

## FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

First quarter financial statements on consolidated results for the period ended 31 March 2017. These figures have not been audited.

### 1(a)(i) Unaudited Consolidated Statement of Profit or Loss for the Quarter ended 31 March 2017

	1st Qtr 2017	1st Qtr 2016	+ / (-)
	\$'000	\$'000	%
<b>Revenue</b>			
Interest income and hiring charges	18,453	18,268	1.0
Interest expense	(7,899)	(9,137)	(13.6)
<b>Net interest income and hiring charges</b>	<b>10,554</b>	9,131	15.6
Fees and commissions	234	160	46.2
Dividends	0	6	(92.2)
Rental income from investment properties	875	831	5.3
Other income	78	326	(76.1)
<b>Income before operating expenses</b>	<b>11,741</b>	10,454	12.3
Staff costs	(3,366)	(3,416)	(1.5)
Depreciation of property, plant and equipment	(171)	(183)	(6.5)
Depreciation of investment properties	(94)	(94)	-
Other operating expenses	(1,800)	(1,656)	8.7
<b>Profit from operations before impairment losses</b>	<b>6,310</b>	5,105	23.6
Write-back / (Allowances for) of impairment losses on loans and advances	377	(2,128)	NM
<b>Profit before income tax</b>	<b>6,687</b>	2,977	124.6
Income tax expense	(1,100)	(475)	131.6
<b>Profit for the period</b>	<b>5,587</b>	2,502	123.3

NM: Not Meaningful

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

	1st Qtr 2017	1st Qtr 2016
Annualised earnings per share (cents)		
- Basic	14.18	6.35
- Diluted	14.18	6.35

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 2016: 157,625,764) shares.

There are no potential dilutive ordinary shares for the periods ended 31 March 2017 and 2016.

**1(b) Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Quarter ended 31 March 2017**

	<b>1st Qtr 2017</b>	1st Qtr 2016	+ / (-)
	<b>\$'000</b>	\$'000	%
<b>Profit for the period</b>	<b>5,587</b>	2,502	123.3
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Net change in fair value of available-for-sale financial assets	<b>4,745</b>	12,119	(60.8)
Income tax relating to components of other comprehensive income that may be reclassified subsequently	<b>(807)</b>	(2,060)	(60.8)
<b>Other comprehensive (loss) income for the period, net of tax</b>	<b>3,938</b>	10,059	(60.8)
<b>Total comprehensive income for the period</b>	<b>9,525</b>	12,561	(24.2)

**2(a) Statements of Financial Position as at 31 March 2017**

	Group		Company	
	31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash on deposit, at banks and in hand	311,703	405,753	311,658	405,705
Other assets	5,785	7,725	5,785	7,725
Investments	270,141	265,653	269,759	265,297
Loans and advances due within twelve months	449,487	450,149	449,487	450,149
Statutory deposit with the Monetary Authority of Singapore ("MAS")	55,494	58,281	55,494	58,281
<b>Total current assets</b>	<b>1,092,610</b>	1,187,561	<b>1,092,183</b>	1,187,157
<b>Non-current assets</b>				
Property, plant and equipment	16,253	16,412	16,253	16,412
Investment properties	23,602	23,696	23,602	23,696
Subsidiary	-	-	25	25
Loans and advances due after twelve months	1,397,872	1,455,307	1,397,872	1,455,307
<b>Total non-current assets</b>	<b>1,437,727</b>	1,495,415	<b>1,437,752</b>	1,495,440
<b>Total assets</b>	<b>2,530,337</b>	2,682,976	<b>2,529,935</b>	2,682,597
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Deposits and savings accounts of customers	2,158,088	2,319,272	2,158,832	2,320,016
Other liabilities	33,428	36,776	32,951	36,296
SPRING loans due within twelve months (unsecured)	1,219	1,203	1,219	1,203
Provision for employee benefits	260	260	260	260
Current tax payable	4,017	2,917	4,017	2,917
<b>Total current liabilities</b>	<b>2,197,012</b>	2,360,428	<b>2,197,279</b>	2,360,691
<b>Non-current liabilities</b>				
SPRING loans due after twelve months (unsecured)	1,705	1,260	1,705	1,260
Deferred tax liabilities	2,180	1,374	2,125	1,323
<b>Total non-current liabilities</b>	<b>3,885</b>	2,634	<b>3,830</b>	2,583
<b>Total liabilities</b>	<b>2,200,897</b>	2,363,062	<b>2,201,109</b>	2,363,274
<b>Equity attributable to equity holders of the Company</b>				
Share capital	180,008	180,008	180,008	180,008
Reserves	149,432	139,906	148,818	139,315
<b>Total equity</b>	<b>329,440</b>	319,914	<b>328,826</b>	319,323
<b>Total liabilities and equity</b>	<b>2,530,337</b>	2,682,976	<b>2,529,935</b>	2,682,597
<b>Off-balance sheet items</b>				
Undrawn loan commitments	420,079	419,645	420,079	419,645
Guarantees issued	5,487	4,320	5,487	4,320
<b>Total off-balance sheet items</b>	<b>425,566</b>	423,965	<b>425,566</b>	423,965
<b>2(b) Net asset value per ordinary share (\$)</b>	<b>2.09</b>	<b>2.03</b>	<b>2.09</b>	<b>2.03</b>

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 2016: 157,625,764) shares.

**3 Consolidated Statement of Cash Flows for the Quarter ended 31 March 2017**

	1st Qtr 2017	1st Qtr 2016
	<u>\$'000</u>	<u>\$'000</u>
<b>Operating activities</b>		
Profit before income tax	6,687	2,977
Adjustments for:		
Impact of accrual of interest income	2,143	1,897
Impact of accrual of interest expense	3,620	1,397
Depreciation of property, plant and equipment	171	183
Depreciation of investment properties	94	94
(Write-back of) / Allowances for impairment losses on loans and advances	(378)	2,128
Dividends	(0)	(7)
Operating cash flows before movements in working capital	<u>12,337</u>	<u>8,669</u>
<b>Changes in working capital</b>		
Other assets	53	280
Loans and advances	58,475	867
Statutory deposits with the MAS	2,786	(955)
Deposits and savings accounts of customers	(164,805)	(3,758)
Other liabilities	(3,348)	1,359
SPRING loans	462	(419)
Net cash generated from operating activities	<u>(94,038)</u>	<u>6,043</u>
<b>Investing activities</b>		
Purchase of investments	-	(5,098)
Purchase of property, plant and equipment and investment properties	(12)	(47)
Dividends received	0	6
Net cash used in investing activities	<u>(12)</u>	<u>(5,139)</u>
Net (decrease)/ increase in cash and cash equivalents	<b>(94,050)</b>	904
Cash and cash equivalents at beginning of the year	<u>405,753</u>	<u>309,605</u>
<b>Cash and cash equivalents at end of the period</b>	<b><u>311,703</u></b>	<b><u>310,509</u></b>

#### 4 Statements of Changes in Equity for the Quarter ended 31 March 2017

	Share capital	Statutory reserve	Fair value reserve	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>					
Balance at 1 January 2016	180,008	95,823	5,353	31,360	312,544
Total comprehensive income for the period					-
Profit for the period	-	-	-	3,208	3,208
Other comprehensive income for the period - net	-	-	10,059	-	10,059
Total	-	-	10,059	3,208	13,267
Balance at 31 March 2016	180,008	95,823	15,412	34,568	325,811
<b>Balance at 1 January 2017</b>	<b>180,008</b>	<b>99,288</b>	<b>6,736</b>	<b>33,881</b>	<b>319,914</b>
Total comprehensive income for the period					
Profit for the period	-	-	-	5,587	5,587
Other comprehensive income for the period - net	-	-	3,938	-	3,938
Total	-	-	3,938	5,587	9,526
Balance at 31 March 2017	180,008	99,288	10,674	39,469	329,440
<b>Company</b>					
Balance at 1 January 2016	180,008	95,823	5,062	31,020	311,913
Total comprehensive income for the period					
Profit for the period	-	-	-	3,207	3,207
Other comprehensive income for the period - net	-	-	10,064	-	10,064
Total	-	-	10,064	3,207	13,271
Balance at 31 March 2016	180,008	95,823	15,126	34,227	325,184
<b>Balance at 1 January 2017</b>	<b>180,008</b>	<b>99,289</b>	<b>6,490</b>	<b>33,536</b>	<b>319,323</b>
Total comprehensive income for the period					
Profit for the period	-	-	-	5,587	5,587
Other comprehensive income for the period - net	-	-	3,916	-	3,916
Total	-	-	3,916	5,587	9,503
Balance at 31 March 2017	180,008	99,289	10,406	39,123	328,826

## **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 2017. 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 2016.

## **6. Review of Performance**

Loans and advances declined by 3.05% or \$58.1 million during the first quarter of 2017 in the midst of a more cautious lending environment, from \$1,905.5 million as at 31 December 2016 to \$1,847.4 million as at 31 March 2017.

Notwithstanding the lower loan balance, Group profit after tax increased by 123.3% or \$3.1 million as compared to the previous corresponding period. The better performance was mainly due to higher net interest income and hiring charges of 15.6% or \$1.4 million and a net write back of allowance for impairment losses of \$0.4 million versus \$2.1 million allowance charge during first quarter of last year.

Profit from operations before allowances was \$6.3 million, an increase of 23.6% compared to the same period last year. The jump in the net interest income and hiring charges was driven by higher interest income due to better loan yield as well as lower interest expense. Total operating expenses edged up marginally by 1.5% largely due to higher other operating expenses incurred for the hire purchase loan business.

The write back of allowance for loan losses was largely due to lower collective impairment allowances, which is in tandem with the lower loan balance as at 31 March 2017. The Group continues to maintain adequate individual and collective impairment allowances in respect of its loan portfolio.

The increase in the fair value of available-for-sale financial assets of \$3.9 million under Other Comprehensive Income came primarily from revaluation of Singapore Government Securities (“SGS”). The Group purchases SGS as part of its liquid assets for the purpose of maintaining the minimum liquid asset required under the Finance Companies Act.

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 13 April 2017, the Singapore economy grew by 2.5% on a year-on-year basis in the first quarter of 2017, easing from the 2.9% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy contracted by 1.9% after posting a strong rebound of 12.3 per cent in the preceding quarter.

The manufacturing sector expanded by 6.6 per cent on a year-on-year basis in the first quarter, moderating from the 11.5 per cent growth in the previous quarter. Growth was supported primarily by robust output expansions in the electronics and precision engineering clusters. The construction sector contracted by 1.1 per cent on a year-on-year basis in the first quarter, extending the 2.8 per cent decline in the previous quarter, weighed down by a slowdown in private sector construction activities. The services producing industries expanded by 1.5 per cent on a year-on-year basis in the first quarter,

an improvement from the 1.0 per cent growth in the previous quarter.

Against the backdrop of expected modest economic growth, the Group will continue to proactively manage our interest margin, focus on new business prudently as well as be disciplined in our cost controls.

#### **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 2016: Nil).

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

Not applicable. During the financial period, no shares were held as treasury shares.

#### **11. 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 2016: Nil).

#### **12. 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 Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

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

	<u>As at 31/03/2017</u>		<u>As at 31/03/2016</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	-	1,219	-	1,311
Amount repayable after one year	-	1,705	-	314

#### **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

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By order of the Board

Lee Sze Leong  
Managing Director  
24 April 2017

**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 2017 to be false or misleading.

On behalf of the Board of Directors

Lee Sze Leong  
Managing Director  
24 April 2017