BRITISH AND MALAYAN TRUSTEES LIMITED

FIRST QUARTER FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2016

1(a) Statement of comprehensive income (for the company) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Unaudited First Quarter results for the period ended 30 September 2016

	First Quarter 1 Jul 2016 to 30 Sep 2016 S$'000	First Quarter 1 Jul 2015 to 30 Sep 2015 S$'000	% Increase/ (decrease)
Trustee Services	551	533	3
Other Services	55	55	-
Operating Revenue	606	588	3
Dividend Income	51	37	38
Interest Income	13	14	(7)
Other Income	69	24	188
Total Revenue	739	663	11
Loss on sale of fixed assets	(19)	-	NA
Staff Costs	(528)	(724)	(27)
Depreciation	(53)	(45)	18
Net foreign exchange gain	2	5	(60)
Other expenses	(494)	(358)	38
Operating loss Before Tax	(353)	(459)	(23)
Loss Before Tax	(353)	(459)	(23)
Income Tax credit	7	-	NA
Net Loss for the Financial Period	(346)	(459)	(25)
Other Comprehensive Income:			
Net gain / (loss) on available-for-sale assets	132	(149)	
Income tax effect	-	-	
Other Comprehensive loss for the Financial Period, net of tax	132	(149)	
Total Comprehensive loss for the Financial Period	(214)	(608)	
Earnings per share			
(i) Based on weighted average number of ordinary shares in issue	(0.04)	(0.05)	
(ii) On a fully diluted basis	(0.04)	(0.05)	

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	30.09.2016 S$'000	30.06.2016 S$'000
Current Assets		
Cash and cash equivalents	7,702	8,256
Available-for-sale financial assets	2,488	2,357
Trade and other receivables	334	361
Prepayments	272	129
	10,796	11,103
Non-Current Assets		
Property, plant and equipment	3,490	3,559
Total Assets	14,286	14,662
Current Liabilities		
Advance trustee services billings	141	284
Other liabilities	956	971
Taxation	-	-
	1,097	1,255
Non-Current Liabilities		
Deferred tax liability	-	4
	-	4
Total Liabilities	1,097	1,259
Net Assets	**13,189**	**13,403**
Equity		
Share capital	2,737	2,737
Fair value reserve	1,448	1,316
Retained earnings	9,004	9,350
	13,189	**13,403**

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 group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30.09.2016		As at 30.06.2016	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 30.09.2016		As at 30.06.2016	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral
N.A.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	First Quarter 1 Jul 2016 to 30 Sep 2016 S$'000	First Quarter 1 Jul 2015 to 30 Sep 2015 S$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss before tax	(353)	(459)
Adjustments for:		
Depreciation	53	45
Interest income	(13)	(14)
Dividend income	(51)	(37)
Fixed assets written off	19	-
Operating loss before changes in working capital	(345)	(465)
Change in operating assets and liabilities		
Trade and other receivables and prepayments	(115)	151
Trade and other payables and advance trustee services billing	(158)	(265)
Cash flows used in operating activities	(618)	(579)
Income tax received	3	-
Net cash flows used in operating activities	(615)	(579)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(3)	(27)
Interest received	13	14
Dividends received	51	37
Net cash flows generated from investing activities	61	24
CASH FLOWS USED IN FINANCING ACTIVITY		
Dividends paid	-	-
Net cash flow used in financing activity	-	-
Net decrease in cash held	(554)	(555)
Cash and cash equivalents at beginning	8,256	12,039
Cash and cash equivalents at the end (30 Sep)	**7,702**	**11,484**

1(d)(i) A statement (for the issuer and group) 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	Fair Value Reserve $'000	Retained Profits $'000	Total $'000
Balance at 1 July 2016	2,737	1,316	9,350	13,403
Net profit	-		(346)	(346)
Other comprehensive income		132		132
Transfer to capital reserve	-	-		-
Balance at 30 Sep 2016	2,737	1,448	9,004	13,189
Balance at 1 July 2015	2,737	1,325	13,690	17,752
Net profit	-		(459)	(459)
Other comprehensive income		(149)		(149)
Transfer to capital reserve	-	-		-
Balance at 30 Sep 2015	2,737	1,176	13,231	17,144

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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 September 2016 and 30 June 2016 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 audited nor reviewed 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.

NA

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

	30.09.2016	30.06.2016
Earnings per ordinary share for the period based on operating profit after tax attributable to members of the company after deducting any provision for preference dividends:		
(i) Based on weighted average number of ordinary shares in issue during the financial period.	(0.04)	(0.20)
(ii) On a fully diluted basis	(0.04)	(0.20)

8 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the :-

(a) current financial period reported on; and
(b) immediately preceding financial year.

	30.09.2016	30.06.2016
Net asset value per ordinary share based on issued capital at the end of the financial period/year.	1.51	1.53

9 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group 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 group during the current financial period reported on.

Revenue

For the quarter ended 30 September 2016, the Company's total revenue was $739,000 (2015: $663,000). The increase of 11% in revenue is mainly attributable to higher dividend income from AFS assets and other income received.

Profit and loss

For the quarter ended 30 September 2016, the Company incurred an operating loss before tax of $353,000 (2015: 459,000). The reduction in loss is due to higher revenue as outlined above, lower staffing costs and partially offset by higher other costs incurred.

Balance sheet analysis

Net assets have declined to $13,189,000 from $13,403,000 over the quarter. The decrease is due to the Company's operating loss for the quarter offset by the mark to market increase in the value of the Company's AFS assets. Notwithstanding the decline in net assets we believe our strong balance sheet with cash and cash equivalents of $7,702,000 representing 54% 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 quarter has declined from $8,256,000 to $7,702,000. This decline is due to the company's operating loss for the year and the increase in prepayments.

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 group operates and any known factors or events that may affect of the group 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 30 June 2016.

12 Dividend

(a) Current Financial Period Report on:

Any dividend declared for the current financial period reported on?

Nil

(b) Corresponding Period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceeding financial year?

Nil

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

13 If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared / recommended for the period ended 30 September 2016.

14 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.

15 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 financial results of British and Malayan Trustees Limited for the quarter ended 30 Sep 2016, to be false or misleading in any material respect.

16 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
10 November 2016