



**SING INVESTMENTS
& FINANCE LIMITED**

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SING INVESTMENTS & FINANCE LIMITED

Condensed Financial Statements

For the Second Half and Financial Year ended 31 December 2021

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PERFORMANCE HIGHLIGHTS

	2nd Half 2021 \$'000	2nd Half 2020 \$'000	Variance +/- (%)	Year 2021 \$'000	Year 2020 \$'000	Variance +/- (%)
Summary Statement of Profit & Loss Items						
Interest income and hiring charges	36,244	40,221	(9.9)	73,392	83,313	(11.9)
Interest expense	(6,672)	(15,225)	(56.2)	(14,573)	(36,273)	(59.8)
Net interest income	29,572	24,996	18.3	58,819	47,040	25.0
Non-interest income	2,676	3,820	(29.9)	6,150	8,013	(23.2)
Total Income	32,248	28,816	11.9	64,969	55,053	18.0
Operating Expenses	(13,625)	(12,770)	6.7	(26,813)	(26,286)	2.0
Profit from operations before allowances	18,623	16,046	16.1	38,156	28,767	32.6
Allowances for credit losses on loans and other assets	(3,386)	(2,177)	55.5	(837)	(5,525)	(84.9)
Profit before income tax	15,237	13,869	9.9	37,319	23,242	60.6
Profit after tax attributable to equity holders of the group	13,095	11,558	13.3	31,433	19,602	60.4
Other comprehensive income	(4,110)	(386)	964.8	(7,457)	4,339	NM
Total comprehensive income	8,985	11,172	(19.6)	23,976	23,941	0.1
Selected Balance Sheet Items						
Total Equity	405,765	387,464	4.7	405,765	387,464	4.7
Total Assets	2,920,103	2,850,450	2.4	2,920,103	2,850,450	2.4
Loans and advances	2,140,813	2,077,683	3.0	2,140,813	2,077,683	3.0
Deposits and saving accounts of customer	2,293,465	2,278,708	0.6	2,293,465	2,278,708	0.6
Key Financial Ratios						
	%	%		%	%	
Net Interest Margin	2.07	1.83		2.10	1.69	
Non interest income to total income	8.3	13.3		9.5	14.6	
Cost-to income ratio	42.3	44.3		41.3	47.7	
Loans to deposit ratio	93.3	91.2		93.3	91.2	
Loans to deposit ratio ¹	85.0	84.6		85.0	84.6	
Non-performing loans ratio	1.7	2.8		1.7	2.8	
Return on Equity ²	6.5	6.0		7.7	5.1	
Return on Asset ³	0.9	0.8		1.1	0.7	
Capital Adequacy Ratio	17.0	16.3		17.0	16.3	
Per Ordinary Share Data						
Basic earnings per share (cents)	16.62	14.67		19.94	12.44	
Net asset value per share (\$)	2.57	2.46		2.57	2.46	

(1) Loans- excluding those funded by Monetary Authority of Singapore

(2) Return on equity is computed based on ordinary shareholders' equity at balance sheet date

(3) Return on assets is computed based on total assets at balance sheet date

NM: Not meaningful

1. Review of performance

Second Half 2021

The Group continued to register good growth for the second half of 2021, albeit at a slower pace compared to the first half of 2021. Net profit after tax rose to \$13.1 million, 13.3% higher compared to a year ago. This was contributed by a 18.3% year-on-year growth of net interest income to \$29.6 million. The benefit from lower cost of deposits outweighed the decline in yield from the interest-yielding assets, which helped to sustain net interest margin (“NIM”) at 2.07% for the last six months of the year as compared with 1.83% for the same period in 2020. Non-interest income decreased by \$1.1m or 30% with lower government grants for 2021. Operating expenses increased by \$0.86 million or 6.7% mainly attributable to higher staff cost. Net allowance for credit losses of \$3.4 million was set aside compared to \$2.2 million allowance made for the same period a year ago.

Full Year 2021

The Group achieved a record net profit after tax of \$31.4 million for financial year ended 31 December 2021 (“FY2021”), 60.4% higher than the \$19.6 million in the previous year (“FY2020”). The strong performance was largely driven by the expansion of net interest margin by 40 basis points to 2.1% in FY2021. Total income rose by \$9.9 million or 18% to \$65.0 million whilst operating expenses increased by \$0.5 million or 2% compared to FY2020. Profit from operations before credit loss allowances improved by \$9.4 million to \$38.2 million or 32.6% higher than a year ago. Lower additional net allowance of \$0.8 million was set aside in FY2021, compared to \$5.5m allowance made in FY2020, in line with the better macro economic outlook.

Net interest income grew by \$11.8 million or 25.0% to \$58.8 million compared to \$47.0 million in the previous year. This was primarily attributable to lower interest expense. Net interest margin expanded to 2.1% for the year 2021 from 1.7% a year ago as the saving from lower cost of deposits outpaced the drop in yield for interest earning assets.

Non-interest income decreased by \$1.9 million or 23.2%, largely due to lower government grant received from the Job Support Scheme.

Operating expenses increased slightly by \$0.5 million or 2% but at a slower pace than the 18% growth in total income, which resulted in an improved cost-to-income ratio of 41.3% for FY2021. The increase in the operating expenses came broadly from higher staff cost by \$2.1 million or 13.3% but cushioned by lower business expenditures.

Additional net allowances for credit losses of \$0.8 million were made in FY2021, with specific allowance offset by write-back in general allowance. \$2.5 million write-back of general allowances for non-impaired assets was aligned with the stabilising macroeconomic outlook for the Singapore economy at 31 December 2021. The Group continues to maintain adequate loss allowances in respect of its loan portfolio and other assets.

The decline of \$7.5 million in the Other Comprehensive Income was due primarily to the depreciation of fair value of the Singapore Government Securities (“SGS”) held during the year. The Group purchases SGS as part of its liquid assets for the purposes of maintaining the minimum liquid assets required under the Finance Companies Act.

Total loans and advances increased by \$63.1 million or 3.0% to \$2.14 billion as at 31 December 2021. The increase was in line with the overall improvement in business activities and momentum as Singapore’s economy began to stabilise from the uncertainties caused by the pandemic. In tandem with the loan growth, deposits and balances of customers grew by \$14.8 million or 0.6% to \$2.29 billion at the end of 2021. Loan to deposit ratio was 93.3% at the end of 2021 compared with 91.2% at the end of 2020.

Capital Adequacy Ratio strengthened to 17.0% at 31 December 2021 from 16.3% a year ago mainly lifted by the strong earnings of FY2021.

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.

2. Dividends

In line with the record performance for FY2021, the Board of Directors is pleased to recommend a first and final dividend of 8 cents per share one-tier tax exempt in respect of the financial year 2021 for approval by the shareholders at the next Annual General Meeting.

This is significantly higher by 4.4 cents per share or more than double the 3.6 cents per share dividend for FY2020.

	Latest Year (2021)	Previous Year (2020)
Name of Dividend	First and Final	First and Final
Dividend Type	Cash	Cash
Dividend	8 cents per share one-tier tax exempt	3.6 cents per share one-tier tax exempt

a) Total Annual Dividend

	Latest Year (2021)	Previous Year (2020)
	\$'000	\$'000
Ordinary	\$12,610	\$5,675
Preference	-	-
Total	\$12,610	\$5,675

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.

3. Comments on Significant Trends and Competitive Conditions in the Industry

Singapore's economy expanded by 6.1% on a year-on-year basis in the fourth quarter of 2021 as announced by the Ministry of Trade and Industry ("MIT") on 17 February 2022. On a quarter-on-quarter seasonally-adjusted basis, the Singapore's gross domestic product grew by 2.3% in the fourth quarter, exceeding the 1.5% expansion in the third quarter.

This brought the full year 2021 economic expansion to 7.6%, reversing the 4.1% contraction in the preceding year. All key sectors of economy expanded. The construction and manufacturing sectors led the way with 20.1% and 13.2% growth respectively. The services sector registered single digit growth of 5.6%, with the performance in export-oriented sectors, such as electronics, outpacing that in the aviation and tourism-related sectors.

Looking ahead, Singapore's economic growth is expected to moderate to between 3% and 5% in 2022, as the nation transits from a pandemic to a COVID endemic environment with expectation of further reopening of the economy. However, there are also uncertainties in the horizon including supply chain bottlenecks, geopolitical risks, the impact to the domestic economy arising from a slowdown in China's economy as well as the possibility of viral mutations.

With rising prices and inflation, USD interest rates are widely expected to trend up in 2022, with SGD interest rates tracking in the same direction. In addition, competition is expected to stiffen with the 4 digital banks in Singapore likely to commence operations in 2022.

3. Comments on Significant Trends and Competitive Conditions in the Industry (continued)

Against this backdrop, we remain cautious on the economic outlook for 2022. We will stay focused on managing the asset quality and on guarding against rising NPLs caused by economic uncertainties and unexpected disruptions. We will continue to be vigilant in managing net interest margin in view of the rising interest rate outlook; and forge ahead with our digital transformation with the introduction of our Corporate Internet Banking app and website platform in 2022. This would be another milestone in enhancing our digital banking solutions to provide better and more convenient services to our valued customers.

Other information required by SGX Listing Rule Appendix 7.2

4. Audit

The interim second half 2021 and the comparative for second half 2020 results are not audited or reviewed.

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2021 have been audited by the Company's independent external auditors.

5. Audit Report

See attached auditors' report for the financial year ended 31 December 2021.

6. 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

There has been no change in the Company's share capital arising from the above issues.

As at the end of the financial period, there were no outstanding share options or convertibles (31 December 2020: Nil).

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

During the financial period, no shares were held as treasury shares.

8. 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 2020: Nil).

9. 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.

10. Half-Yearly Income and Profit After Tax

	2021	2020	Increase
	\$'000	\$'000	%
Total Income for first half year	32,721	26,237	24.7
Total Income for second half year	32,248	28,816	11.9
Profit After Tax for first half year	18,338	8,044	128.0
Profit After Tax for second half year	13,095	11,558	13.3

11. Other Information

- (a) Amount of any adjustment for under provision of tax in respect of prior years – Nil (2020: underprovision - \$69,622)
- (b) Amount of profits on any sale of investments:
- Gain from sale of equity investments - \$147,000 (2020: \$16,738)
 - Gain from sale of Singapore Government Securities - Nil (2020: \$275,623)

12. 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	63	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	60	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
24 February 2022

Consolidated Statement of Profit or Loss

	Note	2nd Half *	2nd Half *		Year	Year	
		2021	2020	+/-	2021	2020	+/(-)
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue							
Interest income and hiring charges	7	36,244	40,221	(9.9)	73,392	83,313	(11.9)
Interest expense	7	(6,672)	(15,225)	(56.2)	(14,573)	(36,273)	(59.8)
Net interest income and hiring charges		29,572	24,996	18.3	58,819	47,040	25.0
Fees and commissions		922	890	3.6	2,163	1,736	24.6
Dividends	7	101	66	53.0	171	189	(9.5)
Rental income from investment properties		1,353	1,777	(23.9)	2,896	3,156	(8.2)
Other income	7	300	1,087	(72.4)	920	2,932	(68.6)
Income before operating expenses		32,248	28,816	11.9	64,969	55,053	18.0
Staff costs	7	(9,374)	(7,754)	20.9	(18,096)	(15,975)	13.3
Depreciation of property, plant and equipment		(924)	(921)	0.3	(1,823)	(1,815)	0.4
Depreciation of investment properties	16	(189)	(189)	-	(378)	(378)	-
Depreciation of right of use assets		(13)	(16)	(18.8)	(28)	(30)	(6.7)
Other operating expenses	7	(3,125)	(3,890)	(19.7)	(6,488)	(8,088)	(19.8)
Total Operating Expenses		(13,625)	(12,770)	6.7	(26,813)	(26,286)	2.0
Profit from operations before allowances		18,623	16,046	16.1	38,156	28,767	32.6
Allowances for credit losses on loans and other assets	7	(3,386)	(2,177)	55.5	(837)	(5,525)	(84.9)
Profit before income tax		15,237	13,869	9.9	37,319	23,242	60.6
Income tax expense	8	(2,142)	(2,311)	(7.3)	(5,886)	(3,640)	61.7
Profit for the period attributable to equity holders of the Company		13,095	11,558	13.3	31,433	19,602	60.4

*Unaudited

Consolidated Statement of Other Comprehensive Income

	2nd Half*	2nd Half*		Year	Year	
	2021	2020	+/(-)	2021	2020	+/(-)
	\$'000	\$'000	%	\$'000	\$'000	%
Profit for the period	13,095	11,558	13.3	31,433	19,602	60.4
<u>Other comprehensive income</u>						
Items that will not be reclassified subsequently to profit or loss						
Gain on disposal of equity investments at FVOCI	98	-	NM	147	17	764.7
Net change in fair value of Equity Investments at FVOCI	(1,116)	449	NM	768	(479)	NM
Income tax relating to items that will not be reclassified subsequently to profit or loss	189	(76)	NM	(131)	79	NM
	(829)	373	NM	784	(383)	NM
Items that may be reclassified subsequently to profit or loss						
Net change in fair value of Debt Investments at FVOCI	(3,953)	(914)	332.4	(9,929)	5,965	NM
Net change in fair value of Debt Investments at FVOCI reclassified to profit or loss on disposal	-	-	-	-	(276)	(100.0)
Income tax relating to items that may be reclassified subsequently to profit or loss	672	155	333.7	1,688	(967)	NM
	(3,281)	(759)	332.3	(8,241)	4,722	NM
Other comprehensive income for the period - net of tax	(4,110)	(386)	964.7	(7,457)	4,339	NM
Total comprehensive income for the period	8,985	11,172	(19.6)	23,976	23,941	0.1

NM: Not meaningful

FVOCI: Fair Value through Other Comprehensive Income

*Unaudited

Statements of Financial Position

	Note	Group		Company	
		2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Cash and deposit with banks and Monetary Authority of Singapore ("MAS")	10	298,623	370,620	298,572	370,560
Statutory deposit with the MAS	10	60,848	59,836	60,848	59,836
Singapore Government Securities and MAS bills	11	363,856	284,989	363,856	284,989
Investment in Equity Securities	11	5,669	4,292	5,404	4,003
Loans and advances	14	2,140,813	2,077,683	2,140,813	2,077,683
Other receivables, deposits and prepayments		4,921	6,227	4,921	6,227
Subsidiary		-	-	25	25
Property, plant and equipment	15	23,564	24,617	23,564	24,617
Investment properties	16	21,809	22,186	21,809	22,186
Total assets		2,920,103	2,850,450	2,919,812	2,850,126
LIABILITIES AND EQUITY					
Deposits and balances of customers		2,293,465	2,278,708	2,294,240	2,279,481
Other liabilities		20,635	23,855	20,159	23,375
Borrowings from MAS	17	190,806	147,168	190,806	147,168
Enterprise Singapore loans (unsecured)	18	1,118	4,670	1,118	4,670
Provision for employee benefits		248	396	248	396
Current tax payable		6,100	4,520	6,100	4,520
Deferred tax liabilities		1,966	3,669	1,932	3,630
Total liabilities		2,514,338	2,462,986	2,514,603	2,463,240
Equity attributable to equity holders of the Company					
Share capital	19	180,008	180,008	180,008	180,008
Reserves	20	225,757	207,456	225,201	206,878
Total equity		405,765	387,464	405,209	386,886
Total liabilities and equity		2,920,103	2,850,450	2,919,812	2,850,126
Off-balance sheet items					
Undrawn loan commitments		777,080	674,025	777,080	674,025
Guarantees issued	22	7,730	1,844	7,730	1,844
Total off-balance sheet items		784,810	675,869	784,810	675,869

Consolidated Statements of Cash Flows

	Note	Group	
		Year	Year
		2021	2020
		\$'000	\$'000
Operating activities			
Profit before income tax		37,319	23,242
Adjustments for:			
Impact of accrual of interest income		2,305	1,448
Impact of accrual of interest expense		(5,922)	(10,194)
Interest expense on lease liabilities		3	5
Depreciation of property, plant and equipment		1,823	1,815
Depreciation of investment properties	16	378	378
Depreciation of right of use assets		28	30
Allowances for credit losses on loans and other assets		837	5,525
Gain on disposal of investments		-	(276)
Gain on disposal of property, plant and equipment		(187)	2
Dividends		(171)	(189)
Operating cash flows before movements in working capital		36,413	21,786
Changes in working capital			
Deposits and balances of customers		14,757	(218,929)
Other liabilities		2,731	3,656
Borrowings from MAS		43,638	147,168
Enterprise Singapore loans		(3,552)	(5,337)
Statutory deposits with the MAS		(1,012)	9,787
Singapore Government Securities and MAS bills		(90,093)	36,524
Loans and advances *		(64,569)	103,408
Other assets		309	879
Provision for employee benefits		(148)	(202)
Cash (used in) / generated from operating activities		(61,526)	98,740
Income taxes (paid)		(4,481)	(491)
Net cash (used in) / generated from operating activities		(66,007)	98,249
Investing activities			
Purchase of property, plant and equipment and investment properties	15	(811)	(1,056)
Purchase of equity securities		-	(286)
Dividends received		113	130
Proceeds from disposal of property, plant and equipment		187	-
Proceeds from disposal of equity securities		227	212
Net cash (used in) investing activities		(284)	(1,000)
Financing activities			
Cash payments of lease liabilities		(31)	(33)
Dividend paid		(5,675)	(9,458)
Net cash used in financing activities		(5,706)	(9,491)
Net (decrease) / increase in cash and cash equivalents		(71,997)	87,758
Cash and cash equivalents at beginning of the year		370,620	282,862
Cash and cash equivalents at end of the year		298,623	370,620

*Changes in the loan movements exclude the non-cash movement for the conversion of loans to equity securities.

Statements of Changes in Equity

Group	Share	Statutory	Regulatory	Fair value	Accumulated	Total
	capital	reserve	Loss Allowance Reserve	reserve	profits	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2021						
Balance at 1 January 2021	180,008	120,864	9,940	13,771	62,881	387,464
Total comprehensive income for the year						
Profit for the year	-	-	-	-	31,433	31,433
Other comprehensive income for the year - net	-	-	-	(7,604)	147	(7,457)
Total	-	-	-	(7,604)	31,580	23,976
Transfer to Regulatory Loss Allowance Reserve	-	-	1,776	-	(1,776)	-
Transfer from accumulated profits to statutory reserve	-	7,859	-	-	(7,859)	-
Transactions with owners, recognised directly in equity						
Final one-tier tax exempt dividend paid for financial year 2020 of 3.6 cents per share	-	-	-	-	(5,675)	(5,675)
Balance at 31 December 2021	180,008	128,723	11,716	6,167	79,151	405,765
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

Statements of Changes in Equity (cont'd)

Company	Share capital \$'000	Statutory reserve \$'000	Regulatory Loss		Accumulated profits \$'000	Total \$'000
			Allowance Reserve \$'000	Fair value reserve \$'000		
2021						
Balance at 1 January 2021	180,008	120,864	9,940	13,580	62,494	386,886
Total comprehensive income for the year						
Profit for the year	-	-	-	-	31,435	31,435
Other comprehensive income for the year - net	-	-	-	(7,584)	147	(7,437)
Total	-	-	-	(7,584)	31,582	23,998
Transfer to Regulatory Loss Allowance Reserve	-	-	1,776	-	(1,776)	-
Transfer from accumulated profits to statutory reserve	-	7,859	-	-	(7,859)	-
Transactions with owners, recognised directly in equity						
Final one-tier tax exempt dividend paid for financial year 2020 of 3.6 cents per share	-	-	-	-	(5,675)	(5,675)
Balance at 31 December 2021	180,008	128,723	11,716	5,996	78,766	405,209
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

Notes to the Condensed Financial Statements

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1. Corporate information

Sing Investments & Finance Limited, (the 'Company') is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the 'Group'). The primary activities of the Company are those of a licensed finance company. The principal activities of the subsidiary are those of a nominee service company.

2. Basis of preparation

The condensed interim financial statements for the six months ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's and Company's financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2021.

The financial statements have been prepared on a going concern basis under the historical cost convention except for financial assets classified as fair value through other comprehensive income.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

The condensed interim consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 31 December 2021 were authorised for issue by the Board of Directors on 24 February 2022.

3. Accounting policies & adoption of new and revised standards

The accounting policies applied by the Group for this interim financial statements are the same as those applied in the previous financial year, which were prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"), except for the adoption of the new and revised SFRS(I)s that are effective for the annual period beginning on 1 January 2021.

The adoption of these new/revised SFRS(I) pronouncements does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

4. Critical accounting judgements and estimates

In preparing the condensed interim financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Management is of the opinion that the application of judgement is not expected to have a significant effect on the amounts recognised in the financial statements, except as follows:

Significant increase of credit risk in the estimates of Expected Credit Loss ("ECL")

ECL is measured as an allowance equal to 12-month ECL for Stage 1 assets, or lifetime ECL assets for Stage 2 and Stage 3 assets. An asset moves to Stage 2 when its credit risk has increased significantly since initial recognition. SFRS(I) 9 does not define what constitutes a significant increase in credit risk, including considerations relating to Covid-19 impact.

4. Critical accounting judgements and estimates (continued)

In assessing whether the credit risk of an asset has significantly increased, the Group takes into account reasonable and supportable qualitative and quantitative forward looking information. In line with regulatory guidelines, customer's utilisation of relief measures due to Covid19 economic impact does not automatically result in significant increase in credit risk and a transfer to Stage 2. The assessment of customer's risk of default continues to be performed holistically, taking into account the customer's ability to make payments based on the rescheduled payments and their creditworthiness in the long term.

Models and assumptions used

The Group uses credit rating models and assumptions in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in the model, including assumptions that relate to key drivers of credit risk.

Management is of the opinion that the key sources of estimation uncertainty is the calculation of loss allowances as discussed below:

Calculation of loss allowance

The following are key estimations that the management has used in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

- Establishing the number and relative weightings of forward-looking scenarios for each type of product/customer segment and determining the forward-looking information relevant to each scenario: When measuring ECL and considering the current COVID 19 economic impact, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.
- Probability of default: PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.
- Loss Given Default: LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

5. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

6. 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.

7. Profit before income tax

The following items have been included in arriving at profit for the period:

	Group		Group	
	2 nd Half 2021 \$'000	2 nd Half 2020 \$'000	Year 2021 \$'000	Year 2020 \$'000
Interest income and hiring charges				
Loans and advances and others measured at amortised cost	32,818	35,718	66,586	72,594
Cash and bank deposits at amortised cost	691	2,027	1,722	4,960
Singapore Government Securities and MAS bills measured at FVOCI	2,735	2,476	5,084	5,759
	<u>36,244</u>	<u>40,221</u>	<u>73,392</u>	<u>83,313</u>
Interest expense				
Deposits and others	<u>6,672</u>	<u>15,225</u>	<u>14,573</u>	<u>36,273</u>
Dividends				
Equity investments	<u>101</u>	<u>66</u>	<u>171</u>	<u>189</u>
Other income				
Government grant	109	1,034	692	2,512
Bad debts recovered	2	39	21	57
Net gain on property, plant and equipment written off /disposed	187	(2)	187	(2)
Net gain on sale of Singapore Government Securities and MAS bills	-	-	-	276
Others	2	16	20	89
	<u>300</u>	<u>1,087</u>	<u>920</u>	<u>2,932</u>
Staff costs				
Salaries and other benefits	8,733	7,161	16,669	14,567
Contributions to defined contribution plan	789	795	1,575	1,610
(Write-back of) provision for unutilised leave	(148)	(202)	(148)	(202)
	<u>9,374</u>	<u>7,754</u>	<u>18,096</u>	<u>15,975</u>
Other operating expenses				
Audit fees	157	108	157	108
Non-audit fees	44	31	44	31
Operating expenses on investment properties	343	386	643	674
Maintenance, utilities and property tax	1,014	846	1,810	1,419
Legal and professional fees	79	102	174	175
Commission expense	649	1,470	1,667	3,476
Others	839	947	1,993	2,205
	<u>3,125</u>	<u>3,890</u>	<u>6,488</u>	<u>8,088</u>

7. Profit before income tax (continue)

	Group		Group	
	2 nd Half 2021 \$'000	2 nd Half 2020 \$'000	Year 2021 \$'000	Year 2020 \$'000
Total net loss allowance charge/(write back) to P&L				
<u>Non impaired asset (ECL Stage 1 & 2)</u>				
Deposits, balances with and loans to bankers, agents and other financial institutions	21	(1,400)	100	63
Loans and advances	(491)	732	(2,620)	3,168
<u>Impaired asset (Stage 3)</u>				
Loans and advances	3,856	2,845	3,357	2,294
Total charged to P&L	3,386	2,177	837	5,525

8. Income tax expense

	Group		Group	
	2 nd Half 2021 \$'000	2 nd Half 2020 \$'000	Year 2021 \$'000	Year 2020 \$'000
Current tax expense				
Current period	2,287	2,217	6,031	3,546
Adjustment for prior years	-	70	-	70
Deferred tax (debit)/credit				
Reversal of temporary differences	(76)	(92)	(145)	24
Total income tax expense	2,211	2,195	5,886	3,640

9. Earnings per share

	Group		Group	
	2 nd Half 2021 \$'000	2 nd Half 2020 \$'000	Year 2021 \$'000	Year 2020 \$'000
Basic and diluted earnings per share are based on:				
Net profit attributable to ordinary shareholders	13,095	11,558	31,433	19,602
Number of ordinary shares	157,626	157,626	157,626	157,626
Annualised earnings per share (cents)	16.62	14.67	19.94	12.44

There were no potential dilutive ordinary shares for the period ended 31 December 2021.

10. Categories of financial instruments

	Group		Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	\$'000	\$'000	\$'000	\$'000
Financial assets				
At amortised cost:				
Cash and deposit with banks and Monetary Authority of Singapore ("MAS")	298,623	370,620	298,572	370,560
Statutory deposit with the MAS	60,848	59,836	60,848	59,836
Loans and advances	2,140,813	2,077,683	2,140,813	2,077,683
Other receivables, deposits and prepayments	2,413	3,681	2,413	3,681
At FVOCI:				
Singapore Government Securities and MAS bills	363,856	284,989	363,856	284,989
Investment in Equity Securities	5,669	4,292	5,404	4,003
Financial liabilities				
Deposits and balances of customers	2,293,465	2,278,708	2,294,240	2,279,481
Other liabilities	20,635	23,855	20,159	23,375
Borrowings from MAS	190,806	147,168	190,806	147,168
Enterprise Singapore loans	1,118	4,670	1,118	4,670

11. Financial assets at fair value through other comprehensive income

	Group		Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	\$'000	\$'000	\$'000	\$'000
Financial assets at FVOCI				
At FVOCI:				
Singapore Government Securities and MAS bills	363,856	284,989	363,856	284,989
Investment in Equity Securities	5,669	4,292	5,404	4,003

During the six months ended 31 December 2021, the Group disposed of certain of its investment in equity securities for cash and realised the capital appreciation. These investments had a fair value \$138,000 (2nd Half 2020: Nil) at the date of disposal. The cumulative gain, net of tax, on disposal of \$98,000 (2nd Half 2020: Nil) was reclassified from fair value reserve to retained profits.

12. Fair value measurement

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (**Level 1**);
- Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (**Level 2**); and
- Inputs for the assets or liability which are not based on observable market data (unobservable inputs) (**Level 3**).

12. Fair value measurement (continue)

The table below provides an analysis of categorisation of fair value measurements into the different levels of the fair value hierarchy:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group				
31 December 2021				
Financial instruments measured at FVOCI				
Financial Assets				
Quoted equity securities	5,669	-	-	5,669
Singapore Government Securities and MAS bills	363,856	-	-	363,856
31 December 2020				
Financial instruments measured at FVOCI				
Financial Assets				
Quoted equity securities	4,292	-	-	4,292
Singapore Government Securities and MAS bills	284,989	-	-	284,989

13. Capital Adequacy Ratio (CAR)

The Group's capital position was as follows:

<u>Capital element</u>	Group	
	31 Dec 2021 \$'000	31 Dec 2020 \$'000
Core capital		
Share capital	180,008	180,008
Disclosed reserves	207,782	183,619
	387,790	363,627
Risk weighted assets	2,279,886	2,233,672
Capital adequacy ratio:		
Core capital/risk weighted assets (%)	17.0	16.3

14. Loans and advances

	Group and Company	
	31 Dec 2021 \$'000	31 Dec 2020 \$'000
Housing, factoring receivables and other loans	1,655,550	1,568,993
Hire purchase receivables	552,902	575,278
Unearned interests and charges	(55,737)	(55,267)
Allowances for impairment on loans and advances	(11,902)	(11,321)
	2,140,813	2,077,683
Due within 12 months	385,370	399,009
Due after 12 months	1,755,443	1,678,674
	2,140,813	2,077,683

14. Loans and advances (continue)

Movements in allowances for impairment on loans and advances are as follows:

	Group and Company	
	2021	2020
	\$'000	\$'000
Stage 3 loss allowance		
At 1 January	5,535	3,340
(Write back) of impairment losses during the period	(499)	(550)
Receivables written off against allowances	(10)	(100)
At 30 June	5,026	2,690
Allowances for impairment losses during the period	3,856	2,845
Receivables written off against allowances	(146)	-
At 31 December	8,736	5,535
Stage 1 and 2 loss allowance		
At 1 January	5,786	2,618
(Write back) / Allowances for impairment losses during the period	(2,129)	2,436
At 30 June	3,657	5,054
(Write back) / Allowances for impairment losses during the period	(491)	732
At 31 December	3,166	5,786
Total allowances for impairment on loans and advances		
At 1 January	11,321	5,958
At 30 June	8,683	7,744
At 31 December	11,902	11,321

15. Property, plant and equipment

During the six months ended 31 December 2021, the Group acquired assets amounting to \$536,817 (2nd Half 2020: Nil) and disposed of assets amounting to Nil (2nd Half 2020: \$37,410).

During the year 2021, the Group acquired assets amounting to \$810,833 (2020: \$1,056,464) and disposed of assets amounting to \$6,229 (2020: \$37,410).

16. Investment properties

	Group and Company		Group and Company	
	2 nd Half 2021	2 nd Half 2020	Year 2021	Year 2020
	\$'000	\$'000	\$'000	\$'000
At cost:				
At beginning of period	28,794	28,794	28,794	28,794
Accumulated depreciation:				
At beginning of period	6,796	6,418	6,607	6,229
Depreciation charge	189	189	378	378
At the end of December	6,985	6,607	6,985	6,607
Carrying amount:				
At the end of December	21,809	22,186	21,809	22,186

The investment properties relate to the office spaces at the head office and part of the premise at the Bedok Branch which are leased to a related party and third parties for rental. Each of the leases contains an initial non-cancellable period of 2 to 3 years. Subsequent renewals are negotiated with the lessee.

16. Investment properties (continue)

Fair value measurement of the Group's leasehold land and buildings

The Group's land and buildings are stated at cost less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at every year end, based on the property's highest and best use. There has been no significant change to the fair value as described in the annual financial statements for 2020 and based on the fair value hierarchy, it is considered in the Level 2 hierarchy.

17. Borrowings from MAS

	Group and Company	
	31 Dec 2021	31 Dec 2020
	\$'000	\$'000
Due within 12 months	136,090	-
Due after 12 months	54,716	147,168
	<u>190,806</u>	<u>147,168</u>

Borrowings from MAS represents amounts advanced by MAS to the Group in order to partially finance the Enterprise Singapore ("ESG") loan schemes for Small and Medium Enterprises ("SMEs"), administered by Enterprise Singapore. The ESG Loan Schemes comprise the Enhanced Enterprise Financing Scheme - SME Working Capital Loan ("EFS-WCL") and the Temporary Bridging Loan Programme ("TBLP").

18. Borrowing from Enterprise Singapore

	Group and Company	
	31 Dec 2021	31 Dec 2020
	\$'000	\$'000
Due within 12 months	803	3,658
Due after 12 months	315	1,012
	<u>1,118</u>	<u>4,670</u>

Enterprise Singapore loans represent amounts advanced by Enterprise Singapore under the Local Enterprise Finance Scheme ("LEFS") and Extended Local Enterprise Finance Scheme ("ELEFS") to finance LEFS and ELEFS borrowers. The interest rates and repayment periods vary in accordance with the type, purpose and security of the facilities granted under the above schemes.

19. Share capital

	Group and Company			
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	No. of shares ('000)	No. of shares ('000)	\$'000	\$'000
Issued and fully paid:	157,626	157,626	180,008	180,008

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

20. Reserves

	Group		Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	\$'000	\$'000	\$'000	\$'000
Statutory reserve	128,723	120,864	128,723	120,864
Fair value reserve	6,167	13,771	5,996	13,580
Accumulated profits	79,151	62,881	78,766	62,494
Regulatory loss allowance reserve	11,716	9,940	11,716	9,940
	<u>225,757</u>	<u>207,456</u>	<u>225,201</u>	<u>206,878</u>

The statutory reserve is maintained in compliance with the provision of Section 18 of the Finance Companies Act, Chapter 108.

The fair value reserve comprises the cumulative net change in the fair value of FVOCI investments until such investments are disposed.

The regulatory loss allowance reserve is maintained in compliance with the MAS Notice to Finance Companies No. 811 "Credit Files, Grading and Provisioning" issued by the Monetary Authority of Singapore.

21. Related company and related party transactions

There were no changes in the related party transactions described in the Annual Report 2020 that have had a material effect on the financial position or performance of the Group in the year ended 31 December 2021. All related party transactions that have taken place in the period were similar in nature to those disclosed in the Annual Report 2020.

The transactions with directors of the Company and other related parties are as follows:

	Group and Company	
	31 Dec 2021	31 Dec 2020
	\$'000	\$'000
(a) Deposits for the year	17,601	8,360
(b) Profit or loss transactions for the year		
- Interest expenses on deposits	33	153
- Professional fee	13	6
- Rental income	232	187

22. Contingent liabilities

Commitments entered into by the Group and the Company on behalf of customers for which customers have corresponding obligations to the Group and the Company and for the Group and the Company's operational requirements are as follows:

	Group and Company	
	31 Dec 2021	31 Dec 2020
	\$'000	\$'000
Guarantees issued and financing of goods imported	7,730	1,844

As at 31 December 2021, guarantees issued for the Group and the Company's operational requirements amounted to Nil (Dec 2020 : \$14,185). These contingent liabilities are not secured on any of the Group's assets and not included on the statements of financial position of the Group and Company in accordance with the Group's accounting policy.



23. Net asset value

	Group		Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	\$	\$	\$	\$
Net asset value per ordinary share	2.57	2.46	2.57	2.45

24. Subsequent events

There are no known subsequent events which have led to adjustments to this set of condensed financial statements.

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 2021, 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 2021 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 73.3% of the Group's total assets. SFRS(I) 9 Financial Instruments requires the Group to recognise Expected Credit Losses ("ECL") on these loans and advances. As at 31 December 2021, the expected credit losses on non-credit-impaired loans and advances was \$3.17 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, loss given default, and post model adjustments to account for limitations in the ECL models.</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 specialists to assist us in understanding and evaluating the appropriateness 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 2021, the loss allowances for impaired loans was \$8.74 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 recoverable values of collaterals and other sources of repayment.
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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, Performance Review, 5 Years Financial Summary, Directors' Statement, Board of Directors and Additional Information, 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, and Statistics of Shareholdings, 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, and Statistics of Shareholdings, 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 Jeremy Phua.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

24 February 2022