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**THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT**


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Third quarter and nine months financial statements on consolidated results for the period ended 30 September 2014. These figures have not been audited.

**1(a)(i) Unaudited Consolidated Statement of Profit or Loss for the Quarter and Nine months Ended 30 September 2014**

	3rd Qtr 2014	3rd Qtr 2013	+ /(-) %	9 months 2014	9 months 2013	+ /(-) %
	\$'000	\$'000	%	\$'000	\$'000	%
<b>Revenue</b>						
Interest income and hiring charges	13,160	11,835	11.2	38,279	35,134	9.0
Interest expense	(4,966)	(4,247)	16.9	(13,826)	(12,788)	8.1
<b>Net interest income and hiring charges</b>	<b>8,194</b>	<b>7,588</b>	<b>8.0</b>	<b>24,453</b>	<b>22,346</b>	<b>9.4</b>
Fees and commissions	132	183	(27.9)	338	473	(28.5)
Dividends	15	50	(70.0)	90	124	(27.4)
Rental income from investment properties	883	853	3.5	2,606	2,369	10.0
Other income	87	75	16.0	357	216	65.3
<b>Income before operating expenses</b>	<b>9,311</b>	<b>8,749</b>	<b>6.4</b>	<b>27,844</b>	<b>25,528</b>	<b>9.1</b>
Staff costs	(3,266)	(3,199)	2.1	(9,492)	(9,785)	(3.0)
Depreciation of property, plant and equipment	(170)	(200)	(15.0)	(530)	(623)	(14.9)
Depreciation of investment properties	(94)	(94)	-	(283)	(283)	-
Other operating expenses	(1,316)	(1,609)	(18.2)	(4,429)	(4,979)	(11.0)
<b>Profit from operations before impairment losses</b>	<b>4,465</b>	<b>3,647</b>	<b>22.4</b>	<b>13,110</b>	<b>9,858</b>	<b>33.0</b>
Allowances for impairment losses on loans and advances	(89)	(60)	48.3	(996)	(362)	NM
<b>Profit before income tax</b>	<b>4,376</b>	<b>3,587</b>	<b>22.0</b>	<b>12,114</b>	<b>9,496</b>	<b>27.6</b>
Income tax expense	(610)	(590)	3.4	(1,881)	(1,571)	19.7
<b>Profit for the period attributable to equity holders of the Company</b>	<b>3,766</b>	<b>2,997</b>	<b>25.7</b>	<b>10,233</b>	<b>7,925</b>	<b>29.1</b>

NM: Not Meaningful

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

	3rd Qtr 2014	3rd Qtr 2013	9 months 2014	9 months 2013
Annualised earnings per share (cents)				
- Basic	9.56	7.61	8.66	6.70
- Diluted	9.56	7.61	8.66	6.70

The Group's basic earnings per share is calculated based on the weighted average number of ordinary shares in issue of 157,625,764 (30 September 2013: 157,625,764) shares.

There are no potential dilutive ordinary shares for the periods ended 30 September 2014 and 2013.

**1(b) Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Quarter and Nine Months Ended 30 September 2014**

	<b>3rd Qtr 2014</b>	<b>3rd Qtr 2013</b>	<b>+ / (-)</b>	<b>9 months 2014</b>	<b>9 months 2013</b>	<b>+ / (-)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b>Profit for the period</b>	<b>3,766</b>	2,997	25.7	<b>10,233</b>	7,925	29.1
<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>(513)</b>	576	NM	<b>3,081</b>	(15,775)	NM
Income tax relating to components of other comprehensive income that may be reclassified subsequently	<b>87</b>	(97)	NM	<b>(524)</b>	2,682	NM
<b>Other comprehensive (loss) income for the period, net of tax</b>	<b>(426)</b>	479	NM	<b>2,557</b>	<b>(13,093)</b>	NM
<b>Total comprehensive income (loss) for the period</b>	<b>3,340</b>	3,476	(3.9)	<b>12,790</b>	<b>(5,168)</b>	NM

**2(a) Statements of Financial Position as at 30 September 2014**

	Group		Company	
	30 Sep 2014	31 Dec 2013	30 Sep 2014	31 Dec 2013
	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash on deposit, at banks and in hand	255,061	225,668	255,012	225,630
Other assets	4,463	5,853	4,463	5,853
Investments	223,157	206,428	222,808	206,136
Loans and advances due within twelve months	548,839	457,288	548,839	457,288
Statutory deposit with the Monetary Authority of Singapore ("MAS")	49,934	44,881	49,934	44,881
<b>Total current assets</b>	<b>1,081,454</b>	<b>940,118</b>	<b>1,081,056</b>	<b>939,788</b>
<b>Non-current assets</b>				
Property, plant and equipment	16,816	17,005	16,816	17,005
Investment properties	24,545	24,830	24,545	24,830
Subsidiary	-	-	25	25
Loans and advances due after twelve months	1,109,374	1,089,819	1,109,374	1,089,819
<b>Total non-current assets</b>	<b>1,150,735</b>	<b>1,131,654</b>	<b>1,150,760</b>	<b>1,131,679</b>
<b>Total assets</b>	<b>2,232,189</b>	<b>2,071,772</b>	<b>2,231,816</b>	<b>2,071,467</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Deposits and savings accounts of customers	1,891,271	1,740,458	1,892,007	1,741,191
Other liabilities	23,760	17,367	23,289	16,898
SPRING loans due within twelve months (unsecured)	2,413	3,467	2,413	3,467
Provision for employee benefits	231	231	231	231
Current tax payable	2,187	2,136	2,187	2,136
<b>Total current liabilities</b>	<b>1,919,862</b>	<b>1,763,659</b>	<b>1,920,127</b>	<b>1,763,923</b>
<b>Non-current liabilities</b>				
SPRING loans due after twelve months (unsecured)	2,320	3,539	2,320	3,539
Deferred tax liabilities	1,507	983	1,457	943
<b>Total non-current liabilities</b>	<b>3,827</b>	<b>4,522</b>	<b>3,777</b>	<b>4,482</b>
<b>Total liabilities</b>	<b>1,923,689</b>	<b>1,768,181</b>	<b>1,923,904</b>	<b>1,768,405</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	180,008	180,008	180,008	180,008
Reserves	128,492	123,583	127,904	123,054
<b>Total equity</b>	<b>308,500</b>	<b>303,591</b>	<b>307,912</b>	<b>303,062</b>
<b>Total liabilities and equity</b>	<b>2,232,189</b>	<b>2,071,772</b>	<b>2,231,816</b>	<b>2,071,467</b>
<b>OFF BALANCE SHEET ITEMS</b>				
Undrawn loan commitments	618,803	561,334	618,803	561,334
Guarantees issued	3,978	3,784	3,978	3,784
<b>Total off-balance sheet items</b>	<b>622,781</b>	<b>565,118</b>	<b>622,781</b>	<b>565,118</b>
<b>2(b) Net asset value per ordinary share (\$)</b>	<b>1.96</b>	<b>1.93</b>	<b>1.95</b>	<b>1.92</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 2013: 157,625,764) shares.

**3 Consolidated Statement of Cash Flows for the Quarter and Nine Months ended 30 September 2014**

	<b>3rd Qtr 2014</b>	<b>3rd Qtr 2013</b>	<b>9 months 2014</b>	<b>9 months 2013</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Operating activities</b>				
Profit before income tax	<b>4,376</b>	3,587	<b>12,114</b>	9,496
Adjustments for:				
Impact of accrual of interest income	<b>1,586</b>	1,556	<b>1,835</b>	1,474
Impact of accrual of interest expense	<b>1,953</b>	781	<b>691</b>	1,146
Depreciation of property, plant and equipment	<b>170</b>	200	<b>530</b>	623
Depreciation of investment properties	<b>94</b>	94	<b>283</b>	283
Allowances for impairment losses on loans and advances	<b>89</b>	60	<b>996</b>	362
Dividends	<b>(6)</b>	(46)	<b>(81)</b>	(116)
Operating cash flows before movements in working capital	<b>8,262</b>	6,232	<b>16,368</b>	13,268
<b>Changes in working capital</b>				
Other assets	<b>(105)</b>	187	<b>(73)</b>	235
Loans and advances	<b>(7,192)</b>	(16,445)	<b>(112,102)</b>	(56,268)
Statutory deposits with the MAS	<b>(2,187)</b>	(72)	<b>(5,053)</b>	(2,233)
Deposits and savings accounts of customers	<b>65,097</b>	(53,359)	<b>150,812</b>	13,072
Other liabilities	<b>(3,668)</b>	826	<b>5,702</b>	157
SPRING loans	<b>(788)</b>	(549)	<b>(2,273)</b>	(1,425)
Cash generated from (used in) operations	<b>59,419</b>	(63,180)	<b>53,381</b>	(33,194)
Income taxes paid	<b>(784)</b>	(957)	<b>(1,830)</b>	(2,247)
Net cash generated from (used in) operating activities	<b>58,635</b>	(64,137)	<b>51,551</b>	(35,441)
<b>Investing activities</b>				
Purchase of investments	<b>(6,147)</b>	(1,075)	<b>(18,967)</b>	(23,690)
Purchase of property, plant and equipment and investment properties	<b>(238)</b>	(18)	<b>(339)</b>	(91)
Proceeds from disposal of investments	<b>5,000</b>	-	<b>5,000</b>	-
Dividends received	<b>4</b>	44	<b>29</b>	107
Net cash used in investing activities	<b>(1,381)</b>	(1,049)	<b>(14,277)</b>	(23,674)
<b>Financing activities</b>				
Dividends paid	-	-	<b>(7,881)</b>	(7,881)
Funding from interest bearing borrowings	-	12,000	-	12,000
Net cash generated from (used in) financing activities	-	12,000	<b>(7,881)</b>	4,119
Net increase (decrease) in cash and cash equivalents	<b>57,254</b>	(53,186)	<b>29,393</b>	(54,996)
Cash and cash equivalents at beginning of the period	<b>197,807</b>	266,805	<b>225,668</b>	268,615
<b>Cash and cash equivalents at end of the period</b>	<b>255,061</b>	213,619	<b>255,061</b>	213,619

**4 Statements of Changes in Equity**

	Share Capital	Statutory reserve	Fair value reserve	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>					
Balance at 1 January 2013	180,008	80,559	20,231	34,909	315,707
Total comprehensive income (loss) for the period					
Profit for the period	-	-	-	4,928	4,928
Other comprehensive loss for the period - net	-	-	(13,572)	-	(13,572)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>(13,572)</b>	<b>4,928</b>	<b>(8,644)</b>
Transactions with owners, recognised directly in equity					
Final one-tier tax exempt dividend paid for financial year 2012 of 5 cents per share	-	-	-	(7,881)	(7,881)
Balance at 30 June 2013	180,008	80,559	6,659	31,956	299,182
Total comprehensive income for the period					
Profit for the period	-	-	-	2,997	2,997
Other comprehensive income for the period - net	-	-	479	-	479
<b>Total</b>	<b>-</b>	<b>-</b>	<b>479</b>	<b>2,997</b>	<b>3,476</b>
Balance at 30 September 2013	180,008	80,559	7,138	34,953	302,658
<b>Balance at 1 January 2014</b>	<b>180,008</b>	<b>86,291</b>	<b>4,533</b>	<b>32,759</b>	<b>303,591</b>
Total comprehensive income for the period					
Profit for the period	-	-	-	6,467	6,467
Other comprehensive income for the period - net	-	-	2,983	-	2,983
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,983</b>	<b>6,467</b>	<b>9,450</b>
Transactions with owners, recognised directly in equity					
Final one-tier tax exempt dividend paid for financial year 2013 of 5 cents per share	-	-	-	(7,881)	(7,881)
Balance at 30 June 2014	180,008	86,291	7,516	31,345	305,160
Total comprehensive income (loss) for the period					
Profit for the period	-	-	-	3,766	3,766
Other comprehensive loss for the period - net	-	-	(426)	-	(426)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>(426)</b>	<b>3,766</b>	<b>3,340</b>
Balance at 30 September 2014	180,008	86,291	7,090	35,111	308,500

#### 4 Statements of Changes in Equity

	Share Capital	Statutory reserve	Fair value reserve	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Company</b>					
Balance at 1 January 2013	180,008	80,559	20,053	34,575	315,195
Total comprehensive income (loss) for the period					
Profit for the period	-	-	-	4,922	4,922
Other comprehensive loss for the period - net	-	-	(13,577)	-	(13,577)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>(13,577)</b>	<b>4,922</b>	<b>(8,655)</b>
Transactions with owners, recognised directly in equity					
Final one-tier tax exempt dividend paid for financial year 2012 of 5 cents per share	-	-	-	(7,881)	(7,881)
Balance at 30 June 2013	180,008	80,559	6,476	31,616	298,659
Total comprehensive income for the period					
Profit for the period	-	-	-	2,993	2,993
Other comprehensive income for the period - net	-	-	467	-	467
<b>Total</b>	<b>-</b>	<b>-</b>	<b>467</b>	<b>2,993</b>	<b>3,460</b>
Balance at 30 September 2013	180,008	80,559	6,943	34,609	302,119
<b>Balance at 1 January 2014</b>	<b>180,008</b>	<b>86,291</b>	<b>4,338</b>	<b>32,425</b>	<b>303,062</b>
Total comprehensive income for the period					
Profit for the period	-	-	-	6,459	6,459
Other comprehensive income for the period - net	-	-	2,930	-	2,930
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,930</b>	<b>6,459</b>	<b>9,389</b>
Transactions with owners, recognised directly in equity					
Final one-tier tax exempt dividend paid for financial year 2013 of 5 cents per share	-	-	-	(7,881)	(7,881)
Balance at 30 June 2014	180,008	86,291	7,268	31,003	304,570
Total comprehensive income (loss) for the period					
Profit for the period	-	-	-	3,762	3,762
Other comprehensive loss for the period - net	-	-	(420)	-	(420)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>(420)</b>	<b>3,762</b>	<b>3,342</b>
Balance at 30 September 2014	180,008	86,291	6,848	34,765	307,912

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## **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 2014. 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 2013.

## **6 Review of Performance**

Total loan assets grew 7.2% to \$1,658.2 million as at 30 September 2014 compared to \$1,547.1 million as at 31 December 2013. In tandem with the increase in loan assets, deposits and savings accounts of customers increased by 8.7% to \$1,891.3 million as at 30 September 2014.

Profit after tax rose by 25.7% for the quarter under review as compared to the previous corresponding quarter last year. This was mainly attributed to an increase of 8% in net interest income and hiring charges from an increased loan base and a 5% reduction in operating expenses.

For the nine months ended 30 September 2014, the Group’s profit after tax was \$10.2 million, 29.1% higher vis-à-vis the same period last year. The improvement in performance was mainly due to an increase of 9% in the interest income and hiring charges from a higher loan base. This was partially offset by an increase of 8.1% in interest expense resulting in a 9.4% increase in the net interest income and hiring charges. In addition, operating expenses declined by 6% from lower business costs.

The Group continues to maintain adequate individual and collective impairment allowances in respect of its loan portfolio.

There was an increase in the fair value of available-for-sale financial assets under Other Comprehensive Income, mainly from revaluation of Singapore Government Securities (“SGS”) as compared to a decline for the corresponding nine months last year. The Group purchases SGS as part of its liquid assets for purpose of maintaining the minimum liquid assets 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 advance estimates released by the Ministry of Trade and Industry on 14 October 2014, the Singapore economy grew by 2.4% on a year-on-year basis in the third quarter of 2014, the same pace of growth as in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 1.2%, a reversal from the 0.1% contraction in the previous quarter.

Manufacturing, a key pillar of the trade-reliant economy, rose 1.2% quarter-on-quarter, reversing a 15.1% decline in the preceding quarter with growth supported primarily by the biomedical manufacturing and electronics clusters. But construction - another growth driver - shrank 2.7% due to weaker private sector construction activities. The services producing industries rose 1.3% with growth supported primarily by the finance and insurance sector and business services sector

Given the expected moderate economic growth and the continual impact of the property cooling measures and car financing restrictions, we expect the business environment to continue to be challenging and competitive. Nevertheless, the Group will strive to grow our loan portfolio prudently and manage our operating expenses to remain competitive.

## **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 financial period, there were no outstanding convertibles (30 September 2013: 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 (30 September 2013: 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 30/09/2014</u>		<u>As at 31/12/2013</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	-	2,413	-	3,467
Amount repayable after one year	-	2,320	-	3,539



#### **14 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  
29 October 2014

#### **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 and the Company's statement of financial position and statements of changes in equity for the quarter and the nine months ended 30 September 2014 to be false or misleading.

On behalf of the Board of Directors

Lee Sze Leong  
Chairman  
29 October 2014