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**SING INVESTMENTS & FINANCE LTD (Co. Reg. No. 196400348D)**

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**Full Year Financial Statements and Dividend Announcement**

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Full year financial statements on consolidated results for the year ended 31 December 2009. These figures have been audited.

**1(a)(i) Consolidated Income Statement for the year ended 31 December 2009**

	2009	2008	Increase/ (Decrease)
	\$'000	\$'000	%
<b>Revenue</b>			
Interest income and hiring charges	63,404	66,436	(4.6)
Interest expense	(22,067)	(31,997)	(31.0)
<b>Net interest income and hiring charges</b>	<b>41,337</b>	34,439	20.0
Fees and commissions	652	808	(19.3)
Dividends	92	118	(22.0)
Rental income from investment properties	3,146	3,068	2.5
Other income	373	184	102.7
<b>Income before operating expenses</b>	<b>45,600</b>	38,617	18.1
Staff costs	(10,847)	(10,219)	6.1
Depreciation of property, plant and equipment	(1,264)	(958)	31.9
Depreciation of investment properties	(378)	(366)	3.3
Other operating expenses	(4,462)	(5,456)	(18.2)
<b>Profit from operations before impairment losses</b>	<b>28,649</b>	21,618	32.5
Allowances for impairment losses on loans and advances	(7,476)	(13,360)	(44.0)
<b>Profit before income tax</b>	<b>21,173</b>	8,258	156.4
Income tax expense	(3,521)	(2,738)	28.6
<b>Profit for the year attributable to equity holders of the Company</b>	<b>17,652</b>	5,520	219.8

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

	2009	2008
Earnings per share (cents)		
- Basic	16.80	5.25
- Diluted	16.80	5.25

The Group's basic earnings per share is calculated based on the weighted average number of ordinary shares in issue of 105,083,843 (2008: 105,083,843) shares.

There are no potential dilutive ordinary shares for the years ended 31 December 2009 and 2008.

**1(b) Consolidated Statement of Comprehensive Income for the year ended 31 December 2009**

	<b>2009</b>	2008	Increase / (Decrease)
	<b>\$'000</b>	\$'000	%
<b>Profit for the year</b>	<b>17,652</b>	5,520	219.8
Available-for-sale financial assets			
- (Losses)/Gains arising during the year	<b>(13,771)</b>	12,210	NM
- Deferred tax adjustment	<b>2,543</b>	(3,622)	NM
<b>Other comprehensive (loss)/income for the year, net of tax</b>	<b>(11,228)</b>	8,588	NM
<b>Total comprehensive income for the year attributable to equity holders of the Company</b>	<b>6,424</b>	14,108	(54.5)

NM – Not meaningful

**2(a) Statements of Financial Position as at 31 December 2009**

	<b>Group</b>		<b>Company</b>	
	<b>2009</b>	2008	<b>2009</b>	2008
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b><u>ASSETS</u></b>				
<b>Current assets</b>				
Cash on deposit, at banks and in hand	<b>252,113</b>	52,249	<b>252,054</b>	52,168
Other assets	<b>5,178</b>	5,045	<b>5,178</b>	5,045
Investments	<b>254,411</b>	240,564	<b>254,163</b>	240,356
Loans and advances due within twelve months	<b>369,028</b>	491,951	<b>369,028</b>	491,951
Statutory deposits with the Monetary Authority of Singapore ("MAS")	<b>33,863</b>	44,076	<b>33,863</b>	44,076
<b>Total current assets</b>	<b>914,593</b>	833,885	<b>914,286</b>	833,596
<b>Non-current assets</b>				
Property, plant and equipment	<b>20,118</b>	20,630	<b>20,118</b>	20,630
Investment properties	<b>26,334</b>	26,718	<b>26,334</b>	26,718
Subsidiary	-	-	<b>25</b>	25
Loans and advances due after twelve months	<b>679,635</b>	900,736	<b>679,635</b>	900,736
<b>Total non-current assets</b>	<b>726,087</b>	948,084	<b>726,112</b>	948,109
<b>Total assets</b>	<b>1,640,680</b>	1,781,969	<b>1,640,398</b>	1,781,705
<b><u>LIABILITIES AND EQUITY</u></b>				
<b>Current liabilities</b>				
Deposits and savings accounts of customers	<b>1,389,440</b>	1,459,082	<b>1,390,159</b>	1,459,784
Other liabilities	<b>18,731</b>	30,358	<b>18,249</b>	29,869
Interest bearing borrowings	<b>4,000</b>	21,000	<b>4,000</b>	21,000
Medium term notes	-	50,000	-	50,000
SPRING loans due within twelve months (unsecured)	<b>8,908</b>	7,012	<b>8,908</b>	7,012
Provision for employee benefits	<b>205</b>	225	<b>205</b>	225
Current tax payable	<b>6,940</b>	5,270	<b>6,940</b>	5,270
<b>Total current liabilities</b>	<b>1,428,224</b>	1,572,947	<b>1,428,461</b>	1,573,160
<b>Non-current liabilities</b>				
SPRING loans due after twelve months (unsecured)	<b>11,054</b>	8,966	<b>11,054</b>	8,966
Deferred tax liabilities	<b>935</b>	3,386	<b>903</b>	3,359
<b>Total non-current liabilities</b>	<b>11,989</b>	12,352	<b>11,957</b>	12,325
<b>Total liabilities</b>	<b>1,440,213</b>	1,585,299	<b>1,440,418</b>	1,585,485
<b>Equity attributable to equity holders of the Company</b>				
Share capital	<b>117,199</b>	117,199	<b>117,199</b>	117,199
Reserves	<b>83,268</b>	79,471	<b>82,781</b>	79,021
<b>Total equity</b>	<b>200,467</b>	196,670	<b>199,980</b>	196,220
<b>Total liabilities and equity</b>	<b>1,640,680</b>	1,781,969	<b>1,640,398</b>	1,781,705
<b>2(b) Net asset value per ordinary share (\$)</b>	<b>1.91</b>	1.87	<b>1.90</b>	1.87

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 105,083,843 (31 December 2008: 105,083,843) shares.

### 3 Consolidated Statement of Cash Flows for the year ended 31 December 2009

	2009	2008
	\$'000	\$'000
<b>Operating activities</b>		
Profit before income tax	21,173	8,258
Adjustments for:		
Impact of accrual of interest income	(1,017)	(511)
Impact of accrual of interest expense	(12,073)	2,314
Depreciation of property, plant and equipment	1,264	958
Depreciation of investment properties	378	366
Property, plant and equipment and investment properties written off	238	9
Profit on disposal of property, plant and equipment	(156)	-
Allowances for impairment losses on loans and advances	7,476	13,360
Dividend receivable	(84)	-
Operating cash flows before movements in working capital	<u>17,199</u>	<u>24,754</u>
<b>Changes in working capital</b>		
Other assets	709	(432)
Loans and advances	336,548	(101,675)
Statutory deposits with the MAS	10,213	(4,997)
Deposits and savings accounts of customers	(69,642)	20,292
Other liabilities	2,128	487
SPRING loans	3,984	375
Provision for employee benefits	(20)	32
Cash generated from/(used in) operations	<u>301,119</u>	<u>(61,164)</u>
Income taxes paid	(1,759)	(2,220)
Net cash generated from/(used in) operating activities	<u>299,360</u>	<u>(63,384)</u>
<b>Investing activities</b>		
Purchase of investments	(53,891)	(43,989)
Purchase of property, plant and equipment and investment properties	(2,666)	(2,723)
Proceeds from disposal of investments	26,500	-
Proceeds from disposal of property, plant and equipment	156	-
Dividends received	32	-
Net cash used in investing activities	<u>(29,869)</u>	<u>(46,712)</u>
<b>Financing activities</b>		
Dividends paid	(2,627)	(6,305)
(Repayment of)/Funding from interest-bearing borrowings	(17,000)	21,000
Repayment of Medium Term Notes	(50,000)	-
Net cash (used in)/generated from financing activities	<u>(69,627)</u>	<u>14,695</u>
Net increase/(decrease) in cash and cash equivalents	<u>199,864</u>	<u>(95,401)</u>
Cash and cash equivalents at beginning of the year	<u>52,249</u>	<u>147,650</u>
Cash and cash equivalents at end of the year	<u>252,113</u>	<u>52,249</u>

#### 4 Statement of Changes in Equity for the year ended 31 December 2009

	Share Capital	Statutory reserve	Fair value reserve	Accumulated Profits	Total
Group	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2008	117,199	49,367	7,912	14,389	188,867
Total comprehensive income for the year	-	-	8,588	5,520	14,108
Transfer from accumulated profits to statutory reserve	-	2,759	-	(2,759)	-
Final one-tier tax exempt dividend paid for FY2007 of 6 cents per share	-	-	-	(6,305)	(6,305)
<b>At 31 December 2008</b>	<b>117,199</b>	<b>52,126</b>	<b>16,500</b>	<b>10,845</b>	<b>196,670</b>
<b>Total comprehensive (loss)/income for the year</b>	<b>-</b>	<b>-</b>	<b>(11,228)</b>	<b>17,652</b>	<b>6,424</b>
<b>Transfer from accumulated profits to statutory reserve</b>	<b>-</b>	<b>8,825</b>	<b>-</b>	<b>(8,825)</b>	<b>-</b>
<b>Final one-tier tax exempt dividend paid for FY2008 of 2.5 cents per share</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,627)</b>	<b>(2,627)</b>
<b>At 31 December 2009</b>	<b>117,199</b>	<b>60,951</b>	<b>5,272</b>	<b>17,045</b>	<b>200,467</b>
<b>Company</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
At 1 January 2008	117,199	49,367	7,661	14,064	188,291
Total comprehensive income for the year	-	-	8,716	5,518	14,234
Transfer from accumulated profits to statutory reserve	-	2,759	-	(2,759)	-
Final one-tier tax exempt dividend paid for FY2007 of 6 cents per share	-	-	-	(6,305)	(6,305)
<b>At 31 December 2008</b>	<b>117,199</b>	<b>52,126</b>	<b>16,377</b>	<b>10,518</b>	<b>196,220</b>
<b>Total comprehensive (loss)/income for the year</b>	<b>-</b>	<b>-</b>	<b>(11,262)</b>	<b>17,649</b>	<b>6,387</b>
<b>Transfer from accumulated profits to statutory reserve</b>	<b>-</b>	<b>8,825</b>	<b>-</b>	<b>(8,825)</b>	<b>-</b>
<b>Final one-tier tax exempt dividend paid for FY2008 of 2.5 cents per share</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,627)</b>	<b>(2,627)</b>
<b>At 31 December 2009</b>	<b>117,199</b>	<b>60,951</b>	<b>5,115</b>	<b>16,715</b>	<b>199,980</b>

## 5 Accounting Policies and Comparative Figures

In the current financial year, the Group has adopted all the new and revised Financial Reporting Standards (“FRSs”) and Interpretations of FRS (“INT FRS”) that are relevant to its operations and effective for annual periods beginning on or after 1 January 2009.

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 impact on the amounts reported for the current or prior years except as disclosed below:

(a) FRS 1 – Presentation of Financial Statements (Revised)

FRS 1 (2008) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised Standard requires the presentation of a third statement of financial position at the beginning of the earliest comparative period presented if the entity applies new accounting policies retrospectively or makes retrospective restatements or reclassifies items in the financial statements.

(b) Amendments to FRS 107 Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments

The amendments to FRS 107 expand the disclosures required in respect of fair value measurements and liquidity risk. The Group has elected not to provide comparative information for these expanded disclosures in the current year in accordance with the transitional reliefs offered in these amendments.

The accounting policies and methods of computation adopted in the financial statements for the year are consistent with those applied in the financial statements for the year ended 31 December 2008.

The financial statements are prepared in accordance with FRS.

## 6 Review of Performance

The Group’s loan assets stood at \$1,048.7 million as at 31 December 2009, a decrease of 24.7% or \$344 million over the loans base of \$1,392.7 million as at 31 December 2008. This has resulted in a 4.6% decrease in the interest income and hiring charges as compared to the previous year.

Despite the decline in loan assets and interest income and hiring charges, the Group’s profit before tax rose by 156.4% or \$12.9 million and profit after tax rose by 219.8% or \$12.1 million as compared to the previous year.

This was mainly attributable to a reduction in the interest expense which has fallen by 31% as compared to the previous year due to lower funding costs. In addition, impairment allowances decreased by 44% or \$5.9 million over the previous year.

Deposits and savings accounts of customers declined by 4.8% during the year to \$1,389.4 million as at 31 December 2009. Cash and bank balances, statutory deposits with MAS as well as available-for-sale (AFS) financial assets totaled \$540.4 million as at 31 December 2009.

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

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 the financial year and the date of this report.

## 7 Comments on Significant Trends and Competitive Conditions in the Industry

The Ministry of Trade and Industry ("MTI") has announced that it expects the Singapore economy to grow at 4.5 to 6.5% in 2010, following a contraction of 2% in 2009.

On the Economic Outlook for 2010, MTI mentioned that major economies around the world have emerged from recession and that Asia is expected to experience a strong recovery in 2010. MTI added that the outlook for the second half of the year remains uncertain as consumption and demand in the G3 may remain weak, as there are still few indications that non-policy induced private demand is gaining strength. In addition, several downside risks remain, including sovereign debt risks and asset price inflation in Asia.

Against this backdrop, the Group will continue to be cautious as we seek to grow our business in this difficult business environment and to meet our customers' financial needs. We will remain focused on monitoring and maintaining our asset quality. We will also continue to manage our costs prudently to maintain profitability and build a strong balance sheet with healthy liquidity.

## 8 Dividends

The Board of Directors is pleased to recommend a first and final dividend of 8 cents per share one-tier tax exempt in respect of the financial year 2009 for approval by the shareholders at the next Annual General Meeting.

	<u>Latest Year (2009)</u>	<u>Previous Year (2008)</u>
Name of Dividend	First and final	First and final
Dividend Type	Cash	Cash
Dividend	8 cents per share one-tier tax exempt	2.5 cents per share one-tier tax exempt

### a) Total Annual Dividend

	<u>Latest Year (2009)</u>	<u>Previous Year (2008)</u>
	<u>\$'000s</u>	<u>\$'000s</u>
Ordinary	\$8,407	\$2,627
Preference	-	-
<b>Total</b>	<b>\$8,407</b>	<b>\$2,627</b>

### 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 2008: Nil).

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

Nil (31 December 2008: Nil).

**11 Comparative Figures of the Group's Borrowings and Debt Securities**

	<u>As at 31/12/2009</u>		<u>As at 31/12/2008</u>	
	<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Amount repayable in one year or less, or on demand	-	12,908	-	78,012
Amount repayable after one year	-	11,054	-	8,966

**12 Other Information**

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

	<u>2009</u>	<u>2008</u>	<u>Increase / (Decrease)</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Interest income and hiring charges reported for first half year	32,573	32,906	(1.01)
Interest income and hiring charges reported for second half year	30,831	33,530	(8.05)
Operating profit reported for first half year	8,364	5,825	43.59
Operating profit reported for second half year	9,288	(305)	NM

NM - Not meaningful

- (b) Amount of any adjustment for under or overprovision of tax in respect of prior years – Nil
- (c) Amount of any pre-acquisition profits - Nil
- (d) Amount of profits on any sale of investments, property, plant and equipment  
- Profit on sale of property, plant and equipment - \$156,329 (2008: Nil)

By order of the Board

Lee Sze Leong  
Chairman  
19 February 2010

### **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 2009 to be false or misleading.

On behalf of the Board of Directors

Lee Sze Leong  
Chairman  
19 February 2010

**The auditors' report on the full financial statements of Sing Investments & Finance Limited for the financial year ended 31 December 2009 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 statements of financial position of the Group and the Company as at 31 December 2009, and the income statement, statement of 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 notes.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes: 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 profit and loss account and balance sheet and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **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 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 judgment, 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 and fair presentation of the financial statements 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 Company'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

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evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion,

- a) 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 state of affairs of the Group and of the Company as at 31 December 2009 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- b) the accounting and other records required by the Act to be kept by the Company and by the subsidiary incorporated 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  
Certified Public Accountants  
Singapore

Date: 19 February 2010