

SING INVESTMENTS & FINANCE LTD (Co. Reg. No. 196400348D)

Second Quarter and Half Year Financial Statements

Second quarter and half year financial statements on consolidated results for period ended 30 June 2009. These figures have not been audited.

1(a)(i) Unaudited Group Income Statement for the Quarter and Half-year ended 30 June 2009

	2nd Qtr 2009	2nd Qtr 2008	+ / (-)	1st Half 2009	1st Half 2008	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue						
Interest income and hiring charges	16,070	16,050	0.1	32,573	32,906	(1.0)
Interest expense	(5,789)	(7,943)	(27.1)	(12,540)	(16,950)	(26.0)
Net interest income and hiring charges	10,281	8,107	26.8	20,033	15,956	25.6
Fees and commissions	130	273	(52.4)	340	500	(32.0)
Dividends	51	39	30.8	51	49	4.1
Rental income from investment properties	812	723	12.3	1,608	1,464	9.8
Profit on disposal of property, plant and equipment	134	-	NM	134	-	NM
Other income	41	37	10.8	117	83	41.0
Income before operating expenses	11,449	9,179	24.7	22,283	18,052	23.4
Staff costs	(2,277)	(2,688)	(15.3)	(4,344)	(5,058)	(14.1)
Depreciation of property, plant and equipment	(347)	(231)	50.2	(624)	(430)	45.1
Depreciation of investment properties	(95)	(92)	3.3	(189)	(183)	3.3
Other operating expenses	(1,193)	(1,314)	(9.2)	(2,375)	(2,600)	(8.7)
Profit from operations before impairment losses	7,537	4,854	55.3	14,751	9,781	50.8
Allowances for impairment losses on loans and advances	(3,974)	(2,031)	95.7	(4,237)	(2,197)	92.9
Profit before income tax	3,563	2,823	26.2	10,514	7,584	38.6
Income tax expense	(939)	(929)	1.1	(2,150)	(1,759)	22.2
Profit for the period	2,624	1,894	38.5	8,364	5,825	43.6

NM: Not meaningful

Please refer to Note 5 on comparative figures.

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

Annualised earnings per share (cents)

- based on weighted average number of shares

9.99	7.21	15.92	11.09
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- on a diluted basis

9.99	7.21	15.92	11.09
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The Group's basic earnings per share is calculated based on the weighted average number of ordinary shares in issue of 105,083,843 (2008: 105,083,843) shares.

There are no potential dilutive ordinary shares for the periods ended 30 June 2009 and 2008.

1(b) Unaudited Group Statement of Comprehensive Income for the Quarter and Half-year ended 30 June 2009

	2nd Qtr 2009	2nd Qtr 2008	+ / (-)	1st Half 2009	1st Half 2008	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Profit for the period	2,624	1,894	38.5	8,364	5,825	43.6
Available-for-sale financial assets						
- Loss for the period	(6,268)	(13,644)	(54.1)	(11,927)	(11,869)	0.5
- Income tax adjustment	1,065	-	NM	2,229	-	NM
Other comprehensive loss for the period, net of tax	(5,203)	(13,644)	(61.9)	(9,698)	(11,869)	(18.3)
Total comprehensive loss for the period	(2,579)	(11,750)	(78.1)	(1,334)	(6,044)	(77.9)

NM: Not meaningful

2(a) Statements of Financial Positions

	Group		Company	
	30 June 2009 \$'000	31 Dec 2008 \$'000	30 June 2009 \$'000	31 Dec 2008 \$'000
Current assets				
Cash on deposit, at banks and in hand	134,210	52,249	134,142	52,168
Other assets	5,293	5,045	5,293	5,045
Available-for-sale financial assets	248,076	240,564	247,873	240,356
Loans and advances due within twelve months	529,149	491,951	529,149	491,951
Statutory deposit with the Monetary Authority of Singapore ("MAS")	39,978	44,076	39,978	44,076
	956,706	833,885	956,435	833,596
Non-current assets				
Property, plant and equipment	20,684	20,630	20,684	20,630
Investment properties	26,529	26,718	26,529	26,718
Subsidiary	-	-	25	25
Loans and advances due after twelve months	698,977	900,736	698,977	900,736
	746,190	948,084	746,215	948,109
Total assets	1,702,896	1,781,969	1,702,650	1,781,705
Equity attributable to equity holders of the Company				
Share capital	117,199	117,199	117,199	117,199
Statutory reserve	52,126	52,126	52,126	52,126
Fair value reserve	6,802	16,500	6,681	16,377
Retained earnings	16,582	10,845	16,249	10,518
Total equity	192,709	196,670	192,255	196,220
Current liabilities				
Deposits and savings accounts of customers	1,450,381	1,459,082	1,451,097	1,459,784
Other liabilities	25,839	30,358	25,356	29,869
Interest bearing borrowings	10,000	21,000	10,000	21,000
Medium term notes (unsecured)	-	50,000	-	50,000
SPRING loans due within twelve months (unsecured)	7,275	7,012	7,275	7,012
Employee benefits	205	225	205	225
Current tax payable	6,549	5,270	6,549	5,270
	1,500,249	1,572,947	1,500,482	1,573,160
Non-current liabilities				
SPRING loans due after twelve months (unsecured)	8,781	8,966	8,781	8,966
Deferred tax liabilities	1,157	3,386	1,132	3,359
	9,938	12,352	9,913	12,325
Total liabilities	1,510,187	1,585,299	1,510,395	1,585,485
Total equity and liabilities	1,702,896	1,781,969	1,702,650	1,781,705
2(b) Net asset value per ordinary share (\$)	1.83	1.87	1.83	1.87

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 105,083,843 (31 December 2008: 105,083,843) shares.

3 Consolidated Statement of Cash Flows

	2nd Qtr 2009	2nd Qtr 2008	1st Half 2009	1st Half 2008
	\$'000	\$'000	\$'000	\$'000
Operating activities				
Profit before income tax	3,563	2,823	10,514	7,584
Adjustments for:				
Impact of accrual of interest income	(1,820)	(1,631)	(372)	(248)
Impact of accrual of interest expense	(798)	2,455	(3,267)	(418)
Depreciation of property, plant and equipment	347	231	624	430
Depreciation of investment properties	95	92	189	183
Allowances for impairment losses on loans and advances	3,974	2,031	4,237	2,197
Profit on disposal of property, plant and equipment	(134)	-	(134)	-
Non-cash dividend received	(26)	-	(26)	-
	5,201	6,001	11,765	9,728
Changes in working capital				
Other assets	49	(97)	(54)	(841)
Loans and advances	90,808	(54,708)	160,324	(103,164)
Statutory deposits with the MAS	2,295	(1,257)	4,098	(3,740)
Deposits and savings accounts of customers	(21,981)	41,315	(8,701)	31,756
Other liabilities	(383)	(1,858)	(1,026)	(1,675)
SPRING loans	977	(64)	78	2,078
Provision for employee benefits	(20)	-	(20)	-
Cash from/(used in) operations	76,946	(10,668)	166,464	(65,858)
Income taxes paid	(871)	(1,338)	(871)	(1,235)
Cash flows from/(used in) operating activities	76,075	(12,006)	165,593	(67,093)
Investing activities				
Purchase of investments	(12,369)	(17,243)	(36,738)	(27,848)
Purchase of property, plant and equipment and investment properties	(820)	(437)	(901)	(465)
Proceeds from disposal of investments	-	-	17,500	-
Proceeds from disposal of property, plant and equipment	134	-	134	-
Cash flows used in investing activities	(13,055)	(17,680)	(20,005)	(28,313)
Financing activities				
Dividends paid	(2,627)	(6,305)	(2,627)	(6,305)
Interest-bearing borrowings	10,000	-	(11,000)	-
Medium Term Notes	(50,000)	-	(50,000)	-
Cash flows used in financing activities	(42,627)	(6,305)	(63,627)	(6,305)
Net increase/(decrease) in cash and cash equivalents	20,393	(35,991)	81,961	(101,711)
Cash and cash equivalents at beginning of the period	113,817	81,930	52,249	147,650
Cash and cash equivalents at end of the period	134,210	45,939	134,210	45,939

Please refer to Note 5 on comparative figures.

4 Statement of Changes in Equity

	Share Capital	Statutory reserve	Fair value reserve	Retained earnings	Total
Group	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2008	117,199	49,367	7,912	14,389	188,867
Total comprehensive income/(loss) for the period	-	-	1,775	3,931	5,706
At 31 March 2008	117,199	49,367	9,687	18,320	194,573
Total comprehensive income/(loss) for the period	-	-	(13,644)	1,894	(11,750)
Annual dividend paid for FY2007 of 6 cents per share, one tier tax exempt	-	-	-	(6,305)	(6,305)
At 30 June 2008	117,199	49,367	(3,957)	13,909	176,518
At 1 January 2009	117,199	52,126	16,500	10,845	196,670
Total comprehensive income/(loss) for the period	-	-	(4,495)	5,740	1,245
At 31 March 2009	117,199	52,126	12,005	16,585	197,915
Total comprehensive income/(loss) for the period	-	-	(5,203)	2,624	(2,579)
Annual dividend paid for FY2008 of 2.5 cents per share, one tier tax exempt	-	-	-	(2,627)	(2,627)
At 30 June 2009	117,199	52,126	6,802	16,582	192,709
Company	Share Capital \$'000	Statutory reserve \$'000	Fair value reserve \$'000	Retained earnings \$'000	Total \$'000
At 1 January 2008	117,199	49,367	7,661	14,064	188,291
Total comprehensive income/(loss) for the period	-	-	1,788	3,929	5,717
At 31 March 2008	117,199	49,367	9,449	17,993	194,008
Total comprehensive income/(loss) for the period	-	-	(13,610)	1,885	(11,725)
Annual dividend paid for FY2007 of 6 cents per share, one tier tax exempt	-	-	-	(6,305)	(6,305)
At 30 June 2008	117,199	49,367	(4,161)	13,573	175,978
At 1 January 2009	117,199	52,126	16,377	10,518	196,220
Total comprehensive income/(loss) for the period	-	-	(4,486)	5,740	1,254
At 31 March 2009	117,199	52,126	11,891	16,258	197,474
Total comprehensive income/(loss) for the period	-	-	(5,210)	2,618	(2,592)
Annual dividend paid for FY2008 of 2.5 cents per share, one tier tax exempt	-	-	-	(2,627)	(2,627)
At 30 June 2009	117,199	52,126	6,681	16,249	192,255

5 Accounting Policies and Comparative Figures

In the current financial period, the Group has adopted all the following new and revised Financial Reporting Standards ("FRSs") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2009.

FRS 1 – Presentation of Financial Statements (Revised)
FRS 108 – Operating Segments (New)

The adoption of the FRSs has no material impact on the financial statements except for FRS 1 the adoption of which has changed the basis for presentation and structure of the financial statements. It does not change the recognition, measurement or disclosure of specific transactions and other events required by other FRSs.

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 year ended 31 December 2008.

The financial statements are prepared in accordance with FRS.

The following reclassifications have been made.

Some reclassifications have been made to the prior period's income statement to enhance inter-period comparability of information.

	Previously reported		Reclassification		After reclassifications	
	2 nd Qtr 2008 \$'000	1 st Half 2008 \$'000	2 nd Qtr 2008 \$'000	1 st Half 2008 \$'000	2 nd Qtr 2008 \$'000	1 st Half 2008 \$'000
<u>Group</u>						
Rental income from investment properties	759	1,544	(36)	(80)	723	1,464
Other income	1	3	36	80	37	83

Certain reclassifications have been made to the prior period's consolidated cash flows to enhance presentation of the nature of the balances. As a result, certain line items on the face of the consolidated cash flow statement have been amended to conform to the current period's presentation.

	Previously reported	Reclassification	After reclassifications
	30 June 2008 \$'000	30 June 2008 \$'000	30 June 2008 \$'000
<u>Group</u>			
<u>Cash and cash equivalents</u>			
Cash on deposit, at banks and in hand	45,939	-	45,939
Statutory deposit with the Monetary Authority of Singapore	42,819	(42,819)	-
Singapore Government securities (SGS)	197,567	(197,567)	-
	<u>286,325</u>	<u>(240,386)</u>	<u>45,939</u>

6 Review of Performance

The Group's loan assets was \$1,228.1 million as at 30 June 2009, a decrease of 11.82% or \$164.6 million over the loans base of \$1,392.7 million as at 31 December 2008 and a decrease of 12.61% or \$177.2 million over the loans base of \$1,405.3 million as at 30 June 2008.

As at 30 June 2009, deposits and savings accounts of customers amounted to \$1,450.4 million. Cash and bank balances, statutory deposits with MAS as well as available-for-sale (AFS) financial assets totalled \$422.3 million.

The Group's profit after tax for the period rose by 43.6% as compared to the previous period. The interest income and hiring charges have fallen by a marginal 1% which was more than offset by the reduction in interest costs of 26% and lower operating expenses.

Despite a decrease in the loans base, there was an increase of 92.9% in the allowances for impairment losses on loans and advances as additional provisions were made due to a decline in the valuations of the collaterals for its loans as well as to build up its collective impairment allowances for loans and advances as a prudential measure to address the potential impact of any adverse change in economic conditions.

The Group's AFS financial assets comprise mainly of SGS which were purchased as part of its liquid assets for purpose of maintaining the minimum liquid assets required under the Finance Companies' Act. The prices of SGS have declined in the period under review and the resultant fair value losses with the relevant adjustment on income tax were reflected as other comprehensive loss for the period.

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

The Ministry of Trade and Industry has announced that it expects the Singapore economy to contract by 4 to 6% in 2009, an upward revision from the contraction of 6 to 9% in its previous forecast. The revision reflects the less severe contraction in the first half of the year with the outlook for the rest of the year - that of a weak recovery susceptible to downside risks, remaining unchanged.

Against this backdrop, the Group will continue to adopt a cautious stance in its lending activities and focus on monitoring and maintaining its asset quality. It will also continue to manage its costs prudently to maintain reasonable profitability and strengthen its liquidity and funding position as well as to maintain a healthy balance sheet.

8 Dividends

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 current financial period, there were no outstanding convertibles (30 June 2008: Nil).

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

	<u>As at 30/06/2009</u>		<u>As at 31/12/2008</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	-	17,275	-	78,012
Amount repayable after one year	-	8,781	-	8,966

11 Other Information

- (a) Income of the Group is derived primarily from financing business and related nominee services. The Group operates in Singapore only.
- (b) Amount of any adjustment for under or overprovision of tax in respect of prior years - Nil
- (c) Amount of any pre-acquisition profits - Nil
- (d) Amount of profits on any sale of investments, property, plant and equipment
 - Profit on sale of property, plant and equipment \$134,300

By order of the Board

Lee Sze Leong
Chairman
05 August 2009

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 interim financial results for the quarter and the half year ended 30 June 2009 to be false or misleading.

On behalf of the Board of Directors

Lee Sze Leong
Chairman
05 August 2009