

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 2016. 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 2016

	3 rd Quarter Mar 2016	3 rd Quarter Mar 2015	+ / (-)	9 Months Mar 2016	9 Months Mar 2015	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Interest income and hiring charges	8,866	7,984	11.0	26,550	23,250	14.2
Interest expense	(3,560)	(2,341)	52.1	(9,665)	(6,705)	44.1
Net interest and hiring charges	5,306	5,643	(6.0)	16,885	16,545	2.1
Fee and commission income	348	203	71.4	932	627	48.6
Dividend income	-	-	n.m.	123	234	(47.4)
(Loss)/Gain on sale of investments	(62)	136	(145.6)	(62)	83	(174.7)
Other operating income	84	125	(32.8)	309	340	(9.1)
Income before operating expenses	5,676	6,107	(7.1)	18,187	17,829	2.0
Staff costs	(1,888)	(2,241)	(15.8)	(6,455)	(6,625)	(2.6)
Depreciation of property, plant and equipment	(220)	(195)	12.8	(613)	(513)	19.5
Other operating expenses	(2,233)	(1,931)	15.6	(6,812)	(5,097)	33.6
Total operating expenses	(4,341)	(4,367)	(0.6)	(13,880)	(12,235)	13.4
Profit from operations before allowances	1,335	1,740	(23.3)	4,307	5,594	(23.0)
Allowances for loan losses (net)	(998)	(431)	131.6	(1,830)	(461)	297.0
Impairment loss on investments	-	-	n.m.	(740)	-	n.m.
Profit before tax	337	1,309	(74.3)	1,737	5,133	(66.2)
Tax expense	(48)	(221)	(78.3)	(278)	(866)	(67.9)
Profit after tax	289	1,088	(73.4)	1,459	4,267	(65.8)

n.m. – not meaningful

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

	3 rd Quarter Mar 2016	3 rd Quarter Mar 2015	9 Months Mar 2016	9 Months Mar 2015
Based on the weighted average number of ordinary shares in issue (cents); and	0.73	2.74	1.23	4.63
On a fully diluted basis (cents)	0.73	2.74	1.23	4.63

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 for 3rd Quarter and 9 Months ended 31 March 2016 (31 March 2015 : 158,685,890 (3rd Quarter) and 122,905,014 (9 Months) shares).

There are no potential dilutive ordinary shares for the periods ended 31 March 2016 and 2015.

1(c) Unaudited Group Statement of Comprehensive Income for the Third Quarter and Nine Months ended 31 March 2016

	3rd Quarter Mar 2016	3rd Quarter Mar 2015	+ / (-)	9 Months Mar 2016	9 Months Mar 2015	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Profit for the period	289	1,088	(73.4)	1,459	4,267	(65.8)
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Net change in fair value of available-for-sale investments	2,835	(470)	n.m.	2,944	(1,416)	n.m.
Net change in fair value of available-for-sale investments reclassified to profit or loss						
- on disposal	62	(136)	n.m.	62	(83)	n.m.
- on impairment	-	-	n.m.	740	-	n.m.
Tax on items that may be reclassified subsequently to profit or loss	(493)	103	n.m.	(637)	255	n.m.
Other comprehensive income for the period, net of tax	2,404	(503)	n.m.	3,109	(1,244)	n.m.
Total comprehensive income for the period	2,693	585	360.3	4,568	3,023	51.1

n.m. – not meaningful

2(a) Balance Sheets

	Group		Company	
	31-Mar-16	30-Jun-15	31-Mar-16	30-Jun-15
	\$'000	\$'000	\$'000	\$'000
Assets				
Cash and cash equivalents	158,189	140,625	158,079	140,589
Statutory deposit with the Monetary Authority of Singapore	25,151	24,358	25,151	24,358
Investments	123,740	122,512	123,740	122,512
Loans and advances	919,994	935,483	919,994	935,483
Others receivables, deposits and prepayments	5,007	6,168	4,947	6,168
Subsidiaries	-	-	125	125
Property, plant and equipment	8,723	8,667	8,723	8,667
Total assets	1,240,804	1,237,813	1,240,759	1,237,902
Equity				
Share capital	168,896	168,896	168,896	168,896
Reserves	81,077	79,683	79,143	77,862
Total equity attributable to owners of the Company	249,973	248,579	248,039	246,758
Liabilities				
Deposits and savings accounts of customers	977,871	978,143	980,013	980,285
Trade and other payables	10,472	9,049	10,223	8,823
Current tax liabilities	503	655	499	649
Staff retirement gratuities	1,270	1,350	1,270	1,350
Deferred tax liabilities	715	37	715	37
Total liabilities	990,831	989,234	992,720	991,144
Total equity and liabilities	1,240,804	1,237,813	1,240,759	1,237,902

2(b) Net Asset Value

Net asset value per ordinary share (\$)	1.58	1.57	1.56	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 31 March 2016 and 30 June 2015.

3. Consolidated Cash Flow Statement

	3 rd Quarter Mar 2016	3 rd Quarter Mar 2015	9 Months Mar 2016	9 Months Mar 2015
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Profit for the period	289	1,088	1,459	4,267
<u>Adjustments for:-</u>				
Depreciation of property, plant and equipment	220	195	613	513
Property, plant and equipment written off	-	2	3	8
Gain on disposal of property, plant and equipment	-	(19)	(44)	(19)
Allowances for loan losses (net)	998	431	1,830	461
Impairment loss on investments	-	-	740	-
Loss/(Gain) on sale of investments	62	(136)	62	(83)
Dividend income	-	-	(123)	(234)
Staff retirement gratuity	23	25	70	72
Tax expense	48	221	278	866
	1,640	1,807	4,888	5,851
<u>Changes in working capital:</u>				
Statutory deposit with Monetary Authority of Singapore	249	633	(793)	(988)
Loans and advances	14,910	(23,053)	13,659	(101,055)
Other receivables, deposits and prepayments	1,314	588	1,161	(815)
Deposits and savings accounts of customers	30,934	(36,084)	(272)	67,334
Trade and other payables	(1,689)	(2,450)	1,423	30
Cash from/(used in) operations	47,358	(58,559)	20,066	(29,643)
Taxes paid	(161)	(404)	(391)	(817)
Staff retirement gratuities paid	-	-	(150)	(30)
Net cash flows from/(used in) operating activities	47,197	(58,963)	19,525	(30,490)
Cash flows from investing activities				
Dividends received	-	-	123	234
Purchase of property, plant and equipment	(14)	(261)	(672)	(492)
Proceeds from sale of property, plant and equipment	-	18	44	18
Purchase of investments	(24,957)	(7,986)	(54,914)	(20,131)
Proceeds from sale and maturity of investments	31,017	11,928	56,632	18,688
Net cash flows from/(used in) investing activities	6,046	3,699	1,213	(1,683)
Cash flows from financing activities				
Proceeds from issue of shares	-	-	-	78,831
Dividends paid	-	-	(3,174)	(3,967)
Net cash flows (used in)/from financing activities	-	-	(3,174)	74,864
Net increase/(decrease) in cash and cash equivalents	53,243	(55,264)	17,564	42,691
Cash and cash equivalents at beginning of period	104,946	180,015	140,625	82,060
Cash and cash equivalents at end of period	158,189	124,751	158,189	124,751

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 2015	168,896	1,353	61,178	(2,649)	730	19,071	248,579
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	1,170	1,170
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss:							
Net change in fair value of available-for-sale investments	-	-	-	109	-	-	109
Net change in fair value of available-for-sale investments reclassified to profit or loss	-	-	-	-	-	-	-
- on disposal	-	-	-	-	-	-	-
- on impairment	-	-	-	740	-	-	740
Tax on items that may be reclassified subsequently to profit or loss	-	-	-	(144)	-	-	(144)
Total other comprehensive income	-	-	-	705	-	-	705
Total comprehensive income for the period	-	-	-	705	-	1,170	1,875
Transaction with owners, recorded directly in equity							
Final dividend paid of 2 cents per share in respect of year 2015	-	-	-	-	-	(3,174)	(3,174)
At 31 Dec 2015	168,896	1,353	61,178	(1,944)	730	17,067	247,280
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	289	289
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss:							
Net change in fair value of available-for-sale investments	-	-	-	2,835	-	-	2,835
Net change in fair value of available-for-sale investments reclassified to profit or loss	-	-	-	-	-	-	-
- on disposal	-	-	-	62	-	-	62
- on impairment	-	-	-	-	-	-	-
Tax on items that may be reclassified subsequently to profit or loss	-	-	-	(493)	-	-	(493)
Total other comprehensive income	-	-	-	2,404	-	-	2,404
Total comprehensive income for the period	-	-	-	2,404	-	289	2,693
At 31 Mar 2016	168,896	1,353	61,178	460	730	17,356	249,973

	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 2014	90,065	1,353	58,944	(1,550)	730	20,729	170,271
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	3,179	3,179
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss:							
Net change in fair value of available-for-sale investments	-	-	-	(946)	-	-	(946)
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	-	-	-	152	-	-	152
Total other comprehensive income	-	-	-	(741)	-	-	(741)
Total comprehensive income for the period	-	-	-	(741)	-	3,179	2,438
Transaction with owners, recorded directly in equity							
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	19,941	247,573
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	1,088	1,088
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss:							
Net change in fair value of available-for-sale investments	-	-	-	(470)	-	-	(470)
Net change in fair value of available-for-sale investments reclassified to profit or loss							
- on disposal	-	-	-	(136)	-	-	(136)
- on impairment	-	-	-	-	-	-	-
Tax on items that may be reclassified subsequently to profit or loss	-	-	-	103	-	-	103
Total other comprehensive income	-	-	-	(503)	-	-	(503)
Total comprehensive income for the period	-	-	-	(503)	-	1,088	585
At 31 Mar 2015	168,896	1,353	58,944	(2,794)	730	21,029	248,158

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
The Company							
At 1 Jul 2015	168,896	1,353	61,178	(2,649)	730	17,250	246,758
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	1,119	1,119
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss:							
Net change in fair value of available-for-sale investments	-	-	-	109	-	-	109
Net change in fair value of available-for-sale investments reclassified to profit or loss							
- on disposal	-	-	-	-	-	-	-
- on impairment	-	-	-	740	-	-	740
Tax on items that may be reclassified subsequently to profit or loss	-	-	-	(144)	-	-	(144)
Total other comprehensive income	-	-	-	705	-	-	705
Total comprehensive income for the period	-	-	-	705	-	1,119	1,824
Transaction with owners, recorded directly in equity							
Final dividend paid of 2 cents per share in respect of year 2015	-	-	-	-	-	(3,174)	(3,174)
At 31 Dec 2015	168,896	1,353	61,178	(1,944)	730	15,195	245,408
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	227	227
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss:							
Net change in fair value of available-for-sale investments	-	-	-	2,835	-	-	2,835
Net change in fair value of available-for-sale investments reclassified to profit or loss							
- on disposal	-	-	-	62	-	-	62
- on impairment	-	-	-	-	-	-	-
Tax on items that may be reclassified subsequently to profit or loss	-	-	-	(493)	-	-	(493)
Total other comprehensive income	-	-	-	2,404	-	-	2,404
Total comprehensive income for the period	-	-	-	2,404	-	227	2,631
At 31 Mar 2016	168,896	1,353	61,178	460	730	15,422	248,039

	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 2014	90,065	1,353	58,944	(1,550)	730	18,984	168,526
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	3,131	3,131
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss:							
Net change in fair value of available-for-sale investments	-	-	-	(946)	-	-	(946)
Net change in fair value of available-for-sale investments reclassified to profit or loss	-	-	-	53	-	-	53
- on disposal	-	-	-	-	-	-	-
- on impairment	-	-	-	-	-	-	-
Tax on items that may be reclassified subsequently to profit or loss	-	-	-	152	-	-	152
Total other comprehensive income	-	-	-	(741)	-	-	(741)
Total comprehensive income for the period	-	-	-	(741)	-	3,131	2,390
Transaction with owners, recorded directly in equity							
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
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	1,068	1,068
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss:							
Net change in fair value of available-for-sale investments	-	-	-	(470)	-	-	(470)
Net change in fair value of available-for-sale investments reclassified to profit or loss	-	-	-	136	-	-	136
- on disposal	-	-	-	-	-	-	-
- on impairment	-	-	-	-	-	-	-
Tax on items that may be reclassified subsequently to profit or loss	-	-	-	103	-	-	103
Total other comprehensive income	-	-	-	(503)	-	-	(503)
Total comprehensive income for the period	-	-	-	(503)	-	1,068	565
At 31 Mar 2015	168,896	1,353	58,944	(2,794)	730	19,216	246,345

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 declined by 23.3% to \$1.3 million for the quarter under review compared to \$1.7 million for the previous corresponding quarter. Total income slipped by \$0.4 million or 7.1% while operating expenses remained largely unchanged.

Though interest income and hiring charges rose by \$0.9 million, this was offset by a higher increase in interest costs of \$1.2 million, resulting in \$0.3 million or 6.0% drop in net interest income. Non-interest income was also lower mainly due to the loss on sale of investments; partially cushioned by higher fees and commission income. Staff costs declined compared to the previous corresponding quarter, but was offset by an increase in the amortisation of commissions to auto-loan dealers; this resulted in total operating expenses remaining stable.

For the nine months ended 31 March 2016, the Group's operating profit before allowances was \$4.3 million, compared to \$5.6 million during the same period last year. Net interest income grew by 2.1% driven primarily by higher loan income. Total income grew by \$0.4 million or 2.0% but was more than offset by increase in operating expenses by \$1.6 million or 13.4%. Total operating expenses increased largely attributed to higher amortisation of commissions to auto-loan dealers.

Net allowances for loan losses amounted to \$0.998 million and \$1.8 million for the quarter and nine months ended 31 March 2016 respectively. This is a reflection of the prevailing weakening economic conditions and severe headwinds from sluggish global growth. For the same nine months period last year, there was a net charge for loan allowances of \$0.5 million. The Group continues to set aside adequate specific and collective allowances for the loan portfolio.

No additional provision was made for impairment loss on investments during the quarter as the impaired investments have been disposed during the quarter under review.

The Group registered a profit after tax of \$0.3 million for the quarter and \$1.5 million for the nine months ended 31 March 2016. Notwithstanding the weaker performance, the Group's shareholders' funds remains strong at \$250 million as at 31 March 2016, and is more than adequate to buffer further volatility in the current challenging environment. Our capital adequacy ratio continues to be well above the regulatory minimum requirement.

The Group's total loan net of allowances contracted marginally by 1.7% to \$920 million as at 31 March 2016 compared to \$935 million as at 30 June 2015 in the midst of an economic slowdown. In tandem with the lower loan balance, total customers' deposits remained stable at \$978 million as at 31 March 2016.

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 1.8% on a year-on-year basis in the first quarter of 2016, the same pace of growth as in the previous quarter. Growth was flat on a quarter-on-quarter seasonally-adjusted annualised basis, in contrast to the 6.2% expansion in the preceding quarter.

In the current weak economic climate, the Group would continue to be vigilant and proactive in managing and monitoring the heightened business risk of our loan portfolio, while ensuring our operating expenses are well contained 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. 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

6 May 2016

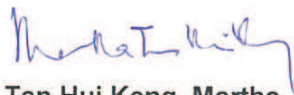
**CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5)
OF THE SGX-ST LISTING MANUAL**

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 2016 financial results to be false or misleading.

On behalf of the Board of Directors



Teo Chiang Long
Director



Tan Hui Keng, Martha
Director

6 May 2016