

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

Full year financial statements on consolidated results for the year ended 31 December 2020. These figures have been audited.

1(a)(i) Consolidated Statement of Profit or Loss for the year ended 31 December 2020

	2020	2019	+/(-) %
	\$'000	\$'000	%
Revenue			
Interest income and hiring charges	83,313	85,919	(3.0)
Interest expense	(36,273)	(40,593)	(10.6)
Net interest income and hiring charges	47,040	45,326	3.8
Fees and commissions	1,736	1,080	60.7
Dividends	189	195	(3.1)
Rental income from investment properties	3,156	3,271	(3.5)
Other income	2,932	592	395.3
Income before operating expenses	55,053	50,464	9.1
Staff costs	(15,975)	(16,077)	(0.6)
Depreciation of property, plant and equipment	(1,815)	(1,110)	63.5
Depreciation of investment properties	(378)	(377)	0.3
Depreciation of right of use assets	(30)	(28)	7.1
Other operating expenses	(8,088)	(9,060)	(10.7)
Total Operating Expenses	(26,286)	(26,652)	(1.4)
Profit from operations before allowances	28,767	23,812	20.8
Allowances for credit losses on loans and other assets	(5,525)	(1,693)	226.3
Profit before income tax	23,242	22,119	5.1
Income tax expense	(3,640)	(2,101)	73.3
Profit for the period attributable to equity holders of the Company	19,602	20,018	(2.1)

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

	2020	2019
Annualised earnings per share (cents)		
- Basic	12.44	12.70
- Diluted	12.44	12.70

The Group's basic earnings per share is calculated based on the weighted average number of ordinary shares in issue of 157,625,764 (31 December 2019: 157,625,764) shares.

There are no potential dilutive ordinary shares for the years ended 31 December 2020 and 2019.

1(b) Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2020

	<u>2020</u>	2019	<u>+/(-)</u>
	\$'000	\$'000	%
Profit for the year	19,602	20,018	(2.1)
<u>Other comprehensive income</u>			
Items that will not be reclassified subsequently to profit or loss			
Gain on disposal of equity investments at FVOCI	17	24	(29.2)
Net change in fair value of Equity Investments at FVOCI	(479)	(166)	188.6
Income tax relating to items that will not be reclassified subsequently to profit or loss	79	23	241.3
	(383)	(119)	221.4
Items that may be reclassified subsequently to profit or loss			
Net change in fair value of Debt Investments at FVOCI	5,965	1,544	286.3
Net change in fair value of Debt Investments at FVOCI reclassified to profit or loss on disposal	(276)	(206)	34.0
Income tax relating to items that may be reclassified subsequently to profit or loss	(967)	(227)	326.0
	4,722	1,111	325.0
Other comprehensive income for the year - net of tax	4,339	992	337.3
Total comprehensive income for the year	23,941	21,010	13.9

FVOCI: Fair Value through Other Comprehensive Income

2(a) Statements of Financial Position

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Cash and deposit with banks and Monetary Authority of Singapore ("MAS")	370,620	282,862	370,560	282,798
Statutory deposit with the MAS	59,836	69,623	59,836	69,623
Singapore Government Securities and MAS bills	284,989	316,316	284,989	316,316
Investment in Equity Securities	4,292	4,621	4,003	4,231
Loans and advances	2,077,683	2,186,617	2,077,683	2,186,617
Other receivables, deposits and prepayments	6,227	7,815	6,227	7,815
Subsidiary	-	-	25	25
Property, plant and equipment	24,617	25,378	24,617	25,378
Investment properties	22,186	22,564	22,186	22,564
Total assets	2,850,450	2,915,796	2,850,126	2,915,367
LIABILITIES AND EQUITY				
Deposits and balances of customers	2,278,708	2,497,637	2,279,481	2,498,401
Other liabilities	23,855	30,421	23,375	29,941
Borrowings from MAS	147,168	-	147,168	-
Enterprise Singapore loans (unsecured)	4,670	10,007	4,670	10,007
Provision for employee benefits	396	598	396	598
Current tax payable	4,520	1,393	4,520	1,393
Deferred tax liabilities	3,669	2,759	3,630	2,703
Total liabilities	2,462,986	2,542,815	2,463,240	2,543,043
Equity attributable to equity holders of the Company				
Share capital	180,008	180,008	180,008	180,008
Reserves	207,456	192,973	206,878	192,316
Total equity	387,464	372,981	386,886	372,324
Total liabilities and equity	2,850,450	2,915,796	2,850,126	2,915,367
Off-balance sheet items				
Undrawn loan commitments	674,025	432,494	674,025	432,494
Guarantees issued	1,844	2,009	1,844	2,009
Total off-balance sheet items	675,869	434,503	675,869	434,503
2(b) Net asset value per ordinary share (\$)	2.46	2.37	2.45	2.36

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 2019: 157,625,764) shares.

3 Consolidated Statement of Cash Flows for the year ended 31 December 2020

	Group	
	2020	2019
	\$'000	\$'000
Operating activities		
Profit before income tax	23,242	22,119
Adjustments for:		
Impact of accrual of interest income	1,448	(338)
Impact of accrual of interest expense	(10,194)	7,189
Interest expense on lease liabilities	5	6
Depreciation of property, plant and equipment	1,815	1,110
Depreciation of investment properties	378	377
Depreciation of right of use assets	30	28
Allowances for credit losses on loans and other assets	5,525	1,693
Gain on disposal of investments	(276)	(206)
Loss on write-off of property, plant and equipment	2	30
Dividends	(189)	(195)
Operating cash flows before movements in working capital	<u>21,786</u>	<u>31,813</u>
Changes in operating assets and liabilities		
Deposits and balances of customers	(218,929)	94,752
Other liabilities	3,656	(5,411)
Borrowings from MAS	147,168	-
Enterprise Singapore loans	(5,337)	301
Statutory deposits with the MAS	9,787	(7,042)
Singapore Government Securities and MAS bills	36,524	(18,465)
Loans and advances	103,408	(107,306)
Other assets	879	487
Provision for employee benefits	(202)	329
Cash generated from / (used in) operating activities	<u>98,740</u>	<u>(10,542)</u>
Income taxes paid	(491)	(7,657)
Net cash generated from / (used in) operating activities	<u>98,249</u>	<u>(18,199)</u>
Investing activities		
Purchase of property, plant and equipment and investment properties	(1,056)	(5,082)
Purchase of equity securities	(286)	(1)
Dividends received	130	67
Proceeds from disposal of equity securities	212	24
Net cash used in investing activities	<u>(1,000)</u>	<u>(4,992)</u>
Financing activities		
Cash payments of lease liabilities	(33)	(32)
Dividend paid	(9,458)	(11,034)
Net cash used in financing activities	<u>(9,491)</u>	<u>(11,066)</u>
Net increase / (decrease) in cash and cash equivalents	87,758	(34,257)
Cash and cash equivalents at beginning of the year	282,862	317,119
Cash and cash equivalents at end of the year	<u>370,620</u>	<u>282,862</u>

4 Statements of Changes in Equity for the year ended 31 December 2020

	Share capital	Statutory reserve	Regulatory	Fair value reserve	Accumulated profits	Total
			Loss Allowance Reserve			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group						
2020						
Balance at 1 January 2020	180,008	115,965	9,940	9,446	57,622	372,981
Total comprehensive income for the year						
Profit for the year	-	-	-	-	19,602	19,602
Other comprehensive income for the year - net	-	-	-	4,325	14	4,339
Total	-	-	-	4,325	19,616	23,941
Transfer to Regulatory Loss Allowance Reserve	-	-	-	-	-	-
Transfer from accumulated profits to statutory reserve	-	4,899	-	-	(4,899)	-
Transactions with owners, recognised directly in equity						
Final one-tier tax exempt dividend paid for financial year 2019 of 6 cents per share	-	-	-	-	(9,458)	(9,458)
Balance at 31 December 2020	180,008	120,864	9,940	13,771	62,881	387,464
2019						
Balance at 1 January 2019	180,008	110,964	8,391	8,473	55,169	363,005
Total comprehensive income for the year						
Profit for the year	-	-	-	-	20,018	20,018
Other comprehensive income for the year - net	-	-	-	973	19	992
Total	-	-	-	973	20,037	21,010
Transfer to Regulatory Loss Allowance Reserve	-	-	1,549	-	(1,549)	-
Transfer from accumulated profits to statutory reserve	-	5,001	-	-	(5,001)	-
Transactions with owners, recognised directly in equity						
Final one-tier tax exempt dividend paid for financial year 2018 of 7 cents per share	-	-	-	-	(11,034)	(11,034)
Balance at 31 December 2019	180,008	115,965	9,940	9,446	57,622	372,981

4 Statements of Changes in Equity for the year ended 31 December 2020

	Share capital	Statutory reserve	Regulatory Loss Allowance Reserve	Fair value reserve	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Company						
2020						
Balance at 1 January 2020	180,008	115,965	9,940	9,172	57,239	372,324
Total comprehensive income for the year						
Profit for the year	-	-	-	-	19,598	19,598
Other comprehensive income for the year - net	-	-	-	4,408	14	4,422
Total	-	-	-	4,408	19,612	24,020
Transfer to Regulatory Loss Allowance Reserve	-	-	-	-	-	-
Transfer from accumulated profits to statutory reserve	-	4,899	-	-	(4,899)	-
Transactions with owners, recognised directly in equity						
Final one-tier tax exempt dividend paid for financial year 2019 of 6 cents per share	-	-	-	-	(9,458)	(9,458)
Balance at 31 December 2020	180,008	120,864	9,940	13,580	62,494	386,886
2019						
Balance at 1 January 2019	180,008	110,964	8,391	8,243	54,799	362,405
Total comprehensive income for the year						
Profit for the year	-	-	-	-	20,005	20,005
Other comprehensive income for the year - net	-	-	-	929	19	948
Total	-	-	-	929	20,024	20,953
Transfer to Regulatory Loss Allowance Reserve	-	-	1,549	-	(1,549)	-
Transfer from accumulated profits to statutory reserve	-	5,001	-	-	(5,001)	-
Transactions with owners, recognised directly in equity						
Final one-tier tax exempt dividend paid for financial year 2018 of 7 cents per share	-	-	-	-	(11,034)	(11,034)
Balance at 31 December 2019	180,008	115,965	9,940	9,172	57,239	372,324

5 Accounting Policies

The financial statements are prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

The Group has applied the same accounting policies and methods of computation in the financial statements for the current period as in the audited financial statements for the year ended 31 December 2019 except for the adoption of the new and revised "SFRS(I)s, and Interpretations of SFRS(I) ("SFRS(I) INTs") that are effective for the annual period beginning on 1 January 2020. The adoption of these SFRS(I)s and SFRS(I) INTs does not have any material effect on the financial statements of the Group and the Company.

6 Review of Performance

The Group registered a net profit after tax of \$19.6 million for the financial year ended 31 December 2020, 2.1% lower than the \$20.0 million a year ago. The weaker performance was primarily attributable to the increase in general loan allowances for non-impaired loans, in line with the weaker macroeconomic outlook due to the pandemic outbreak. Operating profit before loan allowances improved by 20.8% from a year ago, as total revenue rose by \$4.6 million or 9.1% whilst operating expenses declined by \$0.4 million or 1.4%.

Net interest income and hiring charges grew by \$1.7 million or 3.8% to \$47.0 million compared to \$45.3 million in the previous year. This was mainly supported by lower interest expense, driven by lower deposit rates as well as decrease in customer deposits.

Non-interest income grew by \$2.9 million, largely from the Government grant for the Job Support Scheme and higher fees and commissions. Operating expenses decreased by \$0.4 million (1.4%) mainly from lower business related expenses (\$1.0 million), namely commission and business promotion expenses, but partially offset by higher depreciation (\$0.7 million) due to our investments in digital transformation.

Additional allowances for credit losses of \$5.5 million were made for 2020 compared to \$1.7 million in 2019. The higher allowances were predominantly for general allowances for non-impaired loans, given the weak and uncertain macroeconomic outlook. The Group continues to maintain adequate loss allowances in respect of its loan portfolio and other assets.

The increase of \$4.3 million in Other Comprehensive Income was due primarily to the appreciation of fair value of our holdings of Singapore Government Securities ("SGS") during the year. The Group purchases SGS as part of its liquid assets for the purpose of maintaining the minimum liquid assets required under the Finance Companies Act.

Total loans and advances declined by \$109 million or 5.0% in 2020, down from \$2.19 billion as at 31 December 2019 to \$2.08 billion as at 31 December 2020. The decline was in line with the overall slowdown in business activities in the midst of the pandemic outbreak. In tandem with the lower loan balance, deposits and balances of customers also decreased by \$218.9 million or 8.8% to \$2.28 billion as at the end of 2020. The loan to deposit ratio was 91.2% at the end of 2020 compared with 87.5% in 2019.

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

Singapore's economy contracted by 2.4% on a year-on-year basis in the fourth quarter of 2020, as announced by the Ministry of Trade and Industry ("MTI") on 15 February 2021. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 3.8%, following the 9.0% expansion in the third quarter.

For the whole of 2020, the Singapore economy contracted by 5.4%. In 2020, most sectors were severely affected by the COVID pandemic, except for the manufacturing sector which expanded by 7.3% on a year-on-year basis. The construction sector was worse hit, contracting by 35.9% on a year-on-year basis for the full year.

While growth is expected to return in 2021, within the range of 4% to 6%, the momentum is likely to be gradual and uneven. The recovery will be largely dependent on the speed of global containment of the pandemic even as the mass vaccinations are being rolled out.

In 2021, we expect the Singapore government to continue to provide more targeted assistance to the sectors most hard-hit by the pandemic. Similarly, MAS and Enterprise Singapore (ESG²) have been proactive in extending the loan instalment deferment scheme as well as the ESG loans to ensure a smooth transition out of the pandemic crisis in 2021. The Group is fully supportive of MAS' and ESG's initiatives and will work closely with our customers to help them navigate through these challenging times. The Group will continue to be prudent in our credit extension and vigilant in our risk management, as well as proactive in our management of interest margin and operating expenses.

8 Dividends

The Board of Directors is pleased to recommend a first and final dividend of 3.6 cents per share one-tier tax exempt in respect of the financial year 2020 for approval by the shareholders at the next Annual General Meeting.

	Latest Year (2020) *	Previous Year (2019)
	\$'000	\$'000
Name of Dividend	First and Final	First and Final
Dividend Type	Cash	Cash
Dividend	3.6 cents per share one-tier tax exempt	6 cents per share one-tier tax exempt

* The reduction in dividends for 2020 is in line with MAS' guidance to moderate the dividends for financial year 2020.

a) Total Annual Dividend

	Latest Year (2020) *	Previous Year (2019)
	\$'000	\$'000
Ordinary	\$5,675	\$9,458
Preference	-	-
Total	\$5,675	\$9,458

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 2019: Nil).

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

Not Applicable. During the financial year, no shares were held as treasury shares.

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 2019: Nil).

12 SGX-ST Listing Manual Rule 720(1) – Procurement of undertakings to comply with listing rules from all directors and executive officers

Pursuant to Rule 720(1) of the SGX-ST Listing Manual, the Company has procured undertakings to comply with the Exchange's listing rules from all its directors and executive officers.

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

	As at 31/12/2020		As at 31/12/2019	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Monetary Authority of Singapore	147,168	-	-	-
Enterprise Singapore Loans	-	4,670	-	10,007

14 Segmented revenue and results for business or geographical segments

Segment reporting is not required as the Group operates only in one segment. Its activities relate to financing business and related nominee services. All activities are carried out in the Republic of Singapore.

15 Half-Yearly Income and Profit After Tax

	2020	2019	Increase / (Decrease)
	\$'000	\$'000	%
Total Income for first half year	26,237	25,137	4.4
Total Income for second half year	28,816	25,327	13.8
Profit After Tax for first half year	8,044	10,017	(19.7)
Profit After Tax for second half year	11,558	10,001	15.6

16 Other Information

- (a) Amount of any adjustment for under provision of tax in respect of prior years – \$69,622 (2019: overprovision - \$1,446,282)
- (b) Amount of any pre-acquisition profits – Nil (2019: Nil)
- (c) Amount of profits on any sale of investments, property, plant and equipment:
 – \$16,738 gain from sale of equity investments (2019: \$23,500)
 – \$275,623 gain from sale of Singapore Government Securities (2019: \$205,663)

17 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	62	Director/shareholder of F H Lee Holdings Pte Ltd, substantial shareholder. Brother of: <ul style="list-style-type: none"> • Lee Sze Siong (Deputy Managing Director & substantial shareholder) • Lee Sze Hao (substantial shareholder) 	Managing Director/CEO. Year Appointed: 1997 Oversees the operations of the company.	Nil.
Lee Sze Siong	59	Director/shareholder of F H Lee Holdings Pte Ltd, substantial shareholder. Brother of: <ul style="list-style-type: none"> • Lee Sze Leong (Managing Director/substantial shareholder) • Lee Sze Hao (substantial shareholder) 	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
Managing Director

17 February 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SING INVESTMENTS & FINANCE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the 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 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying 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 Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SING INVESTMENTS & FINANCE LIMITED

Key Audit Matter	How our audit addressed the key audit matter
<p>Expected credit loss on non-credit impaired loans and advances</p> <p>Refer to Note 2.4 for the Group's accounting policy on impairment of loans and advances, Note 3 on critical judgements and estimation uncertainty and Note 4(b)(i) for the Group's credit risk disclosures.</p> <p>Loans and advances constitute approximately 73.0% of the Group's total assets. SFRS(I) 9 Financial Instruments requires the Group to recognise Expected Credit Loss ("ECL") on these loans and advances. As at 31 December 2020, the allowances for ECL on non-credit-impaired loans and advances was \$5.78 million.</p> <p>The determination of ECL involves the use of significant judgement and estimates including: forward looking macro-economic factors including the impact of the COVID-19 pandemic, criteria used to determine the significant increase in credit risk, probability of default, and loss given default.</p> <p>Given the significant judgements and high degree of estimation uncertainty involved in the determination of ECL arising from the matters described above, the size of the loan and advances, and the current economic uncertainty due to COVID-19, we have identified the expected credit losses on non-credit-impaired loans and advances to be a matter of significance in the audit, and therefore a key audit matter.</p>	<p>Our audit procedures include the following:</p> <ul style="list-style-type: none"> • We tested the design, implementation and operating effectiveness of key controls over the determination of ECL which includes the following: <ul style="list-style-type: none"> i. Accuracy of data inputs in the ECL model ii. Identification of significant increases in credit risk iii. Review and approval over post model adjustments by Risk Management Committee. • We involved our internal credit modelling specialist to assist us in understanding and evaluating the appropriateness and reasonableness of the Group's ECL methodology against the requirements of SFRS(I) 9 <i>Financial Instruments</i>. • We tested the accuracy of key inputs into the ECL model by comparing against source systems and documents. • For selected samples, we re-computed the ECL to test the mathematical accuracy of the ECL model.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SING INVESTMENTS & FINANCE LIMITED

Key Audit Matters (cont'd)

<p>Loss allowances for Stage 3 credit-impaired loans and advances</p> <p>Refer to Note 2.4 for the Group's accounting policy on impairment of loans and advances, Note 3 on critical judgements and estimation uncertainty and Note 4(b)(i) for the Group's credit risk disclosures.</p> <p>As at 31 December 2020, the loss allowances for credit-impaired loans and advances was \$5.53 million.</p> <p>The determination of stage 3 credit-impaired loans and advances and the resultant loss allowances involves the use of significant judgement and estimates including: identification of impairment indicators, classification of loan grading, and estimation of recoverable cash flows.</p> <p>Given the significant judgements and high degree of estimation uncertainty involved, we have identified the loss allowances for stage 3 credit impaired loans and advances to be a matter of significance in the audit, and therefore a key audit matter.</p>	<p>Our audit procedures include the following:</p> <ul style="list-style-type: none"> • We tested the design, implementation and operating effectiveness of key controls over allowances for credit-impaired loans and advances, which includes the following: <ul style="list-style-type: none"> i. Oversight of credit risk by Risk Management Committee ii. Classification of loan grading and monitoring iii. Identification of impairment indicators iv. Existence and valuation of collaterals • We tested selected loan files and credit reviews performed by the Group to assess the appropriateness of the classification of loan grading, and challenged management's evaluations and conclusions on the credit worthiness, and classification of the selected loans. This includes a sample of loans and advances which have been granted deferral of repayments and not identified as credit-impaired. • For selected credit-impaired loans, we evaluated management's estimation of recoverable cash flows, including forecasts, recoverable values of collaterals and other sources of repayment.
---	---

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SING INVESTMENTS & FINANCE LIMITED

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Corporate Information, Board of Directors, Performance Review, 5 Years Financial Summary, and Directors' Statement, but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Chairman's Statement, Corporate Governance Statement, Sustainability Report, Statistics of Shareholdings, and Additional Information which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Chairman's Statement, Corporate Governance Statement, Sustainability Report, Statistics of Shareholdings and Additional Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors 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 Act and SFRS(I)s, 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 financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SING INVESTMENTS & FINANCE LIMITED

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SING INVESTMENTS & FINANCE LIMITED

Auditor's Responsibility for the Audit of the Financial Statements (cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 corporation incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Giam Ei Leen.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants

Singapore

17 February 2021