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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 2012. These figures have been audited.

**1(a)(i) Consolidated Income Statement for the year ended 31 December 2012**

	2012	2011	+ / (-)
	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
<b>Revenue</b>			
Interest income and hiring charges	44,339	43,796	1.2
Interest expense	<b>(14,228)</b>	(11,245)	26.5
<b>Net interest income and hiring charges</b>	<b>30,111</b>	32,551	(7.5)
Fees and commissions	466	433	7.6
Dividends	110	105	4.8
Rental income from investment properties	3,209	2,893	10.9
Other income	241	273	(11.7)
<b>Income before operating expenses</b>	<b>34,137</b>	36,255	(5.8)
Staff costs	<b>(10,363)</b>	(10,406)	(0.4)
Depreciation of property, plant and equipment	<b>(1,064)</b>	(1,514)	(29.7)
Depreciation of investment properties	<b>(377)</b>	(377)	-
Other operating expenses	<b>(6,272)</b>	(6,392)	(1.9)
<b>Profit from operations before impairment losses</b>	<b>16,061</b>	17,566	(8.6)
(Allowances for) write-back of impairment losses on loans and advances	<b>(379)</b>	8,517	NM
<b>Profit before income tax</b>	<b>15,682</b>	26,083	(39.9)
Income tax expense	<b>(986)</b>	(2,443)	(59.6)
<b>Profit for the year attributable to equity holders of the Company</b>	<b>14,696</b>	23,640	(37.8)

NM: Not meaningful

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

	2012	2011
Earnings per share (cents)		
- Basic	<b>12.22</b>	20.83
- Diluted	<b>12.22</b>	20.83

The Group's basic earnings per share is calculated based on the weighted average number of ordinary shares in issue of 120,221,170 (2011: previously reported as 105,083,843, currently restated to 113,490,550 following the Rights Issue) shares.

There are no potential dilutive ordinary shares for the years ended 31 December 2012 and 2011.

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**1(b) Consolidated Statement of Comprehensive Income for year ended 31 December 2012**

	<b>2012</b>	2011	+ / (-)
	<b>\$'000</b>	\$'000	%
<b>Profit for the year</b>	<b>14,696</b>	23,640	(37.8)
<b>Other comprehensive income</b>			
- Net change in fair value of available-for-sale financial assets	<b>5,080</b>	11,991	(57.6)
- Income tax on components of other comprehensive income	<b>(863)</b>	(2,039)	(57.7)
<b>Other comprehensive income for the year, net of tax</b>	<b>4,217</b>	9,952	(57.6)
<b>Total comprehensive income for the year attributable to equity holders of the Company</b>	<b>18,913</b>	33,592	(43.7)

**2(a) Statements of Financial Position**

	Group		Company	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash on deposit, at banks and in hand	268,615	221,053	268,560	220,982
Other assets	5,756	5,601	5,756	5,601
Investments	196,803	172,314	196,531	172,077
Loans and advances due within twelve months	391,779	426,388	391,779	426,388
Statutory deposit with the Monetary Authority of Singapore ("MAS")	40,422	35,247	40,422	35,247
<b>Total current assets</b>	<b>903,375</b>	<b>860,603</b>	<b>903,048</b>	<b>860,295</b>
<b>Non-current assets</b>				
Property, plant and equipment	17,495	18,146	17,495	18,146
Investment properties	25,207	25,584	25,207	25,584
Subsidiary	-	-	25	25
Loans and advances due after twelve months	1,031,546	753,267	1,031,546	753,267
<b>Total non-current assets</b>	<b>1,074,248</b>	<b>796,997</b>	<b>1,074,273</b>	<b>797,022</b>
<b>Total assets</b>	<b>1,977,623</b>	<b>1,657,600</b>	<b>1,977,321</b>	<b>1,657,317</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Deposits and savings accounts of customers	1,630,041	1,378,505	1,630,770	1,379,231
Other liabilities	16,135	15,305	15,652	14,808
SPRING loans due within twelve months (unsecured)	4,947	6,513	4,947	6,513
Provision for employee benefits	219	224	219	224
Current tax payable	2,713	6,795	2,713	6,795
<b>Total current liabilities</b>	<b>1,654,055</b>	<b>1,407,342</b>	<b>1,654,301</b>	<b>1,407,571</b>
<b>Non-current liabilities</b>				
SPRING loans due after twelve months (unsecured)	3,667	5,887	3,667	5,887
Deferred tax liabilities	4,194	3,030	4,158	2,999
<b>Total non-current liabilities</b>	<b>7,861</b>	<b>8,917</b>	<b>7,825</b>	<b>8,886</b>
<b>Total liabilities</b>	<b>1,661,916</b>	<b>1,416,259</b>	<b>1,662,126</b>	<b>1,416,457</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	180,008	117,199	180,008	117,199
Reserves	135,699	124,142	135,187	123,661
<b>Total equity</b>	<b>315,707</b>	<b>241,341</b>	<b>315,195</b>	<b>240,860</b>
<b>Total liabilities and equity</b>	<b>1,977,623</b>	<b>1,657,600</b>	<b>1,977,321</b>	<b>1,657,317</b>
<b>OFF BALANCE SHEET ITEMS</b>				
Undrawn Loan Commitments	558,922	360,603	558,922	360,603
Guarantees Issued	3,734	3,034	3,734	3,034
<b>Total off-balance sheet items</b>	<b>562,656</b>	<b>363,637</b>	<b>562,656</b>	<b>363,637</b>
<b>2(b) Net asset value per ordinary share (\$)</b>	<b>2.00</b>	<b>2.30</b>	<b>2.00</b>	<b>2.29</b>

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 2011: 105,083,843) shares.

### 3 Consolidated Statement of Cash Flows for the year ended 31 December 2012

	2012	2011
	\$'000	\$'000
<b>Operating activities</b>		
Profit before income tax	15,682	26,083
Adjustments for:		
Impact of accrual of interest income	(5)	327
Impact of accrual of interest expense	2,473	(1,743)
Depreciation of property, plant and equipment	1,064	1,514
Depreciation of investment properties	377	377
Property, plant and equipment written off	-	4
Allowances for (write-back of) impairment losses on loans and advances	379	(8,517)
Dividends receivable	-	(105)
Operating cash flows before movements in working capital	<u>19,970</u>	<u>17,940</u>
<b>Changes in working capital</b>		
Other assets	16	(723)
Loans and advances	(244,049)	(211,084)
Statutory deposit with the MAS	(5,175)	(6,657)
Deposits and savings accounts of customers	251,536	95,784
Other liabilities	(1,645)	(328)
SPRING loans	(3,786)	(4,074)
Provision for employee benefits	(5)	5
Cash generated from (used in) operations	<u>16,862</u>	<u>(109,137)</u>
Income taxes paid	(4,766)	(4,700)
Net cash from (used in) operating activities	<u>12,096</u>	<u>(113,837)</u>
<b>Investing activities</b>		
Purchase of investments	(22,574)	-
Purchase of property, plant and equipment and investment properties	(413)	(569)
Proceeds from disposal of investments	3,000	9,645
Dividends received	-	32
Net cash (used in) from investing activities	<u>(19,987)</u>	<u>9,108</u>
<b>Financing activities</b>		
Dividends paid	(7,356)	(10,508)
Net proceeds from Rights Issue	62,809	-
Net cash generated from (used in) financing activities	<u>55,453</u>	<u>(10,508)</u>
Net increase (decrease) in cash and cash equivalents	47,562	(115,237)
Cash and cash equivalents at beginning of the year	<u>221,053</u>	<u>336,290</u>
<b>Cash and cash equivalents at end of the year</b>	<u>268,615</u>	<u>221,053</u>

#### 4 Statements of Changes in Equity

	Share capital	Statutory reserve	Fair value reserve	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>					
At 1 January 2011	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)
<b>At 31 December 2011</b>	<b>117,199</b>	<b>73,212</b>	<b>16,014</b>	<b>34,916</b>	<b>241,341</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>4,217</b>	<b>14,696</b>	<b>18,913</b>
<b>Transfer from accumulated profits to statutory reserve</b>	<b>-</b>	<b>7,347</b>	<b>-</b>	<b>(7,347)</b>	<b>-</b>
<b>Issue of Rights Shares</b>	<b>62,809</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,809</b>
<b>Final one-tier tax exempt dividend paid for financial year 2011 of 7 cents per share</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,356)</b>	<b>(7,356)</b>
<b>At 31 December 2012</b>	<b>180,008</b>	<b>80,559</b>	<b>20,231</b>	<b>34,909</b>	<b>315,707</b>
<b>Company</b>					
At 1 January 2011	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)
<b>At 31 December 2011</b>	<b>117,199</b>	<b>73,212</b>	<b>15,865</b>	<b>34,584</b>	<b>240,860</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>4,188</b>	<b>14,694</b>	<b>18,882</b>
<b>Transfer from accumulated profits to statutory reserve</b>	<b>-</b>	<b>7,347</b>	<b>-</b>	<b>(7,347)</b>	<b>-</b>
<b>Issue of Rights Shares</b>	<b>62,809</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,809</b>
<b>Final one-tier tax exempt dividend paid for financial year 2011 of 7 cents per share</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,356)</b>	<b>(7,356)</b>
<b>At 31 December 2012</b>	<b>180,008</b>	<b>80,559</b>	<b>20,053</b>	<b>34,575</b>	<b>315,195</b>

## **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 2012. 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 2011.

## **6 Review of Performance**

The Group registered a profit after tax of \$14.7 million for the financial year ended 31 December 2012, a decline of 38% from \$23.6 million a year ago. The decline is attributable to the prolonged low interest rate environment which coupled with the stiff market competition continued to compress the interest margin. In addition, allowances for loan losses were made as compared to a write-back in the previous year.

Interest income and hiring charges, driven primarily by higher loan balances, increased 1.2%. However, this was more than offset by a 26.5% increase in interest expense from a higher deposit base and rates, resulting in a 7.5% decrease in net interest income and hiring charges.

Operating expenses declined by 3.3% due to a lower provision for staff bonus and reduced promotional expenses.

This year, a net allowance for loan losses of \$0.4 million was made as compared to a write-back of \$8.5 million in the previous year. The Group continues to maintain adequate individual and collective impairment allowances in respect of its loan portfolio.

There was a write-back of about \$1.9 million from over-provisions of tax in respect of prior years as compared to a write-back of \$1.8 million a year ago.

The Group’s loan assets expanded by 20.7% or \$243.7 million, from \$1,179.7 million as at 31 December 2011 to \$1,423.3 million as at 31 December 2012. In tandem with the higher loan base, deposits and savings accounts of customers increased by 18.2% to \$1,630.0 million as at 31 December 2012.

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 2 January 2013, the Singapore economy grew by 1.1% on a year-on-year basis in the fourth quarter of 2012 compared to the flat growth in the previous quarter. For 2012, the economy is estimated to have grown by 1.2%.

Global economic conditions for 2013 are expected to remain subdued. Several European economies are in recession with unemployment rate on the rise, the US economy has slowed significantly and deflationary conditions continue to prevail in Japan. These economic woes are spilling to other countries through weaker demand for their exports. As an open and export-driven economy, Singapore will be affected by these global headwinds.

In addition to the weak economic outlook, the recent cooling measures by the government to curb excessive speculation in the property market are expected to moderate the growth in the loans for residential properties.

Given the challenging operating environment in 2013, 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 5 cents per share one-tier tax exempt in respect of the financial year 2012 for approval by the shareholders at the next Annual General Meeting.

	<u>Latest Year (2012)</u>	<u>Previous Year (2011)</u>
Name of Dividend	First and final	First and final
Dividend Type	Cash	Cash
Dividend	5 cents per share one-tier tax exempt	7 cents per share one-tier tax exempt

### a) Total Annual Dividend

	<u>Latest Year (2012)</u>	<u>Previous Year (2011)</u>
	<u>\$'000s</u>	<u>\$'000s</u>
Ordinary	\$7,881	\$7,356
Preference	-	-
Total	<u>\$7,881</u>	<u>\$7,356</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.

On 12 November 2012, 52,541,921 shares were issued at the price of \$1.20 per share pursuant to the Company's Rights Issue exercise.

As at the end of the financial year, there were no outstanding convertibles (31 December 2011: 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.

Net proceeds of \$62,808,875 were raised from the Rights Issue on 12 November 2012 and the amount had been fully utilized towards the expansion of the Company's loan portfolio by 3 December 2012. The utilization is in line with the intended uses of the Net Proceeds as stated in the Offer Information

Statement.

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

Nil (31 December 2011: 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 2011: Nil)

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

	<u>As at 31/12/2012</u>		<u>As at 31/12/2011</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	-	4,947	-	6,513
Amount repayable after one year	-	3,667	-	5,887

**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>2012</u>	<u>2011</u>	<u>Increase / (Decrease)</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Interest income and hiring charges reported for first half year	21,542	21,684	(0.65)
Interest income and hiring charges reported for second half year	22,797	22,112	3.10
Operating profit reported for first half year	6,429	7,320	(12.17)
Operating profit reported for second half year	8,267	16,320	(49.34)

(b) Amount of any adjustment for under or overprovision of tax in respect of prior years  
- Adjustment for overprovision of tax \$1,862,795 (2011: \$1,764,241)

(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 (2011: Nil)  
- Profit on sale of investments – Nil (2011: 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	54	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"><li>• Lee Sze Siong (Deputy Managing Director &amp; substantial shareholder)</li><li>• Lee Sze Hao and Lee Yit (substantial shareholders)</li></ul>	Chairman & Managing Director/CEO. Year Appointed: 1997  Oversees the operations of the company.	Nil
Lee Sze Siong	51	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"><li>• Lee Sze Leong (Chairman &amp; Managing Director/substantial shareholder)</li><li>• Lee Sze Hao and Lee Yit (substantial shareholders)</li></ul>	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  
15 February 2013

### **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 2012 to be false or misleading.

On behalf of the Board of Directors

Lee Sze Leong  
Chairman  
15 February 2013

**The auditors' report on the full financial statements of Sing Investments & Finance Limited for the financial year ended 31 December 2012 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 2012, 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 2012 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: 15 February 2013