

Third Quarter and Nine Months Financial Statements Announcement

The Directors of Singapura Finance Ltd are pleased to announce the third quarter and nine months financial statements on consolidated results for the period ended 31 March 2014. These figures have not been audited or reviewed by the Auditors.

1 (a) Unaudited Group Results for the Third Quarter and Nine Months ended 31 March 2014

	3 rd Quarter Mar 2014	3 rd Quarter Mar 2013	+ / (-)	9 Months Mar 2014	9 Months Mar 2013	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Interest income and hiring charges	7,225	5,739	25.9	19,459	17,130	13.6
Interest expense	(1,706)	(1,595)	7.0	(5,229)	(4,660)	12.2
Net interest and hiring charges	5,519	4,144	33.2	14,230	12,470	14.1
Fee and commission income	214	190	12.6	704	736	(4.3)
Dividend income	-	251	(100.0)	456	631	(27.7)
Gain on sale of investments	-	146	(100.0)	328	743	(55.9)
Other operating income	561	70	701.4	742	257	188.7
Income before operating expenses	6,294	4,801	31.1	16,460	14,837	10.9
Staff costs	(2,147)	(2,101)	2.2	(6,092)	(6,093)	0.0
Depreciation of property, plant and equipment	(192)	(170)	12.9	(535)	(485)	10.3
Other operating expenses	(1,310)	(1,226)	6.9	(3,648)	(3,667)	(0.5)
Total operating expenses	(3,649)	(3,497)	4.3	(10,275)	(10,245)	0.3
Profit from operations before allowances	2,645	1,304	102.8	6,185	4,592	34.7
Allowances for loan losses (net)	(182)	(106)	n.m.	(411)	(14)	n.m.
Impairment loss on investments	(150)	-	n.m.	(250)	-	n.m.
Profit before tax	2,313	1,198	93.1	5,524	4,578	20.7
Tax expense	(392)	(177)	121.5	(928)	(650)	42.8
Profit after tax	1,921	1,021	88.1	4,596	3,928	17.0

n.m. – not meaningful

Note

1. Includes write-back of prior years over-provision for tax of \$Nil (Nine months up to 31 Mar 2013 : \$121,000)

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

	3 rd Quarter Mar 2014	3 rd Quarter Mar 2013	9 Months Mar 2014	9 Months Mar 2013
Based on the weighted average number of ordinary shares in issue (cents); and	9.69	5.15	7.72	6.60
On a fully diluted basis (cents)	9.69	5.15	7.72	6.60

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 31 March 2014 and 2013.

1(c) Unaudited Group Statement of Comprehensive Income for the Third Quarter and Nine Months ended 31 March 2014

	3rd Quarter Mar 2014	3rd Quarter Mar 2013	+ / (-)	9 Months Mar 2014	9 Months Mar 2013	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Profit for the period	1,921	1,021	88.1	4,596	3,928	17.0
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Net change in fair value of available-for-sale investments	992	(1,037)	195.7	1,104	296	273.0
Net change in fair value of available-for-sale investments transferred to profit or loss						
- on disposal	-	(146)	100.0	(328)	(743)	(55.9)
- on impairment	150	-	n.m.	250	-	n.m.
Tax relating to items that may be reclassified subsequently to profit or loss	(194)	201	(196.5)	(175)	75	(333.3)
Other comprehensive income for the period, net of tax	948	(982)	196.5	851	(372)	328.8
Total comprehensive income for the period	2,869	39	7,256.4	5,447	3,556	53.2

n.m. – not meaningful

2(a) Balance Sheets

	Group		Company	
	31-Mar-14	30-Jun-13	31-Mar-14	30-Jun-13
	\$'000	\$'000	\$'000	\$'000
Assets				
Cash and cash equivalents	98,321	91,236	98,201	91,052
Statutory deposit with Monetary Authority of Singapore	21,745	21,103	21,745	21,103
Loans and advances	756,026	732,910	756,026	732,910
Investments	116,669	132,725	116,669	132,725
Other receivables, deposits and prepayments	3,044	2,146	3,037	2,144
Property, plant and equipment	8,983	5,568	8,983	5,568
Deferred taxation	629	804	629	804
Interests in subsidiaries	-	-	125	125
Total Assets	1,005,417	986,492	1,005,415	986,431
Equity				
Share capital	90,065	90,065	90,065	90,065
Reserves	77,641	76,161	75,901	74,513
Total Equity	167,706	166,226	165,966	164,578
Liabilities				
Deposits and savings accounts of customers	827,897	797,738	829,855	799,624
Trade and other payables	7,276	19,862	7,061	19,567
Current tax payable	1,191	1,343	1,186	1,339
Staff retirement gratuities	1,347	1,323	1,347	1,323
Total Liabilities	837,711	820,266	839,449	821,853
Total Equity and Liabilities	1,005,417	986,492	1,005,415	986,431

2(b) Net Asset Value

Net asset value per ordinary share (\$)	2.11	2.10	2.09	2.07
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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 31 March 2014 and 30 June 2013.

3. Consolidated Cash Flow Statement

	3 rd Quarter Mar 2014	3 rd Quarter Mar 2013	9 Months Mar 2014	9 Months Mar 2013
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Profit for the period	1,921	1,021	4,596	3,928
<u>Adjustments for:-</u>				
Depreciation of property, plant and equipment	192	170	535	485
Property, plant and equipment written off	-	-	3	-
Allowances for loan losses (net)	182	106	411	14
Impairment loss on investments	150	-	250	-
Gain on sale of investments	-	(146)	(328)	(743)
Dividend income	-	(251)	(456)	(631)
Staff retirement gratuity	25	24	72	73
Tax expense	392	177	928	650
	2,862	1,101	6,011	3,776
<u>Changes in working capital:</u>				
Statutory deposit with Monetary Authority of Singapore	12	(1,373)	(642)	(4,057)
Loans and advances	5,636	(25,556)	(23,527)	(91,698)
Other receivables, deposits and prepayments	249	(158)	(898)	142
Deposits and savings accounts of customers	24,773	30,819	30,159	58,606
Trade and other payables	(7,229)	(1,785)	(12,586)	(7,391)
Cash from/(used in) operations	26,303	3,048	(1,483)	(40,622)
Taxes paid	(538)	(254)	(1,080)	(506)
Staff retirement gratuities paid	-	-	(48)	-
Net cash flows from/(used in) operating activities	25,765	2,794	(2,611)	(41,128)
Cash flows from investing activities				
Dividends received	-	251	456	631
Purchase of property, plant and equipment	(86)	(9)	(3,953)	(125)
Purchase of investments	(7,029)	(31,002)	(17,728)	(56,046)
Proceeds from sale and maturity of investments	4,818	5,872	34,888	23,250
Net cash flows (used in)/from investing activities	(2,297)	(24,888)	13,663	(32,290)
Cash flows from financing activities				
Dividends paid	-	-	(3,967)	(4,760)
Net cash flows used in financing activities	-	-	(3,967)	(4,760)
Net increase/(decrease) in cash and cash equivalents	23,468	(22,094)	7,085	(78,178)
Cash and cash equivalents at beginning of period	74,853	70,271	91,236	126,355
Cash and cash equivalents at end of period	98,321	48,177	98,321	48,177

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
The Group							
At 1 Jul 2013	90,065	1,353	57,519	(3,767)	730	20,326	166,226
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	2,675	2,675
Other comprehensive income							
Items that may be reclassified subsequently to profit or loss:							
Net change in fair value of available-for-sale investments	-	-	-	112	-	-	112
Net change in fair value of available-for-sale investments transferred to profit or loss	-	-	-	(328)	-	-	(328)
- on disposal	-	-	-	100	-	-	100
- on impairment	-	-	-	19	-	-	19
Tax relating to items that may be reclassified subsequently to profit or loss	-	-	-	19	-	-	19
Total other comprehensive income	-	-	-	(97)	-	-	(97)
Total comprehensive income for the period	-	-	-	(97)	-	2,675	2,578
Transaction with owners, recorded directly in equity							
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
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	1,921	1,921
Other comprehensive income							
Items that may be reclassified subsequently to profit or loss:							
Net change in fair value of available-for-sale investments	-	-	-	992	-	-	992
Net change in fair value of available-for-sale investments transferred to profit or loss	-	-	-	-	-	-	-
- on disposal	-	-	-	-	-	-	-
- on impairment	-	-	-	150	-	-	150
Tax relating to items that may be reclassified subsequently to profit or loss	-	-	-	(194)	-	-	(194)
Total other comprehensive income	-	-	-	948	-	-	948
Total comprehensive income for the period	-	-	-	948	-	1,921	2,869
At 31 Mar 2014	90,065	1,353	57,519	(2,916)	730	20,955	167,706

	Share Capital \$'000	Capital Reserve \$'000	Statutory Reserve \$'000	Fair Value Reserve \$'000	General Reserve \$'000	Accumulated Profits \$'000	Total \$'000
<u>The Group</u>							
At 1 Jul 2012	90,065	1,353	56,219	815	730	21,126	170,308
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	2,907	2,907
Other comprehensive income							
Items that may be reclassified subsequently to profit or loss:							
Net change in fair value of available-for-sale investments	-	-	-	1,333	-	-	1,333
Net change in fair value of available-for-sale investments transferred to profit or loss on disposal	-	-	-	(597)	-	-	(597)
Tax relating to items that may be reclassified subsequently to profit or loss	-	-	-	(126)	-	-	(126)
Total other comprehensive income	-	-	-	610	-	-	610
Total comprehensive income for the period	-	-	-	610	-	2,907	3,517
Transaction with owners, recorded directly in equity							
Final dividend paid of 6 cents per share in respect of year 2012	-	-	-	-	-	(4,760)	(4,760)
At 31 Dec 2012	90,065	1,353	56,219	1,425	730	19,273	169,065
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	1,021	1,021
Other comprehensive income							
Items that may be reclassified subsequently to profit or loss:							
Net change in fair value of available-for-sale investments	-	-	-	(1,037)	-	-	(1,037)
Net change in fair value of available-for-sale investments transferred to profit or loss on disposal	-	-	-	(146)	-	-	(146)
Tax relating to items that may be reclassified subsequently to profit or loss	-	-	-	201	-	-	201
Total other comprehensive income	-	-	-	(982)	-	-	(982)
Total comprehensive income for the period	-	-	-	(982)	-	1,021	39
At 31 Mar 2013	90,065	1,353	56,219	443	730	20,294	169,104

4(b) Statements of Changes in Equity – Company

	Share Capital	Capital Reserve	Statutory Reserve	Fair Value Reserve	General Reserve	Accumulated Profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
The Company							
At 1 Jul 2013	90,065	1,353	57,519	(3,767)	730	18,678	164,578
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	2,596	2,596
Other comprehensive income							
Items that may be reclassified subsequently to profit or loss:							
Net change in fair value of available-for-sale investments	-	-	-	112	-	-	112
Net change in fair value of available-for-sale investments transferred to profit or loss							
- on disposal	-	-	-	(328)	-	-	(328)
- on impairment	-	-	-	100	-	-	100
Tax relating to items that may be reclassified subsequently to profit or loss	-	-	-	19	-	-	19
Total other comprehensive income	-	-	-	(97)	-	-	(97)
Total comprehensive income for the period	-	-	-	(97)	-	2,596	2,499
Transaction with owners, recorded directly in equity							
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	17,307	163,110
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	1,908	1,908
Other comprehensive income							
Items that may be reclassified subsequently to profit or loss:							
Net change in fair value of available-for-sale investments	-	-	-	992	-	-	992
Net change in fair value of available-for-sale investments transferred to profit or loss							
- on disposal	-	-	-	-	-	-	-
- on impairment	-	-	-	150	-	-	150
Tax relating to items that may be reclassified subsequently to profit or loss	-	-	-	(194)	-	-	(194)
Total other comprehensive income	-	-	-	948	-	-	948
Total comprehensive income for the period	-	-	-	948	-	1,908	2,856
At 31 Mar 2014	90,065	1,353	57,519	(2,916)	730	19,215	165,966

	Share Capital \$'000	Capital Reserve \$'000	Statutory Reserve \$'000	Fair Value Reserve \$'000	General Reserve \$'000	Accumulated Profits \$'000	Total \$'000
<u>The Company</u>							
At 1 Jul 2012	90,065	1,353	56,219	815	730	19,559	168,741
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	2,853	2,853
Other comprehensive income							
Items that may be reclassified subsequently to profit or loss:							
Net change in fair value of available-for-sale investments	-	-	-	1,333	-	-	1,333
Net change in fair value of available-for-sale investments transferred to profit or loss on disposal	-	-	-	(597)	-	-	(597)
Tax relating to items that may be reclassified subsequently to profit or loss	-	-	-	(126)	-	-	(126)
Total other comprehensive income	-	-	-	610	-	-	610
Total comprehensive income for the period	-	-	-	610	-	2,853	3,463
Transaction with owners, recorded directly in equity							
Final dividend paid of 6 cents per share in respect of year 2012	-	-	-	-	-	(4,760)	(4,760)
At 31 Dec 2012	90,065	1,353	56,219	1,425	730	17,652	167,444
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	1,006	1,006
Other comprehensive income							
Items that may be reclassified subsequently to profit or loss:							
Net change in fair value of available-for-sale investments	-	-	-	(1,037)	-	-	(1,037)
Net change in fair value of available-for-sale investments transferred to profit or loss on disposal	-	-	-	(146)	-	-	(146)
Tax relating to items that may be reclassified subsequently to profit or loss	-	-	-	201	-	-	201
Total other comprehensive income	-	-	-	(982)	-	-	(982)
Total comprehensive income for the period	-	-	-	(982)	-	1,006	24
At 31 Mar 2013	90,065	1,353	56,219	443	730	18,658	167,468

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 2013.

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 2013.

9. Review of the Performance of the Company and its Principal Subsidiaries

The Group's profit from operations before allowances doubled to \$2.6 million for the quarter under review compared to \$1.3 million for the previous corresponding quarter. Total income which rose by \$1.5 million or 31.1% was partially offset by marginal increase of \$0.2 million or 4.3% in operating expenses. The spike in total income was primarily attributed to the higher net interest income with increase in loan volume as well as interest recovery from non-performing loans. Other operating income grew by \$0.5 million mainly due to recovery of bad debts previously written off. The Group reported a profit after tax of \$1.9 million for the quarter, an increase of 88.1% compared to the same period last year.

For the nine months ended 31 March 2014, the Group's operating profit before allowances improved by 34.7% to \$6.2 million vis-à-vis the same period last year as total income grew by \$1.6 million or 10.9% whilst operating expenses remained largely unchanged.

Total loans and advances net of allowances grew 3.2% to \$756 million as at 31 March 2014 compared to \$733 million as at 30 June 2013. In tandem with the higher loan balance, total deposits increased 3.8% to \$828 million as at 31 March 2014.

In line with the loan growth during the last nine months, 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 \$0.4 million charge for loan allowances. For the same period last year, there was minimal net charge for loan allowances of less than \$0.1 million. The Group continues to set aside adequate individual and collective allowances for its loan portfolio.

The Group has also made an impairment loss on investments of \$0.3 million during the nine months ended 31 March 2014 due to prolonged decline in the market value of a quoted equity investment. Notwithstanding the additional loan allowances and impairment loss on investments, the Group's profit after tax for the nine months ended 31 March 2014 managed to outperform last year results by \$0.7 million or 17.0% to \$4.6 million.

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

Based on the Ministry of Trade and Industry's advance GDP estimates, the Singapore economy grew by 5.1% on a year-on-year basis in the first quarter of 2014, lower than the 5.5% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy grew by 0.1%, moderating from the 6.1% expansion in the previous quarter, mainly due to slowdown in service sector.

Against the backdrop of expected moderate economic growth and the continual impact of property cooling measures and car financing restrictions by the Government, the Group expects a likely slowdown in the growth of the loan portfolio. In addition, in the recent months, competition has also been more intense on the gathering of new deposits. Nevertheless, the Group will continue to proactively manage our interest margin as well as operating expenses to remain competitive.

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

9 May 2014

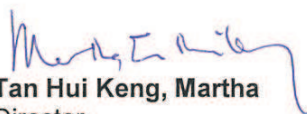
**CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5)
OF THE SGX-ST LISTING MANUAL**

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 and nine months ended 31 March 2014 financial results to be false or misleading.

On Behalf of the Board of Directors



Teo Chiang Long
Director



Tan Hui Keng, Martha
Director

9 May 2014