

Full Year Financial Statements And Dividend Announcement

The Directors of Singapura Finance Ltd are pleased to announce the audited financial statements on consolidated results for full year ended 30 June 2015. These figures have been audited in accordance with Singapore Standards on Auditing.

1 (a) Audited Consolidated Income Statement for the year ended 30 June 2015

	01-Jul-14 to 30-Jun-15	01-Jul-13 to 30-Jun-14	Increase/ (Decrease)
	\$'000	\$'000	%
Interest income and hiring charges	31,417	26,215	19.8
Interest expense	(9,200)	(7,101)	29.6
Net interest and hiring charges	22,217	19,114	16.2
Fee and commission income	846	860	(1.6)
Dividend income	391	607	(35.6)
Gain on sale of investments	83	328	(74.7)
Other operating income	456	866	(47.3)
Income before operating expenses	23,993	21,775	10.2
Staff costs	(9,133)	(8,435)	8.3
Depreciation of property, plant and equipment	(748)	(754)	(0.8)
Other operating expenses	(7,160)	(5,182)	38.2
Total operating expenses	(17,041)	(14,371)	18.6
Profit from operations before allowances	6,952	7,404	(6.1)
Allowances on loan losses (net)	(1,088)	(459)	137.0
Impairment loss on investments	(400)	(250)	60.0
Profit before tax	5,464	6,695	(18.4)
Tax expense ¹	(921)	(900)	2.3
Profit for the year	4,543	5,795	(21.6)

Note :

1. Includes write-back of prior years over-provision for tax of \$Nil (2014 : \$227,000).

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

	12 months Jun 2015	12 months Jun 2014
Based on the weighted average number of ordinary shares in issue (cents); and	3.45	6.05
On a fully diluted basis (cents)	3.45	6.05

Note

The Group's basic earnings per share is calculated based on the weighted average number of ordinary shares in issue of 131,825,726 (30 June 2014 : previously reported as 79,342,945, currently restated to 95,839,993 following the Rights Issue in December 2014) shares.

There are no dilutive potential ordinary shares for the years ended 30 June 2015 and 2014.

**1(c) Audited Consolidated Statement of Comprehensive Income
for the year ended 30 June 2015**

	2015	2014	+ / (-)
	\$'000	\$'000	%
Profit for the year	4,543	5,795	(21.6)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Net change in fair value of available-for-sale investments	(1,641)	2,749	N.M.
Net change in fair value of available-for-sale investments transferred to profit or loss			
- on disposal	(83)	(328)	(74.7)
- on impairment	400	250	60.0
Tax relating to items that may be reclassified subsequently to profit or loss	225	(454)	N.M.
Other comprehensive income for the year, net of tax	(1,099)	2,217	N.M.
Total comprehensive income for the year	3,444	8,012	(57.0)

N.M. – Not Meaningful

2 (a) Balance sheets
As at 30 June 2015

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Assets				
Cash and cash equivalents	140,625	82,060	140,589	81,974
Statutory deposit with the Monetary Authority of Singapore	24,358	22,847	24,358	22,847
Investments	122,512	118,001	122,512	118,001
Loans and advances	935,483	792,288	935,483	792,288
Others receivables, deposits and prepayments	6,168	3,776	6,168	3,776
Subsidiaries	-	-	125	125
Property, plant and equipment	8,667	8,855	8,667	8,855
Deferred tax assets	-	123	-	123
Total assets	1,237,813	1,027,950	1,237,902	1,027,989
Equity				
Share capital	168,896	90,065	168,896	90,065
Reserves	79,683	80,206	77,862	78,461
Total equity attributable to owners of the Company	248,579	170,271	246,758	168,526
Liabilities				
Deposits and savings accounts of customers	978,143	847,330	980,285	849,345
Trade and other payables	9,049	8,091	8,823	7,866
Current tax liabilities	655	936	649	930
Staff retirement gratuities	1,350	1,322	1,350	1,322
Deferred tax liabilities	37	-	37	-
Total liabilities	989,234	857,679	991,144	859,463
Total equity and liabilities	1,237,813	1,027,950	1,237,902	1,027,989

2 (b) Net Asset Value

Net asset value per ordinary share (\$)	1.57	2.15	1.56	2.12
---	-------------	------	-------------	------

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 June 2015 (30 June 2014 : 79,342,945).

3 Consolidated cash flow statement
Year ended 30 June 2015

	GROUP	
	2015	2014
	\$'000	\$'000
Cash flows from operating activities		
Profit for the year	4,543	5,795
<u>Adjustments for:-</u>		
Depreciation of property, plant and equipment	748	754
Property, plant and equipment written off	7	5
Gain on disposal of property, plant and equipment	(19)	-
Allowances on loan losses (net)	1,088	459
Impairment loss on investments	400	250
Gain on sale of investments	(83)	(328)
Staff retirement gratuities	95	78
Dividend income	(391)	(607)
Tax expense	921	900
	7,309	7,306
<u>Changes in working capital:</u>		
Statutory deposit with Monetary Authority of Singapore	(1,511)	(1,744)
Loans and advances	(144,283)	(59,837)
Other receivables, deposits and prepayments	(2,392)	(1,630)
Deposits and savings accounts of customers	130,813	49,592
Trade and other payables	958	(11,771)
Cash used in operations	(9,106)	(18,084)
Taxes paid	(817)	(1,080)
Staff retirement gratuities paid	(67)	(79)
Net cash used in operating activities	(9,990)	(19,243)
Cash flows from investing activities		
Purchase of property, plant and equipment	(567)	(4,046)
Proceeds from sale of property, plant and equipment	19	-
Dividends received	391	607
Purchase of investments	(33,175)	(22,763)
Proceeds from sale and maturity of investments	27,023	40,236
Net cash (used in)/from investing activities	(6,309)	14,034
Cash flows from financing activities		
Proceeds from issue of shares	78,831	-
Dividends paid	(3,967)	(3,967)
Net cash from/(used in) financing activities	74,864	(3,967)
Net increase/(decrease) in cash and cash equivalents	58,565	(9,176)
Cash and cash equivalents at 1 July	82,060	91,236
Cash and cash equivalents at 30 June	140,625	82,060

4 (a) Consolidated statements of changes in equity
Year ended 30 June 2015

	Share Capital \$'000	Capital Reserve \$'000	Statutory Reserve \$'000	Fair Value Reserve \$'000	General Reserve \$'000	Accumulated Profits \$'000	Total \$'000
The Group							
At 1 July 2014	90,065	1,353	58,944	(1,550)	730	20,729	170,271
Total comprehensive income for the year							
Profit for the year	-	-	-	-	-	4,543	4,543
Other comprehensive income							
Items that may be reclassified subsequently to profit or loss:							
Net change in fair value of available-for-sale investments	-	-	-	(1,641)	-	-	(1,641)
Net change in fair value of available-for-sale investments transferred to profit or loss							
- on disposal	-	-	-	(83)	-	-	(83)
- on impairment	-	-	-	400	-	-	400
Tax relating to items that may be reclassified subsequently to profit or loss	-	-	-	225	-	-	225
Total other comprehensive income	-	-	-	(1,099)	-	-	(1,099)
Total comprehensive income for the year	-	-	-	(1,099)	-	4,543	3,444
Transaction with owners, recorded directly in equity							
Contributions by and distributions to owners							
Dividends declared and paid	-	-	-	-	-	(3,967)	(3,967)
Issue of Rights Shares	78,831	-	-	-	-	-	78,831
Total transactions with owners	78,831	-	-	-	-	(3,967)	74,864
Transfer from profit for the year to statutory reserve	-	-	2,234	-	-	(2,234)	-
At 30 June 2015	168,896	1,353	61,178	(2,649)	730	19,071	248,579
The Group							
At 1 July 2013	90,065	1,353	57,519	(3,767)	730	20,326	166,226
Total comprehensive income for the year							
Profit for the year	-	-	-	-	-	5,795	5,795
Other comprehensive income							
Items that may be reclassified subsequently to profit or loss:							
Net change in fair value of available-for-sale investments	-	-	-	2,749	-	-	2,749
Net change in fair value of available-for-sale investments transferred to profit or loss							
- on disposal	-	-	-	(328)	-	-	(328)
- on impairment	-	-	-	250	-	-	250
Tax relating to items that may be reclassified subsequently to profit or loss	-	-	-	(454)	-	-	(454)
Total other comprehensive income	-	-	-	2,217	-	-	2,217
Total comprehensive income for the year	-	-	-	2,217	-	5,795	8,012
Transaction with owners, recorded directly in equity							
Distributions to owners							
Dividends declared and paid	-	-	-	-	-	(3,967)	(3,967)
Total transactions with owners	-	-	-	-	-	(3,967)	(3,967)
Transfer from profit for the year to statutory reserve	-	-	1,425	-	-	(1,425)	-
At 30 June 2014	90,065	1,353	58,944	(1,550)	730	20,729	170,271

4 (b) Statement of changes in equity
Year ended 30 June 2015

	Share Capital \$'000	Capital Reserve \$'000	Statutory Reserve \$'000	Fair Value Reserve \$'000	General Reserve \$'000	Accumulated Profits \$'000	Total \$'000
The Company							
At 1 July 2014	90,065	1,353	58,944	(1,550)	730	18,984	168,526
Total comprehensive income for the year							
Profit for the year	-	-	-	-	-	4,467	4,467
Other comprehensive income							
Items that may be reclassified subsequently to profit or loss:							
Net change in fair value of available-for-sale investments	-	-	-	(1,641)	-	-	(1,641)
Net change in fair value of available-for-sale investments transferred to profit or loss							
- on disposal	-	-	-	(83)	-	-	(83)
- on impairment	-	-	-	400	-	-	400
Tax relating to items that may be reclassified subsequently to profit or loss	-	-	-	225	-	-	225
Total other comprehensive income	-	-	-	(1,099)	-	-	(1,099)
Total comprehensive income for the year	-	-	-	(1,099)	-	4,467	3,368
Transaction with owners, recorded directly in equity							
Contributions by and distributions to owners							
Dividends declared and paid	-	-	-	-	-	(3,967)	(3,967)
Issue of Rights Shares	78,831	-	-	-	-	-	78,831
Total transactions with owners	78,831	-	-	-	-	(3,967)	74,864
Transfer from profit for the year to statutory reserve	-	-	2,234	-	-	(2,234)	-
At 30 June 2015	168,896	1,353	61,178	(2,649)	730	17,250	246,758
The Company							
At 1 July 2013	90,065	1,353	57,519	(3,767)	730	18,678	164,578
Total comprehensive income for the year							
Profit for the year	-	-	-	-	-	5,698	5,698
Other comprehensive income							
Items that may be reclassified subsequently to profit or loss:							
Net change in fair value of available-for-sale investments	-	-	-	2,749	-	-	2,749
Net change in fair value of available-for-sale investments transferred to profit or loss							
- on disposal	-	-	-	(328)	-	-	(328)
- on impairment	-	-	-	250	-	-	250
Tax relating to items that may be reclassified subsequently to profit or loss	-	-	-	(454)	-	-	(454)
Total other comprehensive income	-	-	-	2,217	-	-	2,217
Total comprehensive income for the year	-	-	-	2,217	-	5,698	7,915
Transaction with owners, recorded directly in equity							
Distributions to owners							
Dividends declared and paid	-	-	-	-	-	(3,967)	(3,967)
Total transactions with owners	-	-	-	-	-	(3,967)	(3,967)
Transfer from profit for the year to statutory reserve	-	-	1,425	-	-	(1,425)	-
At 30 June 2014	90,065	1,353	58,944	(1,550)	730	18,984	168,526

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. Net proceeds of \$78.8 million were raised and the amount had been fully utilised towards the expansion of the Company's loan portfolio. The utilisation is in line with the intended uses of the Net Proceeds as stated in the Offer Information Statement.

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

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

8 Accounting Policies

For the current financial year, 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 year ended 30 June 2015.

The accounting policies and methods of computation adopted in the financial statements for the financial year ended 30 June 2015 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's profit from operations before allowances was \$7.0 million, 6.1% lower vis-à-vis the same period last year. Total income rose by \$2.2 million or 10.2% with higher net interest income partly offset by lower non-interest income. Net interest income increased mainly due to higher loan volume while non-interest income declined with lower gain on sale of investments, dividend income and other operating income. However, operating expenses also increased by \$2.7 million or 18.6% primarily attributed to higher other operating expenses arising from additional commissions paid to auto loan dealers in line with growth in auto loans.

Total loans and advances net of allowances grew 18.1% to \$935 million compared to \$792 million as at 30 June 2014. In tandem with the higher loan balance, total deposits also increased 15.4% to \$978 million as at 30 June 2015.

With the loan growth during the year, the Group has also 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 \$1.1 million compared to \$0.5 million during the last financial year. The Group continues to set aside adequate specific and collective allowances for the loan portfolio. The Group has also made impairment loss on investments of \$0.4 million due to prolonged decline in the market value of quoted equity investments.

The Group's profit after tax for the financial year ended 30 June 2015 declined by \$1.3 million or 21.6% to \$4.5 million compared to last year.

Share capital as at 30 June 15 was strengthened by \$78.8 million to \$168.9 million compared to 30 June 2014 due to rights issue exercise in 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 year and the date of this report.

10 Comments on Significant Trends and Competitive Conditions in the Industry

The Singapore economy grew by 1.8% on a year-on-year basis in the second quarter of 2015, lower than the 2.8% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy contracted by 4.0%, a reversal from the 4.1% expansion in the preceding quarter. The pullback was mainly due to manufacturing and service sectors, which posted sequential declines over the previous quarters.

Considering the uncertainties in global macroeconomic environment due to the highly fluid Greece situation, potential slowdown in China and the impact of a likely rate hike by the US Federal Reserve in the latter half of 2015, the Ministry of Trade and Industry has narrowed Singapore's 2015 full year GDP growth forecast from 2.0% to 4.0%, to 2.0% to 2.5%.

Given the modest economic outlook, the continual impact of the prudent measures taken by the Government on the financing of property as well as the likely competitive pressures on the funding costs, the Group expects a challenging time ahead. Nevertheless, the Group will continue to be prudent and proactive in seeking new business opportunities and manage our operating expenses to remain competitive.

11 Dividends

Subject to shareholders' approval at the forthcoming Annual General Meeting, the Board of Directors is recommending a first and final dividend (one-tier tax-exempt) of 2 cents per share for the financial year ended 30 June 2015.

	<u>Year ended 30 June 2015</u>	<u>Year ended 30 June 2014</u>
Name of Dividend	First & final	First & final
Dividend Type	Cash	Cash
Dividend Rate	2 cents per share	5 cents per share
Tax Rate	Tax exempt one-tier	Tax exempt one-tier
<u>Total Annual Dividend</u>		
Ordinary	\$3,173,718	\$3,967,147
Preference	-	-
Total	<u>\$3,173,718</u>	<u>\$3,967,147</u>

12 Closure of Books and Dividend Payment Date

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on Friday, 30 October 2015 for the preparation of dividend warrants. Duly completed transfers received by the Company's Share Registrar, M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902 up to 5.00 p.m. on Thursday, 29 October 2015 will be registered before entitlements to the proposed dividend are determined. Payment of dividend, if approved by shareholders at the Annual General Meeting to be held at 391A Orchard Road, Tower A, #26-00, Ngee Ann City Singapore 238873 on Wednesday, 21 October 2015 at 11.00 a.m., will be paid on Monday, 9 November 2015.

13 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. All activities are carried out in the Republic of Singapore.

14 Half-Yearly Income and Profit After Tax

	Year ended 30 June 2015	Year ended 30 June 2014	Increase/ (Decrease)
	\$'000	\$'000	%
Total Income			
First Half Year	11,722	10,166	15.3%
Second Half Year	12,271	11,609	5.7%
Profit After Tax			
First Half Year	3,179	2,675	18.8%
Second Half Year	1,364	3,120	(56.3%)

15. 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.

16. Report of person occupying managerial position who are related to a Director, Chief Executive Officer or Substantial Shareholder pursuant to Rule 704(13) of the Listing Rules

Name	Age	Family relationship with any director, CEO 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
Jamie Teo Miang Yeow	42	Son of Executive Chairman [Teo Chiang Long]	Chief Executive Officer Year appointed : 2007 Oversees the business activities and operations of the Group	Nil
Nguy Jootian	69	Sister of Executive Chairman [Teo Chiang Long] and aunt of Chief Executive Officer [Jamie Teo Miang Yeow]	General Manager/ Company Secretary * Year Appointed : 1993 Oversees human resources administration, Realty & Nominees Services, and Corporate Secretarial matters	Nil

* Nguy Jootian, who will be retiring on 31 August 2015, had resigned as Company Secretary on 3 August 2015.

By Order of the Board

Ngiam May Ling
Company Secretary

26 August 2015

Independent auditors' report

Members of the Company
Singapura Finance Ltd

Report on the financial statements

We have audited the accompanying financial statements of Singapura Finance Ltd (the Company) and its subsidiaries (the Group), which comprise the balance sheets of the Group and the Company as at 30 June 2015, the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement of the Group and statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility 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 Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards, 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.

Auditors' responsibility

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 accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group, the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2015 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date.

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 those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

KPMG LLP
*Public Accountants and
Chartered Accountants*

Singapore
26 August 2015