
FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

First quarter financial statements on consolidated results for the period ended 31 March 2012. These figures have not been audited.

1(a)(i) Unaudited Consolidated Income Statement for the Quarter ended 31 March 2012

	1st Qtr 2012	1st Qtr 2011	+ / (-)
	\$'000	\$'000	%
Revenue			
Interest income and hiring charges	10,892	10,946	(0.5)
Interest expense	(3,193)	(2,865)	11.4
Net interest income and hiring charges	7,699	8,081	(4.7)
Fees and commissions	77	104	(26.0)
Rental income from investment properties	784	741	5.8
Other income	49	51	(3.9)
Income before operating expenses	8,609	8,977	(4.1)
Staff costs	(3,169)	(2,842)	11.5
Depreciation of property, plant and equipment	(328)	(399)	(17.8)
Depreciation of investment properties	(95)	(94)	1.1
Other operating expenses	(1,479)	(1,478)	0.1
Profit from operations before impairment losses	3,538	4,164	(15.0)
Write-back of impairment losses on loans and advances	166	580	(71.4)
Profit before income tax	3,704	4,744	(21.9)
Income tax expense	(660)	(821)	(19.6)
Profit for the period attributable to equity holders of the Company	3,044	3,923	(22.4)

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

	1st Qtr 2012	1st Qtr 2011
Annualised earnings per share (cents)		
- Basic	11.59	14.93
- Diluted	11.59	14.93

The Group's basic earnings per share is calculated based on the weighted average number of ordinary shares in issue of 105,083,843 (31 March 2011: 105,083,843) shares.

There are no potential dilutive ordinary shares for the periods ended 31 March 2012 and 2011.

1(b) Unaudited Consolidated Statement of Comprehensive Income for the Quarter ended 31 March 2012

	1st Qtr 2012	1st Qtr 2011	+ / (-)
	\$'000	\$'000	%
Profit for the period	3,044	3,923	(22.4)
Other comprehensive income			
- Net change in fair value of available-for-sale financial assets	75	2,688	(97.2)
- Income tax on other comprehensive income	(13)	(457)	(97.2)
Other comprehensive income for the period, net of tax	62	2,231	(97.2)
Total comprehensive income for the period attributable to equity holders of the Company	3,106	6,154	(49.5)

2(a) Statements of Financial Position as at 31 March 2012

	Group		Company	
	31 Mar 2012	31 Dec 2011	31 Mar 2012	31 Dec 2011
	\$'000	\$'000	\$'000	\$'000
<u>ASSETS</u>				
Current assets				
Cash on deposit, at banks and in hand	263,112	221,053	263,049	220,982
Other assets	4,075	5,601	4,075	5,601
Investments	172,361	172,314	172,107	172,077
Loans and advances due within twelve months	404,783	426,388	404,783	426,388
Statutory deposit with the Monetary Authority of Singapore ("MAS")	34,776	35,247	34,776	35,247
Total current assets	879,107	860,603	878,790	860,295
Non-current assets				
Property, plant and equipment	17,918	18,146	17,918	18,146
Investment properties	25,489	25,584	25,489	25,584
Subsidiary	-	-	25	25
Loans and advances due after twelve months	763,030	753,267	763,030	753,267
Total non-current assets	806,437	796,997	806,462	797,022
Total assets	1,685,544	1,657,600	1,685,252	1,657,317
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Deposits and savings accounts of customers	1,404,225	1,378,505	1,404,952	1,379,231
Other liabilities	15,210	15,305	14,719	14,808
SPRING loans due within twelve months (unsecured)	5,782	6,513	5,782	6,513
Provision for employee benefits	224	224	224	224
Current tax payable	7,455	6,795	7,455	6,795
Total current liabilities	1,432,896	1,407,342	1,433,132	1,407,571
Non-current liabilities				
SPRING loans due after twelve months (unsecured)	5,159	5,887	5,159	5,887
Deferred tax liabilities	3,042	3,030	3,009	2,999
Total non-current liabilities	8,201	8,917	8,168	8,886
Total liabilities	1,441,097	1,416,259	1,441,300	1,416,457
Equity attributable to equity holders of the Company				
Share capital	117,199	117,199	117,199	117,199
Reserves	127,248	124,142	126,753	123,661
Total equity	244,447	241,341	243,952	240,860
Total liabilities and equity	1,685,544	1,657,600	1,685,252	1,657,317
Off-balance sheet items				
Undrawn loan commitments	399,567	360,603	399,567	360,603
Guarantees issued	4,550	3,034	4,550	3,034
Total off-balance sheet items	404,117	363,637	404,117	363,637
2(b) Net asset value per ordinary share (\$)	2.33	2.30	2.32	2.29

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 2011: 105,083,843) shares.

3 Consolidated Statement of Cash Flows for the Quarter ended 31 March 2012

	1st Qtr 2012	1st Qtr 2011
	<u>\$'000</u>	<u>\$'000</u>
Operating activities		
Profit before income tax	3,704	4,744
Adjustments for:		
Impact of accrual of interest income	1,205	1,183
Impact of accrual of interest expense	(106)	(2,766)
Depreciation of property, plant and equipment	328	399
Depreciation of investment properties	95	94
Write-back of impairment losses on loans and advances	(166)	(580)
Operating cash flows before movements in working capital	<u>5,060</u>	<u>3,074</u>
Changes in working capital		
Other assets	349	(21)
Loans and advances	12,008	26,913
Statutory deposits with the MAS	471	1,666
Deposits and savings accounts of customers	25,722	(52,790)
Other liabilities	8	911
SPRING loans	(1,459)	(2,396)
Cash generated from/(used in) operating activities	<u>42,159</u>	<u>(22,643)</u>
Income taxes paid	-	(10)
Net cash generated from/(used in) operating activities	<u>42,159</u>	<u>(22,653)</u>
Investing activities		
Purchase of property, plant and equipment and investment properties	(100)	(171)
Net cash used in investing activities	<u>(100)</u>	<u>(171)</u>
Net increase/(decrease) in cash and cash equivalents	42,059	(22,824)
Cash and cash equivalents at beginning of the year	221,053	336,290
Cash and cash equivalents at end of the period	<u>263,112</u>	<u>313,466</u>

4 Statements of Changes in Equity for the Quarter ended 31 March 2012

	Share capital	Statutory reserve	Fair value reserve	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
At 1 January 2011	117,199	67,303	6,062	27,693	218,257
Total comprehensive income for the period	-	-	2,231	3,923	6,154
At 31 March 2011	117,199	67,303	8,293	31,616	224,411
At 1 January 2012	117,199	73,212	16,014	34,916	241,341
Total comprehensive income for the period	-	-	62	3,044	3,106
At 31 March 2012	117,199	73,212	16,076	37,960	244,447
Company					
At 1 January 2011	117,199	67,303	5,898	27,364	217,764
Total comprehensive income for the period	-	-	2,228	3,923	6,151
At 31 March 2011	117,199	67,303	8,126	31,287	223,915
At 1 January 2012	117,199	73,212	15,865	34,584	240,860
Total comprehensive income for the period	-	-	49	3,043	3,092
At 31 March 2012	117,199	73,212	15,914	37,627	243,952

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 2012. 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 2011.

6 Review of Performance

Loans and advances declined marginally by 1% in the first quarter of 2012, from \$1,179.7 million as at 31 December 2011 to \$1,167.8 million as at 31 March 2012.

The Group registered a profit after tax of \$3 million for the quarter under review, a decline of 22.4% as compared to the previous corresponding period. The weaker performance was attributable to the thinner interest spread in a low interest rate environment, increase in staff costs as well as a lower write-back in allowances for impairment losses.

The higher staff costs was mainly due to the Group’s efforts in seeking to expand its loan base.

There was a write-back of \$0.2 million in allowances for impairment losses on loans and advances for the quarter as compared to \$0.6 million in the previous period. 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 13 April 2012, the Singapore economy grew by 1.6% on a year-on-year basis, compared to 3.6% in the previous quarter. On a seasonally-adjusted quarter-on-quarter annualised basis, the economy grew by 9.9%, a reversal from the contraction of 2.5% in the previous quarter.

The improved growth momentum was largely due to a broader-based rebound in manufacturing, a pick-up in residential construction activities as well as the services sector which was supported by an increase in stock market trading activities, real estate activities in the business services sectors and tourism-related activities. Barring any headwinds due to risk aversion in the financial markets from the debt crisis in Europe, we expect the growth to be sustainable.

Given the intensifying competitive business environment and low interest rate environment, the Group will continue to adopt a cautious and prudent approach in managing its loan portfolio and seeking new businesses. 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 2011: Nil).

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

Nil (31 March 2011: Nil).

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 2011: Nil).

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

	<u>As at 31/03/2012</u>		<u>As at 31/12/2011</u>	
	<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Amount repayable in one year or less, or on demand	-	5,782	-	6,513
Amount repayable after one year	-	5,159	-	5,887

13 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 – Nil

By order of the Board

Lee Sze Leong
Chairman
2 May 2012

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 2012 to be

false or misleading.

On behalf of the Board of Directors

Lee Sze Leong
Chairman
2 May 2012