

## First Quarter Financial Statements Announcement

The Directors of Singapura Finance Ltd are pleased to announce the first quarter financial statements on consolidated results for the period ended 30 September 2015. These figures have not been audited or reviewed by the Auditors.

### 1(a) Unaudited Group Results for the Quarter ended 30 September 2015

	1st Quarter Sep 2015	1st Quarter Sep 2014	+ / (-)
	\$'000	\$'000	%
Interest income and hiring charges	8,959	7,336	22.1
Interest expense	(2,985)	(2,052)	45.5
<b>Net interest and hiring charges</b>	<b>5,974</b>	<b>5,284</b>	<b>13.1</b>
Fee and commission income	283	216	31.0
Dividend income	23	133	(82.7)
Other operating income	103	116	(11.2)
<b>Income before operating expenses</b>	<b>6,383</b>	<b>5,749</b>	<b>11.0</b>
Staff costs	(2,531)	(2,278)	11.1
Depreciation of property, plant and equipment	(177)	(154)	14.9
Other operating expenses	(2,212)	(1,389)	59.3
Total operating expenses	(4,920)	(3,821)	28.8
<b>Profit from operations before allowances</b>	<b>1,463</b>	<b>1,928</b>	<b>(24.1)</b>
(Allowances) / Write-back on loan losses (net)	(575)	50	n.m.
<b>Profit before tax</b>	<b>888</b>	<b>1,978</b>	<b>(55.1)</b>
Tax expense	(145)	(332)	(56.3)
<b>Profit after tax</b>	<b>743</b>	<b>1,646</b>	<b>(54.9)</b>

n.m. – not meaningful

### 1(b) Earnings per ordinary share of the group (annualised):-

	1st Quarter Sep 2015	1st Quarter Sep 2014
Based on the weighted average number of ordinary shares in issue (cents); and	1.87	6.87
On a fully diluted basis (cents)	1.87	6.87

#### Note

The Group's basic earnings per share is calculated based on the weighted average number of ordinary shares in issue of 158,685,890 (30 September 2014: previously reported as 79,342,945, currently restated to 95,839,993 following the Rights Issue in December 2014) shares.

There are no potential dilutive ordinary shares for the periods ended 30 September 2015 and 2014.

**1(c) Unaudited Group Statement of Comprehensive Income for the Quarter ended 30 September 2015**

	<b>1st Quarter Sep 2015</b>	1st Quarter Sep 2014	+ / (-)
	<b>\$'000</b>	\$'000	%
<b>Profit for the period</b>	<b>743</b>	1,646	(54.9)
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Net change in fair value of available-for-sale investments	<b>(100)</b>	(1,352)	(92.6)
Net change in fair value of available-for-sale investments reclassified to profit or loss	-	-	n.m.
Tax on items that may be reclassified subsequently to profit or loss	<b>17</b>	229	(92.6)
<b>Other comprehensive income for the period, net of tax</b>	<b>(83)</b>	(1,123)	(92.6)
<b>Total comprehensive income for the period</b>	<b>660</b>	523	26.2

n.m. – not meaningful

**2(a) Balance Sheets**

	<b>Group</b>		<b>Company</b>	
	<b>30-Sep-15</b>	30-Jun-15	<b>30-Sep-15</b>	30-Jun-15
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>Assets</b>				
Cash and cash equivalents	<b>103,283</b>	140,625	<b>103,254</b>	140,589
Statutory deposit with the Monetary Authority of Singapore	<b>25,551</b>	24,358	<b>25,551</b>	24,358
Investments	<b>122,097</b>	122,512	<b>122,097</b>	122,512
Loans and advances	<b>939,324</b>	935,483	<b>939,324</b>	935,483
Others receivables, deposits and prepayments	<b>6,144</b>	6,168	<b>6,118</b>	6,168
Subsidiaries	-	-	<b>125</b>	125
Property, plant and equipment	<b>8,705</b>	8,667	<b>8,705</b>	8,667
<b>Total assets</b>	<b>1,205,104</b>	1,237,813	<b>1,205,174</b>	1,237,902
<b>Equity</b>				
Share capital	<b>168,896</b>	168,896	<b>168,896</b>	168,896
Reserves	<b>80,343</b>	79,683	<b>78,491</b>	77,862
<b>Total equity attributable to owners of the Company</b>	<b>249,239</b>	248,579	<b>247,387</b>	246,758
<b>Liabilities</b>				
Deposits and savings accounts of customers	<b>943,934</b>	978,143	<b>946,077</b>	980,285
Trade and other payables	<b>9,891</b>	9,049	<b>9,672</b>	8,823
Current tax liabilities	<b>744</b>	655	<b>742</b>	649
Staff retirement gratuities	<b>1,223</b>	1,350	<b>1,223</b>	1,350
Deferred tax liabilities	<b>73</b>	37	<b>73</b>	37
<b>Total liabilities</b>	<b>955,865</b>	989,234	<b>957,787</b>	991,144
<b>Total equity and liabilities</b>	<b>1,205,104</b>	1,237,813	<b>1,205,174</b>	1,237,902

**2(b) Net Asset Value**

Net asset value per ordinary share (\$)	<b>1.57</b>	1.57	<b>1.56</b>	1.56
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The net asset value per share is calculated based on the number of shares of 158,685,890 ordinary shares in issue at the end of 30 September 2015 and 30 June 2015.

### 3 Consolidated Cash Flow Statement

	<b>1<sup>st</sup> Quarter Sep 2015</b>	<b>1<sup>st</sup> Quarter Sep 2014</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Profit for the period	743	1,646
<u>Adjustments for:-</u>		
Depreciation of property, plant and equipment	177	154
Allowances / (Write-back) on loan losses (net)	575	(50)
Dividend income	(23)	(133)
Staff retirement gratuity	23	24
Tax expense	145	332
	<b>1,640</b>	<b>1,973</b>
<u>Changes in:</u>		
Statutory deposit with Monetary Authority of Singapore	(1,193)	(741)
Loans and advances	(4,416)	(40,006)
Other receivables, deposits and prepayments	24	(320)
Deposits and savings accounts of customers	(34,209)	85,483
Trade and other payables	842	578
<b>Cash (used in) / from operating activities</b>	<b>(37,312)</b>	<b>46,967</b>
Taxes paid	(4)	(6)
Staff retirement gratuities paid	(150)	-
<b>Net cash (used in) / from operating activities</b>	<b>(37,466)</b>	<b>46,961</b>
<b>Cash flows from investing activities</b>		
Dividends received	23	133
Purchase of property, plant and equipment	(215)	(79)
Purchase of investments	(10,984)	(5,154)
Proceeds from sale and maturity of investments	11,300	3,359
<b>Net cash from / (used in) investing activities</b>	<b>124</b>	<b>(1,741)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(37,342)</b>	<b>45,220</b>
Cash and cash equivalents at beginning of period	<b>140,625</b>	<b>82,060</b>
<b>Cash and cash equivalents at end of period</b>	<b>103,283</b>	<b>127,280</b>

#### 4(a) Statements of Changes in Equity – Group

	Share Capital \$'000	Capital Reserve \$'000	Statutory Reserve \$'000	Fair Value Reserve \$'000	General Reserve \$'000	Accumulated Profits \$'000	Total \$'000
<b>The Group</b>							
<b>At 1 Jul 2015</b>	<b>168,896</b>	<b>1,353</b>	<b>61,178</b>	<b>(2,649)</b>	<b>730</b>	<b>19,071</b>	<b>248,579</b>
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	743	743
<b>Other comprehensive income</b>							
<b>Items that may be reclassified subsequently to profit or loss:</b>							
Net change in fair value of available-for-sale investments	-	-	-	(100)	-	-	(100)
Net change in fair value of available-for-sale investments reclassified to profit or loss	-	-	-	-	-	-	-
Tax on items that may be reclassified subsequently to profit or loss	-	-	-	17	-	-	17
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(83)</b>	<b>-</b>	<b>-</b>	<b>(83)</b>
Total comprehensive income for the period	-	-	-	(83)	-	743	660
<b>At 30 Sep 2015</b>	<b>168,896</b>	<b>1,353</b>	<b>61,178</b>	<b>(2,732)</b>	<b>730</b>	<b>19,814</b>	<b>249,239</b>
<b>The Group</b>							
<b>At 1 Jul 2014</b>	<b>90,065</b>	<b>1,353</b>	<b>58,944</b>	<b>(1,550)</b>	<b>730</b>	<b>20,729</b>	<b>170,271</b>
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	1,646	1,646
<b>Other comprehensive income</b>							
<b>Items that may be reclassified subsequently to profit or loss:</b>							
Net change in fair value of available-for-sale investments	-	-	-	(1,352)	-	-	(1,352)
Net change in fair value of available-for-sale investments reclassified to profit or loss	-	-	-	-	-	-	-
Tax on items that may be reclassified subsequently to profit or loss	-	-	-	229	-	-	229
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,123)</b>	<b>-</b>	<b>-</b>	<b>(1,123)</b>
Total comprehensive income for the period	-	-	-	(1,123)	-	1,646	523
<b>At 30 Sep 2014</b>	<b>90,065</b>	<b>1,353</b>	<b>58,944</b>	<b>(2,673)</b>	<b>730</b>	<b>22,375</b>	<b>170,794</b>

#### 4(b) Statements of Changes in Equity – Company

	Share Capital \$'000	Capital Reserve \$'000	Statutory Reserve \$'000	Fair Value Reserve \$'000	General Reserve \$'000	Accumulated Profits \$'000	Total \$'000
<b>The Company</b>							
<b>At 1 Jul 2015</b>	<b>168,896</b>	<b>1,353</b>	<b>61,178</b>	<b>(2,649)</b>	<b>730</b>	<b>17,250</b>	<b>246,758</b>
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	712	712
<b>Other comprehensive income</b>							
<b>Items that may be reclassified subsequently to profit or loss:</b>							
Net change in fair value of available-for-sale investments	-	-	-	(100)	-	-	(100)
Net change in fair value of available-for-sale investments reclassified to profit or loss	-	-	-	-	-	-	-
Tax on items that may be reclassified subsequently to profit or loss	-	-	-	17	-	-	17
Total other comprehensive income	-	-	-	(83)	-	-	(83)
Total comprehensive income for the period	-	-	-	(83)	-	712	629
<b>At 30 Sep 2015</b>	<b>168,896</b>	<b>1,353</b>	<b>61,178</b>	<b>(2,732)</b>	<b>730</b>	<b>17,962</b>	<b>247,387</b>
<b>The Company</b>							
<b>At 1 Jul 2014</b>	<b>90,065</b>	<b>1,353</b>	<b>58,944</b>	<b>(1,550)</b>	<b>730</b>	<b>18,984</b>	<b>168,526</b>
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	1,602	1,602
<b>Other comprehensive income</b>							
<b>Items that may be reclassified subsequently to profit or loss:</b>							
Net change in fair value of available-for-sale investments	-	-	-	(1,352)	-	-	(1,352)
Net change in fair value of available-for-sale investments reclassified to profit or loss	-	-	-	-	-	-	-
Tax on items that may be reclassified subsequently to profit or loss	-	-	-	229	-	-	229
Total other comprehensive income	-	-	-	(1,123)	-	-	(1,123)
Total comprehensive income for the period	-	-	-	(1,123)	-	1,602	479
<b>At 30 Sep 2014</b>	<b>90,065</b>	<b>1,353</b>	<b>58,944</b>	<b>(2,673)</b>	<b>730</b>	<b>20,586</b>	<b>169,005</b>

## **5 Group's borrowings and debt securities**

Nil

## **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 any other purpose since the end of the previous period reported.**

Nil.

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

Not applicable. During the financial period, no shares were held as treasury shares.

## **8 Accounting Policies**

For the current financial period, the Group and the Company have adopted all the relevant new or revised Financial Reporting Standards ("FRS") and interpretations ("INT FRS") which came into effect for the Group and the Company from 1 July 2015.

The adoption of these new or revised FRS and INT FRS does not have any material impact on the financial statements of the Group and the Company for the financial period under review.

The accounting policies and methods of computation adopted in the financial statements for the financial period under review are consistent with those applied in the financial statements for the year ended 30 June 2015.

## **9 Review of the Performance of the Company and its Principal Subsidiaries**

The Group's profit from operations before allowances was \$1.5 million, 24.1% lower vis-à-vis the same period last year. Total income rose by \$0.6 million or 11.0% with higher net interest income partly offset by lower non-interest income. Growth in net interest income was driven mainly by higher loan volume but interest margin has been compressed by increase in cost of deposits. Non-interest income declined largely due to lower dividend income. Operating expenses also increased by \$1.1 million or 28.8% primarily attributed to higher other operating expenses, particularly amortisation of commissions to auto-loan dealers, as well as staff costs.

With the property cooling measures by the Government still in place coupled with the weak loan demand in the current economic climate, loan growth was lacklustre during the quarter ended 30 September 2015. Total loans and advances grew marginally by \$4 million or 0.4% during the last three months, mainly from auto loans. Meanwhile, total deposits declined \$34 million or 3.5% to \$944 million as at 30 September 2015 in an effort to optimise the cash balance and manage our interest expense.

In line with the loan growth during the period, the Group has set aside additional collective allowances at a portfolio level. Additional collective allowances as well as specific allowances resulted in a net charge for loan allowances of \$0.6 million. For the same period last year, there was a net write-back for loan allowances of \$0.1 million. The Group continues to set aside adequate specific and collective allowances for the loan portfolio.

The Group's profit after tax for the financial period ended 30 September 2015 declined by \$0.9 million or 54.9% to \$0.7 million compared to same period last year.

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 the financial period and the date of this announcement.

## **10 Comments on Significant Trends and Competitive Conditions in the Industry**

According to Ministry of Trade and Industry (“MTI”)’s advance GDP estimates on 14 October 2015, the Singapore economy grew by 1.4% on a year-on-year basis in the third quarter of 2015, easing from the 2.0% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 0.1%, narrowly averted a technical recession, primarily supported by the growth in the construction sector. However manufacturing sector remains weak, having contracted for the last two quarters.

Considering the impact of the current regulatory measures on property and car financing as well as the weak economic outlook, the Group expects a challenging time ahead; whereby loan growth will be modest while higher cost of funds is expected to compress the interest margin further. Nevertheless, the Group will continue to be prudent and proactive in seeking new business opportunities and manage our operating expenses closely to remain competitive.

### **11(a) Interim Dividend Recommended for the Current Quarter**

Nil

### **11(b) Interim Dividend Recommended for Previous Corresponding Quarter**

Nil

## **12 Shareholders’ mandate for Interested Party Transactions**

The Group has not sought any shareholders’ mandate for interested person transactions pursuant to Rule 920 of the SGX-ST Listing Manual.

## **13 The Company confirms that it has procured the undertakings required under Rule 720(1) from all its directors and executive officers.**

## **14 Other Matters**

Nil

By Order of the Board

Ngiam May Ling  
Company Secretary

9 November 2015




**CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5)  
OF THE SGX-ST LISTING MANUAL**

We, Teo Chiang Long and Tan Hui Keng, Martha, being two Directors of Singapura Finance Ltd ("the Company"), do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the quarter ended 30 September 2015 financial results to be false or misleading.

On Behalf of the Board of Directors



**Teo Chiang Long**  
Director



**Tan Hui Keng, Martha**  
Director

9 November 2015