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 2019. 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 2019

	2nd Quarter Jun 2019	2nd Quarter Jun 2018	+ / (-)	**6 Months Jun 2019**	6 Months Jun 2018	+ / (-)
	$'000	$'000	%	**$'000**	$'000	%
Interest income and hiring charges	**7,037**	6,777	3.8	**15,749**	14,064	12.0
Interest expense	**(2,207)**	(1,840)	19.9	**(4,410)**	(3,784)	16.5
Net interest and hiring charges	**4,830**	4,937	(2.2)	**11,339**	10,280	10.3
Fee and commission income	**77**	169	(54.4)	**273**	462	(40.9)
Dividend income	**-**	-	-	**-**	15	(100.0)
Other operating income	**88**	107	(17.8)	**265**	271	(2.2)
Income before operating expenses	**4,995**	5,213	(4.2)	**11,877**	11,028	7.7
Staff costs	**(1,997)**	(1,895)	5.4	**(3,933)**	(3,703)	6.2
Depreciation of property, plant and equipment & Right of Use assets	**(301)**	(179)	68.2	**(569)**	(336)	69.3
Other operating expenses [1]	**(963)**	(1,091)	(11.7)	**(1,916)**	(2,262)	(15.3)
Total operating expenses	**(3,261)**	(3,165)	3.0	**(6,418)**	(6,301)	1.9
Profit from operations before allowances	**1,734**	2,048	(15.3)	**5,459**	4,727	15.5
Write-back/(Allowances) for impairment losses on loans and advances	**59**	220	(73.2)	**1,286**	(1,072)	(220.0)
Profit before tax	**1,793**	2,268	(20.9)	**6,745**	3,655	84.5
Tax expense	**(305)**	(382)	(20.2)	**(1,145)**	(615)	86.2
Profit after tax	**1,488**	1,886	(21.1)	**5,600**	3,040	84.2

[1] Includes interest on lease liabilities amounting to $304,000 (30 June 2018: $Nil).

1(b) Earnings per Share of the Group

	2nd Quarter Jun 2019	2nd Quarter Jun 2018	**6 Months Jun 2019**	6 Months Jun 2018
Annualised earnings per share (cents)				
- Basic	**3.75**	4.76	**7.06**	3.83
- Diluted	**3.75**	4.76	**7.06**	3.83

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 2019 and 2018.

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

1(c) Unaudited Group Statement of Comprehensive Income for the Second Quarter and Half Year ended 30 June 2019

	2nd Quarter Jun 2019	2nd Quarter Jun 2018	+ / (-)	**6 Months Jun 2019**	6 Months Jun 2018	+ / (-)
	$'000	$'000	%	**$'000**	$'000	%
Profit for the period	**1,488**	1,886	(21.1)	**5,600**	3,040	84.2
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss:						
Net change in fair value of investments measured at FVOCI *	**432**	(536)	n.m.	**278**	(1,508)	n.m..
Tax relating to items that may be reclassified subsequently to profit or loss	**(73)**	91	n.m.	**(47)**	256	n.m.
Other comprehensive income for the period, net of tax	**359**	(445)	n.m.	**231**	(1,252)	n.m.
Total comprehensive income for the period	**1,847**	1,441	28.1	**5,831**	1,788	226.1

n.m. - not meaningful

*FVOCI - Fair Value through Other Comprehensive Income

2(a) Balance Sheets

	Group		Company	
	30-Jun-19	31-Dec-18	**30-Jun-19**	31-Dec-18
	$'000	$'000	**$'000**	$'000
Assets				
Cash and cash equivalents	**88,613**	115,519	**88,536**	115,348
Statutory deposit with the Monetary Authority of Singapore	**16,758**	18,641	**16,758**	18,641
Investments	**129,121**	172,753	**129,121**	172,753
Loans and advances	**685,962**	680,441	**685,962**	680,441
Others receivables, deposits and prepayments	**1,508**	1,597	**1,508**	1,593
Subsidiaries	**-**	-	**125**	125
Property, plant and equipment	**7,692**	7,937	**7,692**	7,937
Right of Use assets	**786**	-	**786**	-
Deferred tax assets	**2**	45	**2**	45
Total assets	**930,442**	996,933	**930,490**	996,883
Equity				
Share capital	**168,896**	168,896	**168,896**	168,896
Reserves	**87,765**	88,587	**85,625**	86,465
Total equity attributable to owners of the Company	**256,661**	257,483	**254,521**	255,361
Liabilities				
Deposits and savings accounts of customers	**661,792**	726,519	**664,203**	728,826
Trade and other payables	**6,881**	9,243	**6,659**	9,014
Lease liabilities	**1,141**	-	**1,141**	-
Current tax liabilities	**2,547**	2,223	**2,546**	2,217
Staff retirement gratuities	**1,420**	1,465	**1,420**	1,465
Total liabilities	**673,781**	739,450	**675,969**	741,522
Total equity and liabilities	**930,442**	996,933	**930,490**	996,883

2(b) Net Asset Value

Net asset value per ordinary share ($)	**1.62**	1.62	**1.60**	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 June 2019 and 31 December 2018.

3. Consolidated Cash Flow Statement

	2nd Quarter Jun 2019	2nd Quarter Jun 2018	**6 Months Jun 2019**	6 Months Jun 2018
	$'000	$'000	**$'000**	$'000
Cash flows from operating activities				
Profit for the period	**1,488**	1,886	**5,600**	3,040
Adjustments for:-				
Depreciation of property, plant and equipment & Right of Use assets	**301**	179	**569**	336
Bad Debts written off	**3**	24	**3**	24
(Write-back)/Allowances for impairment losses on loans and advances	**(59)**	(220)	**(1,286)**	1,072
Property, plant and equipment written off	**-**	14	**2**	14
Dividend income	**-**	-	**-**	(15)
Staff retirement gratuity	**24**	25	**48**	49
Interest on lease liabilities	**159**	-	**304**	-
Tax expense	**305**	382	**1,145**	615
	2,221	2,290	**6,385**	5,135
Changes in working capital:				
Statutory deposit with Monetary Authority of Singapore	**1,432**	844	**1,883**	2,896
Loans and advances	**(17,003)**	6,702	**(4,238)**	44,722
Other receivables, deposits and prepayments	**69**	49	**89**	145
Deposits and savings accounts of customers	**(33,251)**	(36,465)	**(64,727)**	(120,270)
Trade and other payables	**(5,377)**	(960)	**(2,362)**	(3,277)
Cash used in operations	**(51,909)**	(27,540)	**(62,970)**	(70,649)
Taxes paid	**(818)**	(600)	**(825)**	(600)
Staff retirement gratuities paid	**(38)**	-	**(93)**	-
Net cash flows used in operating activities	**(52,765)**	(28,140)	**(63,888)**	(71,249)
Cash flows from investing activities				
Dividends received	**-**	-	**-**	15
Purchase of property, plant and equipment	**(106)**	(416)	**(136)**	(499)
Purchase of investments	**(229,654)**	(160,734)	**(554,136)**	(279,497)
Proceeds from sale and maturity of investments	**284,606**	165,760	**598,045**	305,514
Net cash flows from investing activities	**54,846**	4,610	**43,773**	25,533
Cash flows from financing activities				
Payment of lease liabilities	**(233)**	-	**(444)**	-
Dividends paid	**(6,347)**	(4,761)	**(6,347)**	(4,761)
Net cash flows used in financing activities	**(6,580)**	(4,761)	**(6,791)**	(4,761)
Net decrease in cash and cash equivalents	**(4,499)**	(28,291)	**(26,906)**	(50,477)
Cash and cash equivalents at beginning of period	**93,112**	115,442	**115,519**	137,628
Cash and cash equivalents at end of period	**88,613**	87,151	**88,613**	87,151

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	**-**	**-**	**-**	**-**	**-**	**-**	**4,112**	**4,112**
Other comprehensive income								
Items that may be reclassified subsequently to profit or loss:								
Net change in fair value of investments measured at FVOCI	**-**	**-**	**-**	**-**	**(154)**	**-**	**-**	**(154)**
Tax on items that may be reclassified subsequently to profit or loss	**-**	**-**	**-**	**-**	**26**	**-**	**-**	**26**
Total other comprehensive income	**-**	**-**	**-**	**-**	**(128)**	**-**	**-**	**(128)**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**(128)**	**-**	**4,112**	**3,984**
Transfer from accumulated profits to Regulatory Loss Allowance Reserve	**-**	**-**	**946**	**-**	**-**	**-**	**(946)**	**-**
At 31 Mar 2019	**168,896**	**1,353**	**2,800**	**69,308**	**66**	**730**	**18,008**	**261,161**
Total comprehensive income for the period								
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**1,488**	**1,488**
Other comprehensive income								
Items that may be reclassified subsequently to profit or loss:								
Net change in fair value of investments measured at FVOCI	**-**	**-**	**-**	**-**	**432**	**-**	**-**	**432**
Tax on items that may be reclassified subsequently to profit or loss	**-**	**-**	**-**	**-**	**(73)**	**-**	**-**	**(73)**
Total other comprehensive income	**-**	**-**	**-**	**-**	**359**	**-**	**-**	**359**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**359**	**-**	**1,488**	**1,847**
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	**-**	**-**	**182**	**-**	**-**	**-**	**(182)**	**-**
At 30 Jun 2019	**168,896**	**1,353**	**2,982**	**69,308**	**425**	**730**	**12,967**	**256,661**

FVOCI - Fair Value through Other Comprehensive Income

4(a) Statements of Changes in Equity – Group (cont'd)

	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	**-**	**-**	**-**	**-**	**-**	**-**	**1,154**	**1,154**
Other comprehensive income								
Items that may be reclassified subsequently to profit or loss:								
Net change in fair value of investments measured at FVOCI	**-**	**-**	**-**	**-**	**(972)**	**-**	**-**	**(972)**
Tax on items that may be reclassified subsequently to profit or loss	**-**	**-**	**-**	**-**	**165**	**-**	**-**	**165**
Total other comprehensive income	**-**	**-**	**-**	**-**	**(807)**	**-**	**-**	**(807)**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**(807)**	**-**	**1,154**	**347**
Transfer from accumulated profits to Regulatory Loss Allowance Reserve	**-**	**-**	**48**	**-**	**-**	**-**	**(48)**	**-**
At 31 Mar 2018	**168,896**	**1,353**	**48**	**65,488**	**(498)**	**730**	**18,972**	**254,989**
Total comprehensive income for the period								
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**1,886**	**1,886**
Other comprehensive income								
Items that may be reclassified subsequently to profit or loss:								
Net change in fair value of investments measured at FVOCI	**-**	**-**	**-**	**-**	**(536)**	**-**	**-**	**(536)**
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)**	**-**	**1,886**	**1,441**
Transaction with owners, recorded directly in equity								
Final dividend of 2 cents and Special dividend of 1 cent per share paid 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	**-**	**-**	**897**	**-**	**-**	**-**	**(897)**	**-**
At 30 Jun 2018	**168,896**	**1,353**	**945**	**65,488**	**(943)**	**730**	**15,200**	**251,669**

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	**-**	**-**	**-**	**-**	**-**	**-**	**4,102**	**4,102**
Other comprehensive income								
Items that may be reclassified subsequently to profit or loss:								
Net change in fair value of investments measured at FVOCI	**-**	**-**	**-**	**-**	**(154)**	**-**	**-**	**(154)**
Tax on items that may be reclassified subsequently to profit or loss	**-**	**-**	**-**	**-**	**26**	**-**	**-**	**26**
Total other comprehensive income	**-**	**-**	**-**	**-**	**(128)**	**-**	**-**	**(128)**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**(128)**	**-**	**4,102**	**3,974**
Transfer from accumulated profits to Regulatory Loss Allowance Reserve	-	-	**946**	**-**	**-**	**-**	**(946)**	-
At 31 Mar 2019	**168,896**	**1,353**	**2,800**	**69,308**	**66**	**730**	**15,876**	**259,029**
Total comprehensive income for the period								
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**1,480**	**1,480**
Other comprehensive income								
Items that may be reclassified subsequently to profit or loss:								
Net change in fair value of investments measured at FVOCI	**-**	**-**	**-**	**-**	**432**	**-**	**-**	**432**
Tax on items that may be reclassified subsequently to profit or loss	**-**	**-**	**-**	**-**	**(73)**	**-**	**-**	**(73)**
Total other comprehensive income	**-**	**-**	**-**	**-**	**359**	**-**	**-**	**359**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**359**	**-**	**1,480**	**1,839**
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	**-**	**-**	**182**	**-**	**-**	**-**	**(182)**	**-**
At 30 Jun 2019	**168,896**	**1,353**	**2,982**	**69,308**	**425**	**730**	**10,827**	**254,521**

FVOCI - Fair Value through Other Comprehensive Income

4(b) Statements of Changes in Equity – Company (cont'd)

	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	**-**	**-**	**-**	**-**	**-**	**-**	**1,128**	**1,128**
Other comprehensive income								
Items that may be reclassified subsequently to profit or loss:								
Net change in fair value of investments measured at FVOCI	**-**	**-**	**-**	**-**	**(972)**	**-**	**-**	**(972)**
Tax on items that may be reclassified subsequently to profit or loss	**-**	**-**	**-**	**-**	**165**	**-**	**-**	**165**
Total other comprehensive income	**-**	**-**	**-**	**-**	**(807)**	**-**	**-**	**(807)**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**(807)**	**-**	**1,128**	**321**
Transfer from accumulated profits to Regulatory Loss Allowance Reserve	**-**	**-**	**48**	**-**	**-**	**-**	**(48)**	**-**
At 31 Mar 2018	**168,896**	**1,353**	**48**	**65,488**	**(498)**	**730**	**16,920**	**252,937**
Total comprehensive income for the period								
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**1,860**	**1,860**
Other comprehensive income								
Items that may be reclassified subsequently to profit or loss:								
Net change in fair value of investments measured at FVOCI	**-**	**-**	**-**	**-**	**(536)**	**-**	**-**	**(536)**
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)**	**-**	**1,860**	**1,415**
Transaction with owners, recorded directly in equity								
Final dividend of 2 cents and Special dividend of 1 cent per share paid 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	**-**	**-**	**897**	**-**	**-**	**-**	**(897)**	**-**
At 30 Jun 2018	**168,896**	**1,353**	**945**	**65,488**	**(943)**	**730**	**13,122**	**249,591**

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.

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 slipped by $0.3 million or 15.3% 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 interest income by $0.2m and increase in total operating expenses by $0.1m.

For the half year ended 30 June 2019, the Group recorded a profit after tax of $5.6 million, an improvement of 84.2% compared to $3.0 million for the same period last year. The stronger performance was mainly attributed to a higher total income and a net write back on loan impairment losses.

Total income increased by $0.8 million or 7.7% due to higher net interest income which was partially offset by a drop in non-interest income. Net interest income increased by $1.1 million or 10.3% mainly due to higher recovery from non-performing loans despite the increase in cost of funds. Non-interest income fell by $0.2 million or 28.1% primarily due to decline in fees and commissions income. Total operating expenses increased marginally by $0.1 million or 1.9%. Staff costs were higher with the increase in staff headcount but this was cushioned by lower other operating expenses.

Net write back for loan impairment losses amounted to $1.3 million for the half year ended 30 June 2019. For the same period last year, there was a net charge for loan allowances of $1.1 million. The Group continues to set aside adequate loss allowances in respect of its loan portfolio and other assets.

In compliance with the regulatory requirement for loan allowance, an additional $0.2 million was transferred from accumulated profit to the Regulatory Loss Allowance Reserve for the quarter under review, bringing the total transfer for the half year ended 30 June 2019 to $1.1 million. The transfers are reflected in the Statement of Changes in the Equity.

The Group's total loan net of allowances increased by 0.8% to $686 million as at 30 June 2019 compared to $680 million as at 31 December 2018 while total deposits decreased by 8.9% to $662 million as at 30 June 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 12 July 2019, the Singapore economy grew by 0.1% on a year-on-year basis in the second quarter of 2019, slower than 1.1% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy shrank by 3.4% in contrast to the 3.8% growth in the preceding quarter. Meanwhile, the threats of global trade tensions, market volatilities continued to persist.

On 28 June 2019, the Monetary Authority of Singapore (MAS) announced that it will issue up to five new digital bank licences to non-bank players. The entry of new digital players will add diversity and help strengthen Singapore's banking system in the digital economy of the future. They will provide impetus for existing banks to continue enhancing the quality of their digital offerings to remain competitive.

The Group expects a challenging time ahead. Nevertheless, the Group will continue to be vigilant in risk monitoring as well as prudent in our credit granting criteria as we seek new business opportunities. The Group will also continue to push on with its digitalisation efforts to stay relevant and competitive.

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 half year ended 30 June 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 August 2019