SINGAPURA FINANCE LTD
Co. Reg. No. 196900340N

Half Year Financial Statements Announcement

The Directors of Singapura Finance Ltd are pleased to announce the second quarter and half year financial statements on consolidated results for the period ended 30 June 2017. These figures have not been audited or reviewed by the Auditors.

1(a) Unaudited Group Results for the Second Quarter and Half Year ended 30 June 2017

	2nd Quarter Jun 2017	4th Quarter Jun 2016	+ / (-)	**6 Months Jun 2017**	6 Months Jun 2016	+ / (-)
	$'000	$'000	%	**$'000**	$'000	%
Interest income and hiring charges	**7,721**	8,431	(8.4)	**15,345**	17,297	(11.3)
Interest expense	**(2,488)**	(3,602)	(30.9)	**(5,163)**	(7,162)	(27.9)
Net interest and hiring charges	**5,233**	4,829	8.4	**10,182**	10,135	0.5
Fee and commission income	**329**	357	(7.8)	**643**	705	(8.8)
Dividend income	**100**	100	-	**100**	100	-
Gain on sale of investments	**-**	479	n.m.	**106**	417	(74.6)
Other operating income	**77**	82	(6.1)	**157**	166	(5.4)
Income before operating expenses	**5,739**	5,847	(1.8)	**11,188**	11,523	(2.9)
Staff costs	**(1,773)**	(1,912)	(7.3)	**(3,744)**	(3,800)	(1.5)
Depreciation of property, plant and equipment	**(166)**	(223)	(25.6)	**(326)**	(443)	(26.4)
Other operating expenses	**(1,472)**	(1,613)	(8.7)	**(2,931)**	(3,846)	(23.8)
Total operating expenses	**(3,411)**	(3,748)	(9.0)	**(7,001)**	(8,089)	(13.5)
Profit from operations before allowances	**2,328**	2,099	10.9	**4,187**	3,434	21.9
Write-back/(Allowances) for loan losses (net)	**430**	(1,493)	(128.8)	**570**	(2,491)	(122.9)
Profit before tax	**2,758**	606	355.1	**4,757**	943	404.5
Tax expense	**(468)**	(101)	363.4	**(806)**	(149)	440.9
Profit after tax	**2,290**	505	353.5	**3,951**	794	397.6

n.m. – not meaningful

Notes :
In 2015, the Company has changed its financial year end from 30 June to 31 December (please refer to the announcement reference no. SG151204OTHRAK7A dated 4 December 2015). The comparative results in this announcement covered the period from 1 April 2017 to 30 June 2017 ("2nd Quarter Jun 2017") against 1 April 2016 to 30 June 2016 ("4th Quarter Jun 2016").

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

	2nd Quarter Jun 2017	4th Quarter Jun 2016	**6 Months Jun 2017**	6 Months Jun 2016
Annualised earnings per share (cents)				
- Basic	**5.77**	1.27	**4.98**	1.00
- Diluted	**5.77**	1.27	**4.98**	1.00

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 the periods ended 30 June 2017 and 2016.

There are no potential dilutive ordinary shares for the periods ended 30 June 2017 and 2016.

1(c) Unaudited Group Statement of Comprehensive Income for the Second Quarter and Half Year ended 30 June 2017

	2nd Quarter Jun 2017	4th Quarter Jun 2016	+ / (-)	**6 Months Jun 2017**	6 Months Jun 2016	+ / (-)
	$'000	$'000	%	**$'000**	$'000	%
Profit for the period	**2,290**	505	353.5	**3,951**	794	397.6
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Net change in fair value of available-for-sale investments	**733**	(50)	n.m.	**1,375**	2,785	(50.6)
Net change in fair value of available-for-sale investments reclassified to profit or loss on disposal	**-**	(479)	n.m.	**(106)**	(417)	(74.6)
Tax on items that may be reclassified subsequently to profit or loss	**(125)**	90	n.m.	**(216)**	(403)	(46.4)
Other comprehensive income for the period, net of tax	**608**	(439)	n.m.	**1,053**	1,965	(46.4)
Total comprehensive income for the period	**2,898**	66	4,290.9	**5,004**	2,759	81.4

n.m. – not meaningful

Notes :
In 2015, the Company has changed its financial year end from 30 June to 31 December (please refer to the announcement reference no. SG151204OTHRAK7A dated 4 December 2015). The comparative results in this announcement covered the period from 1 April 2017 to 30 June 2017 ("2nd Quarter Jun 2017") against 1 April 2016 to 30 June 2016 ("4th Quarter Jun 2016").

2(a) Balance Sheets

	Group		Company	
	30-Jun-17	31-Dec-16	**30-Jun-17**	31-Dec-16
	$'000	$'000	**$'000**	$'000
Assets				
Cash and cash equivalents	**162,842**	136,789	**162,670**	136,627
Statutory deposit with the Monetary Authority of Singapore	**20,650**	22,180	**20,650**	22,180
Investments	**133,662**	116,098	**133,662**	116,098
Loans and advances	**779,310**	838,384	**779,310**	838,384
Others receivables, deposits and prepayments	**2,549**	3,076	**2,548**	3,072
Subsidiaries	**-**	-	**125**	125
Property, plant and equipment	**8,049**	8,246	**8,049**	8,246
Total assets	**1,107,062**	1,124,773	**1,107,014**	1,124,732
Equity				
Share capital	**168,896**	168,896	**168,896**	168,896
Reserves	**84,819**	82,989	**82,823**	81,014
Total equity attributable to owners of the Company	**253,715**	251,885	**251,719**	249,910
Liabilities				
Deposits and savings accounts of customers	**839,185**	856,928	**841,351**	859,095
Trade and other payables	**10,624**	12,867	**10,407**	12,640
Current tax liabilities	**2,035**	1,724	**2,034**	1,718
Staff retirement gratuities	**1,322**	1,276	**1,322**	1,276
Deferred tax liabilities	**181**	93	**181**	93
Total liabilities	**853,347**	872,888	**855,295**	874,822
Total equity and liabilities	**1,107,062**	1,124,773	**1,107,014**	1,124,732

2(b) Net Asset Value

Net asset value per ordinary share ($)	**1.60**	1.59	**1.59**	1.57

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 2017 and 31 December 2016.

3. Consolidated Cash Flow Statement

	2nd Quarter Jun 2017	4th Quarter Jun 2016	6 Months Jun 2017	6 Months Jun 2016
	$'000	$'000	**$'000**	$'000
Cash flows from operating activities				
Profit for the period	**2,290**	505	**3,951**	794
Adjustments for:-				
Depreciation of property, plant and equipment	**166**	223	**326**	443
Bad Debts written off	**5**	-	**7**	-
Write-back/(Allowances) for loan losses (net)	**(430)**	1,493	**(570)**	2,491
Gain on sale of investments	**-**	(479)	**(106)**	(417)
Dividend income	**(100)**	(100)	**(100)**	(100)
Staff retirement gratuity	**23**	24	**46**	47
Tax expense	**468**	101	**806**	149
	2,422	1,767	**4,360**	3,407
Changes in working capital:				
Statutory deposit with Monetary Authority of Singapore	**992**	470	**1,530**	719
Loans and advances	**26,626**	9,763	**59,637**	24,673
Other receivables, deposits and prepayments	**289**	1,173	**527**	2,487
Deposits and savings accounts of customers	**(22,070)**	(41,101)	**(17,743)**	(10,167)
Trade and other payables	**(1,207)**	(703)	**(2,243)**	(2,392)
Cash from/(used in) operations	**7,052**	(28,631)	**46,068**	18,727
Taxes (paid)/recovered	**(617)**	1	**(623)**	(160)
Staff retirement gratuities paid	**-**	(36)	**-**	(36)
Net cash flows from/(used in) operating activities	**6,435**	(28,666)	**45,445**	18,531
Cash flows from investing activities				
Dividends received	**100**	100	**100**	100
Purchase of property, plant and equipment	**(126)**	(33)	**(129)**	(47)
Purchase of investments	**(74,801)**	(194,550)	**(147,779)**	(219,507)
Proceeds from sale and maturity of investments	**76,967**	200,554	**131,590**	231,571
Net cash flows from/(used in) investing activities	**2,140**	6,071	**(16,218)**	12,117
Cash flows from financing activities				
Dividends paid	**(3,174)**	-	**(3,174)**	-
Net cash flows used in financing activities	**(3,174)**	-	**(3,174)**	-
Net increase/(decrease) in cash and cash equivalents	**5,401**	(22,595)	**26,053**	30,648
Cash and cash equivalents at beginning of period	**157,441**	158,189	**136,789**	104,946
Cash and cash equivalents at end of period	**162,842**	135,594	**162,842**	135,594

Notes :

In 2015, the Company has changed its financial year end from 30 June to 31 December (please refer to the announcement reference no. SG151204OTHRAK7A dated 4 December 2015). The comparative results in this announcement covered the period from 1 April 2017 to 30 June 2017 ("2nd Quarter Jun 2017") against 1 April 2016 to 30 June 2016 ("4th Quarter Jun 2016").

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 Jan 2017	**168,896**	**1,353**	**63,058**	**(69)**	**730**	**17,917**	**251,885**
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	**1,661**	**1,661**
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss:							
Net change in fair value of available-for-sale investments	-	-	-	**642**	-	-	**642**
Net change in fair value of available-for-sale investments reclassified to profit or loss on disposal	-	-	-	**(106)**	-	-	**(106)**
Tax on items that may be reclassified subsequently to profit or loss	-	-	-	**(91)**	-	-	**(91)**
Total other comprehensive income	-	-	-	**445**	-	-	**445**
Total comprehensive income for the period	-	-	-	**445**	-	**1,661**	**2,106**
At 31 Mar 2017	**168,896**	**1,353**	**63,058**	**376**	**730**	**19,578**	**253,991**
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	**2,290**	**2,290**
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss:							
Net change in fair value of available-for-sale investments	-	-	-	**733**	-	-	**733**
Net change in fair value of available-for-sale investments reclassified to profit or loss on disposal	-	-	-	-	-	-	-
Tax on items that may be reclassified subsequently to profit or loss	-	-	-	**(125)**	-	-	**(125)**
Total other comprehensive income	-	-	-	**608**	-	-	**608**
Total comprehensive income for the period	-	-	-	**608**	-	**2,290**	**2,898**
Transaction with owners, recorded directly in equity							
Final dividend paid of 2 cents per share in respect of year 2016	-	-	-	-	-	**(3,174)**	**(3,174)**
At 30 Jun 2017	**168,896**	**1,353**	**63,058**	**984**	**730**	**18,694**	**253,715**

	Share Capital	Capital Reserve	Statutory Reserve	Fair Value Reserve	General Reserve	Accumulated Profits	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
The Group							
At 1 Jan 2016	**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**
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**
Total comprehensive income for the period							
Profit for the period	**-**	**-**	**-**	**-**	**-**	**505**	**505**
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss:							
Net change in fair value of available-for-sale investments	**-**	**-**	**-**	**(50)**	**-**	**-**	**(50)**
Net change in fair value of available-for-sale investments reclassified to profit or loss on disposal	**-**	**-**	**-**	**(479)**	**-**	**-**	**(479)**
Tax on items that may be reclassified subsequently to profit or loss	**-**	**-**	**-**	**90**	**-**	**-**	**90**
Total other comprehensive income	**-**	**-**	**-**	**(439)**	**-**	**-**	**(439)**
Total comprehensive income for the period	**-**	**-**	**-**	**(439)**	**-**	**505**	**66**
At 30 Jun 2016	**168,896**	**1,353**	**61,178**	**21**	**730**	**17,861**	**250,039**

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 Jan 2017	**168,896**	**1,353**	**63,058**	**(69)**	**730**	**15,942**	**249,910**
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	**1,646**	**1,646**
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss:							
Net change in fair value of available-for-sale investments	-	-	-	**642**	-	-	**642**
Net change in fair value of available-for-sale investments reclassified to profit or loss on disposal	-	-	-	**(106)**	-	-	**(106)**
Tax on items that may be reclassified subsequently to profit or loss	-	-	-	**(91)**	-	-	**(91)**
Total other comprehensive income	-	-	-	**445**	-	-	**445**
Total comprehensive income for the period	-	-	-	**445**	-	**1,646**	**2,091**
At 31 Mar 2017	**168,896**	**1,353**	**63,058**	**376**	**730**	**17,588**	**252,001**
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	**2,284**	**2,284**
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss:							
Net change in fair value of available-for-sale investments	-	-	-	**733**	-	-	**733**
Net change in fair value of available-for-sale investments reclassified to profit or loss on disposal	-	-	-	-	-	-	-
Tax on items that may be reclassified subsequently to profit or loss	-	-	-	**(125)**	-	-	**(125)**
Total other comprehensive income	-	-	-	**608**	-	-	**608**
Total comprehensive income for the period	-	-	-	**608**	-	**2,284**	**2,892**
Transaction with owners, recorded directly in equity							
Final dividend paid of 2 cents per share in respect of year 2016	-	-	-	-	-	**(3,174)**	**(3,174)**
At 30 Jun 2017	**168,896**	**1,353**	**63,058**	**984**	**730**	**16,698**	**251,719**

	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 Jan 2016	**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**
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**
Total comprehensive income for the period							
Profit for the period	**-**	**-**	**-**	**-**	**-**	**494**	**494**
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss:							
Net change in fair value of available-for-sale investments	**-**	**-**	**-**	**(50)**	**-**	**-**	**(50)**
Net change in fair value of available-for-sale investments reclassified to profit or loss on disposal	**-**	**-**	**-**	**(479)**	**-**	**-**	**(479)**
Tax on items that may be reclassified subsequently to profit or loss	**-**	**-**	**-**	**90**	**-**	**-**	**90**
Total other comprehensive income	**-**	**-**	**-**	**(439)**	**-**	**-**	**(439)**
Total comprehensive income for the period	**-**	**-**	**-**	**(439)**	**-**	**494**	**55**
At 30 Jun 2016	**168,896**	**1,353**	**61,178**	**21**	**730**	**15,916**	**248,094**

5 Group's borrowings and debt securities as at the end of the current financial period and as at the end of the corresponding period of the immediately preceding financial year.

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 Number of shares held as treasury shares and the number of subsidiary holdings as at the end of the current financial period and as at the end of the corresponding period of the immediately preceding financial year.

Nil.

8 Sales, transfers, cancellation and/or use of treasury shares and subsidiary holdings as at the end of the financial period.

Not applicable. During the financial period, no shares were held as treasury shares and there were no subsidiary holdings.

9. 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 January 2017.

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 financial period ended 31 December 2016.

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

The Group recorded a profit after tax of $2.3 million for the second quarter ended 30 June 2017 compared to $0.5 million for the same period last year. The stronger performance was mainly attributed to a net write-back of loan allowances.

Profit from operations before allowances was also $2.3 million, $0.2 million or 10.9% higher vis-à-vis the same period last year. This was primarily attributed to our continuous efforts to control operating costs.

Net interest income increased by $0.4m or 8.4% as the decline in interest expense outweighed the drop in interest income while non-interest income decreased by $0.5 million or 50.3% mainly due to the absence of gain on sale of investments. Total operating expenses, which dropped by $0.3 million or 9.0%, were well managed with the decline coming largely from staff costs and other operating expenses.

For the half year ended 30 June 2017, the Group's operating profit before allowances was $4.2 million, compared to $3.4 million during the same period last year. Net interest income remained largely unchanged as decline in interest income, mainly due to the contraction of loan, corresponded to the drop in interest expense. With lower gain on sale of investments and fees and commission income, total income dipped by $0.3 million or 2.9% but was cushioned by decline in operating expenses of $1.1 million or 13.5% owing to the strict discipline in the management of operating costs in the light of lower interest income.

In the current weak economic climate, the Group's total loan net of allowances dipped 7.0% to $779 million compared to $838 million as at 31 December 2016. In tandem with the lower loan balance, total customers' deposits was managed downwards by 2.1% to $839 million as at 30 June 2017. Net write-back for loan losses amounted to $0.6 million for the half year ended 30 June 2017 compared to net charge for loan allowances of $2.5 million for the same period last year. The Group continues to set aside adequate individual and collective allowances for its loan portfolio.

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.

11. Comments on Significant Trends and Competitive Conditions in the Industry

Based on the Ministry of Trade and Industry (MTI)'s advance GDP estimates on 14 July 2017, the Singapore economy grew by 2.5% on a year-on-year basis in the second quarter of 2017, the same pace of growth as in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 0.4%, in contrast to the 1.9% contraction in the preceding quarter.

Against the backdrop of expected modest economic growth for Singapore with local economic restructuring challenges and global economic uncertainties and volatility, the Group will continue to proactively manage our interest margin as well as be disciplined in our cost controls.

12.(a) Interim Dividend Recommended for Current Financial Period

Nil.

12.(b) Interim Dividend Recommended for Previous Corresponding Period

Nil.

13. 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.

14. The Company confirms that it has procured the undertakings required under Rule 720(1) from all its directors and executive officers.

15. Other Matters

Nil.

By Order of the Board
Ngiam May Ling
Company Secretary

11 August 2017

Singapura
富雅金融 FINANCE

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

We, Jamie Teo Miang Yeow 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 30 June 2017 financial results to be false or misleading.

On behalf of the Board of Directors

Jamie Teo Miang Yeow
Director

Tan Hui Keng, Martha
Director

11 August 2017

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