2015 \$'000
Operating activities		
Profit before income tax	16,640	15,097
Adjustments for:		
Impact of accrual of interest income	(979)	41
Impact of accrual of interest expense	6,518	5,801
Depreciation of property, plant and equipment	756	702
Depreciation of investment properties	377	377
Property, plant and equipment written off	-	4
Allowances for impairment losses on loans and advances	5,137	3,975
Gain on disposal of property, plant and equipment	(92)	(93)
Dividends	(148)	(153)
Operating cash flows before movements in working capital	28,209	25,751
Changes in working capital		
Other assets	(320)	(442)
Loans and advances	58,821	(283,219)
Statutory deposits with MAS	1,021	(8,764)
Deposits and savings accounts of customers	(1,107)	392,432
Other liabilities	8,913	1,590
SPRING loans	419	(2,059)
Provision for employee benefits	22	(14)
Cash generated from operating activities	95,978	125,275
Income taxes paid	(2,362)	(2,195)
Net cash generated from operating activities	93,616	123,080
Investing activities		
Purchase of investments	(14,685)	(98,275)
Purchase of property, plant and equipment	(430)	(679)
Proceeds from disposal of investments	25,344	49,000
Proceeds from disposal of property, plant and equipment	92	93
Dividends received	92	63
Net cash generated from/ (used in) investing activities	10,413	(49,798)
Financing activities		
Dividend paid	(7,881)	(9,458)
Net cash used in financing activities	(7,881)	(9,458)
Net increase in cash and cash equivalents	96,148	63,824
Cash and cash equivalents at beginning of the year	309,605	245,781
Cash and cash equivalents at end of the year	405,753	309,605

4 Statements of Changes in Equity for the year ended 31 December 2016

	Share Capital \$'000	Statutory Reserve \$'000	Fair Value Reserve \$'000	Accumulated Profits \$'000	Total \$'000
Group					
Balance at 1 January 2015	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)
Balance at 31 December 2015	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

4 Statements of Changes in Equity for the year ended 31 December 2016

	Share Capital \$'000	Statutory Reserve \$'000	Fair Value Reserve \$'000	Accumulated Profits \$'000	Total \$'000
Company					
Balance at 1 January 2015	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)
Balance at 31 December 2015	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

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 2016. 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 2015.

6 Review of Performance

Notwithstanding the slowdown in the local economy, the Group showed resilience and delivered good top line growth and bottom line results.

Net interest income and hiring charges rose 9.7 per cent primarily due to higher loan yields. Non-interest income rose 3.5 per cent, due mainly to higher income from fees and commissions, in line with a larger auto related loan portfolio. Operating expenses increased by 4.1 per cent, mainly due to higher staff costs incurred to support the increase in business activities.

The Group’s profit from operations before impairment losses rose by 14.2 per cent from \$19.1 million in 2015 to \$21.8 million in 2016. The increase was offset by a 29.2 per cent or \$1.2 million increase in allowances for impairment losses, related to property and share loans. It is the Group’s policy to maintain adequate individual and collective impairment allowances for its loan portfolio. For the financial year ended 31 December 2016, profit after tax rose by 8.2 per cent to \$13.9 million compared to \$12.8 million in the previous year.

The Group’s total loan assets decrease from \$1,969.4 million to \$1,905.5 million in 2016 mainly due to the contraction of land and construction loan portfolio. Deposits and savings accounts of customers increase marginally by 0.2% to \$2,319.3 million as at 31 December 2016.

There was an increase in the fair value of available-for-sale financial assets under Other Comprehensive Income, mainly from revaluation of Singapore Government Securities (“SGS”). The Group purchases SGS as part of its liquid assets for the 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

2016 has been a difficult year fraught with global economic uncertainties and volatility arising from Brexit, the US elections and the slowdown in China's economy. According to MTI's estimates, the Singapore economy also slowed down with a gross domestic product of 1.8 per cent. This marked Singapore's weakest annual rate of growth since 2009, when the economy was hit by the global financial crisis and shrank 0.6 per cent. Last year, the economy grew 2 per cent.

Moving forward, the outlook for Singapore's economy remains challenging. MTI expects the Singapore economy to grow at a modest pace of 1.0 to 3.0 per cent in 2017. The manufacturing sector is expected to see an improvement in performance on the back of sustained global demand for semiconductors and semiconductor equipment, although the marine & offshore engineering segment and firms supporting the global oil & gas industry are expected to continue to face weak demand conditions amidst low oil prices.

Tourism-related sectors are likely to benefit from a boost in travel demand as the global economic outlook improves. At the same time, sectors such as information & communications and other services industries, are likely to continue to support growth. On the other hand, externally-oriented services sectors such as finance & insurance and wholesale trade are expected to remain sluggish.

Notwithstanding the challenging global environment and a slowdown in our local economy, the Group will work towards maintaining its objective, to deliver long-term value to shareholders. We will focus on sustainable growth through selective lending, people development, technology enhancement and effective cost controls.

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 2016 for approval by the shareholders at the next Annual General Meeting.

	Latest Year (2016)	Previous Year (2015)
Name of Dividend	First and final	First and final
Dividend Type	Cash	Cash
Dividend	5 cents per share one-tier tax exempt	5 cents per share one-tier tax exempt

a) Total Annual Dividend

	Latest Year (2016)	Previous Year (2015)
	\$'000	\$'000
Ordinary	\$7,881	\$7,881
Preference	-	-
Total	\$7,881	\$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 2015: 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 2015: 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 2015: 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 December 2016		As At 31 December 2015	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less, or on demand	-	1,203	-	1,491
Amount repayable after one year	-	1,260	-	553

15 Other Information

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

	2016	2015	Increase/ Decrease
	\$'000	\$'000	%
Interest income and hiring charges reported for first half year	36,597	29,119	25.7
Interest income and hiring charges reported for second half year	38,960	34,399	13.3
Operating profit report for first half year	5,566	5,254	5.9
Operating profit report for second half year	8,302	7,560	9.8

(b) Amount of any adjustment for overprovision of tax in respect of prior years – \$53,564 (2015: \$103,352)

(c) Amount of any pre-acquisition profits – Nil (2015: Nil)

(d) Amount of profits on any sale of investments, property, plant and equipment – \$92,000 (2015: \$93,458)

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	57	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 and Lee Yit (substantial shareholders) 	Managing Director/CEO. Year Appointed: 1997 Oversees the operations of the company.	Nil.
Lee Sze Siong	55	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 and Lee Yit (substantial shareholders) 	Deputy Managing Director Year Appointed: 2010 Assists the Managing Director/CEO in overseeing the operations of the company.	Nil

By order of the Board

Lee Sze Leong
 Managing Director
 6 February 2017



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 2016 to be false or misleading.

On behalf of the Board of Directors

Lee Sze Leong
Managing Director
6 February 2017

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 2016, 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 2016 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(a)(i) and Note 8, loans and advances constitute approximately 71% 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> <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 a minimum of 1% of general allowances on total credit exposure, including guarantees, net of specific allowances, unearned interest and interest-in-suspense in accordance with requirements set out by MAS;

Key Audit Matters	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> • 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 Note 4(a)(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, Board of Directors, 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, Corporate Governance Statement, 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, Corporate Governance Statement, 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 FRSs, 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

6 February 2017