



## Half Year Financial Statements Announcement

The Directors of Singapore Finance Ltd are pleased to announce the second quarter and half year financial statements on consolidated results for the period ended 31 December 2014. These figures have not been audited or reviewed by the Auditors.

### 1 (a) Unaudited Group Results for the Second Quarter and Half Year ended 31 December 2014

	2 <sup>nd</sup> Quarter Dec 2014	2 <sup>nd</sup> Quarter Dec 2013	+ / (-)	1 <sup>st</sup> Half Dec 2014	1 <sup>st</sup> Half Dec 2013	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Interest income and hiring charges	7,930	6,246	27.0	15,266	12,234	24.8
Interest expense	(2,312)	(1,747)	32.3	(4,364)	(3,523)	23.9
<b>Net interest and hiring charges</b>	<b>5,618</b>	<b>4,499</b>	<b>24.9</b>	<b>10,902</b>	<b>8,711</b>	<b>25.2</b>
Fee and commission income	208	222	(6.3)	424	490	(13.5)
Dividend income	101	131	(22.9)	234	456	(48.7)
(Loss)/Gain on sale of investments	(53)	-	n.m.	(53)	328	(116.2)
Other operating income	99	92	7.6	215	181	18.8
<b>Income before operating expenses</b>	<b>5,973</b>	<b>4,944</b>	<b>20.8</b>	<b>11,722</b>	<b>10,166</b>	<b>15.3</b>
Staff costs	(2,106)	(1,839)	14.5	(4,384)	(3,945)	11.1
Depreciation of property, plant and equipment	(164)	(165)	(0.6)	(318)	(343)	(7.3)
Other operating expenses	(1,777)	(1,237)	43.7	(3,166)	(2,338)	35.4
<b>Total operating expenses</b>	<b>(4,047)</b>	<b>(3,241)</b>	<b>24.9</b>	<b>(7,868)</b>	<b>(6,626)</b>	<b>18.7</b>
<b>Profit from operations before allowances</b>	<b>1,926</b>	<b>1,703</b>	<b>13.1</b>	<b>3,854</b>	<b>3,540</b>	<b>8.9</b>
Allowances on loan losses (net)	(80)	(3)	n.m.	(30)	(229)	86.9
Impairment loss on investments	-	-	n.m.	-	(100)	100.0
<b>Profit before tax</b>	<b>1,846</b>	<b>1,700</b>	<b>8.6</b>	<b>3,824</b>	<b>3,211</b>	<b>19.1</b>
Tax expense	(313)	(288)	8.7	(645)	(536)	20.3
<b>Profit after tax</b>	<b>1,533</b>	<b>1,412</b>	<b>8.6</b>	<b>3,179</b>	<b>2,675</b>	<b>18.8</b>

n.m. – not meaningful

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

	2 <sup>nd</sup> Quarter Dec 2014	2 <sup>nd</sup> Quarter Dec 2013	1 <sup>st</sup> Half Dec 2014	1 <sup>st</sup> Half Dec 2013
Based on the weighted average number of ordinary shares in issue (cents); and	5.33	5.89	6.03	5.58
On a fully diluted basis (cents)	5.33	5.89	6.03	5.58

#### Note

The Group's basic earnings per share is calculated based on the weighted average number of ordinary shares in issue of 105,403,499 (1<sup>st</sup> Half) and 114,967,005 (2<sup>nd</sup> Quarter) (1<sup>st</sup> Half and 2<sup>nd</sup> Quarter ended 31 December 2013 : 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 31 December 2014 and 2013.

**1(c) Unaudited Group Statement of Comprehensive Income for the Second Quarter and Half Year ended 31 December 2014**

	<b>2<sup>nd</sup> Quarter Dec 2014</b>	<b>2<sup>nd</sup> Quarter Dec 2013</b>	<b>+ / (-)</b>	<b>1<sup>st</sup> Half Dec 2014</b>	<b>1<sup>st</sup> Half Dec 2013</b>	<b>+ / (-)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b>Profit for the period</b>	<b>1,533</b>	1,412	8.6	<b>3,179</b>	2,675	18.8
<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>406</b>	(1,232)	n.m.	<b>(946)</b>	112	n.m.
Net change in fair value of available-for-sale investments reclassified to profit or loss						
- on disposal	<b>53</b>	-	n.m.	<b>53</b>	(328)	n.m.
- on impairment	-	-	n.m.	-	100	(100.0)
Tax on items that may be reclassified subsequently to profit or loss	<b>(77)</b>	209	n.m.	<b>152</b>	19	700.0
<b>Other comprehensive income for the period, net of tax</b>	<b>382</b>	(1,023)	n.m.	<b>(741)</b>	(97)	663.9
<b>Total comprehensive income for the period</b>	<b>1,915</b>	389	392.3	<b>2,438</b>	2,578	(5.4)

n.m. – not meaningful

**2(a) Balance Sheets**

	<b>Group</b>		<b>Company</b>	
	<b>31-Dec-14</b>	<b>30-Jun-14</b>	<b>31-Dec-14</b>	<b>30-Jun-14</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Assets</b>				
Cash and cash equivalents	<b>180,015</b>	82,060	<b>179,893</b>	81,974
Statutory deposit with the Monetary Authority of Singapore	<b>24,468</b>	22,847	<b>24,468</b>	22,847
Investments	<b>122,441</b>	118,001	<b>122,441</b>	118,001
Loans and advances	<b>870,260</b>	792,288	<b>870,260</b>	792,288
Others receivables, deposits and prepayments	<b>5,179</b>	3,776	<b>5,179</b>	3,776
Subsidiaries	-	-	<b>125</b>	125
Property, plant and equipment	<b>8,762</b>	8,855	<b>8,762</b>	8,855
Deferred tax assets	<b>106</b>	123	<b>106</b>	123
<b>Total assets</b>	<b>1,211,231</b>	1,027,950	<b>1,211,234</b>	1,027,989
<b>Equity</b>				
Share capital	<b>168,896</b>	90,065	<b>168,896</b>	90,065
Reserves	<b>78,677</b>	80,206	<b>76,884</b>	78,461
<b>Total equity attributable to owners of the Company</b>	<b>247,573</b>	170,271	<b>245,780</b>	168,526
<b>Liabilities</b>				
Deposits and savings accounts of customers	<b>950,748</b>	847,330	<b>952,763</b>	849,345
Trade and other payables	<b>10,571</b>	8,091	<b>10,356</b>	7,866
Current tax liabilities	<b>1,000</b>	936	<b>996</b>	930
Staff retirement gratuities	<b>1,339</b>	1,322	<b>1,339</b>	1,322
<b>Total liabilities</b>	<b>963,658</b>	857,679	<b>965,454</b>	859,463
<b>Total equity and liabilities</b>	<b>1,211,231</b>	1,027,950	<b>1,211,234</b>	1,027,989

**2(b) Net Asset Value**

Net asset value per ordinary share (\$)	<b>1.56</b>	2.15	<b>1.55</b>	2.12
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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 31 December 2014 (30 June 2014 : 79,342,945).

### 3. Consolidated Cash Flow Statement

	2 <sup>nd</sup> Quarter Dec 2014	2 <sup>nd</sup> Quarter Dec 2013	1 <sup>st</sup> Half Dec 2014	1 <sup>st</sup> Half Dec 2013
	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>				
Profit for the period	1,533	1,412	3,179	2,675
<u>Adjustments for:-</u>				
Depreciation of property, plant and equipment	164	165	318	343
Property, plant and equipment written off	6	3	6	3
Allowances on loan losses (net)	80	3	30	229
Impairment loss on investments	-	-	-	100
Loss/(Gain) on sale of investments	53	-	53	(328)
Dividend income	(101)	(131)	(234)	(456)
Staff retirement gratuities	23	23	47	47
Tax expense	313	288	645	536
	2,071	1,763	4,044	3,149
<u>Changes in working capital:</u>				
Statutory deposit with Monetary Authority of Singapore	(880)	(138)	(1,621)	(654)
Loans and advances	(37,996)	1,580	(78,002)	(29,163)
Other receivables, deposits and prepayments	(1,083)	(930)	(1,403)	(1,147)
Deposits and savings accounts of customers	17,935	(13,396)	103,418	5,386
Trade and other payables	1,902	(474)	2,480	(5,357)
Cash (used in)/from operations	(18,051)	(11,595)	28,916	(27,786)
Taxes paid	(407)	(480)	(413)	(542)
Staff retirement gratuities paid	(30)	-	(30)	(48)
<b>Net cash flows (used in)/from operating activities</b>	<b>(18,488)</b>	<b>(12,075)</b>	<b>28,473</b>	<b>(28,376)</b>
<b>Cash flows from investing activities</b>				
Dividends received	101	131	234	456
Purchase of property, plant and equipment	(152)	(61)	(231)	(3,867)
Purchase of investments	(6,991)	(4,996)	(12,145)	(10,699)
Proceeds from sale and maturity of investments	3,401	355	6,760	30,070
<b>Net cash flows (used in)/from investing activities</b>	<b>(3,641)</b>	<b>(4,571)</b>	<b>(5,382)</b>	<b>15,960</b>
<b>Cash flows from financing activities</b>				
Net proceeds from rights issue	78,831	-	78,831	-
Dividends paid	(3,967)	(3,967)	(3,967)	(3,967)
<b>Net cash flows from/(used in) financing activities</b>	<b>74,864</b>	<b>(3,967)</b>	<b>74,864</b>	<b>(3,967)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>52,735</b>	<b>(20,613)</b>	<b>97,955</b>	<b>(16,383)</b>
Cash and cash equivalents at beginning of period	127,280	95,466	82,060	91,236
<b>Cash and cash equivalents at end of period</b>	<b>180,015</b>	<b>74,853</b>	<b>180,015</b>	<b>74,853</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>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	1,533	1,533
<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	-	-	-	406	-	-	406
Net change in fair value of available-for-sale investments reclassified to profit or loss							
- on disposal	-	-	-	53	-	-	53
- on impairment	-	-	-	-	-	-	-
Tax on items that may be reclassified subsequently to profit or loss	-	-	-	(77)	-	-	(77)
Total other comprehensive income	-	-	-	382	-	-	382
Total comprehensive income for the period	-	-	-	382	-	1,533	1,915
<b>Transaction with owners, recorded directly in equity</b>							
Final dividend paid of 5 cents per share in respect of year 2014	-	-	-	-	-	(3,967)	(3,967)
Issue of Rights Shares	78,831	-	-	-	-	-	78,831
<b>At 31 Dec 2014</b>	<b>168,896</b>	<b>1,353</b>	<b>58,944</b>	<b>(2,291)</b>	<b>730</b>	<b>19,941</b>	<b>247,573</b>

	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>							
At 1 Jul 2013	90,065	1,353	57,519	(3,767)	730	20,326	166,226
<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
At 30 Sep 2013	90,065	1,353	57,519	(2,841)	730	21,589	168,415
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	1,412	1,412
<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	-	-	-	(1,232)	-	-	(1,232)
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	-	-	-	209	-	-	209
Total other comprehensive income	-	-	-	(1,023)	-	-	(1,023)
Total comprehensive income for the period	-	-	-	(1,023)	-	1,412	389
<b>Transaction with owners, recorded directly in equity</b>							
Final dividend paid of 5 cents per share in respect of year 2013	-	-	-	-	-	(3,967)	(3,967)
At 31 Dec 2013	90,065	1,353	57,519	(3,864)	730	19,034	164,837

#### 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>							
At 1 Jul 2014	90,065	1,353	58,944	(1,550)	730	18,984	168,526
<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
At 30 Sep 2014	90,065	1,353	58,944	(2,673)	730	20,586	169,005
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	1,529	1,529
<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	-	-	-	406	-	-	406
Net change in fair value of available-for-sale investments reclassified to profit or loss							
- on disposal	-	-	-	53	-	-	53
- on impairment	-	-	-	-	-	-	-
Tax on items that may be reclassified subsequently to profit or loss	-	-	-	(77)	-	-	(77)
Total other comprehensive income	-	-	-	382	-	-	382
Total comprehensive income for the period	-	-	-	382	-	1,529	1,911
<b>Transaction with owners, recorded directly in equity</b>							
Final dividend paid of 5 cents per share in respect of year 2014	-	-	-	-	-	(3,967)	(3,967)
Issue of Rights Shares	78,831	-	-	-	-	-	78,831
At 31 Dec 2014	168,896	1,353	58,944	(2,291)	730	18,148	245,780

	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 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>
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	1,404	1,404
<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	-	-	-	(1,232)	-	-	(1,232)
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	-	-	-	209	-	-	209
Total other comprehensive income	-	-	-	(1,023)	-	-	(1,023)
Total comprehensive income for the period	-	-	-	(1,023)	-	1,404	381
<b>Transaction with owners, recorded directly in equity</b>							
Final dividend paid of 5 cents per share in respect of year 2013	-	-	-	-	-	(3,967)	(3,967)
<b>At 31 Dec 2013</b>	<b>90,065</b>	<b>1,353</b>	<b>57,519</b>	<b>(3,864)</b>	<b>730</b>	<b>17,307</b>	<b>163,110</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.**

On 4 December 2014, 79,342,945 shares were issued at the price of \$1.00 per share pursuant to the Company's Right Issue exercise.

**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 registered a profit from operations before allowances of \$1.9 million for the quarter under review, an increase of 13.1% compared to the previous corresponding quarter. The stronger performance was mainly due to improvement in net interest income partially offset by higher total operating expenses.

For the half year ended 31 December 2014, the Group's operating profit before allowances improved by 8.9% to \$3.9 million vis-à-vis the same period last year. Total income grew by \$1.6 million or 15.3% partially offset by increase in operating expenses by \$1.2 million or 18.7%. Net interest income grew by 25.2% driven primarily by higher loan yield and volume while non-interest income declined 43.6% mainly due to lower gain on sale of investments and dividend income. Total operating expenses increased, largely attributed to higher staff costs and other operating expenses, particularly amortisation of commissions to auto-loan dealers.

Total loans and advances grew by \$78 million or 9.8% in the first half of the financial year. In tandem with the higher loan balances, total deposits also increased by \$103 million or 12.2% to \$951 million as at 31 December 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 partially cushioned by write-back of individual allowances, resulting in a \$0.03 million charge 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.

No impairment loss on investments was made as the impaired investment was disposed of during the financial period under review.

The Group's profit after tax for the half year ended 31 December 2014 grew by \$0.5 million or 18.8% to \$3.2 million compared to the same period last year.

Arising from the successful completion of rights issue in December 2014, share capital was strengthened by \$78.8 million to \$168.9 million as at the end of 31 December 2014.

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 2 January 2015, the Singapore economy grew 1.5% on a year-on-year basis in the fourth quarter of 2014, compared to 2.8% in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 1.6%, slower than the 3.1% expansion in the previous quarter. For the whole of 2014, the economy is estimated to have grown by 2.8%. This is in line with MTI's growth forecast of around 3.0%.

In view of modest growth forecast in the range of 2.0% to 4.0% for Singapore economy in 2015 due to local economic restructuring challenges and external uncertainties in the global macroeconomic environment, the Group will continue to be prudent and proactive in managing our business risk and operating expenses.

#### **11.(a) Interim Dividend and Amount Recommended per share**

Nil

#### **11.(b) Interim Dividend Recommended Previous Corresponding Period**

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

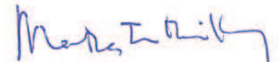
6 February 2015

**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 and half year ended 31 December 2014 financial results to be false or misleading.

On Behalf of the Board of Directors

  
**Teo Chiang Long**  
Director

  
**Tan Hui Keng, Martha**  
Director

6 February 2015