

SING INVESTMENTS & FINANCE LTD (Co. Reg. No. 196400348D)

Third Quarter And Nine Months Financial Statements

Third quarter and nine months financial statements on consolidated results for the period ended 30 September 2008. These figures have not been audited.

1(a)(i) Group income statements for the quarter and nine months ended 30 September 2008

	3rd Qtr 2008	3rd Qtr 2007	+ / (-)	9 Months 2008	9 Months 2007	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue						
Interest income and hiring charges	16,457	16,245	1.3	49,363	46,172	6.9
Interest expense	(7,803)	(8,827)	(11.6)	(24,753)	(27,180)	(8.9)
Net interest income and hiring charges	8,654	7,418	16.7	24,610	18,992	29.6
Fees and commissions	181	238	(23.9)	681	742	(8.2)
Dividends	28	21	33.3	77	82	(6.1)
Rental income from investment properties	862	693	24.4	2,406	1,332	NM
Profit on sale of investments	-	-	NM	-	5	NM
Profit on sale of property, plant and equipment	-	-	NM	-	1,185	NM
Other income	(2)	3	NM	1	12	(91.7)
Income before operating expenses	9,723	8,373	16.1	27,775	22,350	24.3
Staff costs	(2,559)	(2,215)	15.5	(7,617)	(6,091)	25.1
Depreciation of property, plant and equipment	(243)	(240)	1.3	(673)	(688)	(2.2)
Depreciation of investment property	(91)	(87)	NM	(274)	(221)	NM
Other expenses	(1,538)	(1,291)	19.1	(4,138)	(3,987)	3.8
Profit from operations before impairment losses	5,292	4,540	16.6	15,073	11,363	32.6
(Allowances for)/write-back of impairment losses on loans and advances	(2,185)	(51)	NM	(4,382)	173	NM
Profit before income tax	3,107	4,489	(30.8)	10,691	11,536	(7.3)
Income tax expense	(963)	(731)	31.7	(2,722)	(1,875)	45.2
Profit for the period attributable to equity holders of the Company	2,144	3,758	(42.9)	7,969	9,661	(17.5)

NM: Not meaningful

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

	3rd Qtr 2008	3rd Qtr 2007	9 Months 2008	9 Months 2007
Annualised earnings per share (cents)				
- based on weighted average number of shares	8.16	15.71	10.11	13.46
- on a diluted basis	8.16	15.71	10.11	13.46

The Group's basic earnings per share is calculated based on the weighted average number of ordinary shares in issue of 105,083,843 (2007: 95,701,683) shares.

There are no potential dilutive ordinary shares for the periods ended 30 September 2008 and 2007.

1(b)(i) Balance Sheets as at 30 September 2008

	Group		Company	
	30 Sep 2008	31 Dec 2007	30 Sep 2008	31 Dec 2007
	\$'000	\$'000	\$'000	\$'000
Non-currents assets				
Property, plant and equipment	19,624	19,742	19,624	19,742
Investment property	26,205	26,216	26,205	26,216
Subsidiary	-	-	25	25
Loans and advances due after twelve months	991,114	905,037	991,114	905,037
Deferred tax assets	20	20	20	20
	<u>1,036,963</u>	<u>951,015</u>	<u>1,036,988</u>	<u>951,040</u>
Current assets				
Statutory deposit with the Monetary Authority of Singapore	44,806	39,079	44,806	39,079
Loans and advances due within twelve months	446,160	399,335	446,160	399,335
Investments	207,467	184,181	207,230	183,872
Other assets	3,857	4,286	3,857	4,286
Cash on deposit, at banks and in hand	18,044	147,650	17,971	147,586
	<u>720,334</u>	<u>774,531</u>	<u>720,024</u>	<u>774,158</u>
Total assets	<u>1,757,297</u>	<u>1,725,546</u>	<u>1,757,012</u>	<u>1,725,198</u>
Equity attributable to equity holders of the Company				
Share capital	117,199	117,199	117,199	117,199
Reserves	68,614	71,668	68,104	71,092
Total equity	<u>185,813</u>	<u>188,867</u>	<u>185,303</u>	<u>188,291</u>
Non-current liabilities				
Medium Term Notes	-	50,000	-	50,000
SPRING loans due after twelve months (unsecured)	8,766	7,868	8,766	7,868
	<u>8,766</u>	<u>57,868</u>	<u>8,766</u>	<u>57,868</u>
Current liabilities				
Interest-bearing borrowings	10,000	-	10,000	-
Medium Term Notes	50,000	-	50,000	-
Deposits and savings accounts of customers	1,462,749	1,438,790	1,463,450	1,439,482
Other liabilities	27,444	27,556	26,967	27,090
SPRING loans due within twelve months (unsecured)	7,309	7,735	7,309	7,735
Employee benefits	193	193	193	193
Current tax payable	5,023	4,537	5,024	4,539
	<u>1,562,718</u>	<u>1,478,811</u>	<u>1,562,943</u>	<u>1,479,039</u>
Total liabilities	<u>1,571,484</u>	<u>1,536,679</u>	<u>1,571,709</u>	<u>1,536,907</u>
Total equity and liabilities	<u>1,757,297</u>	<u>1,725,546</u>	<u>1,757,012</u>	<u>1,725,198</u>
1(b)(ii) Net asset value per ordinary share (\$)	1.77	1.80	1.76	1.79

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 (2007: 105,083,843) shares.

1(c) Consolidated cash flow statement

	3rd Qtr 2008	3rd Qtr 2007	9 Months 2008	9 Months 2007
	\$'000	\$'000	\$'000	\$'000
Operating activities				
Profit for the period	2,144	3,758	7,969	9,661
Adjustments for:				
Impact of accrual of interest income	1,486	1,122	1,238	770
Impact of accrual of interest expense	1,492	555	1,074	1,615
Depreciation of property, plant and equipment	243	240	673	688
Depreciation of investment property	91	87	274	221
Profit on disposal of investments	-	-	-	(5)
Profit on disposal of property, plant and equipment	2	-	2	(1,185)
Allowances for impairment losses/(write-back of) on loans and advances	2,185	51	4,382	(173)
Income tax expense	963	731	2,722	1,875
	8,606	6,544	18,334	13,467
Changes in working capital:				
Loans and advances	(34,120)	(80,551)	(137,284)	(208,265)
Other assets	(119)	102	(960)	496
Deposits and savings accounts of customers	(7,797)	97,104	23,959	111,516
Other liabilities	487	571	(1,188)	1,643
Interest-bearing borrowings	10,000	-	10,000	-
SPRING loans	(1,606)	176	472	(1,294)
Cash generated from operations	(24,549)	23,946	(86,667)	(82,437)
Income taxes paid	(1,001)	(1,147)	(2,236)	(2,199)
Cash flows from operating activities	(25,550)	22,799	(88,903)	(84,636)
Investing activities				
Purchase of investments	-	(4)	-	(10)
Purchase of property, plant and equipment and investment property	(357)	(620)	(822)	(3,729)
Proceeds from disposal of investments	-	-	-	29
Proceeds from disposal of property, plant and equipment	-	-	-	1,265
Cash flows from investing activities	(357)	(624)	(822)	(2,445)
Financing activities				
Dividends paid	-	-	(6,305)	(24,981)
Proceeds from issue of rights shares	-	-	-	32,769
Cash flows from financing activities	-	-	(6,305)	7,788
Net increase in cash and cash equivalents	(25,907)	22,175	(96,030)	(79,293)
Cash and cash equivalents as at beginning of period	286,325	257,123	368,018	356,421
Fair value adjustments of Singapore Government securities	7,585	1,075	(3,985)	3,245
Cash and cash equivalents at end of the period	268,003	280,373	268,003	280,373
			30 Sep 2008	30 Sep 2007
			\$'000	\$'000
Cash on deposit, at banks, and in hand			18,044	73,920
Statutory deposit with the Monetary Authority of Singapore			44,806	35,355
Singapore Government Securities			205,153	171,098
			268,003	280,373

1(d) Statement of changes in equity for the nine months ended 30 September 2008

	Share capital	Statutory reserve	Fair value reserve	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
At 1 January 2007	84,430	43,046	4,832	33,024	165,332
Adjustment to fair value of investments recognised directly in equity	-	-	2,622	-	2,622
Profit for the period	-	-	-	5,903	5,903
Total income for the period	-	-	2,622	5,903	8,525
Issue of Rights shares	32,769	-	-	-	32,769
Final and special dividends paid for FY 2006 of 4 and 36.6 cents per share less tax at 18%, respectively	-	-	-	(24,981)	(24,981)
At 30 June 2007	117,199	43,046	7,454	13,946	181,645
Adjustment to fair value of investments recognised directly in equity	-	-	968	-	968
Profit for the period	-	-	-	3,758	3,758
Total income for the period	-	-	968	3,758	4,726
At 30 September 2007	117,199	43,046	8,422	17,704	186,371
At 1 January 2008	117,199	49,367	7,912	14,389	188,867
Adjustment to fair value of investments recognised directly in equity	-	-	(11,869)	-	(11,869)
Profit for the period, restated	-	-	-	5,825	5,825
Total income for the period, restated	-	-	(11,869)	5,825	(6,044)
Annual dividend paid for FY2007 of 6 cents per share, one tier tax exempt	-	-	-	(6,305)	(6,305)
At 30 June 2008, restated	117,199	49,367	(3,957)	13,909	176,518
Adjustment to fair value of investments recognised directly in equity	-	-	7,151	-	7,151
Profit for the period	-	-	-	2,144	2,144
Total income for the period	-	-	7,151	2,144	9,295
At 30 September 2008, restated	117,199	49,367	3,194	16,053	185,813

For the half year ended 30 June 2008, the Group had increased its collective impairment provision by \$2 million, and recorded the provision directly against accumulated profits. The increase in collective impairment provision has been taken through to the profit and loss statement for the nine-months ended 30 September 2008. For consistency, the profit for the half year ended 30 Jun 2008 has been restated to account for the increase in collective impairment provision of \$2 million through the profit and loss statement.

	Share capital	Statutory reserve	Fair value reserve	Accumulated profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Company					
At 1 January 2007	84,430	43,046	4,629	32,720	164,825
Adjustment to fair value of investments recognised directly in equity	-	-	2,514	-	2,514
Profit for the period	-	-	-	5,902	5,902
Total income for the period	-	-	2,514	5,902	8,416
Issue of Rights shares	32,769	-	-	-	32,769
Final and special dividends paid for FY 2006 of 4 and 36.6 cents per share less tax at 18%, respectively	-	-	-	(24,981)	(24,981)
At 30 June 2007	117,199	43,046	7,143	13,641	181,029
Adjustment to fair value of investments recognised directly in equity	-	-	1,008	-	1,008
Profit for the period	-	-	-	3,745	3,745
Total income for the period	-	-	1,008	3,745	4,753
At 30 September 2007,	117,199	43,046	8,151	17,386	185,782
At 1 January 2008	117,199	49,367	7,661	14,064	188,291
Adjustment to fair value of investments recognised directly in equity	-	-	(11,822)	-	(11,822)
Profit for the period, restated	-	-	-	5,814	5,814
Total income for the period, restated	-	-	(11,822)	5,814	(6,008)
Annual dividend paid for FY2007 of 6 cents per share, one tier tax exempt	-	-	-	(6,305)	(6,305)
At 30 June 2008, restated	117,199	49,367	(4,161)	13,573	175,978
Adjustment to fair value of investments recognised directly in equity	-	-	7,177	-	7,177
Profit for the period	-	-	-	2,148	2,148
Total income for the period	-	-	7,177	2,148	9,325
At 30 September 2008, restated	117,199	49,367	3,016	15,721	185,303

For the half year ended 30 June 2008, the Company had increased its collective impairment provision by \$2 million, and recorded the provision directly against accumulated profits. The increase in collective impairment provision has been taken through to the profit and loss statement for the nine-months ended 30 September 2008. For consistency, the profit for the half year ended 30 Jun 2008 has been restated to account for the increase in collective impairment provision of \$2 million through the profit and loss statement.

2 Accounting Policies and Comparative Figures

For the current financial year, the following new or revised financial reporting standards ("FRS") and interpretation came into effect on 1 January 2008, the adoption of which does not have a material impact on recognition and measurement of the financial statements for the financial year under review.

- INT FRS 111 FRS102 Group and Treasury Share transactions
- INT FRS 112 Service Concession Arrangements
- INT FRS 114 FRS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The accounting policies and methods of computation adopted in the financial statements for the financial period under review are consistent with those applied in the financial statements for the year ended 31 December 2007.

The financial statements are prepared in accordance with Singapore FRS

3 Review of Performance

The Group's loan assets was \$1,437.3 million as at 30 September 2008, an increase of 10.2% or \$132.9 million over the loans base of \$1,304.4 million as at 31 December 2007 and an increase of 16.8% or \$206.9 million over the loans base of \$1,230.4 million as at 30 September 2007.

The Group's profit from operations before impairment allowances for the quarter rose by 16.6% compared to the previous corresponding quarter. For the nine months ended 30 September 2008, the increase was 32.6% compared to the previous corresponding period. This was mainly attributed to higher operating revenue from an expanded loan base partly offset by higher operating expenses.

However, the Group's profit after tax for the quarter decreased by 42.9% compared to the previous corresponding quarter, and for the nine months ended 30 September 2008 the decrease was 17.5% compared to the previous corresponding period. This was attributed to the provision of \$2 million for the quarter and \$4 million for the nine months ended 30 September in collective impairment provision (CIP) on its loans assets.

The aforesaid provisions were made as a precautionary measure by the Group to build up its CIP on its loans assets to enable it to address any potential impact from the adverse change in the market conditions arising from the recent global financial turmoil.

In the opinion of the Directors, no significant event has arisen between 30 September 2008 and the date of this report which would materially affect the results of the Group and the Company for the year just ended.

4 Current Year Prospects

The sub-prime meltdown which is evolving into a world economic crisis has caused a slowdown in the Singapore economy. This contraction is expected to last for several quarters and the economic growth forecast for 2008 has been downgraded from the original 4.5% - 6.5% to around 3%.

Against this backdrop and the tightening credit conditions in the financing sector, the Group, has adopted a cautious stance in its lending activities. It has taken more stringent measures to monitor the performance of its loan portfolio and ensure that the interest margin is maintained.

5 Dividends

No dividend has been recommended for the present financial period.

Dividend declared for the previous corresponding period – Nil.

6 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 current financial period, there were no outstanding convertibles (30 September 2008: Nil).

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

	<u>As at 30/09/2008</u>		<u>As at 31/12/2007</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	-	67,309	-	7,735
Amount repayable after one year	-	8,766	-	57,868

8 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 and/or properties - Nil

By order of the Board

Lee Sze Leong
Chairman
4 November 2008

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 for the quarter and the nine months ended 30 September 2008 to be false or misleading.

On behalf of the Board of Directors

Lee Sze Leong
Chairman
4 November 2008