SINGAPURA FINANCE LTD
Co. Reg. No. 196900340N

First Quarter Financial Statements Announcement

The Directors of Singapura Finance Ltd are pleased to announce the first quarter financial statements on consolidated results for the period ended 31 March 2017. These figures have not been audited or reviewed by the Auditors.

1(a) Unaudited Group Income Statement for the Quarter ended 31 March 2017

	1st Quarter Mar 2017	3rd Quarter Mar 2016	+ / (-)
	$'000	$'000	%
Interest income and hiring charges	**7,624**	8,866	(14.0)
Interest expense	**(2,675)**	(3,560)	(24.9)
Net interest and hiring charges	**4,949**	5,306	(6.7)
Fee and commission income	**314**	348	(9.8)
Gain/(Loss) on sale of investments	**106**	(62)	n.m.
Other operating income	**80**	84	(4.8)
Income before operating expenses	**5,449**	5,676	(4.0)
Staff costs	**(1,971)**	(1,888)	4.4
Depreciation of property, plant and equipment	**(160)**	(220)	(27.3)
Other operating expenses	**(1,459)**	(2,233)	(34.7)
Total operating expenses	**(3,590)**	(4,341)	(17.3)
Profit from operations before allowances	**1,859**	1,335	39.3
Write-back/(Allowances) on loan losses (net)	**140**	(998)	n.m.
Profit before tax	**1,999**	337	493.2
Tax expense	**(338)**	(48)	604.2
Profit after tax	**1,661**	289	474.7

n.m. – not meaningful

1(b) Earnings Per Share of the Group

	1st Quarter Mar 2017	3rd Quarter Mar 2016
Annualised earnings per share (cents)		
- Basic	**4.19**	0.73
- Diluted	**4.19**	0.73

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 periods ended 31 March 2017 and 2016.

There are no potential dilutive ordinary shares for the periods ended 31 March 2017 and 2016.

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 January 2017 to 31 March 2017 ("1st Quarter Mar 2017") against 1 January 2016 to 31 March 2016 ("3rd Quarter Mar 2016").

1(c) Unaudited Group Statement of Comprehensive Income for the Quarter ended 31 March 2017

	1st Quarter Mar 2017	3rd Quarter Mar 2016	+ / (-)
	$'000	$'000	%
Profit for the period	**1,661**	289	474.7
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Net change in fair value of available-for-sale investments	**642**	2,835	(77.4)
Net change in fair value of available-for-sale investments reclassified to profit or loss on disposal	**(106)**	62	n.m.
Tax on items that may be reclassified subsequently to profit or loss	**(91)**	(493)	(81.5)
Other comprehensive income for the period, net of tax	**445**	2,404	(81.5)
Total comprehensive income for the period	**2,106**	2,693	(21.8)

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 January 2017 to 31 March 2017 ("1st Quarter Mar 2017") against 1 January 2016 to 31 March 2016 ("3rd Quarter Mar 2016").

2(a) Balance Sheets

	Group		Company	
	31-Mar-17	31-Dec-16	**31-Mar-17**	31-Dec-16
	$'000	$'000	**$'000**	$'000
Assets				
Cash and cash equivalents	**157,441**	136,789	**157,279**	136,627
Statutory deposit with the Monetary Authority of Singapore	**21,642**	22,180	**21,642**	22,180
Investments	**135,095**	116,098	**135,095**	116,098
Loans and advances	**805,511**	838,384	**805,511**	838,384
Others receivables, deposits and prepayments	**2,838**	3,076	**2,826**	3,072
Subsidiaries	**-**	-	**125**	125
Property, plant and equipment	**8,089**	8,246	**8,089**	8,246
Total assets	**1,130,616**	1,124,773	**1,130,567**	1,124,732
Equity				
Share capital	**168,896**	168,896	**168,896**	168,896
Reserves	**85,095**	82,989	**83,105**	81,014
Total equity attributable to owners of the Company	**253,991**	251,885	**252,001**	249,910
Liabilities				
Deposits and savings accounts of customers	**861,255**	856,928	**863,422**	859,095
Trade and other payables	**11,831**	12,867	**11,606**	12,640
Current tax liabilities	**2,126**	1,724	**2,125**	1,718
Staff retirement gratuities	**1,299**	1,276	**1,299**	1,276
Deferred tax liabilities	**114**	93	**114**	93
Total liabilities	**876,625**	872,888	**878,566**	874,822
Total equity and liabilities	**1,130,616**	1,124,773	**1,130,567**	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 31 March 2017 and 31 December 2016.

3 Consolidated Cash Flow Statement

	1st Quarter Mar 2017	3rd Quarter Mar 2016
	$'000	$'000
Cash flows from operating activities		
Profit for the period	**1,661**	289
Adjustments for:-		
Depreciation of property, plant and equipment	**160**	220
(Write-back)/Allowances on loan losses (net)	**(140)**	998
(Gain)/Loss on sale of investments	**(106)**	62
Bad debts written off	**2**	-
Staff retirement gratuity	**23**	23
Tax expense	**338**	48
	1,938	1,640
Changes in:		
Statutory deposit with Monetary Authority of Singapore	**538**	249
Loans and advances	**33,011**	14,910
Other receivables, deposits and prepayments	**238**	1,314
Deposits and savings accounts of customers	**4,327**	30,934
Trade and other payables	**(1,036)**	(1,689)
Cash from operating activities	**39,016**	47,358
Taxes paid	**(6)**	(161)
Net cash from operating activities	**39,010**	47,197
Cash flows from investing activities		
Purchase of property, plant and equipment	**(3)**	(14)
Purchase of investments	**(72,978)**	(24,957)
Proceeds from sale and maturity of investments	**54,623**	31,017
Net cash (used in)/from investing activities	**(18,358)**	6,046
Net increase in cash and cash equivalents	**20,652**	53,243
Cash and cash equivalents at beginning of period	**136,789**	104,946
Cash and cash equivalents at end of period	**157,441**	158,189

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 January 2017 to 31 March 2017 ("1st Quarter Mar 2017") against 1 January 2016 to 31 March 2016 ("3rd Quarter Mar 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**

	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 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**

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**

	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 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**

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 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 $1.7 million for the first quarter ended 31 March 2017, an improvement compared to $0.3 million for the same period last year. The stronger performance was mainly attributed to lower operating expenses and a net write-back of loan allowances.

Profit from operations before allowances was $1.9 million, $0.5 million or 39.3% higher vis-à-vis the same period last year. Net interest income contracted by $0.4 million or 6.7% primarily due to lower loan volume and yield, partly cushioned by decline in interest expense. The drop in net interest income was compensated by higher non-interest income particularly gain on sale of investments and lower total operating expenses 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 3.9% to $806 million compared to $838 million as at 31 December 2016. Meanwhile, total deposits increased marginally by $4 million or 0.5% to $861 million as at 31 March 2017.

With the drop in total loan during the period, there was a write-back of collective allowances, resulting in a $0.1 million net write-back for loan allowances. For the same period last year, there was a net charge for loan allowances of $1.0 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.

11 Comments on Significant Trends and Competitive Conditions in the Industry

According to Ministry of Trade and Industry ("MTI")'s advance GDP estimates on 13 April 2017, the Singapore economy grew by 2.5% on a year-on-year basis in the first quarter of 2017, easing from the 2.9% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy contracted by 1.9% after posting a strong rebound of 12.3% in the preceding quarter.

The outlook for Singapore's economy remain subdued with local economic restructuring challenges and global economic uncertainties and volatility. In the current weak economic climate, the Group would continue to be vigilant and proactive in managing and monitoring the heighted business risk of our loan portfolio, while ensuring our operating expenses are well contained to remain competitive.

12(a) Interim Dividend Recommended for the Current Quarter

Nil

12(b) Interim Dividend Recommended for Previous Corresponding Quarter

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

12 May 2017

Singapura
富雅金融 FINANCE

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 ended 31 March 2017 financial results to be false or misleading.

On Behalf of the Board of Directors

Teo Chiang Long
Director

Tan Hui Keng, Martha
Director

12 May 2017

Singapura Finance Ltd
150 Cecil Street #01-00 Singapore 069543 Tel: 6880 0633 Fax: 6225 8310 www.singapurafinance.com.sg Reg. No. 196900340N