
FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

Full year financial statements on consolidated results for the year ended 31 December 2011. These figures have been audited.

1(a)(i) Consolidated Income Statement for the year ended 31 December 2011

	2011	2010	+ / (-)
	\$'000	\$'000	%
Revenue			
Interest income and hiring charges	43,796	52,686	(16.9)
Interest expense	(11,245)	(13,571)	(17.1)
Net interest income and hiring charges	32,551	39,115	(16.8)
Fees and commissions	433	525	(17.5)
Dividends	105	101	4.0
Rental income from investment properties	2,893	3,110	(7.0)
Other income	273	5,721	(95.2)
Income before operating expenses	36,255	48,572	(25.4)
Staff costs	(10,406)	(12,494)	(16.7)
Depreciation of property, plant and equipment	(1,514)	(1,504)	0.7
Depreciation of investment properties	(377)	(377)	0.0
Other operating expenses	(6,392)	(4,969)	28.6
Profit from operations before impairment losses	17,566	29,228	(39.9)
Write-back of impairment losses on loans and advances	8,517	1,179	NM
Profit before income tax	26,083	30,407	(14.2)
Income tax expense	(2,443)	(5,000)	(51.1)
Profit for the year attributable to equity holders of the Company	23,640	25,407	(7.0)

NM: Not meaningful

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

	2011	2010
Earnings per share (cents)		
- Basic	22.50	24.18
- Diluted	22.50	24.18

The Group's basic earnings per share is calculated based on the weighted average number of ordinary shares in issue of 105,083,843 (2010: 105,083,843) shares.

There are no potential dilutive ordinary shares for the years ended 31 December 2011 and 2010.

1(b) Consolidated Statement of Comprehensive Income for year ended 31 December 2011

	2011	2010	+ / (-)
	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Profit for the year	23,640	25,407	(7.0)
Other comprehensive income			
- Net change in fair value of available-for-sale financial assets	11,991	6,342	89.1
- Reclassification to Income Statement from Fair Value Reserve on disposal of available-for-sale financial assets	-	(5,389)	NM
- Income tax on other comprehensive income	(2,039)	(163)	NM
Other comprehensive income for the year, net of tax	<u>9,952</u>	<u>790</u>	<u>NM</u>
Total comprehensive income for the year attributable to equity holders of the Company	<u>33,592</u>	<u>26,197</u>	<u>28.2</u>

NM: Not meaningful

2(a) Statements of Financial Position

	Group		Company	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets				
Cash on deposit, at banks and in hand	221,053	336,290	220,982	336,232
Other assets	5,601	5,092	5,601	5,092
Investments	172,314	170,008	172,077	169,752
Loans and advances due within twelve months	426,388	354,376	426,388	354,376
Statutory deposit with the Monetary Authority of Singapore ("MAS")	35,247	28,590	35,247	28,590
Total current assets	860,603	894,356	860,295	894,042
Non-current assets				
Property, plant and equipment	18,146	19,095	18,146	19,095
Investment properties	25,584	25,961	25,584	25,961
Subsidiary	-	-	25	25
Loans and advances due after twelve months	753,267	605,678	753,267	605,678
Total non-current assets	796,997	650,734	797,022	650,759
Total assets	1,657,600	1,545,090	1,657,317	1,544,801
LIABILITIES AND EQUITY				
Current liabilities				
Deposits and savings accounts of customers	1,378,505	1,282,721	1,379,231	1,283,444
Other liabilities	15,305	17,376	14,808	16,891
SPRING loans due within twelve months (unsecured)	6,513	8,341	6,513	8,341
Provision for employee benefits	224	219	224	219
Current tax payable	6,795	9,022	6,795	9,022
Total current liabilities	1,407,342	1,317,679	1,407,571	1,317,917
Non-current liabilities				
SPRING loans due after twelve months (unsecured)	5,887	8,133	5,887	8,133
Deferred tax liabilities	3,030	1,021	2,999	987
Total non-current liabilities	8,917	9,154	8,886	9,120
Total liabilities	1,416,259	1,326,833	1,416,457	1,327,037
Equity attributable to equity holders of the Company				
Share capital	117,199	117,199	117,199	117,199
Reserves	124,142	101,058	123,661	100,565
Total equity	241,341	218,257	240,860	217,764
Total liabilities and equity	1,657,600	1,545,090	1,657,317	1,544,801
OFF BALANCE SHEET ITEMS				
Undrawn Loan Commitments	360,603	303,601	360,603	303,601
Guarantees Issued	3,034	3,159	3,034	3,159
Total off-balance sheet items	363,637	306,760	363,637	306,760
2(b) Net asset value per ordinary share (\$)	2.30	2.08	2.29	2.07

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 2010: 105,083,843) shares.

3 Consolidated Statement of Cash Flows for the year ended 31 December 2011

	2011	2010
	\$'000	\$'000
Operating activities		
Profit before income tax	26,083	30,407
Adjustments for:		
Impact of accrual of interest income	327	1,282
Impact of accrual of interest expense	(1,743)	(3,901)
Depreciation of property, plant and equipment	1,514	1,504
Depreciation of investment properties	377	377
Property, plant and equipment written off	4	41
Profit on disposal of property, plant and equipment	-	(52)
Profit on disposal of investments	-	(5,389)
Write-back of impairment losses on loans and advances	(8,517)	(1,179)
Dividends receivable	(105)	(101)
Operating cash flows before movements in working capital	17,940	22,989
Changes in working capital		
Other assets	(723)	(1,150)
Loans and advances	(211,084)	89,788
Statutory deposit with the MAS	(6,657)	5,273
Deposits and savings accounts of customers	95,784	(106,719)
Other liabilities	(328)	2,546
SPRING loans	(4,074)	(3,488)
Provision for employee benefits	5	14
Cash (used in) / generated from operating activities	(109,137)	9,253
Income taxes paid	(4,700)	(2,995)
Net cash (used in) / generated from operating activities	(113,837)	6,258
Investing activities		
Purchase of property, plant and equipment and investment properties	(569)	(526)
Proceeds from disposal of investments	9,645	90,775
Proceeds from disposal of property, plant and equipment	-	52
Dividends received	32	25
Net cash generated from investing activities	9,108	90,326
Financing activities		
Dividends paid	(10,508)	(8,407)
Repayment of interest bearing borrowings	-	(4,000)
Net cash used in financing activities	(10,508)	(12,407)
Net (decrease) / increase in cash and cash equivalents	(115,237)	84,177
Cash and cash equivalents at beginning of the year	336,290	252,113
Cash and cash equivalents at end of the year	221,053	336,290

4 Statements of Changes in Equity

	Share capital	Statutory reserve	Fair value reserve	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
At 1 January 2010	117,199	60,951	5,272	17,045	200,467
Total comprehensive income for the year	-	-	790	25,407	26,197
Transfer from accumulated profits to statutory reserve	-	6,352	-	(6,352)	-
Final one-tier tax exempt dividend paid for financial year 2009 of 8 cents per share	-	-	-	(8,407)	(8,407)
At 31 December 2010	117,199	67,303	6,062	27,693	218,257
Total comprehensive income for the year	-	-	9,952	23,640	33,592
Transfer from accumulated profits to statutory reserve	-	5,909	-	(5,909)	-
Final one-tier tax exempt dividend paid for financial year 2010 of 10 cents per share	-	-	-	(10,508)	(10,508)
At 31 December 2011	117,199	73,212	16,014	34,916	241,341
Company					
At 1 January 2010	117,199	60,951	5,115	16,715	199,980
Total comprehensive income for the year	-	-	783	25,408	26,191
Transfer from accumulated profits to statutory reserve	-	6,352	-	(6,352)	-
Final one-tier tax exempt dividend paid for financial year 2009 of 8 cents per share	-	-	-	(8,407)	(8,407)
At 31 December 2010	117,199	67,303	5,898	27,364	217,764
Total comprehensive income for the year	-	-	9,967	23,637	33,604
Transfer from accumulated profits to statutory reserve	-	5,909	-	(5,909)	-
Final one-tier tax exempt dividend paid for financial year 2010 of 10 cents per share	-	-	-	(10,508)	(10,508)
At 31 December 2011	117,199	73,212	15,865	34,584	240,860

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 FRSs (“INT FRS”) that are relevant to its operations and effective for annual periods beginning on or after 1 January 2011. 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.

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 2010.

6 Review of Performance

The Group recorded a profit after tax of \$23.6 million for the financial year ended 31 December 2011, a decline of 7.0% as compared to \$25.4 million for the previous year. The decrease in profit was attributable to the narrower interest margin in the low interest rate environment and a reduction in the non-interest income from a non-recurring profit of \$5.4 million from the sale of investments in Singapore government securities, registered in the previous year.

Interest income and hiring charges fell by 16.9% as a result of lower average loan balances and declining interest yields amidst the intense competition in the industry. This was offset in part by a decline in interest expense of 17.1% resulting in a 16.8% decrease in net interest income and hiring charges.

With the lower net interest income and non-interest income, total income declined by 25.4%.

The fall in earnings was offset partially by a \$7.3 million increase in write-back in impairment allowances on loans and advances and a 3.4% decline in the operating expenses following effective cost control management. In addition, there was a write-back of about \$1.8 million from overprovisions of tax in respect of prior years.

The Group’s loan assets expanded by 22.9% or \$219.6 million, from \$960.1 million as at 31 December 2010 to \$1,179.7 million as at 31 December 2011.

In tandem with the higher loan base, deposits and savings accounts of customers increased by 7.5% to \$1,378.5 million as at 31 December 2011.

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 financial year and the date of this report.

7 Comments on Significant Trends and Competitive Conditions in the Industry

Based on the advance estimates released by Ministry of Trade and Industry on 3 January 2012, the Singapore economy grew by 3.6% on a year-on-year basis in the fourth quarter of 2011 compared to the 5.9% growth in the third quarter with growth for 2011 projected to increase by 4.8%.

2012 will be a challenging year plagued with uncertainties. Pending a more solid resolution to the euro zone crisis, we expect continual weakening in global demand. Overall growth in Asia is expected to be slower, led by an anticipated soft landing in China. These factors will continue to weigh on the growth outlook of the Singapore economy, based on which the Singapore’s economic growth is expected to slow down to between 1 to 3% in 2012.

With the expected slowdown in the economy, cooling measures by the authorities on the residential property market as well as the intense competition in the financing sector, the Group will continue to be cautious as we seek to grow our businesses in our niche market. We will remain focused on monitoring and maintaining asset quality as well as continue to effectively manage our costs to remain competitive.

8 Dividends

The Board of Directors is pleased to recommend a first and final dividend of 7 cents per share one-tier tax exempt in respect of the financial year 2011 for approval by the shareholders at the next Annual General Meeting.

	<u>Latest Year (2011)</u>	<u>Previous Year (2010)</u>
Name of Dividend	First and final	First and final
Dividend Type	Cash	Cash
Dividend	7 cents per share one-tier tax exempt	10 cents per share one-tier tax exempt

a) Total Annual Dividend

	<u>Latest Year (2011)</u>	<u>Previous Year (2010)</u>
	<u>\$'000s</u>	<u>\$'000s</u>
Ordinary	\$7,356	\$10,508
Preference	-	-
Total	<u>\$7,356</u>	<u>\$10,508</u>

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 2010: Nil).

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

Nil (31 December 2010: Nil).

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 2010: Nil)

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

	<u>As at 31/12/2011</u>		<u>As at 31/12/2010</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	-	6,513	-	8,341
Amount repayable after one year	-	5,887	-	8,133

13 Other Information

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

	<u>2011</u>	<u>2010</u>	<u>Increase / (Decrease)</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Interest income and hiring charges reported for first half year	21,684	28,011	(22.59)
Interest income and hiring charges reported for second half year	22,112	24,675	(10.39)
Operating profit reported for first half year	7,320	12,270	(40.34)
Operating profit reported for second half year	16,320	13,137	24.23

- (b) Amount of any adjustment for under or overprovision of tax in respect of prior years
- Adjustment for overprovision of tax \$1,764,241 (2010: 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 – Nil (2010: \$52,174)
- Profit on sale of investments – Nil (2010: \$5,389,513)

By order of the Board

Lee Sze Leong
Chairman
13 February 2012

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 2011 to be false or misleading.

On behalf of the Board of Directors

Lee Sze Leong
Chairman
13 February 2012

The auditors' report on the full financial statements of Sing Investments & Finance Limited for the financial year ended 31 December 2011 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 2011, 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 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 profit and loss accounts and balance sheets 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 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 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 state of affairs of the Group and of the Company as at 31 December 2011 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.

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 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: 13 February 2012

SING INVESTMENTS & FINANCE LIMITED

(Incorporated in the Republic of Singapore – Company Registration No: 196400348D)

DISCLOSURE OF PERSON OCCUPYING A MANAGERIAL POSITION IN THE ISSUER 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	53	<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 Lee Sze Siong, Lee Sze Hao and Lee Yit, substantial shareholders.</p>	<p>Chairman & Managing Director/CEO.</p> <p>Year Appointed: 1997</p> <p>Oversees the operations of the company.</p>	Nil
Lee Sze Siong	50	<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 Lee Sze Leong, Chairman & Managing Director/substantial shareholder.</p> <p>Brother of Lee Sze Hao and Lee Yit, substantial shareholders.</p>	<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