

THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

Third quarter and nine months financial statements on consolidated results for the period ended 30 September 2012. These figures have not been audited.

1(a)(i) Unaudited Consolidated Income Statement for the Quarter and Nine months Ended 30 September 2012

| | 3rd Qtr 2012 | 3rd Qtr 2011 | + / (-) % | 9 months 2012 | 9 months 2011 | + / (-) % |
|--|-----------------|-----------------|---------------|------------------|------------------|---------------|
| | \$'000 | \$'000 | % | \$'000 | \$'000 | % |
| Revenue | | | | | | |
| Interest income and hiring charges | 11,017 | 10,847 | 1.6 | 32,559 | 32,531 | 0.1 |
| Interest expense | (3,614) | (2,749) | 31.5 | (10,198) | (8,296) | 22.9 |
| Net interest income and hiring charges | 7,403 | 8,098 | (8.6) | 22,361 | 24,235 | (7.7) |
| Fees and commissions | 131 | 127 | 3.1 | 335 | 342 | (2.0) |
| Dividends | 48 | 15 | NM | 110 | 74 | 48.6 |
| Rental income from investment properties | 827 | 720 | 14.9 | 2,387 | 2,161 | 10.5 |
| Other income | 57 | 79 | (27.8) | 159 | 208 | (23.6) |
| Income before operating expenses | 8,466 | 9,039 | (6.3) | 25,352 | 27,020 | (6.2) |
| Staff costs | (2,686) | (3,041) | (11.7) | (7,670) | (8,759) | (12.4) |
| Depreciation of property, plant and equipment | (245) | (376) | (34.8) | (832) | (1,149) | (27.6) |
| Depreciation of investment properties | (94) | (94) | - | (283) | (283) | - |
| Other operating expenses | (1,646) | (1,759) | (6.4) | (4,665) | (4,670) | (0.1) |
| Profit from operations before impairment losses | 3,795 | 3,769 | 0.7 | 11,902 | 12,159 | (2.1) |
| Write-back of/(Allowances for) impairment losses on loans and advances | 132 | 8,033 | (98.4) | (195) | 8,430 | NM |
| Profit before income tax | 3,927 | 11,802 | (66.7) | 11,707 | 20,589 | (43.1) |
| Income tax expense | (594) | (1,974) | (69.9) | (1,945) | (3,441) | (43.5) |
| Profit for the period attributable to equity holders of the Company | 3,333 | 9,828 | (66.1) | 9,762 | 17,148 | (43.1) |

NM: Not Meaningful

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

| | 3rd Qtr 2012 | 3rd Qtr 2011 | 9 months 2012 | 9 months 2011 |
|---------------------------------------|-----------------|-----------------|------------------|------------------|
| Annualised earnings per share (cents) | | | | |
| - Basic | 12.69 | 37.41 | 12.39 | 21.76 |
| - Diluted | 12.69 | 37.41 | 12.39 | 21.76 |

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

There are no potential dilutive ordinary shares for the periods ended 30 September 2012 and 2011.

1(b) Unaudited Consolidated Statement of Comprehensive Income for the Quarter and Nine Months Ended 30 September 2012

| | 3rd Qtr 2012 | 3rd Qtr 2011 | + / (-) % | 9 months 2012 | 9 months 2011 | + / (-) % |
|---|-------------------------|-------------------------|----------------------|--------------------------|--------------------------|----------------------|
| | \$'000 | \$'000 | % | \$'000 | \$'000 | % |
| Profit for the period | 3,333 | 9,828 | (66.1) | 9,762 | 17,148 | (43.1) |
| Other comprehensive income | | | | | | |
| - Net change in fair value of available-for-sale financial assets | 1,585 | 9,704 | (83.7) | 4,014 | 14,580 | (72.5) |
| - Income tax on other comprehensive income | (270) | (1,650) | (83.6) | (683) | (2,479) | (72.4) |
| Other comprehensive income for the period, net of tax | 1,315 | 8,054 | (83.7) | 3,331 | 12,101 | (72.5) |
| Total comprehensive income for the period | | | | | | |
| attributable to equity holders of the Company | 4,648 | 17,882 | (74.0) | 13,093 | 29,249 | (55.2) |

2(a) Statements of Financial Position

| | Group | | Company | |
|---|------------------------|------------------------|------------------------|------------------------|
| | 30 Sep 2012 | 31 Dec 2011 | 30 Sep 2012 | 31 Dec 2011 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| <u>ASSETS</u> | | | | |
| Current assets | | | | |
| Cash on deposit, at banks and in hand | 224,696 | 221,053 | 224,641 | 220,982 |
| Other assets | 4,107 | 5,601 | 4,107 | 5,601 |
| Investments | 177,910 | 172,314 | 177,644 | 172,077 |
| Loans and advances due within twelve months | 368,388 | 426,388 | 368,388 | 426,388 |
| Statutory deposits with the Monetary Authority of Singapore ("MAS") | 37,175 | 35,247 | 37,175 | 35,247 |
| Total current assets | 812,276 | 860,603 | 811,955 | 860,295 |
| Non-current assets | | | | |
| Property, plant and equipment | 17,610 | 18,146 | 17,610 | 18,146 |
| Investment properties | 25,300 | 25,584 | 25,300 | 25,584 |
| Subsidiary | - | - | 25 | 25 |
| Loans and advances due after twelve months | 894,031 | 753,267 | 894,031 | 753,267 |
| Total non-current assets | 936,941 | 796,997 | 936,966 | 797,022 |
| Total assets | 1,749,217 | 1,657,600 | 1,748,921 | 1,657,317 |
| <u>LIABILITIES AND EQUITY</u> | | | | |
| Current liabilities | | | | |
| Deposits and savings accounts of customers | 1,468,523 | 1,378,505 | 1,469,252 | 1,379,231 |
| Other liabilities | 15,185 | 15,305 | 14,711 | 14,808 |
| SPRING loans due within twelve months (unsecured) | 5,419 | 6,513 | 5,419 | 6,513 |
| Provision for employee benefits | 224 | 224 | 224 | 224 |
| Current tax payable | 4,509 | 6,795 | 4,509 | 6,795 |
| Total current liabilities | 1,493,860 | 1,407,342 | 1,494,115 | 1,407,571 |
| Non-current liabilities | | | | |
| SPRING loans due after twelve months (unsecured) | 4,568 | 5,887 | 4,568 | 5,887 |
| Deferred tax liabilities | 3,711 | 3,030 | 3,676 | 2,999 |
| Total non-current liabilities | 8,279 | 8,917 | 8,244 | 8,886 |
| Total liabilities | 1,502,139 | 1,416,259 | 1,502,359 | 1,416,457 |
| Equity attributable to equity holders of the Company | | | | |
| Share capital | 117,199 | 117,199 | 117,199 | 117,199 |
| Reserves | 129,879 | 124,142 | 129,363 | 123,661 |
| Total equity | 247,078 | 241,341 | 246,562 | 240,860 |
| Total liabilities and equity | 1,749,217 | 1,657,600 | 1,748,921 | 1,657,317 |
| <u>OFF BALANCE SHEET ITEMS</u> | | | | |
| Undrawn loan commitments | 531,927 | 360,603 | 531,927 | 360,603 |
| Guarantees Issued | 3,734 | 3,034 | 3,734 | 3,034 |
| Total off-balance sheet items | 535,661 | 363,637 | 535,661 | 363,637 |
| 2(b) Net asset value per ordinary share (\$) | 2.35 | 2.30 | 2.35 | 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 and Nine Months Ended 30 September 2012

| | 3rd Qtr 2012 | 3rd Qtr 2011 | 9 months 2012 | 9 months 2011 |
|--|-----------------|-----------------|------------------|------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Operating activities | | | | |
| Profit before income tax | 3,927 | 11,802 | 11,707 | 20,589 |
| Adjustments for: | | | | |
| Impact of accrual of interest income | 1,379 | 1,552 | 1,328 | 1,391 |
| Impact of accrual of interest expense | 1,246 | 417 | 1,725 | (2,426) |
| Depreciation of property, plant and equipment | 245 | 376 | 832 | 1,149 |
| Depreciation of investment properties | 94 | 94 | 283 | 283 |
| (Write-back of)/allowances for impairment losses on loans and advances | (132) | (8,033) | 195 | (8,430) |
| Dividends receivable | - | (11) | - | (66) |
| Operating cash flows before movements in working capital | 6,759 | 6,197 | 16,070 | 12,490 |
| Changes in working capital | | | | |
| Other assets | (139) | (365) | 266 | (748) |
| Loans and advances | (33,803) | (186,542) | (82,959) | (189,607) |
| Statutory deposits with the MAS | (764) | (2,354) | (1,928) | (2,577) |
| Deposits and savings accounts of customers | 36,985 | 28,462 | 90,018 | (19,799) |
| Other liabilities | 716 | 917 | (1,848) | 356 |
| SPRING loans | (1,135) | (518) | (2,413) | (3,502) |
| Cash generated from/(used in) operating activities | 8,619 | (154,203) | 17,206 | (203,387) |
| Income taxes paid | (2,116) | (2,476) | (4,232) | (5,149) |
| Net cash generated from/(used in) operating activities | 6,503 | (156,679) | 12,974 | (208,536) |
| Investing activities | | | | |
| Purchase of property, plant and equipment and investment properties | (119) | (63) | (295) | (330) |
| Purchase of investments | (4,680) | - | (4,680) | - |
| Proceeds from disposal of investments | 3,000 | 9,645 | 3,000 | 9,645 |
| Dividends received | - | 11 | - | 23 |
| Net cash (used in)/generated from investing activities | (1,799) | 9,593 | (1,975) | 9,338 |
| Financing activities | | | | |
| Dividends paid | - | - | (7,356) | (10,508) |
| Funding from interest-bearing borrowings | - | 18,000 | - | 18,000 |
| Net cash (used in)/generated from financing activities | - | 18,000 | (7,356) | 7,492 |
| Net increase/(decrease) in cash and cash equivalents | 4,704 | (129,086) | 3,643 | (191,706) |
| Cash and cash equivalents at beginning of the period | 219,992 | 273,670 | 221,053 | 336,290 |
| Cash and cash equivalents at end of the period | 224,696 | 144,584 | 224,696 | 144,584 |

4 Statements of Changes in Equity

| | Share Capital | Statutory reserve | Fair value reserve | Accumulated profits | Total |
|---|------------------|----------------------|-----------------------|------------------------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Group | | | | | |
| At January 2011 | 117,199 | 67,303 | 6,062 | 27,693 | 218,257 |
| Total comprehensive income for the period | - | - | 4,047 | 7,320 | 11,367 |
| Final one-tier tax exempt dividend paid for financial year 2010 of 10 cents per share | - | - | - | (10,508) | (10,508) |
| At 30 June 2011 | 117,199 | 67,303 | 10,109 | 24,505 | 219,116 |
| Total comprehensive income for the period | - | - | 8,054 | 9,828 | 17,882 |
| At 30 September 2011 | 117,199 | 67,303 | 18,163 | 34,333 | 236,998 |
| At January 2012 | 117,199 | 73,212 | 16,014 | 34,916 | 241,341 |
| Total comprehensive income for the period | - | - | 2,016 | 6,429 | 8,445 |
| Final one-tier tax exempt dividend paid for financial year 2011 of 7 cents per share | - | - | - | (7,356) | (7,356) |
| At 30 June 2012 | 117,199 | 73,212 | 18,030 | 33,989 | 242,430 |
| Total comprehensive income for the period | - | - | 1,315 | 3,333 | 4,648 |
| At 30 September 2012 | 117,199 | 73,212 | 19,345 | 37,322 | 247,078 |
| Company | | | | | |
| At January 2011 | 117,199 | 67,303 | 5,898 | 27,364 | 217,764 |
| Total comprehensive income for the period | - | - | 4,053 | 7,313 | 11,366 |
| Final one-tier tax exempt dividend paid for financial year 2010 of 10 cents per share | - | - | - | (10,508) | (10,508) |
| At 30 June 2011 | 117,199 | 67,303 | 9,951 | 24,169 | 218,622 |
| Total comprehensive income for the period | - | - | 8,073 | 9,823 | 17,896 |
| At 30 September 2011 | 117,199 | 67,303 | 18,024 | 33,992 | 236,518 |
| At January 2012 | 117,199 | 73,212 | 15,865 | 34,584 | 240,860 |
| Total comprehensive income for the period | - | - | 2,012 | 6,422 | 8,434 |
| Final one-tier tax exempt dividend paid for financial year 2011 of 7 cents per share | - | - | - | (7,356) | (7,356) |
| At 30 June 2012 | 117,199 | 73,212 | 17,877 | 33,650 | 241,938 |
| Total comprehensive income for the period | - | - | 1,296 | 3,328 | 4,624 |
| At 30 September 2012 | 117,199 | 73,212 | 19,173 | 36,978 | 246,562 |

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

The Group’s loan assets stood at \$1,262.4 million as at 30 September 2012 which was an increase of 7.0% or \$82.7 million over the loans base of \$1,179.7 million as at 31 December 2011 and an increase of 9.0% or \$104.3 million over the loans base of \$1,158.1 million as at 30 September 2011.

In tandem with the increase in loan assets, deposits and savings accounts of customers increased by 6.5%, from \$1,378.5 million as at 31 December 2011 to \$1,468.5 million as at 30 September 2012.

The Group’s profit after tax for the quarter under review was \$3.3 million, a decrease of 66.1% from the previous corresponding period. Profit after tax for the nine months ended 30 September 2012 declined by 43.1% to \$9.8 million. The decrease was primarily due to a decrease of about \$8 million in write-back of allowances for impairment losses on loans and advances.

Despite an increase in the loans base, net interest income and hiring charges decreased by 8.6% for the quarter and 7.7% for the nine months due to further erosion of the interest margin from the intense competition in the lending sector and the protracted low interest rate environment. This was partially offset by the decrease in operating expenses of 11.4% for the quarter and 9.5% for the nine months as compared to the corresponding periods, largely due to decrease in staff costs from a lower provision in staff bonus.

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 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 advance GDP estimates, the Singapore economy contracted by 1.5% on a quarter-on-quarter seasonally-adjusted annualised basis in the third quarter of 2012. The weak performance was largely due to a contraction in the manufacturing sector as demand for electronics goods declined.

For the rest of the year, growth could be weighed down by the subdued global economic conditions. Externally-oriented sectors such as manufacturing and wholesale trade will be affected by the slowdown in the advanced economies. Construction and transport engineering however are expected to be healthy. The Singapore economy remains on track to grow by 1.5 to 2.5% in 2012.

However, business investment is expected to remain weak given the on-going sovereign debt concerns in Europe and uncertainties over the fiscal outlook.

Against this backdrop, the Group expects a slower pace of growth amid keen business competition. It will continue to strengthen its core competency and focus on promoting the Group's main credit products whilst cautiously growing its loan book and effectively manage its operating costs.

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 2011: Nil).

The Company is currently undertaking a Rights Issue exercise and has announced the details on 17 September 2012.

10 Status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 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 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 2011: 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 nor does it have any IPTs (30 September 2011: Nil).

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

| | <u>As at 30/09/2012</u> | | <u>As at 31/12/2011</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 | - | 5,419 | - | 6,513 |
| Amount repayable after one year | - | 4,568 | - | 5,887 |

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

- (c) Amount of any pre-acquisition profits - Nil
- (d) Amount of profits on any sale of
 - i) Investments – Nil (2011: Nil)
 - ii) Property, plant and equipment – Nil (2011: Nil)

By order of the Board

Lee Sze Leong
Chairman
29 October 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 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 2012 to be false or misleading.

On behalf of the Board of Directors

Lee Sze Leong
Chairman
29 October 2012