

FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

First quarter financial statements on consolidated results for the period ended 31 March 2015. These figures have not been audited.

1(a)(i) Unaudited Consolidated Statement of Profit or Loss for the Quarter ended 31 March 2015

	1st Qtr 2015	1st Qtr 2014	+ / (-)
	\$'000	\$'000	%
Revenue			
Interest income and hiring charges	13,633	12,661	7.7
Interest expense	(5,583)	(4,163)	34.1
Net interest income and hiring charges	8,050	8,498	(5.3)
Fees and commissions	139	112	24.1
Dividends	2	1	100.0
Rental income from investment properties	878	844	4.0
Other income	343	87	294.3
Income before operating expenses	9,412	9,542	(1.4)
Staff costs	(3,210)	(3,177)	1.0
Depreciation of property, plant and equipment	(176)	(192)	(8.3)
Depreciation of investment properties	(94)	(94)	-
Other operating expenses	(1,494)	(1,553)	(3.8)
Profit from operations before impairment losses	4,438	4,526	(1.9)
(Allowances for) Write-back of impairment losses on loans and advances	(1,332)	11	NM
Profit before income tax	3,106	4,537	(31.5)
Income tax expense	(510)	(765)	(33.3)
Profit for the period	2,596	3,772	(31.2)

NM: Not meaningful

1(a)(ii) Earnings Per Share of the Group

	1st Qtr 2015	1st Qtr 2014
Annualised earnings per share (cents)		
- Basic	6.59	9.57
- Diluted	6.59	9.57

The Group's basic earnings per share is calculated based on the weighted average number of ordinary shares in issue of 157,625,764 (31 March 2014: 157,625,764) shares.

There are no potential dilutive ordinary shares for the periods ended 31 March 2015 and 2014.

1(b) Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Quarter ended 31 March 2015

	1st Qtr 2015	1st Qtr 2014	+ / (-)
	\$'000	\$'000	%
Profit for the period	2,596	3,772	(31.2)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net change in fair value of available-for-sale financial assets	(624)	1,512	NM
Income tax relating to components of other comprehensive income that may be reclassified subsequently	106	(257)	NM
Other comprehensive (loss) income for the period, net of tax	(518)	1,255	NM
Total comprehensive income for the period	2,078	5,027	(58.7)

2(a) Statements of Financial Position as at 31 March 2015

	Group		Company	
	31 Mar 2015 \$'000	31 Dec 2014 \$'000	31 Mar 2015 \$'000	31 Dec 2014 \$'000
ASSETS				
Current assets				
Cash on deposit, at banks and in hand	195,087	245,781	195,048	245,735
Other assets	3,708	5,271	3,708	5,271
Investments	250,421	231,004	250,021	230,636
Loans and advances due within twelve months	732,576	628,084	732,576	628,084
Statutory deposit with the Monetary Authority of Singapore ("MAS")	51,608	50,538	51,608	50,538
Total current assets	1,233,400	1,160,678	1,232,961	1,160,264
Non-current assets				
Property, plant and equipment	16,616	16,763	16,616	16,763
Investment properties	24,358	24,452	24,358	24,452
Subsidiary	-	-	25	25
Loans and advances due after twelve months	1,086,257	1,062,086	1,086,257	1,062,086
Total non-current assets	1,127,231	1,103,301	1,127,256	1,103,326
Total assets	2,360,631	2,263,979	2,360,217	2,263,590
LIABILITIES AND EQUITY				
Current liabilities				
Deposits and savings accounts of customers	2,017,122	1,921,428	2,017,859	1,922,165
Other liabilities	19,476	20,473	19,005	19,995
SPRING loans due within twelve months (unsecured)	2,145	2,242	2,145	2,242
Provision for employee benefits	252	252	252	252
Current tax payable	2,855	2,343	2,855	2,343
Total current liabilities	2,041,850	1,946,738	2,042,116	1,946,997
Non-current liabilities				
SPRING loans due after twelve months (unsecured)	1,430	1,861	1,430	1,861
Deferred tax liabilities	1,914	2,021	1,856	1,968
Total non-current liabilities	3,344	3,882	3,286	3,829
Total liabilities	2,045,194	1,950,620	2,045,402	1,950,826
Equity attributable to equity holders of the Company				
Share capital	180,008	180,008	180,008	180,008
Reserves	135,429	133,351	134,807	132,756
Total equity	315,437	313,359	314,815	312,764
Total liabilities and equity	2,360,631	2,263,979	2,360,217	2,263,590
Off-balance sheet items				
Undrawn loan commitments	580,860	650,103	580,860	650,103
Guarantees issued	4,865	4,546	4,865	4,546
Total off-balance sheet items	585,725	654,649	585,725	654,649
2(b) Net asset value per ordinary share (\$)	2.00	1.99	2.00	1.98

The net asset value per ordinary share of the Group and of the Company is calculated based on the net assets of the Group and of the Company and the number of ordinary shares in issue of 157,625,764 (31 December 2014: 157,625,764) shares.

3 Consolidated Statement of Cash Flows for the Quarter ended 31 March 2015

	1st Qtr 2015	1st Qtr 2014
	<u>\$'000</u>	<u>\$'000</u>
Operating activities		
Profit before income tax	3,106	4,537
Adjustments for:		
Impact of accrual of interest income	1,873	1,750
Impact of accrual of interest expense	(1,272)	(885)
Depreciation of property, plant and equipment	176	192
Depreciation of investment properties	94	94
Allowances for /(Write-back of) impairment losses on loans and advances	1,332	(11)
Dividends	(2)	(1)
Operating cash flows before movements in working capital	<u>5,307</u>	<u>5,676</u>
Changes in working capital		
Other assets	(198)	94
Loans and advances	(129,995)	(17,068)
Statutory deposits with the MAS	(1,070)	(189)
Deposits and savings accounts of customers	95,690	21,945
Other liabilities	279	1,360
SPRING loans	(528)	(815)
Cash generated from operations	<u>(30,515)</u>	<u>11,003</u>
Income taxes refunded	2	-
Net cash generated from operating activities	<u>(30,513)</u>	<u>11,003</u>
Investing activities		
Purchase of investments	(29,154)	-
Purchase of property, plant and equipment and investment properties	(29)	(28)
Proceeds from disposal of investments	9,000	-
Dividends received	2	1
Net cash used in investing activities	<u>(20,181)</u>	<u>(27)</u>
Net (decrease)/ increase in cash and cash equivalents	<u>(50,694)</u>	<u>10,976</u>
Cash and cash equivalents at beginning of the year	<u>245,781</u>	<u>225,668</u>
Cash and cash equivalents at end of the period	<u><u>195,087</u></u>	<u><u>236,644</u></u>

4 Statements of Changes in Equity for the Quarter ended 31 March 2015

	Share capital	Statutory reserve	Fair value reserve	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
Balance at 1 January 2014	180,008	86,291	4,533	32,759	303,591
Total comprehensive income for the period					
Profit for the period	-	-	-	3,772	3,772
Other comprehensive income for the period - net	-	-	1,255	-	1,255
Total	-	-	1,255	3,772	5,027
Balance at 31 March 2014	180,008	86,291	5,788	36,531	308,618
Balance at 1 January 2015	180,008	92,619	9,524	31,208	313,359
Total comprehensive income for the period					
Profit for the period	-	-	-	2,596	2,596
Other comprehensive income for the period - net	-	-	(518)	-	(518)
Total	-	-	(518)	2,596	2,078
Balance at 31 March 2015	180,008	92,619	9,006	33,804	315,437
Company					
Balance at 1 January 2014	180,008	86,291	4,338	32,425	303,062
Total comprehensive income for the period					
Profit for the period	-	-	-	3,771	3,771
Other comprehensive income for the period - net	-	-	1,256	-	1,256
Total	-	-	1,256	3,771	5,027
Balance at 31 March 2014	180,008	86,291	5,594	36,196	308,089
Balance at 1 January 2015	180,008	92,619	9,266	30,871	312,764
Total comprehensive income for the period					
Profit for the period	-	-	-	2,595	2,595
Other comprehensive income for the period - net	-	-	(544)	-	(544)
Total	-	-	(544)	2,595	2,051
Balance at 31 March 2015	180,008	92,619	8,722	33,466	314,815

5 Accounting Policies and Comparative Figures

The financial statements are prepared in accordance with Singapore Financial Reporting Standards (“FRSs”).

In the current financial period, the Group has adopted all the new and revised FRSs and Interpretations of FRS (“INT FRS”) that are relevant to its operations and effective for annual periods beginning on or after 1 January 2015. The adoption of these new/ revised FRSs and INT FRSs does not result in changes to the Group’s and Company’s accounting policies and has no material effect on the amounts reported for the current or prior years.

The accounting policies and methods of computation adopted in the financial statements are consistent with those applied in the financial statements for the year ended 31 December 2014.

6 Review of Performance

Loans and advances increased by 7.6% or \$128.6 million in the first quarter of 2015, from \$1,690.2 million as at 31 December 2014 to \$1,818.8 million as at 31 March 2015.

However, Group profit after tax declined by 31.2% to \$2.6 million as compared to the previous corresponding period. The weaker performance was attributable to a compression of interest margin from a higher cost of funds and net allowances for impairment losses made as against a write-back in the previous corresponding period.

Profit from operations before allowances was \$4.4 million, a 1.9% decline compared to the same period last year. Net interest income and hiring charges declined by 5.3% as the increase in interest income and hiring charges of 7.7% was more than offset by the 34.1% increase in interest expense. Increase in interest expense was due to increase in cost of funds and an expanded deposit base. Other income increased by 30.5% while operating expenses declined by a marginal 0.8%.

In line with the loan growth, the Group has set aside additional collective impairment allowances at a portfolio level. The additional collective impairment allowances mainly accounted for the charge of \$1.3 million in loan allowances for the quarter as compared to a write-back of \$0.01 million in the same period last year. The Group continues to maintain adequate individual and collective impairment allowances in respect of its loan portfolio.

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 report.

7 Comments on Significant Trends and Competitive Conditions in the Industry

According to the Ministry of Trade and Industry (“MTI”)’s advance GDP estimates on 14 April 2015, the Singapore economy grew by 2.1% on a year-on-year basis in the first quarter of 2015, the same rate of growth as that achieved in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded at a slower pace of 1.1% compared to 4.9% in the preceding quarter.

The construction sector expanded by 3.3% from 0.7% in the preceding quarter driven by a pick-up in private sector construction activities. This cushioned the drag from the manufacturing sector, which contracted by 3.4% on a year-on-year basis following a 1.3% decline in the previous quarter. This was due to a fall in output in the transport engineering, electronics and precision engineering clusters. Services producing industries grew by 3.1% which is the same rate of growth as in the previous quarter supported by growth in the wholesale & retail trade and business services.

Given the expected moderate economic growth and impact of the cooling measures and the weak demand in the property sector, the Group will continue to seek new businesses and grow its loan portfolio prudently. We will continue to manage our operational costs to remain competitive.

8 Dividend

No dividend has been recommended for the present financial period.

Dividend declared for the previous corresponding period – Nil.

9 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 other purpose since the end of the previous period reported.

There has been no change in the Company's share capital arising from the above issues.

As at the end of the financial period, there were no outstanding convertibles (31 March 2014: Nil).

10 Status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 of the SGX Listing Manual and whether the use of the proceeds is in accordance with the stated use.

No proceeds have been raised from any offerings pursuant to Chapter 8 of the SGX Listing Manual since the end of the previous period.

11 Sales, transfers, disposal, cancellation and /or use of treasury shares as at the end of the financial period.

Nil (31 March 2014: Nil).

12 Shareholders' mandate for interested party transactions ("IPT")

The Group has not sought any shareholders' mandate for IPTs pursuant to Rule 920 of the SGX-ST Listing Manual nor does it have any IPTs (31 March 2014: Nil).

13 Comparative Figures of the Group's Borrowings and Debt Securities

	<u>As at 31/03/2015</u>		<u>As at 31/12/2014</u>	
	<u>Secured</u> \$'000	<u>Unsecured</u> \$'000	<u>Secured</u> \$'000	<u>Unsecured</u> \$'000
Amount repayable in one year or less, or on demand	-	2,145	-	2,242
Amount repayable after one year	-	1,430	-	1,861

14 Other Information

- Income of the Group is derived primarily from financing business and related nominee services. The Group operates in Singapore only.
- Amount of any adjustment for under or overprovision of tax in respect of prior years – Nil
- Amount of any pre-acquisition profits - Nil
- Amount of profits on any sale of investments, property, plant and equipment – Nil



SING INVESTMENTS
& FINANCE LIMITED

By order of the Board

Lee Sze Leong
Chairman
27 April 2015

Directors' Confirmation

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 Group's unaudited financial results and the Company's statement of financial position and statement of changes in equity for the three months ended 31 March 2015 to be false or misleading.

On behalf of the Board of Directors

Lee Sze Leong
Chairman
27 April 2015