

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

Full year financial statements on consolidated results for the year ended 31 December 2013. These figures have been audited.

1(a) Consolidated statement of profit or loss for the year ended 31 December 2013

| | 2013 | 2012 | + / (-) |
|--|---------------|----------|---------|
| | \$'000 | \$'000 | % |
| Revenue | | | |
| Interest income and hiring charges | 47,035 | 44,339 | 6.1 |
| Interest expense | (16,967) | (14,228) | 19.3 |
| Net interest income and hiring charges | 30,068 | 30,111 | (0.1) |
| Fees and commissions | 579 | 466 | 24.2 |
| Dividends | 127 | 110 | 15.5 |
| Rental income from investment properties | 3,232 | 3,209 | 0.7 |
| Other income | 328 | 241 | 36.1 |
| Income before operating expenses | 34,334 | 34,137 | 0.6 |
| Staff costs | (12,973) | (10,363) | 25.2 |
| Depreciation of property, plant and equipment | (817) | (1,064) | (23.2) |
| Depreciation of investment properties | (377) | (377) | - |
| Other operating expenses | (6,471) | (6,272) | 3.2 |
| Profit from operations before impairment losses | 13,696 | 16,061 | (14.7) |
| Allowances for impairment losses on loans and advances | (285) | (379) | (24.8) |
| Profit before income tax | 13,411 | 15,682 | (14.5) |
| Income tax expense | (1,948) | (986) | 97.6 |
| Profit for the year | 11,463 | 14,696 | (22.0) |

1(b) Earnings Per Share of the Group

| | 2013 | 2012 |
|----------------------------|------|-------|
| Earnings per share (cents) | | |
| - Basic | 7.27 | 12.22 |
| - Diluted | 7.27 | 12.22 |

The Group's basic earnings per share is calculated based on the weighted average number of ordinary shares in issue of 157,625,764 (2012: 120,221,170) shares.

There are no potential dilutive ordinary shares for the years ended 31 December 2013 and 2012.



1(c) Consolidated statement of profit or loss and other comprehensive income for the year ended
31 December 2013

| | 2013 | 2012 | + / (-) |
|---|-----------------|--------|---------|
| | \$'000 | \$'000 | % |
| Profit for the year | 11,463 | 14,696 | (22.0) |
| <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 | (18,913) | 5,080 | NM |
| Income tax relating to components of other comprehensive income that may be reclassified subsequently | 3,215 | (863) | NM |
| Other comprehensive (loss)/income for the year, net of tax | (15,698) | 4,217 | NM |
| Total comprehensive (loss)/income for the year | (4,235) | 18,913 | NM |

NM: Not meaningful

2(a) Statements of Financial Position

| | Group | | Company | |
|--|------------------|------------------|------------------|------------------|
| | 2013 | 2012 | 2013 | 2012 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| ASSETS | | | | |
| Current assets | | | | |
| Cash on deposit, at banks and in hand | 225,668 | 268,615 | 225,630 | 268,560 |
| Other assets | 5,853 | 5,756 | 5,853 | 5,756 |
| Investments | 206,428 | 196,803 | 206,136 | 196,531 |
| Loans and advances due within twelve months | 457,288 | 391,779 | 457,288 | 391,779 |
| Statutory deposit with the Monetary Authority of Singapore ("MAS") | 44,881 | 40,422 | 44,881 | 40,422 |
| Total current assets | 940,118 | 903,375 | 939,788 | 903,048 |
| Non-current assets | | | | |
| Property, plant and equipment | 17,005 | 17,495 | 17,005 | 17,495 |
| Investment properties | 24,830 | 25,207 | 24,830 | 25,207 |
| Subsidiary | - | - | 25 | 25 |
| Loans and advances due after twelve months | 1,089,819 | 1,031,546 | 1,089,819 | 1,031,546 |
| Total non-current assets | 1,131,654 | 1,074,248 | 1,131,679 | 1,074,273 |
| Total assets | 2,071,772 | 1,977,623 | 2,071,467 | 1,977,321 |
| LIABILITIES AND EQUITY | | | | |
| Current liabilities | | | | |
| Deposits and savings accounts of customers | 1,740,458 | 1,630,041 | 1,741,191 | 1,630,770 |
| Other liabilities | 17,367 | 16,135 | 16,898 | 15,652 |
| SPRING loans due within twelve months (unsecured) | 3,467 | 4,947 | 3,467 | 4,947 |
| Provision for employee benefits | 231 | 219 | 231 | 219 |
| Current tax payable | 2,136 | 2,713 | 2,136 | 2,713 |
| Total current liabilities | 1,763,659 | 1,654,055 | 1,763,923 | 1,654,301 |
| Non-current liabilities | | | | |
| SPRING loans due after twelve months (unsecured) | 3,539 | 3,667 | 3,539 | 3,667 |
| Deferred tax liabilities | 983 | 4,194 | 943 | 4,158 |
| Total non-current liabilities | 4,522 | 7,861 | 4,482 | 7,825 |
| Total liabilities | 1,768,181 | 1,661,916 | 1,768,405 | 1,662,126 |
| Equity attributable to equity holders of the Company | | | | |
| Share capital | 180,008 | 180,008 | 180,008 | 180,008 |
| Reserves | 123,583 | 135,699 | 123,054 | 135,187 |
| Total equity | 303,591 | 315,707 | 303,062 | 315,195 |
| Total liabilities and equity | 2,071,772 | 1,977,623 | 2,071,467 | 1,977,321 |
| OFF BALANCE SHEET ITEMS | | | | |
| Undrawn loan commitments | 561,334 | 558,922 | 561,334 | 558,922 |
| Guarantees Issued | 3,784 | 3,734 | 3,784 | 3,734 |
| Total off-balance sheet items | 565,118 | 562,656 | 565,118 | 562,656 |
| 2(b) Net asset value per ordinary share (\$) | 1.93 | 2.00 | 1.92 | 2.00 |

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 2012: 157,625,764) shares.

3 Consolidated Statement of Cash Flows for the year ended 31 December 2013

| | Group | |
|---|------------------|---------------|
| | 2013 | 2012 |
| | \$'000 | \$'000 |
| Operating activities | | |
| Profit before income tax | 13,411 | 15,682 |
| Adjustments for: | | |
| Impact of accrual of interest income | 42 | (5) |
| Impact of accrual of interest expense | 468 | 2,473 |
| Depreciation of property, plant and equipment | 817 | 1,064 |
| Depreciation of investment properties | 377 | 377 |
| Allowances for impairment losses on loans and advances | 285 | 379 |
| Dividends | (127) | - |
| Operating cash flows before movements in working capital | 15,273 | 19,970 |
| Changes in working capital | | |
| Other assets | 316 | 16 |
| Loans and advances | (124,067) | (244,049) |
| Statutory deposit with the MAS | (4,459) | (5,175) |
| Deposits and savings accounts of customers | 110,417 | 251,536 |
| Other liabilities | 764 | (1,645) |
| SPRING loans | (1,608) | (3,786) |
| Provision for employee benefits | 12 | (5) |
| Cash (used in) generated from operating activities | (3,352) | 16,862 |
| Income taxes paid | (2,521) | (4,766) |
| Net cash (used in) from operating activities | (5,873) | 12,096 |
| Investing activities | | |
| Purchase of investments | (28,985) | (22,574) |
| Purchase of property, plant and equipment and investment properties | (327) | (413) |
| Proceeds from disposal of investments | - | 3,000 |
| Dividends received | 119 | - |
| Net cash used in investing activities | (29,193) | (19,987) |
| Financing activities | | |
| Dividends paid | (7,881) | (7,356) |
| Net proceeds from Rights Issue | - | 62,809 |
| Net cash (used in) generated from financing activities | (7,881) | 55,453 |
| Net (decrease) increase in cash and cash equivalents | (42,947) | 47,562 |
| Cash and cash equivalents at beginning of the year | 268,615 | 221,053 |
| Cash and cash equivalents at end of the year | 225,668 | 268,615 |

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 2012 | 117,199 | 73,212 | 16,014 | 34,916 | 241,341 |
| Total comprehensive income for the year | | | | | |
| Profit for the year | - | - | - | 14,696 | 14,696 |
| Other comprehensive income for the year | - | - | 4,217 | - | 4,217 |
| Total | - | - | 4,217 | 14,696 | 18,913 |
| Transfer from accumulated profits to statutory reserve | - | 7,347 | - | (7,347) | - |
| Transactions with owners, recognised directly in equity | | | | | |
| Issue of rights shares | 62,809 | - | - | - | 62,809 |
| Final one-tier tax exempt dividend paid for financial year 2011 of 7 cents per share | - | - | - | (7,356) | (7,356) |
| Total | 62,809 | - | - | (7,356) | 55,453 |
| Balance at 31 December 2012 | 180,008 | 80,559 | 20,231 | 34,909 | 315,707 |
| Total comprehensive income for the year | | | | | |
| Profit for the year | - | - | - | 11,463 | 11,463 |
| Other comprehensive loss for the year | - | - | (15,698) | - | (15,698) |
| Total | - | - | (15,698) | 11,463 | (4,235) |
| Transfer from accumulated profits to statutory reserve | - | 5,732 | - | (5,732) | - |
| Transactions with owners, recognised directly in equity | | | | | |
| Final one-tier tax exempt dividend paid for financial year 2012 of 5 cents per share | - | - | - | (7,881) | (7,881) |
| Balance at 31 December 2013 | 180,008 | 86,291 | 4,533 | 32,759 | 303,591 |
| Company | | | | | |
| Balance at 1 January 2012 | 117,199 | 73,212 | 15,865 | 34,584 | 240,860 |
| Total comprehensive income for the year | | | | | |
| Profit for the year | - | - | - | 14,694 | 14,694 |
| Other comprehensive income for the year | - | - | 4,188 | - | 4,188 |
| Total | - | - | 4,188 | 14,694 | 18,882 |
| Transfer from accumulated profits to statutory reserve | - | 7,347 | - | (7,347) | - |
| Transactions with owners, recognised directly in equity | | | | | |
| Issue of rights shares | 62,809 | - | - | - | 62,809 |
| Final one-tier tax exempt dividend paid for financial year 2011 of 7 cents per share | - | - | - | (7,356) | (7,356) |
| Total | 62,809 | - | - | (7,356) | 55,453 |
| Balance at 31 December 2012 | 180,008 | 80,559 | 20,053 | 34,575 | 315,195 |
| Total comprehensive income for the year | | | | | |
| Profit for the year | - | - | - | 11,463 | 11,463 |
| Other comprehensive loss for the year | - | - | (15,715) | - | (15,715) |
| Total | - | - | (15,715) | 11,463 | (4,252) |
| Transfer from accumulated profits to statutory reserve | - | 5,732 | - | (5,732) | - |
| Transactions with owners, recognised directly in equity | | | | | |
| Final one-tier tax exempt dividend paid for financial year 2012 of 5 cents per share | - | - | - | (7,881) | (7,881) |
| Balance at 31 December 2013 | 180,008 | 86,291 | 4,338 | 32,425 | 303,062 |

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 2013. 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 2012.

6 Review of Performance

Net loan assets grew 8.7% to \$1,547.1 million as at 31 December 2013 compared to \$1,423.3 million as at 31 December 2012. In tandem with the increase in loan assets, deposits and savings accounts of customers increased by 6.8% to \$1,740.5 million as at 31 December 2013.

The Group registered a profit after tax of \$11.5 million for the financial year ended 31 December 2013, a decline of 22% from \$14.7 million a year ago. The decline was mainly due to the higher operating expenses and income tax expense recorded as compared to the previous year.

Despite an increase in the loans base, net interest income and hiring charges declined by 0.1% due to the continual compression of interest margin. Interest income and hiring charges, driven primarily by higher loan balances, increased 6.1%. However, this was more than offset by a 19.3% increase in interest expense from a higher deposit base and rates.

Operating expenses increased by 14.2% due to an increase in business costs and reversal of staff costs in the previous year due to overprovision.

Net allowance for loan losses decreased marginally to \$0.3 million, from \$0.4 million a year ago. The Group continues to maintain adequate individual and collective impairment allowances in respect of its loan portfolio.

There was a write-back of about \$0.1 million from over-provisions of tax in respect of prior years as compared to a write-back of \$1.9 million in the previous year.

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 the announcement of the US Federal Reserve’s tapering of bond purchases which would commence in January 2014 and the expected interest rate hike which led to a sell-off of bonds. 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

Based on the advance estimates released by the Ministry of Trade and Industry on 2 January 2014, the Singapore economy grew by 4.4% on a year-on-year basis in the fourth quarter of 2013 compared to 5.95% in the previous quarter. For 2013, the economy is estimated to have grown by 3.7%.

Global recovery is expected to strengthen into 2014. The pick-up in the US economy and the Eurozone recovery should bode well for the externally-oriented sectors. However, uncertainties remain as the continued tapering of the US stimulus and reversal of capital flows from the emerging markets are likely to adversely impact the financial markets. While the outlook for Asia remains positive, problems and tensions persist in Northeast Asia, and disputes

over the South China Sea continue to pose challenges in Southeast Asia. The domestic challenges of economic restructuring, tight labour market and elevated costs will remain key challenges for Singapore companies in the year ahead.

Against this backdrop, we expect the operating environment to continue to be challenging and competitive. Loan growth is expected to continue to moderate from the property cooling measures and car financing restrictions. Nevertheless, the Group will continue to prudently grow our loan portfolio and effectively manage our operating costs.

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 2013 for approval by the shareholders at the next Annual General Meeting.

| | <u>Latest Year (2013)</u> | <u>Previous Year (2012)</u> |
|------------------|---------------------------------------|---------------------------------------|
| 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

| | <u>Latest Year (2013)</u> | <u>Previous Year (2012)</u> |
|------------|---------------------------|-----------------------------|
| | <u>\$'000</u> | <u>\$'000</u> |
| Ordinary | \$7,881 | \$7,881 |
| Preference | - | - |
| Total | <u>\$7,881</u> | <u>\$7,881</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 2012: 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 2012: 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 2012: Nil)

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

| | <u>As at 31/12/2013</u> | | <u>As at 31/12/2012</u> | |
|--|--------------------------|----------------------------|--------------------------|----------------------------|
| | <u>Secured</u> \$'000 | <u>Unsecured</u> \$'000 | <u>Secured</u> \$'000 | <u>Unsecured</u> \$'000 |
| Amount repayable in one year or less, or on demand | - | 3,467 | - | 4,947 |
| Amount repayable after one year | - | 3,539 | - | 3,667 |

14 Other Information

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

| | <u>2013</u> \$'000 | <u>2012</u> \$'000 | <u>Increase / (Decrease)</u> % |
|--|-----------------------|-----------------------|---------------------------------------|
| Interest income and hiring charges reported for first half year | 23,299 | 21,542 | 8.16 |
| Interest income and hiring charges reported for second half year | 23,736 | 22,797 | 4.12 |
| Operating profit reported for first half year | 4,928 | 6,429 | (23.35) |
| Operating profit reported for second half year | 6,535 | 8,267 | (20.95) |

- (b) Amount of any adjustment for under or overprovision of tax in respect of prior years
- Adjustment for overprovision of tax \$115,913 (2012: \$1,862,795)
- (c) Amount of any pre-acquisition profits – Nil (2012: Nil)
- (d) Amount of profits on any sale of investments, property, plant and equipment
- Profit on sale of property, plant and equipment – Nil (2012: Nil)
- Profit on sale of investments – Nil (2012: Nil)



15 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 | 55 | Director/shareholder of F H Lee Holdings Pte Ltd, substantial shareholder. Son of Lee Fee Huang, 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) | Chairman & Managing Director/CEO. Year Appointed: 1997 Oversees the operations of the company. | Nil |
| Lee Sze Siong | 52 | Director/shareholder of F H Lee Holdings Pte Ltd, substantial shareholder. Son of Lee Fee Huang, substantial shareholder. Brother of : <ul style="list-style-type: none">• Lee Sze Leong (Chairman & 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
Chairman
10 February 2014

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 2013 to be false or misleading.

On behalf of the Board of Directors

Lee Sze Leong
Chairman
10 February 2014

The auditors' report on the full financial statements of Sing Investments & Finance Limited for the financial year ended 31 December 2013 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 2013, and the 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 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 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 state of affairs of the Group and of the Company as at 31 December 2013 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
Chartered Accountants
Singapore

Date: 10 February 2014