

SECURITIES AND FUTURES ACT 2001

SECURITIES AND FUTURES (FINANCIAL AND MARGIN
REQUIREMENTS FOR HOLDERS OF CAPITAL MARKETS
SERVICES LICENCES) REGULATIONS (Rg 13)

REGULATION 27(8)

**AUDITOR'S REPORT - FOR A HOLDER OF A
CAPITAL MARKETS SERVICES LICENCE**

FORM

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Name of holder of the capital markets services (CMS) licence: _____ (the "Company")

Financial year ended: _____

- 1 We have audited the financial statements of the Company, which comprise the statement of financial position as at _____(DD/MM/YYYY), and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year/period* then ended, and notes to the financial statements, including a summary of significant accounting policies. These financial statements are prepared in accordance with the provisions of the Singapore Companies Act 1967 and the Singapore Financial Reporting Standards. The financial statements are the responsibility of the Company's directors and chief executive officer. Our audit report on these financial statements was issued on _____ (DD/MM/YYYY).
- 2 Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and reasonableness of accounting estimates made by the management, as well as an evaluation of the overall presentation of the financial statements. In this connection, we have reviewed the Company's accounting system and system of internal controls, and reliance has been placed on internal controls, where appropriate. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.
- 3 It is the responsibility of the Company's directors and chief executive officer to ensure that its operations are conducted in accordance with the laws and regulations of Singapore. The

responsibility for the prevention and detection of non-compliance with such laws and regulations rests with the Company's directors and chief executive officer. During the course of our audit, apart from the matters referred to in our management letter submitted together with this form, if any, nothing has come to our attention to cause us to believe that:

- (a) the accounting and other records kept by the Company do not comply with section 102 of the Securities and Futures Act 2001;
- (b) the internal control systems of the Company referred to in paragraph 2 are inadequate having regard to the nature and size of the business of the Company;
- (c) the internal control procedures designed to ensure compliance with all the conditions or restrictions applicable to the Company's licence are inadequate;
- (d) the trust account has not been maintained at all times during the financial year in accordance with sections 104 and 104A of the Securities and Futures Act 2001 and the records therefore are inadequate;
- (e) proper records have not been maintained in relation to the safe custody of the customers' securities and assets;
- (f) adequate internal control procedures have not been implemented to minimise the risk of material losses from the mishandling and misappropriation of customers' securities and assets;
- (g) the applicable financial requirements prescribed under the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations have not been complied with;
- (h) the conditions and restrictions stated in the CMS licence issued by the Authority to the Company have not been complied with;
- (i) there is any matter which adversely affects or may adversely affect the financial position of the Company to a material extent; and
- (j) there is any matter which, appears to us, to constitute or may constitute a contravention of Parts IV, V, VI and VII of the Securities and Futures Act 2001, any subsidiary legislation or any direction promulgated by the Authority under these Parts, or an offence, which appears to us, to be one involving fraud or dishonesty.

4 The Company has placed restrictions/no restrictions* on the scope of the audit and all the information and explanation required were/were not* received.

_____ (Signature)

_____ (Firm)

Public Accountants and Chartered Accountants
Singapore

_____ (Date)

* Delete whichever is inapplicable