

BRITISH AND MALAYAN TRUSTEES LIMITED
FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2016

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

1(a)(i) An Income Statement with a comparative statement for the corresponding period of the immediately preceding financial year.

	30.06.2016 \$'000	30.06.2015 \$'000	% Increase/ (Decrease)
1(a) Trustee Fees	2,281	2,434	(6)
One-off non-recurring fee revenue	-	487	100
Other fees	229	252	(9)
Operating Revenue	2,510	3,173	(21)
Interest Income	62	72	(14)
Dividend Income	148	226	(35)
Other income	126	201	(37)
Gain on sale of available-for-sale financial assets	-	2,099	NA
Total Revenue	2,846	5,771	(51)
Employees benefits expense	(2,832)	(2,794)	1
Depreciation	(213)	(179)	19
Other Operating Expenses	(1,579)	(2,038)	(23)
Loss on sale of fixed assets	(1)	-	100
Net foreign exchange (loss) / gain	(1)	8	100
(Loss) / Profit Before Tax	(1,780)	768	NA
Income Tax (expense) / credit	(3)	5	(160)
Net (Loss) / Profit for the Financial Period	(1,783)	773	NA
Other Comprehensive Income:			
Net (loss) / gain on fair value changes of AFS financial assets	(9)	265	
Other Comprehensive (loss) / income for the Financial Period, net of tax	(9)	265	
Total Comprehensive (loss) / Income for the Financial Period	(1,792)	1,038	
Earnings per share			
(i) Based on weighted average number of ordinary shares in issue	(\$0.20)	\$0.09	
(ii) On a fully diluted basis	(\$0.20)	\$0.09	

1(b)(i) A Balance Sheet together with a comparative statement as at the end of the immediately preceding financial year.

	30.06.2016 \$'000	30.06.2015 \$'000
Non-Current Assets		
Property, plant and equipment	3,559	3,502
Current Assets		
Cash and cash equivalents	8,256	12,039
Trade and other receivables	361	1,029
Prepayments	129	217
Available-for-sale financial assets	2,356	2,356
	11,102	15,641
Total Assets	14,661	19,143
Non-Current Liabilities		
Deferred tax liability	4	4
Current Liabilities		
Advance trustee services billings	284	332
Trade and other payables	970	1,055
Income tax payable	-	-
	1,254	1,387
Total Liabilities	1,258	1,391
Net Assets	13,403	17,752
Equity		
Share capital	2,737	2,737
Fair value reserve	1,316	1,325
Retained earnings	9,350	13,690
	13,403	17,752

Note :

Equity securities are valued using closing bid prices obtained from pricing services and corporate bonds are valued using broker quotes. Changes in fair values of these investments are recorded in equity until their subsequent disposal, at which time the cumulative gain or loss previously recorded in equity will be included in the income statement for the period. When there is objective evidence that one of these investments is impaired, the cumulative loss that has been recognised directly in the fair value reserve is removed from the fair value within equity and recognised in the income statement. The cumulative loss is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement.

1(b)(ii) Aggregate amount of the Company's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30.06.2016		As at 30.06.2015	
Secured	Unsecured	Secured	Unsecured
0	0	0	0

Amount repayable after one year

As at 30.06.2016		As at 30.06.2015	
Secured	Unsecured	Secured	Unsecured
0	0	0	0

Details of any collateral

N.A.

1(c) A Cash Flow Statement together with a comparative statement for the corresponding period of the immediately preceding financial year.

	30.06.2016 \$'000	30.06.2015 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(1,780)	768
Adjustments for :		
Depreciation of property, plant and equipment	213	179
Interest income	(62)	(72)
Dividend income	(148)	(226)
Gain on sale of available for sale financial assets	-	(2,099)
Property, plant and equipment written off	-	1
Loss on sale of fixed assets	1	-
Operating cash flows before changes in working capital	(1,776)	(1,449)
Changes in working capital		
Decrease / (increase) in trade and other receivables	759	(547)
Increase / (Decrease) in trade and other payables and advance trustee services billings	(131)	435
Cashflows (used in) / from operating activity	(1,148)	(1,561)
Income tax paid	(3)	(37)
Net cash flows used in operating activities	(1,151)	(1,598)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(274)	(92)
Proceeds from sale on available-for-sale-financial assets	2	3,301
Interest received	58	87
Dividends received	139	198
Net cash flows (used in) / generated from investing activities	(75)	3,494
CASH FLOWS FROM FINANCING ACTIVITY		
Dividends paid	(2,557)	(1,244)
Net cash flows used in financing activity	(2,557)	(1,244)
Net (decrease) /increase in cash and cash equivalents	(3,783)	652
Cash and cash equivalents at the beginning of the financial year	12,039	11,387
Cash and cash equivalents at the end of the financial year	8,256	12,039

1(d)(i) A statement showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY					
	Share Capital \$'000	Capital Reserve \$'000	Fair Value Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 July 2015	2,737	-	1,325	13,690	17,752
Profit for the year	-	-	-	(1,783)	(1,783)
Other comprehensive income	-	-	(9)	-	(9)
Total comprehensive income	-	-	(9)	(1,783)	(1,792)
Final and special dividend relating to 2015	-	-	-	(2,426)	(2,426)
Interim dividend relating to 2016	-	-	-	(131)	(131)
Balance at 30 June 2016	2,737	-	1,316	9,350	13,403

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY					
	Share Capital \$'000	Capital Reserve \$'000	Fair Value Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 July 2014	2,737	6,666	3,158	7,495	20,056
Profit for the year	-	-	-	773	773
Other comprehensive income	-	-	265	-	265
Total comprehensive income	-	-	265	773	1,038
Sale of available for sale financial assets	-	-	(2,098)	-	(2,098)
Transfer to retained earnings	-	(6,666)	-	6,666	-
Final and special dividend relating to 2014	-	-	-	(1,113)	(1,113)
Interim dividend relating to 2015	-	-	-	(131)	(131)
Balance at 30 June 2015	2,737	-	1,325	13,690	17,752

- 1(d)(ii) Details of any 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. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

N.A.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the preceding year

The total number of issued shares as at 30 June 2016 and 30 June 2015 was 8,758,080

- 1(d)(iv) A statement showing all sales , disposals, cancellation and / or use of treasury shares as at the end of the current financial period reported on.

N.A

- 2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been reviewed nor audited by our auditors.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

N.A.

- 4 Interested Person Transactions

The Company does not have a general mandate from shareholders for Interested Person Transactions.

- 5 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The same accounting policies and methods of computation have been applied.

- 6 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

N.A

- 7 Earnings per ordinary share of the Company for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	30.06.2016	30.06.2015
Earnings/(losses) per ordinary share for the period based on profit after tax attributable to members of the Company after deducting any provision for preference dividends :		
Total number of issued shares	8,758,080	8,758,080
(i) Based on weighted average number of ordinary shares in issue during the financial period	(\$0.20)	\$0.09
(ii) On a fully diluted basis	(\$0.20)	\$0.09

- 8 Net asset value per ordinary share based on issued share capital of the Company at the end of the :
(a) current financial period reported on; and
(b) immediately preceding financial year.

	30.06.2016	30.06.2015
Net asset value per ordinary share based on issued capital at the end of the financial year	\$1.53	\$2.03

The net asset value per share is computed based on issued shares of the Company as at 30 June 2016 and 30 June 2015.

- 9 **A review of the performance of the Company, to the extent necessary for a reasonable understanding of the Company's business. It must include a discussion of the following:**
- (a) any significant factors that affected the turnover, costs, and earnings of the company for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the company during the current financial period reported on.
- Revenue**
- For the year ended 30 June 2016, the Company's total revenue was \$2,846,000 (2015: \$5,771,000). The decrease of 51% was due to the realisation in the prior year of a number of the Company's available-for-sale ("AFS") assets on which the company reported a gain on sale of \$2,099,000 and was reflected as other income and one-off non-recurring fee revenue of \$487,000 received in the prior year. On a normalised basis i.e. excluding the realisation and one-off revenue, revenue decreased by 11% (\$2,846,000 compared to \$3,185,000). This decline in revenue is mainly attributable to the maturity of a number of corporate trust financing transactions, and lower dividend income from AFS assets.
- Profit & Loss**
- For the year ended 30 June 2016, the Company incurred an operating loss before tax of \$1,780,000 compared with an operating profit before tax of \$768,000 in the prior year. On a like for like basis, after adjusting for the realisation of the AFS assets above, the result for the year ended 30 June 2016 was an operating loss before tax of \$1,780,000 compared with an operating loss before tax of \$1,331,000 in the corresponding period. The decline in profitability is due to lower revenue as outlined above and partially offset by lower other costs incurred.
- Balance Sheet Analysis**
- Net assets have declined to \$13,403,000 from \$17,752,000 over the financial year. The decrease is due the payment of the company's interim, final ordinary and special dividend totalling \$2,557,000 and the company's operating loss for the year. Notwithstanding the decline in net assets we believe our strong balance sheet with cash and cash equivalents of \$8,256,000, representing 56% of total assets, will work to our advantage as well as provide our clients and business partners the comfort level it carries as we continue to see a challenging period for the Singapore economy.
- Cash flow Analysis**
- The company's cash position over the financial year has declined from \$12,039,000 to \$8,256,000. This decline is due to the payment of the company's interim, final ordinary and special dividend totalling \$2,557,000 and the company's operating loss for the year.
- Strategic Review**
- As result of an ongoing strategic review undertaken by the Company in order to address declining profitability, the Company has determined, that in addition to its continuing efforts to realize returns from management of its investments, enhanced efficiencies through implementation of IT systems and cost containment, rationalising and improving profitability of existing accounts, and focusing marketing efforts on appropriate new accounts, it is actively considering the undertaking of a corporate restructuring of the Company (the "**Restructuring**"). The Restructuring contemplated involves, *inter alia*, the interposition of a new investment holding company, between the shareholders of the Company (the "**Shareholders**") and the Company. The proposed Restructuring will enable BMT to:
- (i) align its structure with other similar institutions in the industry through the establishment of a holding company to hold separate subsidiaries for conduct of existing business activities;
- (ii) have the flexibility of engaging in potential new businesses in the future that the group may wish to carry on or acquire in the future, which can be housed in new subsidiaries held by the new holding company which may be impossible or inappropriate to conduct within the Company; and
- (iii) ring-fence the regulated businesses of the Company from the new ancillary/non-regulated businesses of the group.
- Any such Restructuring remains under consideration, and the implementation of the same will be subject to and conditional upon, *inter alia*, regulatory and shareholders' approval, including but not limited to the approvals and/or consent of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the Monetary Authority of Singapore.
- Shareholders should note that there is no certainty or assurance that the Restructuring will proceed. The Company will make further announcements in compliance with the requirements of the Listing Manual of the SGX-ST when there are material developments in relation to the Restructuring.
- 10 **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**
- The current period results are generally in line with the prospect statement previously disclosed.
- 11 **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the company operates and any known factors or events that may affect of the company in the next reporting and the next 12 months.**
- Based upon the foregoing, the Company expects to be profitable and grow within the calendar year 2017, consistent with the prospects statement disclosed in the results announcement for the financial period ended 31 March 2016.
- The Directors of the Company (including those who may have delegated detailed supervision of the preparation of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly. Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors of the Company has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this announcement.
- 12 **Dividend**
- (a) **Current Financial Period Report on:**
- Any dividend declared for the current financial period reported on?
- Other than the interim dividend that was paid on 11 March 2016, no dividend has been declared in the current financial period reported upon.
- (b) **Corresponding Period of the immediately preceding financial year**
- The Company declared the following dividends for the financial year ended 30 June 2015 :
- | Type of dividend | Amount | Date payable |
|------------------|-----------------------|--------------|
| Interim | 1.50 cents per share | 11-Mar-15 |
| Special | 25.00 cents per share | 20-Nov-15 |
| Final | 2.70 cents per share | 20-Nov-15 |
- (c) **Date payable**
- N.A
- (d) **Books closure date**
- N.A
- 13 **If no dividend has been declared/recommended, a statement to that effect.**
- Other than the interim dividend ,no other dividend has been declared / recommended for the period ended 30 June 2016.

PART II- ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14 Segment revenue and results for business or geographical segments in the form presented in the Company's most recently audited annual financial statements, comparative information for the immediately preceding year.

	Trustee activities		Investment activities		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Revenue	2,510	3,173	-	-	2,510	3,173
External Customers						
Results						
Interest income	-	-	62	72	62	72
Dividend income	-	-	148	226	148	226
Rental income	-	-	-	-	-	-
Other Income	95	96	31	105	126	201
Gain on available for financial assets			-	2,099	-	2,099
Loss on sale of fixed assets		-	(1)	-	(1)	-
Employee benefits expense	(2,832)	(2,487)		(307)	(2,832)	(2,794)
Depreciation expenses	(195)	(159)	(18)	(20)	(213)	(179)
Other expenses	(1,459)	(1,855)	(120)	(183)	(1,579)	(2,038)
Net foreign exchange (loss)/ gain	(1)	7	-	1	(1)	8
Income tax (expense) / credit	(3)	5	-	-	(3)	5
Segment profit/(loss)	(1,885)	(1,220)	102	1,993	(1,783)	773
Segment assets and total assets	4,774	5,334	9,887	13,809	14,661	19,143
Segment liabilities	1,258	1,275	-	116	1,258	1,391

15 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Revenue

For the year ended 30 June 2016, the Company's total revenue was \$2,846,000 (2015: \$5,771,000). The decrease of 51% was due to the realisation in the prior year of a number of the Company's available-for-sale ("AFS") assets on which the company reported a gain on sale of \$2,099,000 and was reflected as other income and one-off non-recurring fee revenue of \$487,000 received in the prior year. On a normalised basis i.e. excluding the realisation and one-off revenue, revenue decreased by 11% (\$2,846,000 compared to \$3,185,000). This decline in revenue is mainly attributable to the maturity of a number of corporate trust financing transactions, and lower dividend income from AFS assets.

Profit & Loss

For the year ended 30 June 2016, the Company incurred an operating loss before tax of \$1,780,000 compared with an operating profit before tax of \$768,000 in the prior year. On a like for like basis, after adjusting for the realisation of the AFS assets above, the result for the year ended 30 June 2016 was an operating loss before tax of \$1,780,000 compared with an operating loss before tax of \$1,331,000 in the corresponding period. The decline in profitability is due to lower revenue as outlined above and partially offset by lower other costs incurred.

Balance Sheet Analysis

Net assets have declined to \$13,403,000 from \$17,752,000 over the financial year. The decrease is due the payment of the company's interim, final ordinary and special dividend totalling \$2,557,000 and the company's operating loss for the year. Notwithstanding the decline in net assets we believe our strong balance sheet with cash and cash equivalents of \$8,256,000, representing 56% of total assets, will work to our advantage as well as provide our clients and business partners the comfort level it carries as we continue to see a challenging period for the Singapore economy.

Cash flow Analysis

The company's cash position over the financial year has declined from \$12,039,000 to \$8,256,000. This decline is due to the payment of the company's interim, final ordinary and special dividend totalling \$2,557,000 and the company's operating loss for the year.

Strategic Review

As result of an ongoing strategic review undertaken by the Company in order to address declining profitability, the Company has determined, that in addition to its continuing efforts to realize returns from management of its investments, enhanced efficiencies through implementation of IT systems and cost containment, rationalising and improving profitability of existing accounts, and focusing marketing efforts on appropriate new accounts, it is actively considering the undertaking of a corporate restructuring of the Company (the "**Restructuring**"). The Restructuring contemplated involves, *inter alia*, the interposition of a new investment holding company, between the shareholders of the Company (the "**Shareholders**") and the Company. The proposed Restructuring will enable BMT to:

- (i) align its structure with other similar institutions in the industry through the establishment of a holding company to hold separate subsidiaries for conduct of existing business activities;
- (ii) have the flexibility of engaging in potential new businesses in the future that the group may wish to carry on or acquire in the future, which can be housed in new subsidiaries held by the new holding company which may be impossible or inappropriate to conduct within the Company; and
- (iii) ring-fence the regulated businesses of the Company from the new ancillary/non-regulated businesses of the group.

Any such Restructuring remains under consideration, and the implementation of the same will be subject to and conditional upon, *inter alia*, regulatory and shareholders' approval, including but not limited to the approvals and/or consent of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the Monetary Authority of Singapore.

Shareholders should note that there is no certainty or assurance that the Restructuring will proceed. The Company will make further announcements in compliance with the requirements of the Listing Manual of the SGX-ST when there are material developments in relation to the Restructuring.

16 A breakdown of sales

	30.06.2016 \$'000	30.06.2015 \$'000	Increase/ (Decrease) \$'000
Operating revenue for the first half year	1,207	1,256	(49)
Loss after tax reported for the first half year	(855)	(211)	(644)
Operating revenue for the second half year	1,303	1,917	(614)
(Loss) /Profit after tax reported for the second half year	(928)	984	(1,912)

17 **A breakdown of the total annual dividend (in dollar value) for the Company's latest full year and its previous full year.**

Total Annual Dividend		
	Latest Full Year \$'000	Previous Full Year \$'000
Ordinary	2,557	1,244
Preference	-	-
Total	2,557	1,244

18 **Interested Person Transactions**

The Company does not have a general mandate from shareholders for Interested Person Transactions.

19 **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).**

There is no such person occupying a managerial position.

20 **Statement Pursuant to SGX Listing Rule 705(5) of the Listing Manual**

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited year end financial results of British and Malayan Trustees Limited for the year ended 30 June 2016, to be false or misleading in any material respect.

21 **Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Issuer confirms that it has procured the requisite undertakings.

BY ORDER OF THE BOARD

PAUL PAVEY/ ANGELA HO
COMPANY SECRETARIES
22-Aug-16