
FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

Full year financial statements on consolidated results for the year ended 31 December 2014. These figures have been audited.

1(a)(i) Consolidated Statement of Profit or Loss for the year ended 31 December 2014

	2014	2013	+ / (-)
	\$'000	\$'000	%
Revenue			
Interest income and hiring charges	51,619	47,035	9.7
Interest expense	(19,021)	(16,967)	12.1
Net interest income and hiring charges	32,598	30,068	8.4
Fees and commissions	466	579	(19.5)
Dividends	131	127	3.1
Rental income from investment properties	3,495	3,232	8.1
Other income	430	328	31.1
Income before operating expenses	37,120	34,334	8.1
Staff costs	(12,652)	(12,973)	(2.5)
Depreciation of property, plant and equipment	(708)	(817)	(13.3)
Depreciation of investment properties	(378)	(377)	0.3
Other operating expenses	(7,215)	(6,471)	11.5
Profit from operations before impairment losses	16,167	13,696	18.0
Allowances for impairment losses on loans and advances	(1,252)	(285)	339.3
Profit before income tax	14,915	13,411	11.2
Income tax expense	(2,257)	(1,948)	15.9
Profit for the year	12,658	11,463	10.4

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

	2014	2013
Earnings per share (cents)		
- Basic	8.03	7.27
- Diluted	8.03	7.27

The Group's basic earnings per share is calculated based on the weighted average number of ordinary shares in issue of 157,625,764 (2013: 157,625,764) shares.

There are no potential dilutive ordinary shares for the years ended 31 December 2014 and 2013.

1(b) Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2014

	2014	2013	+ / (-)
	\$'000	\$'000	%
Profit for the year	12,658	11,463	10.4
<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	6,013	(18,913)	NM
Income tax relating to components of other comprehensive income that may be reclassified subsequently	(1,022)	3,215	NM
Other comprehensive income (loss) for the year, net of tax	4,991	(15,698)	NM
Total comprehensive income (loss) for the year	17,649	(4,235)	NM

NM: Not meaningful

2(a) Statements of Financial Position

	Group		Company	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
<u>ASSETS</u>				
Current assets				
Cash on deposit, at banks and in hand	245,781	225,668	245,735	225,630
Other assets	5,271	5,853	5,271	5,853
Investments	231,004	206,428	230,636	206,136
Loans and advances due within twelve months	628,084	457,288	628,084	457,288
Statutory deposit with the Monetary Authority of Singapore ("MAS")	50,538	44,881	50,538	44,881
Total current assets	1,160,678	940,118	1,160,264	939,788
Non-current assets				
Property, plant and equipment	16,763	17,005	16,763	17,005
Investment properties	24,452	24,830	24,452	24,830
Subsidiary	-	-	25	25
Loans and advances due after twelve months	1,062,086	1,089,819	1,062,086	1,089,819
Total non-current assets	1,103,301	1,131,654	1,103,326	1,131,679
Total assets	2,263,979	2,071,772	2,263,590	2,071,467
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Deposits and savings accounts of customers	1,921,428	1,740,458	1,922,165	1,741,191
Other liabilities	20,473	17,367	19,995	16,898
SPRING loans due within twelve months (unsecured)	2,242	3,467	2,242	3,467
Provision for employee benefits	252	231	252	231
Current tax payable	2,343	2,136	2,343	2,136
Total current liabilities	1,946,738	1,763,659	1,946,997	1,763,923
Non-current liabilities				
SPRING loans due after twelve months (unsecured)	1,861	3,539	1,861	3,539
Deferred tax liabilities	2,021	983	1,968	943
Total non-current liabilities	3,882	4,522	3,829	4,482
Total liabilities	1,950,620	1,768,181	1,950,826	1,768,405
Equity attributable to equity holders of the Company				
Share capital	180,008	180,008	180,008	180,008
Reserves	133,351	123,583	132,756	123,054
Total equity	313,359	303,591	312,764	303,062
Total liabilities and equity	2,263,979	2,071,772	2,263,590	2,071,467
<u>OFF BALANCE SHEET ITEMS</u>				
Undrawn Loan Commitments	650,103	561,334	650,103	561,334
Guarantees Issued	4,546	3,784	4,546	3,784
Total off-balance sheet items	654,649	565,118	654,649	565,118
2(b) Net asset value per ordinary share (\$)	1.99	1.93	1.98	1.92

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 2013: 157,625,764) shares.

3 Consolidated Statement of Cash Flows for the year ended 31 December 2014

	2014	2013
	\$'000	\$'000
Operating activities		
Profit before income tax	14,915	13,411
Adjustments for:		
Impact of accrual of interest income	106	42
Impact of accrual of interest expense	1,527	468
Depreciation of property, plant and equipment	708	817
Depreciation of investment properties	378	377
Allowances for impairment losses on loans and advances	1,252	285
Dividends	(131)	(127)
Operating cash flows before movements in working capital	18,755	15,273
Changes in working capital		
Other assets	967	316
Loans and advances	(144,315)	(124,067)
Statutory deposits with the MAS	(5,657)	(4,459)
Deposits and savings accounts of customers	180,970	110,417
Other liabilities	1,579	764
SPRING loans	(2,903)	(1,608)
Provision for employee benefits	21	12
Cash from (used in) operations	49,417	(3,352)
Income taxes paid	(2,034)	(2,521)
Net cash from (used in) operating activities	47,383	(5,873)
Investing activities		
Purchase of investments	(23,965)	(28,985)
Purchase of property, plant and equipment and investment properties	(466)	(327)
Proceeds from disposal of investments	5,000	-
Dividends received	42	119
Net cash used in investing activities	(19,389)	(29,193)
Financing activities		
Dividends paid, representing net cash used in financing activities	(7,881)	(7,881)
Net increase (decrease) in cash and cash equivalents	20,113	(42,947)
Cash and cash equivalents at beginning of the year	225,668	268,615
Cash and cash equivalents at end of the year	245,781	225,668

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

4 Statements of Changes in Equity

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

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 2014. 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 2013.

6 Review of Performance

Net loan assets grew 9.2% to \$1,690.2 million as compared to \$1,547.1 million as at 31 December 2013. In tandem with the increase in loan assets, deposits and savings accounts of customers increased by 10.4% to \$1,921.4 million as at 31 December 2014.

The Group registered a profit after tax of \$12.7 million for the financial year ended 31 December 2014, an increase of 10.4% compared to \$11.5 million for the previous year. The improvement in performance was mainly attributed to an increase in total income. This was partially offset by an increase in operating expenses, higher charge for allowances for impairment losses on loans and income tax expense.

Interest income and hiring charges rose by 9.7% driven by a higher loan base. This was partially offset by an increase of 12.1% in interest expense from a higher deposit base, resulting in an increase of 8.4% in the net interest income and hiring charges. Rental income also rose by 8.1%. However, operating expenses increased by 1.5% due to higher business costs. In addition, allowances for loan losses increased 339.3% due to a lower write-back in individual impairment and additional collective allowance made at a portfolio level compared to the previous year

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

There was an increase in the fair value of available-for-sale financial assets under Other Comprehensive Income, mainly from revaluation of Singapore Government Securities (“SGS”) as compared to a decline in the previous year. 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 2015, the Singapore economy grew by 1.5% on a year-on-year basis in the fourth quarter of 2014, compared to 2.8% in the previous quarter. The lacklustre fourth quarter growth figure was dragged down mainly by the manufacturing and construction sectors. The manufacturing sector contracted 2% over the same period in 2013, while the construction industry expanded a mere 0.8%. For 2014, the economy is estimated to have grown by 2.8%.

The global economic environment in 2015 is expected to remain challenging. Despite the recovery in the US economy, Europe and Japan are experiencing sluggish growth. Risks remain as market volatility arising from the US Federal Reserve’s anticipated monetary policy normalisation and any further slowdown in China will have knock-on effects on regional demand and market sentiment. On the domestic

front, economic restructuring has hurt labour-intensive industries as productivity gains that should offset higher wage costs have yet to materialise. In addition, the tight labour market and slowing property market will remain key challenges for Singapore companies in the year ahead.

Against this backdrop and the slowdown in the construction sector, we expect the operating environment to continue to be challenging and competitive. 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 6 cents per share one-tier tax exempt in respect of the financial year 2014 for approval by the shareholders at the next Annual General Meeting.

	Latest Year (2014)	Previous Year (2013)
Name of Dividend	First and final	First and final
Dividend Type	Cash	Cash
Dividend	6 cents per share one-tier tax exempt	5 cents per share one-tier tax exempt

a) Total Annual Dividend

	<u>Latest Year (2014)</u>	<u>Previous Year (2013)</u>
	<u>\$'000</u>	<u>\$'000</u>
Ordinary	\$9,458	\$7,881
Preference	-	-
Total	<u>\$9,458</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 2013: 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 2013: 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 2013: Nil)

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

	As at 31/12/2014		As at 31/12/2013	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less, or on demand	-	2,242	-	3,467
Amount repayable after one year	-	1,861	-	3,539

14 Other Information

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

	2014 \$'000	2013 \$'000	Increase / (Decrease) %
Interest income and hiring charges reported for first half year	25,119	23,299	7.81
Interest income and hiring charges reported for second half year	26,500	23,736	11.64
Operating profit reported for first half year	6,467	4,928	31.23
Operating profit reported for second half year	6,191	6,535	(5.26)

- (b) Amount of any adjustment for under or overprovision of tax in respect of prior years
- Adjustment for overprovision of tax – Nil (2013: \$115,913)
- (c) Amount of any pre-acquisition profits – Nil (2013: Nil)
- (d) Amount of profits on any sale of investments, property, plant and equipment
- Profit on sale of property, plant and equipment – Nil (2013: Nil)
- Profit on sale of investments – Nil (2013: 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	56	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	53	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
9 February 2015

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 2014 to be false or misleading.

On behalf of the Board of Directors

Lee Sze Leong
Chairman
9 February 2015

The auditors' report on the full financial statements of Sing Investments & Finance Limited for the financial year ended 31 December 2014 is as follows:

"INDEPENDENT AUDITORS' REPORT"

To: Members of Sing Investments & Finance Limited

We have audited the accompanying financial statements of Sing Investments & Finance Limited (the "Company") and its subsidiary (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2014, and the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair 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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the

overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 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: 9 February 2015