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**FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT**


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First quarter financial statements on consolidated results for the period ended 31 March 2021. These figures have not been audited.

**1(a)(i) Unaudited Consolidated Statement of Profit or Loss for the Quarter ended 31 March 2021**

	1st Qtr 2021	1st Qtr 2020	+/-
	\$'000	\$'000	%
<b>Revenue</b>			
Interest income and hiring charges	18,160	22,033	(17.6)
Interest expense	(4,235)	(11,054)	(61.7)
<b>Net interest income and hiring charges</b>	<b>13,925</b>	10,979	26.8
Fees and commissions	433	422	2.6
Dividends	1	1	0.0
Rental income from investment properties	761	824	(7.6)
Other income	498	170	192.9
<b>Income before operating expenses</b>	<b>15,618</b>	12,396	26.0
Staff costs	(3,878)	(4,137)	(6.3)
Depreciation of property, plant and equipment	(451)	(437)	3.2
Depreciation of investment properties	(94)	(94)	0.0
Depreciation of right of use assets	(7)	(7)	0.0
Other operating expenses	(1,708)	(2,204)	(22.5)
<b>Total Operating Expenses</b>	<b>(6,138)</b>	(6,879)	(10.8)
<b>Profit from operations before allowances</b>	<b>9,480</b>	5,517	71.8
Write-back of / (Allowances for) credit losses on loans and other assets	158	(548)	NM
<b>Profit before income tax</b>	<b>9,638</b>	4,969	94.0
Income tax expense	(1,649)	(857)	92.4
<b>Profit for the period attributable to equity holders of the Company</b>	<b>7,990</b>	4,112	94.3

NM: Not Meaningful

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

	1st Qtr 2021	1st Qtr 2020
Annualised earnings per share (cents)		
- Basic	20.27	10.43
- Diluted	20.27	10.43

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 2020: 157,625,764) shares.

There are no potential dilutive ordinary shares for the periods ended 31 March 2021 and 2020.

**1(b) Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Quarter ended 31 March 2021**

	1st Qtr 2021	1st Qtr 2020	+ / (-)
	\$'000	\$'000	%
<b>Profit for the period</b>	<b>7,990</b>	4,112	94.3
<u>Other comprehensive income</u>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Net change in fair value of Equity Investments at FVOCI	616	(1,080)	NM
Income tax relating to items that will not be reclassified subsequently to profit or loss	(105)	183	NM
	<b>511</b>	(897)	NM
<b>Items that may be reclassified subsequently to profit or loss</b>			
Net change in fair value of Debt Investments at FVOCI	(7,510)	4,102	NM
Income tax relating to items that may be reclassified subsequently to profit or loss	1,277	(697)	NM
	<b>(6,233)</b>	3,405	NM
<b>Other comprehensive income for the period - net of tax</b>	<b>(5,722)</b>	2,508	NM
<b>Total comprehensive income for the period</b>	<b>2,268</b>	6,620	(65.7)

NM: Not meaningful

FVOCI: Fair Value through Other Comprehensive Income

**2(a) Statements of Financial Position as at 31 March 2021**

	Group		Company	
	31 Mar 2021	31 Dec 2020	31 Mar 2021	31 Dec 2020
	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>				
Cash and deposit with banks and Monetary Authority of Singapore ("MAS")	280,078	370,620	280,027	370,560
Statutory deposit with the MAS	58,178	59,836	58,178	59,836
Singapore Government Securities and MAS bills	273,012	284,989	273,012	284,989
Investment in Equity Securities	4,908	4,292	4,607	4,003
Loans and advances	2,131,712	2,077,683	2,131,712	2,077,683
Other receivables, deposits and prepayments	4,642	6,227	4,642	6,227
Subsidiary	-	-	25	25
Property, plant and equipment	24,307	24,617	24,307	24,617
Investment properties	22,091	22,186	22,091	22,186
<b>Total assets</b>	<b>2,798,928</b>	<b>2,850,450</b>	<b>2,798,601</b>	<b>2,850,126</b>
<b>LIABILITIES AND EQUITY</b>				
Deposits and balances of customers	2,208,474	2,278,708	2,209,248	2,279,481
Other liabilities	18,446	23,855	17,972	23,375
Borrowings from MAS	170,518	147,168	170,518	147,168
Enterprise Singapore loans (unsecured)	3,610	4,670	3,610	4,670
Provision for employee benefits	396	396	396	396
Current tax payable	5,255	4,520	5,255	4,520
Deferred tax liabilities	2,497	3,669	2,456	3,630
<b>Total liabilities</b>	<b>2,409,196</b>	<b>2,462,986</b>	<b>2,409,455</b>	<b>2,463,240</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	180,008	180,008	180,008	180,008
Reserves	209,724	207,456	209,138	206,878
<b>Total equity</b>	<b>389,732</b>	<b>387,464</b>	<b>389,146</b>	<b>386,886</b>
<b>Total liabilities and equity</b>	<b>2,798,928</b>	<b>2,850,450</b>	<b>2,798,601</b>	<b>2,850,126</b>
<b>Off-balance sheet items</b>				
Undrawn loan commitments	823,244	674,025	823,244	674,025
Guarantees issued	1,844	1,844	1,844	1,844
<b>Total off-balance sheet items</b>	<b>825,088</b>	<b>675,869</b>	<b>825,088</b>	<b>675,869</b>

**2(b) Net asset value per ordinary share (\$)** 2.47      2.46      2.47      2.45

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 2020: 157,625,764) shares.

**3 Consolidated Statement of Cash Flows for the Quarter ended 31 March 2021**

	1st Qtr 2021	1st Qtr 2020
	\$'000	\$'000
<b>Operating activities</b>		
Profit before income tax	9,638	4,969
Adjustments for:		
Impact of accrual of interest income	1,318	1,472
Impact of accrual of interest expense	(6,075)	(718)
Interest expense on lease liabilities	1	1
Depreciation of property, plant and equipment	451	437
Depreciation of investment properties	94	94
Depreciation of right of use assets	7	7
(Write-back of) / Allowances for credit losses on loans and other assets	(158)	552
Dividends	(1)	(1)
Operating cash flows before movements in working capital	5,275	6,813
<b>Changes in working capital</b>		
Deposits and balances of customers	(70,234)	10,347
Other liabilities	665	1,106
Borrowings from MAS	23,350	-
Enterprise Singapore loans	(1,059)	41
Statutory deposits with the MAS	1,658	2,444
Singapore Government Securities and MAS bills	4,263	21,599
Loans and advances	(53,871)	38,272
Other assets	471	(111)
Cash (used in) / generated from operating activities	(89,482)	80,511
Income taxes (paid) / refund	(914)	1,459
Net cash (used in) / generated from operating activities	(90,396)	81,970
<b>Investing activities</b>		
Purchase of property, plant and equipment and investment properties	(140)	(515)
Purchase of equity securities	-	(286)
Dividends received	1	1
Net cash used in investing activities	(139)	(800)
<b>Financing activities</b>		
Cash payments of lease liabilities	(7)	(7)
Net cash used in financing activities	(7)	(7)
Net (decrease) / increase in cash and cash equivalents	(90,542)	81,163
Cash and cash equivalents at beginning of the year	370,620	282,862
<b>Cash and cash equivalents at end of the period</b>	<b>280,078</b>	<b>364,025</b>

**4 Statements of Changes in Equity for the Quarter ended 31 March 2021**

	Share capital	Statutory reserve	Regulatory Loss		Accumulated profits	Total
			Allowance Reserve	Fair value reserve		
	\$'000	\$'000		\$'000	\$'000	\$'000
<b>Group</b>						
<b>2021</b>						
Balance at 1 January 2021	180,008	120,864	9,940	13,771	62,881	387,464
Total comprehensive income for the period						
Profit for the period	-	-	-	-	7,990	7,990
Other comprehensive income for the period - net	-	-	-	(5,722)	-	(5,722)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,722)</b>	<b>7,990</b>	<b>2,268</b>
<b>Balance at 31 March 2021</b>	<b>180,008</b>	<b>120,864</b>	<b>9,940</b>	<b>8,049</b>	<b>70,871</b>	<b>389,732</b>
<b>2020</b>						
Balance at 1 January 2020	180,008	115,965	9,940	9,446	57,622	372,981
Total comprehensive income for the period						
Profit for the period	-	-	-	-	4,112	4,112
Other comprehensive income for the period - net	-	-	-	2,508	-	2,508
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,508</b>	<b>4,112</b>	<b>6,620</b>
<b>Balance at 31 March 2020</b>	<b>180,008</b>	<b>115,965</b>	<b>9,940</b>	<b>11,954</b>	<b>61,734</b>	<b>379,601</b>
<b>Company</b>						
<b>2021</b>						
Balance at 1 January 2021	180,008	120,864	9,940	13,580	62,494	386,886
Total comprehensive income for the period						
Profit for the period	-	-	-	-	7,992	7,992
Other comprehensive income for the period - net	-	-	-	(5,732)	-	(5,732)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,732)</b>	<b>7,992</b>	<b>2,260</b>
<b>Balance at 31 March 2021</b>	<b>180,008</b>	<b>120,864</b>	<b>9,940</b>	<b>7,848</b>	<b>70,486</b>	<b>389,146</b>
<b>2020</b>						
Balance at 1 January 2020	180,008	115,965	9,940	9,172	57,239	372,324
Total comprehensive income for the period						
Profit for the period	-	-	-	-	4,111	4,111
Other comprehensive income for the period - net	-	-	-	2,615	-	2,615
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,615</b>	<b>4,111</b>	<b>6,726</b>
<b>Balance at 31 March 2020</b>	<b>180,008</b>	<b>115,965</b>	<b>9,940</b>	<b>11,787</b>	<b>61,350</b>	<b>379,050</b>

## 5. Accounting Policies

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current period as in the audited financial statements for the year ended 31 December 2020 except for the adoption of the new and revised “SFRS(I)s that are effective for the annual period beginning on 1 January 2021. The adoption of these SFRS(I)s does not have any material effect on the financial statements of the Group and the Company

## 6. Review of Performance

The Group reported a net profit after tax of \$8.0 million for the first quarter of 2021, an improvement of 94.3% as compared to the same period last year. The improved performance was primarily due to lower funding costs, decrease in operating expenses as well as write back of loan allowances.

Net interest income and hiring charges rose by 26.8% to \$13.9 million compared to \$11.0 million in the previous corresponding period. This was mainly attributable to the \$6.8 million decline in interest expenses driven by both lower deposit rates as well as lower average deposit base. Non-interest income grew by \$0.3 million, largely from the Government grant for the Job Support Scheme.

Total operating expenses decreased by 10.8% which was contributed by lower staff costs and other operating expenses. The decrease of \$0.5 million in other operating expenses was mainly due to lower business promotion and commission expenses.

Write back for loan allowances for the current quarter was \$0.2 million compared to additional allowances for credit losses of \$0.5 million for the previous quarter in 2020. The Group continues to maintain adequate loss allowances in respect of its loan portfolio and other assets.

The decrease in the Other Comprehensive Income amounting to \$5.7 million was due largely to the decline in fair value of Singapore Government Securities (“SGS”) during the quarter. The Group purchases SGS as part of its liquid assets for the purposes of maintaining the minimum liquid assets required under the Finance Companies Act.

Loans and advances grew by 2.6% or \$54.0 million during the quarter, from \$2.08 billion as at 31 December 2020 to \$2.13 billion as at 31 March 2021. Customers’ deposits and balances declined by 3.1% to \$2.21 billion as at 31 March 2021 compared to 31 December 2020.

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 2021, the Singapore economy grew by 0.2 per cent on a year-on-year basis in the first quarter of 2021, a turnaround from the contractions recorded in the previous three quarters. On a quarter-on-quarter seasonally-adjusted basis, the economy expanded by 2.0 per cent, extending the 3.8 per cent expansion in the preceding quarter. Growth for this quarter was contributed predominantly by the manufacturing sector. GDP growth for 2021 is expected to exceed the upper end of the official 4–6% forecast range, barring a setback to the global economy.

With the Covid-19 situation in Singapore now broadly under control, the Group expects recovery in 2021. However, the speed of recovery is likely to be uneven across the various sectors. In view of the uncertainties ahead, the Group will continue to be proactive in supporting and monitoring our customers’ financial needs, especially after the absence of Government support. The Group will remain vigilant and disciplined in our risk and cost management in order to be competitive in these challenging times.

## 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 2020: 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.

## 12. SGX-ST Listing Manual Rule 720(1) – Procurement of undertakings to comply with listing rules from all directors and executive officers

Pursuant to Rule 720(1) of the SGX-ST Listing Manual, the Company has procured undertakings to comply with the Exchange's listing rules from all its directors and executive officers.

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

	As at 31/03/2021		As at 31/03/2020	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Monetary Authority of Singapore	170,518	-	-	-
Enterprise Singapore Loans	-	3,610	-	9,782

## 14. Other Information

Amount of profits on any sale of investments, property, plant and equipment – Nil (1<sup>st</sup> Quarter 2020: Nil)

By order of the Board

Lee Sze Leong  
Managing Director  
22 April 2021



**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 statements and the Company's statement of financial position and statement of changes in equity for the three months ended 31 March 2021 to be false or misleading.

On behalf of the Board of Directors

Lee Sze Leong  
Managing Director  
22 April 2021