

---

**FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT**


---

First quarter financial statements on consolidated results for the period ended 31 March 2013. These figures have not been audited.

**1(a)(i) Unaudited Consolidated Income Statement for the Quarter ended 31 March 2013**

	1st Qtr 2013	1st Qtr 2012	+ / (-)
	\$'000	\$'000	%
<b>Revenue</b>			
Interest income and hiring charges	11,728	10,892	7.7
Interest expense	(4,276)	(3,193)	33.9
<b>Net interest income and hiring charges</b>	<b>7,452</b>	<b>7,699</b>	<b>(3.2)</b>
Fees and commissions	149	77	93.5
Rental income from investment properties	772	784	(1.5)
Other income	90	49	83.7
<b>Income before operating expenses</b>	<b>8,463</b>	<b>8,609</b>	<b>(1.7)</b>
Staff costs	(3,067)	(3,169)	(3.2)
Depreciation of property, plant and equipment	(217)	(328)	(33.8)
Depreciation of investment properties	(94)	(95)	(1.1)
Other operating expenses	(1,701)	(1,479)	15.0
<b>Profit from operations before impairment losses</b>	<b>3,384</b>	<b>3,538</b>	<b>(4.4)</b>
(Allowances for) Write-back of impairment losses on loans and advances	(536)	166	NM
<b>Profit before income tax</b>	<b>2,848</b>	<b>3,704</b>	<b>(23.1)</b>
Income tax expense	(480)	(660)	(27.3)
<b>Profit for the period</b>	<b>2,368</b>	<b>3,044</b>	<b>(22.2)</b>

NM: Not meaningful

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

	1st Qtr 2013	1st Qtr 2012
Annualised earnings per share (cents)		
- Basic	6.01	10.73
- Diluted	6.01	10.73

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 2012: previously reported as 105,083,843, currently restated to 113,490,550 following the Rights Issue in November 2012) shares.

There are no potential dilutive ordinary shares for the periods ended 31 March 2013 and 2012.

**1(b) Unaudited Consolidated Statement of Comprehensive Income for the Quarter ended 31 March 2013**

	<b>1st Qtr 2013</b>	1st Qtr 2012	+ / (-)
	<b>\$'000</b>	\$'000	%
<b>Profit for the period</b>	<b>2,368</b>	3,044	(22.2)
<b><u>Other comprehensive income</u></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>(3,997)</b>	75	NM
Tax relating to items that may be reclassified subsequently to profit or loss	<b>679</b>	(13)	NM
<b>Other comprehensive (loss) income for the period, net of tax</b>	<b>(3,318)</b>	62	NM
<b>Total comprehensive (loss) income for the period</b>	<b>(950)</b>	3,106	NM

NM: Not meaningful

**2(a) Statements of Financial Position as at 31 March 2013**

	Group		Company	
	31 Mar 2013	31 Dec 2012	31 Mar 2013	31 Dec 2012
	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash on deposit, at banks and in hand	261,697	268,615	261,653	268,560
Other assets	4,204	5,756	4,204	5,756
Investments	208,912	196,803	208,624	196,531
Loans and advances due within twelve months	411,831	391,779	411,831	391,779
Statutory deposit with the Monetary Authority of Singapore ("MAS")	42,749	40,422	42,749	40,422
<b>Total current assets</b>	<b>929,393</b>	<b>903,375</b>	<b>929,061</b>	<b>903,048</b>
<b>Non-current assets</b>				
Property, plant and equipment	17,335	17,495	17,335	17,495
Investment properties	25,112	25,207	25,112	25,207
Subsidiary	-	-	25	25
Loans and advances due after twelve months	1,064,030	1,031,546	1,064,030	1,031,546
<b>Total non-current assets</b>	<b>1,106,477</b>	<b>1,074,248</b>	<b>1,106,502</b>	<b>1,074,273</b>
<b>Total assets</b>	<b>2,035,870</b>	<b>1,977,623</b>	<b>2,035,563</b>	<b>1,977,321</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Deposits and savings accounts of customers	1,689,923	1,630,041	1,690,653	1,630,770
Other liabilities	15,927	16,135	15,454	15,652
SPRING loans due within twelve months (unsecured)	4,994	4,947	4,994	4,947
Provision for employee benefits	219	219	219	219
Current tax payable	3,179	2,713	3,179	2,713
<b>Total current liabilities</b>	<b>1,714,242</b>	<b>1,654,055</b>	<b>1,714,499</b>	<b>1,654,301</b>
<b>Non-current liabilities</b>				
SPRING loans due after twelve months (unsecured)	3,356	3,667	3,356	3,667
Deferred tax liabilities	3,515	4,194	3,476	4,158
<b>Total non-current liabilities</b>	<b>6,871</b>	<b>7,861</b>	<b>6,832</b>	<b>7,825</b>
<b>Total liabilities</b>	<b>1,721,113</b>	<b>1,661,916</b>	<b>1,721,331</b>	<b>1,662,126</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	180,008	180,008	180,008	180,008
Reserves	134,749	135,699	134,224	135,187
<b>Total equity</b>	<b>314,757</b>	<b>315,707</b>	<b>314,232</b>	<b>315,195</b>
<b>Total liabilities and equity</b>	<b>2,035,870</b>	<b>1,977,623</b>	<b>2,035,563</b>	<b>1,977,321</b>
<b>Off-balance sheet items</b>				
Undrawn loan commitments	504,278	558,922	504,278	558,922
Guarantees issued	3,734	3,734	3,734	3,734
<b>Total off-balance sheet items</b>	<b>508,012</b>	<b>562,656</b>	<b>508,012</b>	<b>562,656</b>
<b>2(b) Net asset value per ordinary share (\$)</b>	<b>2.00</b>	<b>2.00</b>	<b>1.99</b>	<b>2.00</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 2012: 157,625,764) shares.

### 3 Consolidated Statement of Cash Flows for the Quarter ended 31 March 2013

	1st Qtr 2013	1st Qtr 2012
	<u>\$'000</u>	<u>\$'000</u>
<b>Operating activities</b>		
Profit before income tax	2,848	3,704
Adjustments for:		
Impact of accrual of interest income	(254)	1,205
Impact of accrual of interest expense	(287)	(106)
Depreciation of property, plant and equipment	217	328
Depreciation of investment properties	94	95
Allowances for (Write-back of) impairment losses on loans and advances	536	(166)
Operating cash flows before movements in working capital	<u>3,154</u>	<u>5,060</u>
<b>Changes in working capital</b>		
Other assets	1,909	349
Loans and advances	(53,072)	12,008
Statutory deposits with the MAS	(2,327)	471
Deposits and savings accounts of customers	59,882	25,722
Other liabilities	79	8
SPRING loans	(264)	(1,459)
Cash generated from operating activities	<u>9,361</u>	<u>42,159</u>
Income taxes paid	(14)	-
Net cash generated from operating activities	<u>9,347</u>	<u>42,159</u>
<b>Investing activities</b>		
Purchase of investments	(16,209)	-
Purchase of property, plant and equipment and investment properties	(56)	(100)
Net cash used in investing activities	<u>(16,265)</u>	<u>(100)</u>
Net (decrease)/increase in cash and cash equivalents	(6,918)	42,059
Cash and cash equivalents at beginning of the year	<u>268,615</u>	<u>221,053</u>
<b>Cash and cash equivalents at end of the period</b>	<u><u>261,697</u></u>	<u><u>263,112</u></u>

#### 4 Statements of Changes in Equity for the Quarter ended 31 March 2013

	Share capital	Statutory reserve	Fair value reserve	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>					
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
<b>At 1 January 2013</b>	<b>180,008</b>	<b>80,559</b>	<b>20,231</b>	<b>34,909</b>	<b>315,707</b>
<b>Total comprehensive (loss) income for the period</b>	<b>-</b>	<b>-</b>	<b>(3,318)</b>	<b>2,368</b>	<b>(950)</b>
<b>At 31 March 2013</b>	<b>180,008</b>	<b>80,559</b>	<b>16,913</b>	<b>37,277</b>	<b>314,757</b>
<b>Company</b>					
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
<b>At 1 January 2013</b>	<b>180,008</b>	<b>80,559</b>	<b>20,053</b>	<b>34,575</b>	<b>315,195</b>
<b>Total comprehensive (loss) income for the period</b>	<b>-</b>	<b>-</b>	<b>(3,331)</b>	<b>2,368</b>	<b>(963)</b>
<b>At 31 March 2013</b>	<b>180,008</b>	<b>80,559</b>	<b>16,722</b>	<b>36,943</b>	<b>314,232</b>

## **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 2013. 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 2012.

## **6 Review of Performance**

Loans and advances grew by 3.7% in the first quarter of 2013, from \$1,423.3 million as at 31 December 2012 to \$1,475.9 million as at 31 March 2013. To support the increase in loans, deposits grew by 3.7% in the quarter, to \$1,689.9 million as at 31 March 2013.

However, Group profit after tax declined by 22.2% to \$2.4 million as compared to the previous corresponding period. The weaker performance was attributable to the continual compression of interest margin and a net allowance for loan losses made as compared to a write-back in the previous period.

Net interest income and hiring charges decreased by 3.2% from a narrower interest margin as interest yield continued to decline while cost of funds has increased in the midst of intense market competition. Operating costs remained stable with increase in promotional and commission expenses offset by decrease in staff costs and depreciation charge. The lower depreciation charge was due to some of the systems costs and renovation costs being fully depreciated as compared to the previous corresponding period.

There was a net allowance for loan losses of \$0.5 million made for the quarter as compared to a write-back of \$0.2 million in the previous corresponding 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 12 April 2013, the Singapore economy contracted by 0.6% on a year-on-year basis in the first quarter of 2013, compared to the 1.5% growth in the preceding quarter. On a seasonally-adjusted quarter-on-quarter annualised basis, the economy contracted by 1.4%, down from the 3.3% growth in the previous quarter. This was due to a decline in the manufacturing sector which shrank by 6.5%, partially offset by 7% growth in the construction industry and 1.2% growth in the services producing industries.

The global economic outlook remains highly uncertain in view of the on-going Eurozone sovereign debt crisis as well as the weak economic growth and high unemployment in the US. In Asia, tensions in the Korean peninsula may pose a threat to global peace and stability. Singapore being an open economy is not impervious to these developments.

In addition to the uncertain economic outlook, the recent cooling property measures and the financing restrictions on car loans by the government are expected to moderate the growth in loans on residential properties and cars.

Against this backdrop and given the intensifying competitive business environment and prolonged 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 2012: 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 reported.

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

Nil (31 March 2012: 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.

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

	<u>As at 31/03/2013</u>		<u>As at 31/12/2012</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	-	<b>4,994</b>	-	4,947
Amount repayable after one year	-	<b>3,356</b>	-	3,667

## **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



(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 2013

**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 2013 to be false or misleading.

On behalf of the Board of Directors

Lee Sze Leong  
Chairman  
2 May 2013