

## 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 2014. These figures have not been audited or reviewed by the Auditors.

### 1(a) Unaudited Group Results for the Quarter ended 30 September 2014

	1st Quarter Sep 2014	1st Quarter Sep 2013	+ / (-)
	\$'000	\$'000	%
Interest income and hiring charges	7,336	5,988	22.5
Interest expense	(2,052)	(1,776)	15.5
<b>Net interest and hiring charges</b>	<b>5,284</b>	<b>4,212</b>	<b>25.5</b>
Fee and commission income	216	268	(19.4)
Dividend income	133	325	(59.1)
Gain on sale of investments	-	328	(100.0)
Other operating income	116	89	30.3
<b>Income before operating expenses</b>	<b>5,749</b>	<b>5,222</b>	<b>10.1</b>
Staff costs	(2,278)	(2,106)	8.2
Depreciation of property, plant and equipment	(154)	(178)	(13.5)
Other operating expenses	(1,389)	(1,101)	26.2
Total operating expenses	(3,821)	(3,385)	12.9
<b>Profit from operations before allowances</b>	<b>1,928</b>	<b>1,837</b>	<b>5.0</b>
Write-back / (Allowances) on loan losses (net)	50	(226)	n.m.
Impairment loss on investments	-	(100)	(100.0)
<b>Profit before tax</b>	<b>1,978</b>	<b>1,511</b>	<b>30.9</b>
Tax expense	(332)	(248)	33.9
<b>Profit after tax</b>	<b>1,646</b>	<b>1,263</b>	<b>30.3</b>

n.m. – not meaningful

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

	1st Quarter Sep 2014	1st Quarter Sep 2013
Based on the weighted average number of ordinary shares in issue (cents); and	8.30	6.37
On a fully diluted basis (cents)	8.30	6.37

Note

The basic earnings per share is calculated based on profit after tax on 79,342,945 shares in issue.

There are no potential dilutive ordinary shares for the periods ended 30 September 2014 and 2013.

**1(c) Unaudited Group Statement of Comprehensive Income for the Quarter ended 30 September 2014**

	<b>1st Quarter Sep 2014</b>	1st Quarter Sep 2013	+ / (-)
	<b>\$'000</b>	\$'000	%
<b>Profit for the period</b>	<b>1,646</b>	1,263	30.3
<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>(1,352)</b>	1,344	n.m.
Net change in fair value of available-for-sale investments reclassified to profit or loss			
- on disposal	-	(328)	(100.0)
- on impairment	-	100	100.0
Tax on items that may be reclassified subsequently to profit or loss	<b>229</b>	(190)	n.m.
<b>Other comprehensive income for the period, net of tax</b>	<b>(1,123)</b>	926	n.m.
<b>Total comprehensive income for the period</b>	<b>523</b>	2,189	(76.1)

n.m. – not meaningful

**2(a) Balance Sheets**

	<b>Group</b>		<b>Company</b>	
	<b>30-Sep-14</b>	30-Jun-14	<b>30-Sep-14</b>	30-Jun-14
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>Assets</b>				
Cash and cash equivalents	<b>127,280</b>	82,060	<b>127,176</b>	81,974
Statutory deposit with the Monetary Authority of Singapore	<b>23,588</b>	22,847	<b>23,588</b>	22,847
Investments	<b>118,444</b>	118,001	<b>118,444</b>	118,001
Loans and advances	<b>832,344</b>	792,288	<b>832,344</b>	792,288
Others receivables, deposits and prepayments	<b>4,096</b>	3,776	<b>4,079</b>	3,776
Subsidiaries	-	-	<b>125</b>	125
Property, plant and equipment	<b>8,780</b>	8,855	<b>8,780</b>	8,855
Deferred tax assets	<b>352</b>	123	<b>352</b>	123
<b>Total assets</b>	<b>1,114,884</b>	1,027,950	<b>1,114,888</b>	1,027,989
<b>Equity</b>				
Share capital	<b>90,065</b>	90,065	<b>90,065</b>	90,065
Reserves	<b>80,729</b>	80,206	<b>78,940</b>	78,461
<b>Total equity attributable to owners of the Company</b>	<b>170,794</b>	170,271	<b>169,005</b>	168,526
<b>Liabilities</b>				
Deposits and savings accounts of customers	<b>932,813</b>	847,330	<b>934,829</b>	849,345
Trade and other payables	<b>8,669</b>	8,091	<b>8,450</b>	7,866
Current tax liabilities	<b>1,262</b>	936	<b>1,258</b>	930
Staff retirement gratuities	<b>1,346</b>	1,322	<b>1,346</b>	1,322
<b>Total liabilities</b>	<b>944,090</b>	857,679	<b>945,883</b>	859,463
<b>Total equity and liabilities</b>	<b>1,114,884</b>	1,027,950	<b>1,114,888</b>	1,027,989

**2(b) Net Asset Value**

Net asset value per ordinary share (\$)	<b>2.15</b>	2.15	<b>2.13</b>	2.12
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The net asset value per share is calculated based on the number of shares of 79,342,945 ordinary shares in issue at the end of 30 September 2014 and 30 June 2014.

### 3 Consolidated Cash Flow Statement

	<b>1<sup>st</sup> Quarter Sep 2014</b>	<b>1<sup>st</sup> Quarter Sep 2013</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Profit for the period	1,646	1,263
<u>Adjustments for:-</u>		
Depreciation of property, plant and equipment	154	178
(Write-back) / Allowances on loan losses (net)	(50)	226
Impairment loss on investments	-	100
Gain on sale of investments	-	(328)
Dividend income	(133)	(325)
Staff retirement gratuity	24	24
Tax expense	332	248
	<b>1,973</b>	<b>1,386</b>
<u>Changes in working capital:</u>		
Statutory deposit with Monetary Authority of Singapore	(741)	(516)
Loans and advances	(40,006)	(30,743)
Other receivables, deposits and prepayments	(320)	(217)
Deposits and savings accounts of customers	85,483	18,782
Trade and other payables	578	(4,883)
<b>Cash from / (used in) operating activities</b>	<b>46,967</b>	<b>(16,191)</b>
Taxes paid	(6)	(62)
Staff retirement gratuities paid	-	(48)
<b>Net cash from / (used in) operating activities</b>	<b>46,961</b>	<b>(16,301)</b>
<b>Cash flows from investing activities</b>		
Dividends received	133	325
Purchase of property, plant and equipment	(79)	(3,806)
Purchase of investments	(5,154)	(5,703)
Proceeds from sale and maturity of investments	3,359	29,715
<b>Net cash (used in) / from investing activities</b>	<b>(1,741)</b>	<b>20,531</b>
<b>Net increase in cash and cash equivalents</b>	<b>45,220</b>	<b>4,230</b>
Cash and cash equivalents at beginning of period	82,060	91,236
<b>Cash and cash equivalents at end of period</b>	<b>127,280</b>	<b>95,466</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 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							
- on disposal	-	-	-	-	-	-	-
- on impairment	-	-	-	-	-	-	-
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)	-	1,646	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>
<b>The Group</b>							
<b>At 1 Jul 2013</b>	<b>90,065</b>	<b>1,353</b>	<b>57,519</b>	<b>(3,767)</b>	<b>730</b>	<b>20,326</b>	<b>166,226</b>
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	1,263	1,263
<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	-	-	-	1,344	-	-	1,344
Net change in fair value of available-for-sale investments reclassified to profit or loss							
- on disposal	-	-	-	(328)	-	-	(328)
- on impairment	-	-	-	100	-	-	100
Tax on items that may be reclassified subsequently to profit or loss	-	-	-	(190)	-	-	(190)
Total other comprehensive income	-	-	-	926	-	-	926
Total comprehensive income for the period	-	-	-	926	-	1,263	2,189
<b>At 30 Sep 2013</b>	<b>90,065</b>	<b>1,353</b>	<b>57,519</b>	<b>(2,841)</b>	<b>730</b>	<b>21,589</b>	<b>168,415</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 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							
- on disposal	-	-	-	-	-	-	-
- on impairment	-	-	-	-	-	-	-
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>
<b>The Company</b>							
<b>At 1 Jul 2013</b>	<b>90,065</b>	<b>1,353</b>	<b>57,519</b>	<b>(3,767)</b>	<b>730</b>	<b>18,678</b>	<b>164,578</b>
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	1,192	1,192
<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	-	-	-	1,344	-	-	1,344
Net change in fair value of available-for-sale investments reclassified to profit or loss							
- on disposal	-	-	-	(328)	-	-	(328)
- on impairment	-	-	-	100	-	-	100
Tax on items that may be reclassified subsequently to profit or loss	-	-	-	(190)	-	-	(190)
Total other comprehensive income	-	-	-	926	-	-	926
Total comprehensive income for the period	-	-	-	926	-	1,192	2,118
<b>At 30 Sep 2013</b>	<b>90,065</b>	<b>1,353</b>	<b>57,519</b>	<b>(2,841)</b>	<b>730</b>	<b>19,870</b>	<b>166,696</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 2014.

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 2014.

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

The Group recorded a profit after tax of \$1.6 million for the first quarter ended 30 September 2014, an improvement of 30.3% compared to \$1.3 million for the same period last year. The stronger performance was mainly attributed to a net write-back of loan allowances and absence of impairment loss on investments.

Profit from operations before allowances was \$1.9 million, 5.0% higher vis-à-vis the same period last year. This was attributed to higher net interest income which was partially offset by lower non-interest income and increase in the operating expenses.

Net interest income grew by 25.5% driven primarily by higher loan yield and volume while non-interest income declined 54.0% mainly due to lower gain on sale of investments and dividend income. Total operating expenses increased by \$0.4 million, attributed largely by higher staff costs and other operating expenses, particularly amortisation of commissions to auto-loan dealers.

Total loans and advances grew \$40 million or 5.1% during the first quarter of this financial year. In tandem with the higher loan balance, total deposits also increased \$85 million or 10.1% to \$933 million as at 30 September 2014.

In line with the loan growth during the period, the Group has set aside additional collective allowances at a portfolio level. The additional collective allowances were cushioned by write back of individual allowances, resulting in a net write-back \$0.1 million for loan allowances. For the same period last year, there was a net charge for loan allowances of \$0.2 million. The

Group continues to set aside adequate individual and collective allowances for its loan portfolio.

During the same period last year, an impairment loss on investments of \$0.1 million was made due to prolonged decline in the market value of a quoted equity investment. No impairment loss on investments is made this quarter.

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 2014, the Singapore economy grew by 2.4% on a year-on-year basis in the third quarter of 2014, the same pace of growth as in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded 1.2%, a reversal from the 0.1% contraction in previous quarter, primarily supported by the growth in the manufacturing sector. However for construction sector on a quarter-on-quarter basis, it has contracted for the last two quarters.

Against the backdrop of slowdown in the construction sector and the continual impact of the prudent measures taken by the Government on the financing of property loans, as well as the uncertainties in the global macroeconomic environment and escalating geopolitical tensions, the Group will continue to be prudent and proactive in seeking new business opportunities. The Group will also be actively managing our operating expenses 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 Other Matters**

Nil

By Order of the Board

Nguy Jootian  
Company Secretary

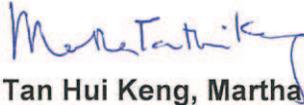
3 November 2014

**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 2014 financial results to be false or misleading.

On Behalf of the Board of Directors

  
**Teo Chiang Long**  
Director

  
**Tan Hui Keng, Martha**  
Director

3 November 2014