SINGAPURA FINANCE LTD
Co. Reg. No. 196900340N

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 30 September 2019. These figures have not been audited or reviewed by the Auditors.

1(a) Unaudited Group Results for the Third Quarter and Nine Months ended 30 September 2019

	3rd Quarter Sep 2019	3rd Quarter Sep 2018	+ / (-)	**9 Months Sep 2019**	9 Months Sep 2018	+ / (-)
	$'000	$'000	%	**$'000**	$'000	%
Interest income and hiring charges	**7,124**	6,529	9.1	**22,873**	20,593	11.1
Interest expense	**(2,439)**	(1,833)	33.1	**(6,849)**	(5,617)	21.9
Net interest and hiring charges	**4,685**	4,696	(0.2)	**16,024**	14,976	7.0
Fee and commission income	**177**	163	8.6	**450**	625	(28.0)
Dividend income	**-**	-	n.m.	**-**	15	(100.0)
Other operating income	**89**	209	(57.4)	**354**	480	(26.3)
Income before operating expenses	**4,951**	5,068	(2.3)	**16,828**	16,096	4.5
Staff costs	**(1,969)**	(1,933)	1.9	**(5,902)**	(5,636)	4.7
Depreciation of property, plant and equipment & Right of Use assets	**(289)**	(207)	39.6	**(858)**	(543)	58.0
Other operating expenses [1]	**(1,023)**	(954)	7.2	**(2,939)**	(3,216)	(8.6)
Total operating expenses	**(3,281)**	(3,094)	6.0	**(9,699)**	(9,395)	3.2
Profit from operations before impairment losses	**1,670**	1,974	(15.4)	**7,129**	6,701	6.4
Write-back for impairment losses on loans and advances	**587**	1,963	(70.1)	**1,873**	891	110.2
Profit before tax	**2,257**	3,937	(42.7)	**9,002**	7,592	18.6
Tax expense	**(382)**	(666)	(42.6)	**(1,527)**	(1,281)	19.2
Profit after tax	**1,875**	3,271	(42.7)	**7,475**	6,311	18.4

[1] Includes interest on lease liabilities amounting to $449,000 for the 9 months ended 30 September 2019 (30 September 2018: $Nil).

n.m. – not meaningful

1(b) Earnings Per Share of the Group

	3rd Quarter Sep 2019	3rd Quarter Sep 2018	**9 Months Sep 2019**	9 Months Sep 2018
Annualised earnings per share (cents)				
- Basic	**4.73**	8.24	**6.28**	5.30
- Diluted	**4.73**	8.24	**6.28**	5.30

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 September 2019 and 2018.

There are no potential dilutive ordinary shares for the periods ended 30 September 2019 and 2018.

1(c) Unaudited Group Statement of Comprehensive Income for the Third Quarter and Nine Months ended 30 September 2019

	3rd Quarter Sep 2019	3rd Quarter Sep 2018	+ / (-)	**9 Months Sep 2019**	9 Months Sep 2018	+ / (-)
	$'000	$'000	%	**$'000**	$'000	%
Profit for the period	**1,875**	3,271	(42.7)	**7,475**	6,311	18.4
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss:						
Net change in fair value of investments measured at FVOCI *	**579**	97	496.9	**857**	(1,411)	n.m.
Tax relating to items that may be reclassified subsequently to profit or loss	**(99)**	(16)	(518.8)	**(146)**	240	n.m.
Other comprehensive income for the period, net of tax	**480**	81	492.6	**711**	(1,171)	n.m.
Total comprehensive income for the period	**2,355**	3,352	(29.7)	**8,186**	5,140	59.3

n.m. – not meaningful

*FVOCI - Fair Value through Other Comprehensive Income

2(a) Balance Sheets

	Group		Company	
	30-Sep-19	31-Dec-18	**30-Sep-19**	31-Dec-18
	$'000	$'000	**$'000**	$'000
Assets				
Cash and cash equivalents	**82,031**	115,519	**81,957**	115,348
Statutory deposit with the Monetary Authority of Singapore	**17,912**	18,641	**17,912**	18,641
Investments	**99,733**	172,753	**99,733**	172,753
Loans and advances	**730,542**	680,441	**730,542**	680,441
Others receivables, deposits and prepayments	**1,582**	1,597	**1,567**	1,593
Subsidiaries	**-**	-	**125**	125
Property, plant and equipment	**7,629**	7,937	**7,629**	7,937
Right of Use assets	**680**	-	**680**	-
Deferred tax assets	**-**	45	**-**	45
Total assets	**940,109**	996,933	**940,145**	996,883
Equity				
Share capital	**168,896**	168,896	**168,896**	168,896
Reserves	**90,120**	88,587	**87,962**	86,465
Total equity attributable to owners of the Company	**259,016**	257,483	**256,858**	255,361
Liabilities				
Deposits and savings accounts of customers	**668,707**	726,519	**671,119**	728,826
Trade and other payables	**7,690**	9,243	**7,475**	9,014
Lease liabilities	**1,044**	-	**1,044**	-
Current tax liabilities	**2,118**	2,223	**2,115**	2,217
Staff retirement gratuities	**1,444**	1,465	**1,444**	1,465
Deferred tax liabilities	**90**	-	**90**	-
Total liabilities	**681,093**	739,450	**683,287**	741,522
Total equity and liabilities	**940,109**	996,933	**940,145**	996,883

2(b) Net Asset Value

Net asset value per ordinary share ($)	**1.63**	1.62	**1.62**	1.61

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 September 2019 and 31 December 2018.

3. Consolidated Cash Flow Statement

	3rd Quarter Sep 2019	3rd Quarter Sep 2018	**9 Months Sep 2019**	9 Months Sep 2018
	$'000	$'000	**$'000**	$'000
Cash flows from operating activities				
Profit for the period	**1,875**	3,271	**7,475**	6,311
Adjustments for:-				
Depreciation of property, plant and equipment & Right of Use assets	**289**	207	**858**	543
Bad Debts written off	**-**	-	**3**	24
Write-back for impairment losses on loans and advances	**(587)**	(1,963)	**(1,873)**	(891)
Property, plant and equipment written off	**-**	2	**2**	16
Dividend income	**-**	-	**-**	(15)
Staff retirement gratuity	**24**	24	**72**	73
Lease interest	**145**	-	**449**	-
Tax expense	**382**	666	**1,527**	1,281
	2,128	2,207	**8,513**	7,342
Changes in working capital:				
Statutory deposit with Monetary Authority of Singapore	**(1,154)**	414	**729**	3,310
Loans and advances	**(43,993)**	9,537	**(48,231)**	54,259
Other receivables, deposits and prepayments	**(74)**	255	**15**	400
Deposits and savings accounts of customers	**6,915**	(30,406)	**(57,812)**	(150,676)
Trade and other payables	**809**	(1,577)	**(1,553)**	(4,854)
Cash used in operations	**(35,369)**	(19,570)	**(98,339)**	(90,219)
Taxes paid	**(817)**	(597)	**(1,642)**	(1,197)
Staff retirement gratuities paid	**-**	-	**(93)**	-
Net cash flows used in operating activities	**(36,186)**	(20,167)	**(100,074)**	(91,416)
Cash flows from investing activities				
Dividends received	**-**	-	**-**	15
Purchase of property, plant and equipment	**(120)**	(191)	**(256)**	(690)
Purchase of investments	**(134,803)**	(141,810)	**(688,939)**	(421,307)
Proceeds from sale and maturity of investments	**164,770**	168,776	**762,815**	474,290
Net cash flows from investing activities	**29,847**	26,775	**73,620**	52,308
Cash flows from financing activities				
Dividends paid	**-**	-	**(6,347)**	(4,761)
Payment of lease liabilities	**(243)**	-	**(687)**	-
Net cash flows used in financing activities	**(243)**	-	**(7,034)**	(4,761)
Net (decrease)/increase in cash and cash equivalents	**(6,582)**	6,608	**(33,488)**	(43,869)
Cash and cash equivalents at beginning of period	**88,613**	87,151	**115,519**	137,628
Cash and cash equivalents at end of period	**82,031**	93,759	**82,031**	93,759

4(a) Statements of Changes in Equity – Group

	Share Capital	Capital Reserve	Regulatory Loss Allowance Reserve	Statutory Reserve	Fair Value Reserve	General Reserve	Accumulated Profits	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
The Group								
At 1 Jan 2019	**168,896**	**1,353**	**1,854**	**69,308**	**194**	**730**	**15,148**	**257,483**
Effect of adopting new accounting standard SFRS(I) 16	**-**	**-**	**-**	**-**	**-**	**-**	**(306)**	**(306)**
Restated balance as at 1 Jan 2019	**168,896**	**1,353**	**1,854**	**69,308**	**194**	**730**	**14,842**	**257,177**
Total comprehensive income for the period								
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**5,600**	**5,600**
Other comprehensive income								
Items that may be reclassified subsequently to profit or loss:								
Net change in fair value of investments measured at FVOCI	**-**	**-**	**-**	**-**	**278**	**-**	**-**	**278**
Tax on items that may be reclassified subsequently to profit or loss	**-**	**-**	**-**	**-**	**(47)**	**-**	**-**	**(47)**
Total other comprehensive income	**-**	**-**	**-**	**-**	**231**	**-**	**-**	**231**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**231**	**-**	**5,600**	**5,831**
Transaction with owners, recorded directly in equity								
Final dividend of 2 cents and Special dividend of 2 cents per share paid in respect of year 2018	**-**	**-**	**-**	**-**	**-**	**-**	**(6,347)**	**(6,347)**
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**	**(6,347)**	**(6,347)**
Transfer from accumulated profits to Regulatory Loss Allowance Reserve	**-**	**-**	**1,128**	**-**	**-**	**-**	**(1,128)**	**-**
At 30 Jun 2019	**168,896**	**1,353**	**2,982**	**69,308**	**425**	**730**	**12,967**	**256,661**
Total comprehensive income for the period								
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**1,875**	**1,875**
Other comprehensive income								
Items that may be reclassified subsequently to profit or loss:								
Net change in fair value of investments measured at FVOCI	**-**	**-**	**-**	**-**	**579**	**-**	**-**	**579**
Tax on items that may be reclassified subsequently to profit or loss	**-**	**-**	**-**	**-**	**(99)**	**-**	**-**	**(99)**
Total other comprehensive income	**-**	**-**	**-**	**-**	**480**	**-**	**-**	**480**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**480**	**-**	**1,875**	**2,355**
Transfer from accumulated profits to Regulatory Loss Allowance Reserve	**-**	**-**	**646**	**-**	**-**	**-**	**(646)**	**-**
At 30 Sep 2019	**168,896**	**1,353**	**3,628**	**69,308**	**905**	**730**	**14,196**	**259,016**

FVOCI - Fair Value through Other Comprehensive Income

4(a) Statements of Changes in Equity – Group

	Share Capital	Capital Reserve	Regulatory Loss Allowance Reserve	Statutory Reserve	Fair Value Reserve	General Reserve	Accumulated Profits	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
The Group								
At 1 Jan 2018	**168,896**	**1,353**	**-**	**65,488**	**309**	**730**	**17,220**	**253,996**
Effect of adopting new accounting standard SFRS(I) 9	**-**	**-**	**-**	**-**	**-**	**-**	**646**	**646**
Restated balance as at 1 Jan 2018	**168,896**	**1,353**	**-**	**65,488**	**309**	**730**	**17,866**	**254,642**
Total comprehensive income for the period								
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**3,040**	**3,040**
Other comprehensive income								
Items that may be reclassified subsequently to profit or loss:								
Net change in fair value of investments measured at FVOCI	**-**	**-**	**-**	**-**	**(1,508)**	**-**	**-**	**(1,508)**
Tax on items that may be reclassified subsequently to profit or loss	**-**	**-**	**-**	**-**	**256**	**-**	**-**	**256**
Total other comprehensive income	**-**	**-**	**-**	**-**	**(1,252)**	**-**	**-**	**(1,252)**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**(1,252)**	**-**	**3,040**	**1,788**
Transaction with owners, recorded directly in equity								
Final dividend paid of 2 cents per share and Special dividend paid of 1 cent in respect of year 2017	**-**	**-**	**-**	**-**	**-**	**-**	**(4,761)**	**(4,761)**
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**	**(4,761)**	**(4,761)**
Transfer from accumulated profits to Regulatory Loss Allowance Reserve	**-**	**-**	**945**	**-**	**-**	**-**	**(945)**	**-**
At 30 Jun 2018	**168,896**	**1,353**	**945**	**65,488**	**(943)**	**730**	**15,200**	**251,669**
Total comprehensive income for the period								
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**3,271**	**3,271**
Other comprehensive income								
Items that may be reclassified subsequently to profit or loss:								
Net change in fair value of investments measured at FVOCI	**-**	**-**	**-**	**-**	**97**	**-**	**-**	**97**
Tax on items that may be reclassified subsequently to profit or loss	**-**	**-**	**-**	**-**	**(16)**	**-**	**-**	**(16)**
Total other comprehensive income	**-**	**-**	**-**	**-**	**81**	**-**	**-**	**81**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**81**	**-**	**3,271**	**3,352**
Transfer from accumulated profits to Regulatory Loss Allowance Reserve	**-**	**-**	**1,210**	**-**	**-**	**-**	**(1,210)**	**-**
At 30 Sep 2018	**168,896**	**1,353**	**2,155**	**65,488**	**(862)**	**730**	**17,261**	**255,021**

FVOCI - Fair Value through Other Comprehensive Income

4(b) Statements of Changes in Equity – Company

	Share Capital	Capital Reserve	Regulatory Loss Allowance Reserve	Statutory Reserve	Fair Value Reserve	General Reserve	Accumulated Profits	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
The Company								
At 1 Jan 2019	**168,896**	**1,353**	**1,854**	**69,308**	**194**	**730**	**13,026**	**255,361**
Effect of adopting new accounting standard SFRS(I) 16	**-**	**-**	**-**	**-**	**-**	**-**	**(306)**	**(306)**
Restated balance as at 1 Jan 2019	**168,896**	**1,353**	**1,854**	**69,308**	**194**	**730**	**12,720**	**255,055**
Total comprehensive income for the period								
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**5,582**	**5,582**
Other comprehensive income								
Items that may be reclassified subsequently to profit or loss:								
Net change in fair value of investments measured at FVOCI	**-**	**-**	**-**	**-**	**278**	**-**	**-**	**278**
Tax on items that may be reclassified subsequently to profit or loss	**-**	**-**	**-**	**-**	**(47)**	**-**	**-**	**(47)**
Total other comprehensive income	**-**	**-**	**-**	**-**	**231**	**-**	**-**	**231**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**231**	**-**	**5,582**	**5,813**
Transaction with owners, recorded directly in equity								
Final dividend of 2 cents and Special dividend of 2 cents per share paid in respect of year 2018	**-**	**-**	**-**	**-**	**-**	**-**	**(6,347)**	**(6,347)**
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**	**(6,347)**	**(6,347)**
Transfer from accumulated profits to Regulatory Loss Allowance Reserve	-	-	**1,128**	**-**	**-**	**-**	**(1,128)**	-
At 30 Jun 2019	**168,896**	**1,353**	**2,982**	**69,308**	**425**	**730**	**10,827**	**254,521**
Total comprehensive income for the period								
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**1,857**	**1,857**
Other comprehensive income								
Items that may be reclassified subsequently to profit or loss:								
Net change in fair value of investments measured at FVOCI	**-**	**-**	**-**	**-**	**579**	**-**	**-**	**579**
Tax on items that may be reclassified subsequently to profit or loss	**-**	**-**	**-**	**-**	**(99)**	**-**	**-**	**(99)**
Total other comprehensive income	**-**	**-**	**-**	**-**	**480**	**-**	**-**	**480**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**480**	**-**	**1,857**	**2,337**
Transfer from accumulated profits to Regulatory Loss Allowance Reserve	**-**	**-**	**646**	**-**	**-**	**-**	**(646)**	**-**
At 30 Sep 2019	**168,896**	**1,353**	**3,628**	**69,308**	**905**	**730**	**12,038**	**256,858**

FVOCI - Fair Value through Other Comprehensive Income

4(b) Statements of Changes in Equity – Company

	Share Capital	Capital Reserve	Regulatory Loss Allowance Reserve	Statutory Reserve	Fair Value Reserve	General Reserve	Accumulated Profits	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
The Company								
At 1 Jan 2018	**168,896**	**1,353**	**-**	**65,488**	**309**	**730**	**15,194**	**251,970**
Effect of adopting new accounting standard SFRS(I) 9	**-**	**-**	**-**	**-**	**-**	**-**	**646**	**646**
Restated balance as at 1 Jan 2018	**168,896**	**1,353**	**-**	**65,488**	**309**	**730**	**15,840**	**252,616**
Total comprehensive income for the period								
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**2,988**	**2,988**
Other comprehensive income								
Items that may be reclassified subsequently to profit or loss:								
Net change in fair value of investments measured at FVOCI	**-**	**-**	**-**	**-**	**(1,508)**	**-**	**-**	**(1,508)**
Tax on items that may be reclassified subsequently to profit or loss	**-**	**-**	**-**	**-**	**256**	**-**	**-**	**256**
Total other comprehensive income	**-**	**-**	**-**	**-**	**(1,252)**	**-**	**-**	**(1,252)**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**(1,252)**	**-**	**2,988**	**1,736**
Transaction with owners, recorded directly in equity								
Final dividend paid of 2 cents per share and Special dividend paid of 1 cent in respect of year 2017	**-**	**-**	**-**	**-**	**-**	**-**	**(4,761)**	**(4,761)**
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**	**(4,761)**	**(4,761)**
Transfer from accumulated profits to Regulatory Loss Allowance Reserve	**-**	**-**	**945**	**-**	**-**	**-**	**(945)**	**-**
At 30 Jun 2018	**168,896**	**1,353**	**945**	**65,488**	**(943)**	**730**	**13,122**	**249,591**
Total comprehensive income for the period								
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**3,241**	**3,241**
Other comprehensive income								
Items that may be reclassified subsequently to profit or loss:								
Net change in fair value of investments measured at FVOCI	**-**	**-**	**-**	**-**	**97**	**-**	**-**	**97**
Tax on items that may be reclassified subsequently to profit or loss	**-**	**-**	**-**	**-**	**(16)**	**-**	**-**	**(16)**
Total other comprehensive income	**-**	**-**	**-**	**-**	**81**	**-**	**-**	**81**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**81**	**-**	**3,241**	**3,322**
Transfer from accumulated profits to Regulatory Loss Allowance Reserve	**-**	**-**	**1,210**	**-**	**-**	**-**	**(1,210)**	**-**
At 30 Sep 2018	**168,896**	**1,353**	**2,155**	**65,488**	**(862)**	**730**	**15,153**	**252,913**

FVOCI - Fair Value through Other Comprehensive Income

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 year, the Group has adopted all the relevant new or revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and interpretations ("INT FRS") which came into effect for the Group from 1 January 2019.

The adoption of these new or revised SFRS(I) and INT FRS does not have any material impact on the financial statements of the Group for the financial year under review except for SFRS(I)16 *Leases*.

SFRS(I) 16 requires all operating leases to be capitalised as Right of Use ("ROU") assets and depreciated on straight line basis while the corresponding lease liabilities ("LL") will be reduced using a single discount rate. Under the modified retrospective approach, the Group recognised a ROU assets of $0.7 million and LL of $1.0 million for its operating leases with a corresponding decrease in accumulated profits of $0.3 million on 1 January 2019.

Except as described above, the accounting policies and methods of computation used in the financial statements for the period under review are consistent with those applied in the audited financial statements for the year ended 31 December 2018.

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

The Group's profit from operations before allowances declined by 15.4% to $1.7 million for the quarter under review compared to $2.0 million for the previous corresponding quarter. This is due to the decline in total income by $0.1million and increase in total operating expenses by $0.2 million.

For the nine months ended 30 September 2019, the Group recorded a profit after tax of $7.5 million, an improvement of 18.4% compared to $6.3 million for the same period last year. The stronger performance was mainly attributed to higher total income and net write back on loan impairment losses.

Total income grew by $0.7 million or 4.5% due to higher net interest income which was partially offset by a drop in non-interest income. Net interest income improved by $1.0 million or 7.0% mainly due to higher recovery from non-performing loans offset by increase in cost of funds. Non-interest income fell by $0.3 million or 28.2% primarily due to decline in fees and commissions and other operating income. Total operating expenses increased by $0.3 million or 3.2% due to higher staff costs with the increase in staff headcount and higher depreciation but this was cushioned by lower other operating expenses.

Net write back on allowances for loan impairment losses amounted to $1.9 million for the nine months ended 30 September 2019 compared to $0.9 million for the same period last year. The Group continues to set aside adequate impairment allowances for its loan portfolio.

In compliance with the revised regulatory requirement for loan allowance, there was an additional transfer of $0.6 million from the accumulated profit to the Regulatory Loss Allowance Reserve for the quarter under review, bringing the total transfer for the nine months ended 30 September 2019 to $1.8 million. The transfers are reflected in the Statement of Changes in the Equity.

The Group's total loan net of allowances increased by 7.4% to $731 million as at 30 September 2019 compared to $680 million as at 31 December 2018 while total deposits decreased by 8.0% to $669 million as at 30 September 2019 compared to $727 million as at 31 December 2018.

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 October 2019, the Singapore economy grew by 0.1% on a year-on-year basis in the third quarter of 2019, the same pace of growth as in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 0.6%, a turnaround from the 2.7% contraction in the preceding quarter. Taking into account the global and domestic economic environment, MTI has downgraded Singapore's GDP growth forecast for 2019 from "1.5% to 2.5%" to "0.0% to 1.0%", with growth expected to come it at around the mid-point of the forecast range.

Against the backdrop of weaker economic prospect for Singapore resulting from the prevailing global economic uncertainties, the Group will continue to proactively manage our interest margin while seeking new business opportunities.

As part of the Group's strategic positioning into the financial technology era, the Group has entered into an agreement to subscribe for 1.6% stake in the share capital of homegrown digital payments firm MatchMove Pay Pte Ltd on 15 October 2019. The subscription represents an opportunity for the Group to acquire a stake in a business that has possible long-term growth potential.

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 Negative Confirmation by the Board pursuant to Rule 705(5)

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the quarter and nine months ended 30 September 2019 financial results to be false or misleading in any material aspect.

16 Other Matters

Nil.

On behalf of the Board of Directors

Teo Chiang Long Director	Tan Hui Keng, Martha Director

By Order of the Board
Ngiam May Ling
Company Secretary

8 November 2019