

First Quarter Financial Statements and Dividend Announcement

First quarter financial statements on consolidated results for period ended 31 March 2010. These figures have not been audited.

1(a)(i) Unaudited Consolidated Income Statement for the Quarter ended 31 March 2010

	1st Qtr 2010	1st Qtr 2009	Increase/ (Decrease)
	\$'000	\$'000	%
Revenue			
Interest income and hiring charges	14,207	16,503	(13.9)
Interest expense	(3,691)	(6,751)	(45.3)
Net interest income and hiring charges	10,516	9,752	7.8
Fees and commissions	139	210	(33.8)
Rental income from investment properties	834	796	4.8
Other income	92	76	21.1
Income before operating expenses	11,581	10,834	6.9
Staff costs	(2,592)	(2,067)	25.4
Depreciation of property, plant and equipment	(362)	(277)	30.7
Depreciation of investment properties	(94)	(94)	-
Other operating expenses	(1,087)	(1,182)	(8.0)
Profit from operations before impairment losses	7,446	7,214	3.2
Allowances for impairment losses on loans and advances	(362)	(263)	37.6
Profit before income tax	7,084	6,951	1.9
Income tax expense	(1,196)	(1,211)	(1.2)
Profit for the period attributable to equity holders of the Company	5,888	5,740	2.6

1(a)(ii) Earnings Per Share

	1st Qtr 2010	1st Qtr 2009
Annualised earnings per share (cents)		
- Basic	22.41	21.85
- Diluted	22.41	21.85

The Group's basic earnings per share is calculated based on the weighted average number of ordinary shares in issue of 105,083,843 (31 March 2009: 105,083,843) shares.

There are no potential dilutive ordinary shares for the periods ended 31 March 2010 and 2009.



1(b) Unaudited Consolidated Statement of Comprehensive Income for the Quarter ended 31 March 2010

	1st Qtr 2010	1st Qtr 2009	Increase / (Decrease)
	\$'000	\$'000	%
Profit for the period	5,888	5,740	2.6
Available-for-sale financial assets			
- Loss for the period	(3,321)	(5,659)	(41.3)
- Income tax adjustment	564	1,164	(51.5)
Other comprehensive loss for the period, net of tax	(2,757)	(4,495)	(38.7)
Total comprehensive income for the period attributable to equity holders of the Company	3,131	1,245	151.5

2(a) Statements of Financial Position as at 31 March 2010

	Group		Company	
	31 Mar 2010	31 Dec 2009	31 Mar 2010	31 Dec 2009
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets				
Cash on deposit, at banks and in hand	206,964	252,113	206,909	252,054
Other assets	3,795	5,178	3,795	5,178
Investments	251,085	254,411	250,844	254,163
Loans and advances due within twelve months	380,594	369,028	380,594	369,028
Statutory deposits with the Monetary Authority of Singapore ("MAS")	34,084	33,863	34,084	33,863
Total current assets	876,522	914,593	876,226	914,286
Non-current assets				
Property, plant and equipment	19,756	20,118	19,756	20,118
Investment properties	26,240	26,334	26,240	26,334
Subsidiary	-	-	25	25
Loans and advances due after twelve months	683,329	679,635	683,329	679,635
Total non-current assets	729,325	726,087	729,350	726,112
Total assets	1,605,847	1,640,680	1,605,576	1,640,398
LIABILITIES AND EQUITY				
Current liabilities				
Deposits and savings accounts of customers	1,358,817	1,389,440	1,359,537	1,390,159
Other liabilities	15,996	18,731	15,518	18,249
Interest bearing borrowings	-	4,000	-	4,000
SPRING loans due within twelve months (unsecured)	8,829	8,908	8,829	8,908
Provision for employee benefits	205	205	205	205
Current tax payable	8,136	6,940	8,136	6,940
Total current liabilities	1,391,983	1,428,224	1,392,225	1,428,461
Non-current liabilities				
SPRING loans due after twelve months (unsecured)	9,895	11,054	9,895	11,054
Deferred tax liabilities	371	935	340	903
Total non-current liabilities	10,266	11,989	10,235	11,957
Total liabilities	1,402,249	1,440,213	1,402,460	1,440,418
Equity attributable to equity holders of the Company				
Share capital	117,199	117,199	117,199	117,199
Reserves	86,399	83,268	85,917	82,781
Total equity	203,598	200,467	203,116	199,980
Total liabilities and equity	1,605,847	1,640,680	1,605,576	1,640,398
2(b) Net asset value per ordinary share (\$)	1.94	1.91	1.93	1.90

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 2009: 105,083,843) shares.

3 Consolidated Statement of Cash Flows for the Quarter ended 31 March 2010

	1st Qtr 2010	1st Qtr 2009
	\$'000	\$'000
Operating activities		
Profit before income tax	7,084	6,951
Adjustments for:		
Impact of accrual of interest income	1,621	1,448
Impact of accrual of interest expense	(3,482)	(2,469)
Depreciation of property, plant and equipment	362	277
Depreciation of investment properties	94	94
Allowances for impairment losses on loans and advances	362	263
Operating cash flows before movements in working capital	<u>6,041</u>	<u>6,564</u>
Changes in working capital		
Other assets	(234)	(103)
Loans and advances	(15,622)	69,516
Statutory deposits with the MAS	(221)	1,803
Deposits and savings accounts of customers	(30,623)	13,280
Other liabilities	748	(643)
SPRING loans	(1,238)	(899)
Net cash (used in)/generated from operating activities	<u>(41,149)</u>	<u>89,518</u>
Investing activities		
Purchase of investments	-	(24,369)
Purchase of property, plant and equipment and investment properties	-	(81)
Proceeds from disposal of investments	-	17,500
Net cash used in investing activities	<u>-</u>	<u>(6,950)</u>
Financing activities		
Repayment of interest-bearing borrowings	(4,000)	(21,000)
Net cash used in financing activities	<u>(4,000)</u>	<u>(21,000)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(45,149)</u>	<u>61,568</u>
Cash and cash equivalents at beginning of the year	<u>252,113</u>	<u>52,249</u>
Cash and cash equivalents at end of the period	<u>206,964</u>	<u>113,817</u>

4 Statements of Changes in Equity for the Quarter ended 31 March 2010

	Share Capital	Statutory reserve	Fair value reserve	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
At 1 January 2009	117,199	52,126	16,500	10,845	196,670
Total comprehensive income/(loss) for the period	-	-	(4,495)	5,740	1,245
At 31 March 2009	117,199	52,126	12,005	16,585	197,915
At 1 January 2010	117,199	60,951	5,272	17,045	200,467
Total comprehensive income/(loss) for the period	-	-	(2,757)	5,888	3,131
At 31 March 2010	117,199	60,951	2,515	22,933	203,598
Company					
At 1 January 2009	117,199	52,126	16,377	10,518	196,220
Total comprehensive income/(loss) for the period	-	-	(4,486)	5,740	1,254
At 31 March 2009	117,199	52,126	11,891	16,258	197,474
At 1 January 2010	117,199	60,951	5,115	16,715	199,980
Total comprehensive income/(loss) for the period	-	-	(2,752)	5,888	3,136
At 31 March 2010	117,199	60,951	2,363	22,603	203,116

5 Accounting Policies and Comparative Figures

In the current financial period, the Group has adopted all the following revised Financial Reporting Standards ("FRSs") and improvements to FRSs that are relevant to its operations and effective for annual periods beginning on or after 1 January 2010.

- FRS 27 (Revised) Consolidated and Separate Financial Statements
- FRS 103 (Revised) Business Combinations
- Improvements to FRSs (issued in June 2009)

The adoption of these revised FRSs and improvements to FRSs does not result in changes to the Group's and Company's accounting policies and has no material impact on the amounts reported for the current period or prior years.

The accounting policies and methods of computation adopted in the financial statements for the period under review are consistent with those applied in the financial statements for the year ended 31 December 2009.

The financial statements are prepared in accordance with FRSs.

6 Review of Performance

The Group's loan assets increased by 1.4% or \$15.2 million from the loan base of \$1,048.7 million as at 31 December 2009 to \$1,063.9 million as at 31 March 2010. However, this was a decrease of 19.6% or \$259 million over the loan base of \$1,322.9 million as at 31 March 2009 which resulted in a 13.9% decrease in the interest income and hiring charges as compared to the previous corresponding period.

Despite the decrease in the interest income and hiring charges, the Group's profit before tax registered an increase of 1.9% to \$7.1 million for the quarter as compared to the previous corresponding period. This was attributable to a 45.3% decrease in interest expense due to lower funding costs and a lower deposit base. The Group's profit after tax was \$5.9 million, an increase of 2.6% over the previous corresponding period.

Deposits and savings accounts of customers decreased by 2.2% from \$1,389.4 million as at 31 December 2009 to \$1,358.8 million as at 31 March 2010. Cash and bank balances, statutory deposits with MAS as well as available-for-sale (AFS) financial assets totaled \$492.1 million as at 31 March 2010.

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

Singapore's GDP expanded strongly by 13.1% on a year-on-year basis in the first quarter of 2010 and with signs of improving global economic conditions, the Ministry of Trade and Industry has upgraded the GDP growth forecast for 2010 to 7 to 9 %, from its previous estimate of 4.5 to 6.5%.

Against this backdrop and the keen competition in the financing sector, the Group will continue to adopt a cautious and prudent approach in growing and managing its loan portfolio in this business environment. It will continue to strive to build sustainable growth and strengthen its financial position and liquidity.

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 (31 March 2009: Nil).

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

Nil (31 March 2009: Nil).

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

	<u>As at 31/03/2010</u>		<u>As at 31/12/2009</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	-	8,829	-	12,908
Amount repayable after one year	-	9,895	-	11,054

12 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
30 April 2010

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 2010 to be false or misleading.

On behalf of the Board of Directors

Lee Sze Leong
Chairman
30 April 2010