

### 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 2015. 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 2015

	3rd Qtr 2015	3rd Qtr 2014	+ / (-) %	9 months 2015	9 months 2014	+ / (-) %
	\$'000	\$'000	%	\$'000	\$'000	%
<b>Revenue</b>						
Interest income and hiring charges	16,614	13,160	26.2	45,733	38,279	19.5
Interest expense	(7,488)	(4,966)	50.8	(20,157)	(13,826)	45.8
<b>Net interest income and hiring charges</b>	<b>9,126</b>	<b>8,194</b>	<b>11.4</b>	<b>25,576</b>	<b>24,453</b>	<b>4.6</b>
Fees and commissions	138	132	4.5	441	338	30.5
Dividends	65	15	333.3	146	90	62.2
Rental income from investment properties	891	883	0.9	2,667	2,606	2.3
Property, plant and equipment written off	(4)	-	NM	(4)	-	NM
Other income	111	87	27.6	512	357	43.4
<b>Income before operating expenses</b>	<b>10,327</b>	<b>9,311</b>	<b>10.9</b>	<b>29,338</b>	<b>27,844</b>	<b>5.4</b>
Staff costs	(3,432)	(3,266)	5.1	(10,206)	(9,492)	7.5
Depreciation of property, plant and equipment	(176)	(170)	3.5	(530)	(530)	-
Depreciation of investment properties	(94)	(94)	-	(283)	(283)	-
Other operating expenses	(1,540)	(1,316)	17.0	(4,742)	(4,429)	7.1
<b>Profit from operations before impairment losses</b>	<b>5,085</b>	<b>4,465</b>	<b>13.9</b>	<b>13,577</b>	<b>13,110</b>	<b>3.6</b>
Allowances for impairment losses on loans and advances	(915)	(89)	928.1	(3,148)	(996)	216.1
<b>Profit before income tax</b>	<b>4,170</b>	<b>4,376</b>	<b>(4.7)</b>	<b>10,429</b>	<b>12,114</b>	<b>(13.9)</b>
Income tax expense	(655)	(610)	7.4	(1,660)	(1,881)	(11.7)
<b>Profit for the period attributable to equity holders of the Company</b>	<b>3,515</b>	<b>3,766</b>	<b>(6.7)</b>	<b>8,769</b>	<b>10,233</b>	<b>(14.3)</b>

NM: Not meaningful

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

	3rd Qtr 2015	3rd Qtr 2014	9 months 2015	9 months 2014
Annualised earnings per share (cents)				
- Basic	8.92	9.56	7.42	8.66
- Diluted	8.92	9.56	7.42	8.66

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 2014: 157,625,764) shares.

There are no potential dilutive ordinary shares for the periods ended 30 September 2015 and 2014.

**1(b) Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Quarter and Nine Months Ended 30 September 2015**

	<b>3rd Qtr 2015</b>	<b>3rd Qtr 2014</b>	<b>+ / (-)</b>	<b>9 months 2015</b>	<b>9 months 2014</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>3,515</b>	3,766	(6.7)	<b>8,769</b>	10,233	(14.3)
<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>957</b>	(513)	NM	<b>(4,512)</b>	3,081	NM
Income tax relating to components of other comprehensive income that may be reclassified subsequently	<b>(163)</b>	87	NM	<b>767</b>	(524)	NM
<b>Other comprehensive income (loss) for the period, net of tax</b>	<b>794</b>	(426)	NM	<b>(3,745)</b>	2,557	NM
<b>Total comprehensive income for the period</b>	<b>4,309</b>	3,340	29.0	<b>5,024</b>	12,790	(60.7)

NM: Not meaningful

**2(a) Statements of Financial Position as at 30 September 2015**

	<b>Group</b>		<b>Company</b>	
	<b>30 Sep 2015</b>	<b>31 Dec 2014</b>	<b>30 Sep 2015</b>	<b>31 Dec 2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b><u>ASSETS</u></b>				
<b>Current assets</b>				
Cash on deposit, at banks and in hand	<b>279,061</b>	245,781	<b>279,015</b>	245,735
Other assets	<b>4,172</b>	5,271	<b>4,172</b>	5,271
Investments	<b>280,231</b>	231,004	<b>279,839</b>	230,636
Loans and advances due within twelve months	<b>762,738</b>	628,084	<b>762,738</b>	628,084
Statutory deposit with the Monetary Authority of Singapore ("MAS")	<b>59,272</b>	50,538	<b>59,272</b>	50,538
<b>Total current assets</b>	<b>1,385,474</b>	1,160,678	<b>1,385,036</b>	1,160,264
<b>Non-current assets</b>				
Property, plant and equipment	<b>16,429</b>	16,763	<b>16,429</b>	16,763
Investment properties	<b>24,169</b>	24,452	<b>24,169</b>	24,452
Subsidiary	-	-	<b>25</b>	25
Loans and advances due after twelve months	<b>1,167,688</b>	1,062,086	<b>1,167,688</b>	1,062,086
<b>Total non-current assets</b>	<b>1,208,286</b>	1,103,301	<b>1,208,311</b>	1,103,326
<b>Total assets</b>	<b>2,593,760</b>	2,263,979	<b>2,593,347</b>	2,263,590
<b><u>LIABILITIES AND EQUITY</u></b>				
<b>Current liabilities</b>				
Deposits and savings accounts of customers	<b>2,252,863</b>	1,921,428	<b>2,253,603</b>	1,922,165
Other liabilities	<b>25,920</b>	20,473	<b>25,451</b>	19,995
SPRING loans due within twelve months (unsecured)	<b>1,666</b>	2,242	<b>1,666</b>	2,242
Provision for employee benefits	<b>252</b>	252	<b>252</b>	252
Current tax payable	<b>2,048</b>	2,343	<b>2,048</b>	2,343
<b>Total current liabilities</b>	<b>2,282,749</b>	1,946,738	<b>2,283,020</b>	1,946,997
<b>Non-current liabilities</b>				
SPRING loans due after twelve months (unsecured)	<b>833</b>	1,861	<b>833</b>	1,861
Deferred tax liabilities	<b>1,253</b>	2,021	<b>1,196</b>	1,968
<b>Total non-current liabilities</b>	<b>2,086</b>	3,882	<b>2,029</b>	3,829
<b>Total liabilities</b>	<b>2,284,835</b>	1,950,620	<b>2,285,049</b>	1,950,826
<b>Equity attributable to equity holders of the Company</b>				
Share capital	<b>180,008</b>	180,008	<b>180,008</b>	180,008
Reserves	<b>128,917</b>	133,351	<b>128,290</b>	132,756
<b>Total equity</b>	<b>308,925</b>	313,359	<b>308,298</b>	312,764
<b>Total liabilities and equity</b>	<b>2,593,760</b>	2,263,979	<b>2,593,347</b>	2,263,590
<b><u>Off-balance sheet items</u></b>				
Undrawn loan commitments	<b>585,175</b>	650,103	<b>585,175</b>	650,103
Guarantees issued	<b>7,096</b>	4,546	<b>7,096</b>	4,546
<b>Total off-balance sheet items</b>	<b>592,271</b>	654,649	<b>592,271</b>	654,649
<b>2(b) Net asset value per ordinary share (\$)</b>	<b>1.96</b>	1.99	<b>1.96</b>	1.98

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 2014: 157,625,764) shares.

**3 Consolidated Statement of Cash Flows for the Quarter and Nine Months ended 30 September 2015**

	<b>3rd Qtr 2015</b>	3rd Qtr 2014	<b>9 months 2015</b>	9 months 2014
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>Operating activities</b>				
Profit before income tax	<b>4,170</b>	4,376	<b>10,429</b>	12,114
Adjustments for:				
Impact of accrual of interest income	<b>1,822</b>	1,586	<b>2,119</b>	1,835
Impact of accrual of interest expense	<b>2,937</b>	1,953	<b>3,759</b>	691
Depreciation of property, plant and equipment	<b>176</b>	170	<b>530</b>	530
Depreciation of investment properties	<b>94</b>	94	<b>283</b>	283
Allowances for impairment losses on loans and advances	<b>915</b>	89	<b>3,148</b>	996
Property, plant and equipment written off	<b>4</b>	-	<b>4</b>	-
Dividends	<b>(64)</b>	(6)	<b>(145)</b>	(81)
Operating cash flows before movements in working capital	<b>10,054</b>	8,262	<b>20,127</b>	16,368
<b>Changes in working capital</b>				
Other assets	<b>(114)</b>	(105)	<b>(540)</b>	(73)
Loans and advances	<b>(27,250)</b>	(7,192)	<b>(243,404)</b>	(112,102)
Statutory deposits with the MAS	<b>(2,158)</b>	(2,187)	<b>(8,734)</b>	(5,053)
Deposits and savings accounts of customers	<b>29,812</b>	65,097	<b>331,435</b>	150,812
Other liabilities	<b>1,830</b>	(3,668)	<b>1,687</b>	5,702
SPRING loans	<b>(532)</b>	(788)	<b>(1,604)</b>	(2,273)
Cash generated from operating activities	<b>11,642</b>	59,419	<b>98,967</b>	53,381
Income taxes paid	<b>(839)</b>	(784)	<b>(1,955)</b>	(1,830)
Net cash generated from operating activities	<b>10,803</b>	58,635	<b>97,012</b>	51,551
<b>Investing activities</b>				
Purchase of investments	<b>(31,468)</b>	(6,147)	<b>(93,129)</b>	(18,967)
Purchase of property, plant and equipment and investment properties	<b>(32)</b>	(238)	<b>(200)</b>	(339)
Proceeds from disposal of investments	<b>18,000</b>	5,000	<b>39,000</b>	5,000
Dividends received	<b>19</b>	4	<b>55</b>	29
Net cash used in investing activities	<b>(13,481)</b>	(1,381)	<b>(54,274)</b>	(14,277)
<b>Financing activities</b>				
Dividend paid	-	-	<b>(9,458)</b>	(7,881)
Net cash used in financing activities	-	-	<b>(9,458)</b>	(7,881)
Net (decrease) increase in cash and cash equivalents	<b>(2,678)</b>	57,254	<b>33,280</b>	29,393
Cash and cash equivalents at beginning of the period	<b>281,739</b>	197,807	<b>245,781</b>	225,668
<b>Cash and cash equivalents at end of the period</b>	<b>279,061</b>	255,061	<b>279,061</b>	255,061

#### 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 2014	180,008	86,291	4,533	32,759	303,591
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
<b>Balance at 1 January 2015</b>	<b>180,008</b>	<b>92,619</b>	<b>9,524</b>	<b>31,208</b>	<b>313,359</b>
<b>Total comprehensive income (loss) for the period</b>					
<b>Profit for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,254</b>	<b>5,254</b>
<b>Other comprehensive loss for the period - net</b>	<b>-</b>	<b>-</b>	<b>(4,539)</b>	<b>-</b>	<b>(4,539)</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>(4,539)</b>	<b>5,254</b>	<b>715</b>
Transactions with owners, recognised directly in equity					
Final one-tier tax exempt dividend paid for financial year 2014 of 6 cents per share	-	-	-	(9,458)	(9,458)
Balance at 30 June 2015	180,008	92,619	4,985	27,004	304,616
Total comprehensive income for the period					
Profit for the period	-	-	-	3,515	3,515
Other comprehensive income for the period - net	-	-	794	-	794
<b>Total</b>	<b>-</b>	<b>-</b>	<b>794</b>	<b>3,515</b>	<b>4,309</b>
Balance at 30 September 2015	180,008	92,619	5,779	30,519	308,925

#### 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 2014	180,008	86,291	4,338	32,425	303,062
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
<b>Balance at 1 January 2015</b>	<b>180,008</b>	<b>92,619</b>	<b>9,266</b>	<b>30,871</b>	<b>312,764</b>
<b>Total comprehensive income (loss) for the period</b>					
<b>Profit for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,246</b>	<b>5,246</b>
<b>Other comprehensive loss for the period - net</b>	<b>-</b>	<b>-</b>	<b>(4,585)</b>	<b>-</b>	<b>(4,585)</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>(4,585)</b>	<b>5,246</b>	<b>661</b>
Transactions with owners, recognised directly in equity					
Final one-tier tax exempt dividend paid for financial year 2014 of 6 cents per share	-	-	-	(9,458)	(9,458)
Balance at 30 June 2015	180,008	92,619	4,681	26,659	303,967
Total comprehensive income for the period					
Profit for the period	-	-	-	3,510	3,510
Other comprehensive income for the period - net	-	-	821	-	821
<b>Total</b>	<b>-</b>	<b>-</b>	<b>821</b>	<b>3,510</b>	<b>4,331</b>
Balance at 30 September 2015	180,008	92,619	5,502	30,169	308,298

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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 2015. 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 2014.

## **6 Review of Performance**

Total loan assets grew 14.2% to \$1,930.4 million as at 30 September 2015 compared to \$1,690.2 million as at 31 December 2014. In tandem with the increase in loan assets, deposits and savings accounts of customers increased by 17.2% to \$2,252.9 million as at 30 September 2015.

Profit after tax declined by \$0.25 million or 6.7% for the quarter under review as compared to the previous corresponding quarter last year. This mainly arose from an increase of \$0.8 million in allowances for impairment losses on loans and advances and increase of \$0.4 million in operating expenses which more than offset the increase in net interest income and hiring charges.

For the nine months ended 30 September 2015, the Group’s profit after tax was \$ 8.8 million, 14.3% lower vis-à-vis the same period last year. Increase of 19.5% in interest income and hiring charges from a higher loan base was partially offset by a 45.8% increase in interest expense resulting in a 4.6% increase in net interest income and hiring charges. This was mainly due to an increase of \$2.2 million in allowances for impairment losses on loans and advances and an increase of \$1.03 million in operating expenses.

In line with the loan growth, the Group has set aside additional collective impairment allowances of \$1.3 million at a portfolio level which accounted for the main increase of the charge in loan allowances for the nine months compared to the same period last year. The Group continues to maintain adequate individual and collective impairment allowances in respect of its loan portfolio.

There was a decline in the fair value of available-for-sale financial assets under Other Comprehensive Income, mainly from revaluation of Singapore Government Securities (“SGS”). The drop in value was due to expected interest rate hikes. 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 2015, the Singapore economy grew by 1.4% on a year-on-year basis in the third quarter of 2015, easing from the 2% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 0.1%, a reversal from the 2.5% contraction in the preceding quarter.

Weighed down by weak global demand, the manufacturing sector was the biggest drag on growth, contracting 6% in the third quarter over the same period a year ago. Services grew 3% while construction

expanded by 1.6% over the same period last year. The slowdown was mainly due to weaker private sector construction activities.

Given the weaker growth prospects 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 interest margin and 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 2014: 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 2014: 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 30/09/2015</u>		<u>As at 31/12/2014</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	-	1,666	-	2,242
Amount repayable after one year	-	833	-	1,861



**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  
Managing Director  
28 October 2015

**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 2015 to be false or misleading.

On behalf of the Board of Directors

Lee Sze Leong  
Managing Director  
28 October 2015