



**Second Quarter And Half-Year Unaudited Financial Statements and Dividend Announcement
for the Period Ended 30 June 2015**

TABLE OF CONTENTS

Item No.	Description	Page No.
1(a)(i)	Consolidated Statement of Profit or Loss and Statement of Comprehensive Income	2 - 3
1(a)(ii)	Explanatory Notes to Consolidated Statement of Profit or Loss	4 - 5
1(a)(iii)	(Loss)/Earnings Per Ordinary Share	6
1(b)(i)	Statements of Financial Position and Comments on Major Statements of Financial Position Variances	7 - 8
1(b)(ii)	Group's Borrowings	9
1(b)(iii)	Net Asset Value	9
1(c)	Consolidated Statement of Cash Flows and Explanatory Notes	10 - 12
1(d)(i)	Statements of Changes in Equity	13 - 14
1(d)(ii)	Changes in Company's Share Capital	14
1(d)(iii)	Total Number of Issued Shares Excluding Treasury Shares	14
1(d)(iv)	Sales, Transfers, Disposal, Cancellation and/or use of Treasury Shares	15
2 & 3	Audit and Auditors' Report	15
4 & 5	Accounting Policies and Changes in Accounting Policies	15
6	Review of Group Performance	16
7	Variance from Prospect Statement	16
8	Prospects	17
9 & 10	Dividend	17
11	Interested Person Transactions Mandate	18
	Confirmation By The Board Pursuant to Rule 705(4) of the Listing Manual	19



Second Quarter And Half-Year Unaudited Financial Statements and Dividend Announcement for the Period Ended 30 June 2015

1(a)(i) Consolidated Statement of Profit or Loss for the Second Quarter And Half-Year Ended 30 June

	Note	2nd Quarter			1st Half		
	1(a) (ii)	2015 S\$'000	2014 S\$'000	+ / (-) %	2015 S\$'000	2014 S\$'000	+ / (-) %
Interest income		6,241	6,178	1.0	12,711	12,058	5.4
Interest expense		(1,752)	(1,491)	17.5	(3,487)	(2,954)	18.0
Net interest income		4,489	4,687	(4.2)	9,224	9,104	1.3
Gross written premiums		1,385	1,639	(15.5)	3,684	4,353	(15.4)
Change in gross provision for unexpired risks		752	917	(18.0)	1,261	603	109.1
Gross earned premium revenue		2,137	2,556	(16.4)	4,945	4,956	(0.2)
Written premiums ceded to reinsurers		(587)	(941)	(37.6)	(1,809)	(2,291)	(21.0)
Reinsurers' share of change in provision for unexpired risks		(619)	(656)	(5.6)	(1,096)	(825)	32.8
Reinsured premium expense		(1,206)	(1,597)	(24.5)	(2,905)	(3,116)	(6.8)
Net earned premium revenue	(a)	931	959	(2.9)	2,040	1,840	10.9
Fee and commission income	(b)	1,740	2,876	(39.5)	3,753	4,789	(21.6)
Investment income	(c)	905	817	10.8	1,894	1,933	(2.0)
Other income	(d)	70	104	(32.7)	157	327	(52.0)
Non-interest income		2,715	3,797	(28.5)	5,804	7,049	(17.7)
Income before operating expenses		8,135	9,443	(13.9)	17,068	17,993	(5.1)
Business development expenses		(224)	(173)	29.5	(370)	(371)	(0.3)
Commission expenses		(171)	(141)	21.3	(360)	(287)	25.4
Staff costs		(2,981)	(3,417)	(12.8)	(6,486)	(6,828)	(5.0)
General and administrative expenses		(2,084)	(1,782)	16.9	(3,697)	(3,338)	10.8
Operating expenses		(5,460)	(5,513)	(1.0)	(10,913)	(10,824)	0.8
Change in provision for insurance claims		(1,561)	2,002	NM	(765)	1,812	NM
Reinsurers' share of change in provision for insurance claims		1,015	(1,498)	NM	363	(1,439)	NM
Gross claims paid		(71)	(4,379)	(98.4)	(88)	(4,387)	(98.0)
Reinsurers' share of claims paid		1	3,059	(100.0)	(18)	3,057	NM
Net claims incurred	(e)	(616)	(816)	(24.5)	(508)	(957)	(46.9)
Operating profit before allowances		2,059	3,114	(33.9)	5,647	6,212	(9.1)
Allowances for loan losses and impairment of investments	(f)	(2,187)	(2,174)	0.6	(4,881)	(3,765)	29.6
(Loss)/profit before tax		(128)	940	NM	766	2,447	(68.7)
Tax expense		(41)	(237)	(82.7)	(306)	(571)	(46.4)
(Loss)/profit for the period		(169)	703	NM	460	1,876	(75.5)
(Loss)/profit attributable to:							
Owners of the Company		(474)	372	NM	(159)	1,242	NM
Non-controlling interests		305	331	(7.9)	619	634	(2.4)
(Loss)/profit for the period		(169)	703	NM	460	1,876	(75.5)

Consolidated Statement of Comprehensive Income for the Second Quarter And Half-Year Ended 30 June

	Note	2nd Quarter			1st Half		
		2015 S\$'000	2014 S\$'000	+ / (-) %	2015 S\$'000	2014 S\$'000	+ / (-) %
(Loss)/profit for the period	1(a) (ii)	(169)	703	NM	460	1,876	(75.5)
Other comprehensive income							
Items that are or may be reclassified subsequently to profit or loss							
Net change in fair value of available-for-sale financial assets	(g)	510	(5)	NM	675	171	NM
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	(h)	(506)	-	NM	(747)	(1,067)	(30.0)
Foreign currency translation differences of foreign operations	(i)	(2,866)	(985)	191.0	(787)	143	NM
Tax on other comprehensive income		(1)	-	NM	12	152	(92.1)
Other comprehensive income for the period, net of tax		(2,863)	(990)	189.2	(847)	(601)	40.9
Total comprehensive income for the period		(3,032)	(287)	NM	(387)	1,275	NM
Attributable to:							
Owners of the Company		(2,673)	(532)	NM	(933)	651	NM
Non-controlling interests		(359)	245	NM	546	624	(12.5)
Total comprehensive income for the period		(3,032)	(287)	NM	(387)	1,275	NM

NM – not meaningful/more than +/- 200%

1(a)(ii) Explanatory Notes to Consolidated Statement of Profit or Loss

The following items have been included in arriving at Group net (loss)/profit for the period:

	2nd Quarter			1st Half		
	2015 S\$'000	2014 S\$'000	+ / (-) %	2015 S\$'000	2014 S\$'000	+ / (-) %
Investment income						
- dividend, fee and interest income	692	416	66.3	1,051	774	35.8
- gain on disposal of equity securities	33	128	(74.2)	88	114	(22.8)
- gain on partial redemption of convertible loan	506	-	NM	747	1,067	(30.0)
- net change in fair value of financial assets at fair value through profit or loss	(267)	275	NM	3	(23)	NM
- amortisation of held-to-maturity debts securities	(18)	(2)	NM	(42)	1	NM
- exchange (loss)/gain	(41)	-	NM	47	-	NM
	905	817	10.8	1,894	1,933	(2.0)
Gain on disposal of property, plant and equipment	16	-	NM	16	6	166.7
Amortisation of intangible assets	(103)	(56)	83.9	(189)	(159)	18.9
Depreciation of property, plant and equipment	(259)	(247)	4.9	(529)	(487)	8.6
Foreign currency differences						
- exchange loss, net	(153)	(68)	125.0	(124)	(49)	153.0
- fair value gain on foreign exchange forward contracts	1	-	NM	1	-	NM
	(152)	(68)	123.5	(123)	(49)	151.0
Reversal of/(provision for) unexpired risks, net of reinsurers' share						
- change in gross provision for unexpired risks	752	917	(18.0)	1,261	603	109.1
- reinsurers' share of change in provision for unexpired risks	(619)	(656)	(5.6)	(1,096)	(825)	32.8
	133	261	(49.0)	165	(222)	NM
Claims incurred, net of reinsurers' share						
- net change in provision for insurance claims	(546)	504	NM	(402)	373	NM
- net claims paid	(70)	(1,320)	(94.7)	(106)	(1,330)	(92.0)
	(616)	(816)	(24.5)	(508)	(957)	(46.9)
(Allowances for)/reversal of loan losses and impairment of investments						
- loans and receivables	(2,187)	(2,183)	0.2	(4,881)	(3,623)	34.7
- equity securities	-	9	(100.0)	-	(142)	(100.0)
	(2,187)	(2,174)	0.6	(4,881)	(3,765)	29.6
Tax expense						
- current tax expense	(241)	(411)	(41.4)	(586)	(707)	(17.1)
- deferred tax credit	200	174	14.9	345	140	146.4
- underprovision of prior years' tax	-	-	-	(65)	(4)	NM
	(41)	(237)	(82.7)	(306)	(571)	(46.4)

1(a)(ii) Explanatory Notes to Consolidated Statement of Profit or Loss (cont'd)

Comments on Major Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income Variances

- (a) The decline in gross written premiums of the insurance subsidiary, ECICS Limited ("ECICS") for 2nd Quarter 2015 ("2Q 2015") and 1st Half 2015 ("1H 2015") was largely due to lower bonds and guarantee business. Taking into account the change in gross provision for unexpired risks, gross earned premium revenue decreased 16% to \$2.1 million for 2Q 2015 and remained almost flat at \$4.9 million for 1H 2015. However, with lower premium ceded to reinsurers, net earned premium revenue dropped 3% to \$0.9 million for 2Q 2015 but increased 11% to \$2.0 million for 1H 2015.
- (b) The lower fee and commission income for 2Q 2015 and 1H 2015 was mainly due to lower reinsurance commission received and lower loans fee earned.
- (c) The higher investment income for 2Q 2015 was mainly from gain on partial redemption of convertible loan and higher dividend income, partly offset by fair value loss. For 1H 2015, investment income was largely flat with lower realised gain on partial redemption of convertible loan, mitigated by higher dividend income. The gain on partial redemption of convertible loan for both 1H 2015 and 1st Half 2014 ("1H 2014") was reclassified from other comprehensive income.
- (d) The lower other income for both 2Q 2015 and 1H 2015 was mainly due to lower bad debts recoveries from factoring and loan accounts previously written off.
- (e) The lower net claims incurred for both 2Q 2015 and 1H 2015 was mainly due to lower net claims paid on bond calls.
- (f) The higher allowances for loan losses and impairment of investments for 1H 2015 were mainly due to higher individual impairment on loans.
- (g) The increase in the net change in fair value of available-for-sale financial assets for 2Q 2015 and 1H 2015 resulted mainly from the mark-to-market gain on an equity security and property-related projects.
- (h) For both 1H 2015 and 1H 2014, there was a reclassification from other comprehensive income - net change in fair value of available-for-sale financial assets to realised gain as explained in (c) above.
- (i) The foreign currency translation differences arose from the translation of financial statements of foreign operations whose functional currencies were different from that of the Group's presentation currency. The translation loss for 2Q 2015 and 1H 2015 was mainly due to the weakening of Indonesian Rupiah and Thai Baht for translation against the Singapore Dollar as at 31 March 2015 and 31 December 2014 respectively.

1(a)(iii) (Loss)/Earnings Per Ordinary Shares

	Group			
	2nd Quarter		1st Half	
	2015	2014	2015	2014
(Loss)/earnings per ordinary share				
- on weighted average number of ordinary shares in issue (cents)	(0.32)	0.25	(0.11)	0.83
- on fully diluted basis (cents)	(0.32)	0.25	(0.11)	0.83

(Loss)/earnings per ordinary share on existing issued share capital is computed based on the weighted average number of shares in issue during the financial period of 150,387,866 (30 June 2014: 150,387,866).

The basic and fully diluted (loss)/earnings per ordinary share are the same as the Group did not have any potential dilutive ordinary share outstanding for the above reporting financial periods.

1(b)(i) Statements of Financial Position

		Group		Company	
	Note	30/06/2015 S\$'000	31/12/2014 S\$'000	30/06/2015 S\$'000	31/12/2014 S\$'000
Non-current assets					
Property, plant and equipment		18,142	17,231	14,801	15,111
Intangible assets		831	642	145	184
Investment property	(a)	1,322	-	-	-
Subsidiaries		-	-	75,845	75,845
Other investments	(b)	55,129	48,704	8,172	7,000
Loans, advances, hire purchase and leasing receivables	(c)	57,640	48,785	47,079	40,483
Deferred tax assets		6,966	6,832	427	230
		140,030	122,194	146,469	138,853
Current assets					
Reinsurers' share of insurance contract provisions		18,377	19,110	-	-
Insurance receivables		727	1,052	-	-
Trade and other receivables	(d)	217,101	212,745	111,838	107,246
Other investments	(e)	20,788	24,794	497	-
Derivative financial assets		80	190	80	190
Cash and cash equivalents		23,622	24,013	8,111	7,510
Assets held for sale		171	167	-	-
		280,866	282,071	120,526	114,946
Total assets		420,896	404,265	266,995	253,799
Equity					
Share capital		88,032	88,032	88,032	88,032
Other reserves		(4,373)	(3,599)	992	863
Accumulated profits		33,733	36,148	25,167	27,585
Equity attributable to owners of the Company		117,392	120,581	114,191	116,480
Non-controlling interests		11,014	11,221	-	-
Total equity		128,406	131,802	114,191	116,480
Non-current liabilities					
Interest-bearing borrowings	(f)	35,233	46,683	28,212	35,610
Employee benefits		1,009	931	-	-
		36,242	47,614	28,212	35,610
Current liabilities					
Trade and other payables		6,101	8,275	2,069	5,068
Insurance payables		2,270	2,418	-	-
Interest-bearing borrowings	(f)	216,746	182,419	122,067	96,173
Insurance contract provisions for					
- gross unexpired risks		12,251	13,512	-	-
- gross insurance claims		17,670	16,905	-	-
Current tax payable		1,210	1,320	456	468
		256,248	224,849	124,592	101,709
Total liabilities		292,490	272,463	152,804	137,319
Total equity and liabilities		420,896	404,265	266,995	253,799

Comments on Major Statements of Financial Position Variances

- (a) The increase in investment property of the Group was due to the reclassification from non-current assets - property, plant and equipment, as part of the new office unit purchased by our Thailand subsidiary was recently leased out.
- (b) The increase in other investments under non-current assets was mainly due to ECICS' purchase of debts securities.
- (c) The increase in loans, advances, hire purchase and leasing receivables under non-current assets of the Group and the Company was mainly due to the Company's and its local subsidiary, IFS Capital Assets Private Limited's new loans drawdown.
- (d) The increase in trade and other receivables under current assets of the Group and the Company was mainly due to higher factoring receivables recorded by the Company and its Indonesian subsidiary.
- (e) The decrease in other investments under current assets of the Group was mainly due to maturity of ECICS' held-to-maturity debt securities. The investment at Company level related to the conversion of a convertible loan into equity.
- (f) The decrease in interest-bearing borrowings under non-current liabilities of the Group and the Company was mainly due to the reclassification of interest-bearing borrowings maturing within the next twelve months to current liabilities. This has resulted in the negative working capital at the Company level.

The Group's overall interest-bearing borrowings increased from \$229.1 million as at 31 December 2014 to \$252.0 million as at 30 June 2015 mainly due to additional bank borrowings to fund factoring business and new loans drawdown.

1(b)(ii) Group's Borrowings

	Unsecured	
	As at 30/06/2015 S\$'000	As at 31/12/2014 S\$'000
Amount repayable in one year or less, or on demand	216,746	182,419
Amount repayable after one year	35,233	46,683
	251,979	229,102

Details of any collateral

Nil.

1(b)(iii) Net Asset Value

	Group		Company	
	30/06/2015	31/12/2014	30/06/2015	31/12/2014
Net asset value per ordinary share based on issued share capital at end of the financial period (cents)	78.1	80.2	75.9	77.5

1(c) **Consolidated Statement of Cash Flows for the Second Quarter And Half-Year Ended 30 June**

		2nd Quarter		1st Half	
	Note	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Cash flows from operating activities					
(Loss)/profit for the period		(169)	703	460	1,876
Adjustments for:					
Amortisation of intangible assets and held-to-maturity debt securities		121	58	231	158
Net foreign exchange (gain)/loss		(23)	29	(112)	24
Depreciation of property, plant and equipment		259	247	529	487
Gain on disposal of equity securities		(33)	(128)	(88)	(114)
Gain on partial redemption of convertible loans		(506)	-	(747)	(1,067)
Gain on disposal of property, plant and equipment		(16)	-	(16)	(6)
Net change in fair value of financial assets at fair value through profit or loss		267	(275)	(3)	23
Allowance for impairment of investments		-	(9)	-	142
(Reversal of)/provision for, net of reinsurers' share					
- unexpired risks		(133)	(261)	(165)	222
- insurance claims		546	(504)	402	(373)
Interest income		(6,241)	(6,178)	(12,711)	(12,058)
Interest income from investments and fixed deposits		(298)	(280)	(597)	(510)
Dividend income from investments		(394)	(136)	(454)	(264)
Interest expense		1,752	1,491	3,487	2,954
Fixed assets written off		-	18	-	18
Tax expense		41	237	306	571
Operating cashflows before changes in working capital		(4,827)	(4,988)	(9,478)	(7,917)
Changes in working capital:					
Factoring receivables		(1,648)	285	(4,104)	10,442
Factoring amounts due to clients		123	(276)	(228)	(537)
Loans, advances, hire purchase and leasing receivables		(11,032)	109	(9,041)	(7,742)
Insurance and other receivables		(2,202)	(1,330)	(1,845)	(934)
Assets held for sale		(3)	-	(12)	-
Trade, other and insurance payables		(326)	(1,142)	(1,697)	(3,106)
Cash used in operations		(19,915)	(7,342)	(26,405)	(9,794)
Interest received		6,447	6,328	13,333	12,418
Interest paid		(1,766)	(1,485)	(3,452)	(3,013)
Taxes paid, net		(733)	(1,228)	(694)	(1,567)
Net cash used in operating activities	(a)	(15,967)	(3,727)	(17,218)	(1,956)

1(c) **Consolidated Statement of Cash Flows for the Second Quarter And Half-Year Ended 30 June (cont'd)**

		2nd Quarter		1st Half	
	Note	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		15	-	15	6
Purchase of property, plant and equipment ^^		1,322	(161)	(1,453)	(376)
Purchase of investment property		(1,328)	-	(1,328)	-
Purchase of intangible assets		(52)	(382)	(379)	(401)
Purchase of investments		(10,168)	(17,090)	(16,498)	(23,680)
Proceeds from redemption/disposal of investments		8,122	1,692	14,959	6,079
Dividend received from investments		394	136	454	264
Net cash used in investing activities	(b)	(1,695)	(15,805)	(4,230)	(18,108)
Cash flows from financial activities					
Dividends paid					
- by the Company		(2,256)	(3,008)	(2,256)	(3,008)
- by a subsidiary company to non-controlling interests		(753)	(660)	(753)	(660)
Proceeds from interest-bearing borrowings		16,695	2,900	24,155	(1,720)
Net cash from/(used in) financing activities	(c)	13,686	(768)	21,146	(5,388)
Net decrease in cash and cash equivalents	(d)	(3,976)	(20,300)	(302)	(25,452)
Cash and cash equivalents at beginning of period		28,043	57,175	24,013	62,142
Effect of exchange rate fluctuations on cash held		(445)	(184)	(89)	1
Cash and cash equivalents at end of period		23,622	36,691	23,622	36,691
Analysis of cash and cash equivalents					
Fixed deposits		11,159	23,007	11,159	23,007
Cash at banks and on hand		12,463	13,684	12,463	13,684
Cash and cash equivalents at end of period		23,622	36,691	23,622	36,691

^^ \$1,322 was due to the reclassification of an office unit purchased by our Thailand subsidiary to investment property during the second quarter of 2015 as explained in (a) of the Comments on Major Statements of Financial Position Variances under Page 8.

Explanatory Notes to Consolidated Statement of Cash Flows

(a) Net cash used in operating activities

The higher net cash used in operating activities in 2Q 2015 and 1H 2015 was mainly due to higher drawdown of factoring receivables as well as loans, advances, hire purchase and leasing receivables as compared to the same periods last year.

(b) Net cash used in investing activities

The lower net cash used in investing activities in 2Q 2015 and 1H 2015 was mainly due to lower purchase of investments, partly offset by higher proceeds from redemption/disposal of investments as compared to the same periods last year.

Details of the purchase of investments of \$10.2 million and proceeds from redemption/disposal of investments of \$8.1 million in 2Q 2015 were as follows:-

<u>Details</u>	<u>Purchase of investments S\$'000</u>	<u>Proceeds from redemption/ disposal of investments S\$'000</u>
<u>ECICS Limited *</u>		
- Quoted equity securities	3,668	2,295
- Unquoted debts securities	6,000	3,500
<u>IFS Group (excluding ECICS Limited)</u>		
- Quoted equity securities	500	-
- Unquoted debt securities	-	800
- Convertible loan	-	1,527
Total	<u>10,168</u>	<u>8,122</u>

* MAS regulated insurance company, within the exception of Rules 704(17) and 704(18) of the Listing Manual.

(c) Net cash from/(used in) financing activities

The net cash from financing activities in 2Q 2015 and 1H 2015 was mainly due to higher proceeds from interest-bearing borrowings to fund drawdown of factoring receivables and new loans, partly offset by lower dividend payments as compared to the same periods last year.

(d) Net decrease in cash and cash equivalents

Overall, the lower net decrease in cash and cash equivalents for 2Q 2015 and 1H 2015 was mainly due to higher proceeds from interest-bearing borrowings, lower purchase of investments and higher proceeds from redemption/disposal of investments, partly offset by higher drawdown of factoring receivables and new loans as compared to the same periods last year.

1(d)(i) Statements of Changes in Equity

Group	Attributable to owners of the Company						Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Capital reserve S\$'000	Fair value reserve S\$'000	Translation reserve S\$'000	Accumulated profits S\$'000	Total S\$'000		
2014								
At 1 January 2014	88,032	(236)	1,507	(8,794)	47,047	127,556	10,078	137,634
Total comprehensive income for 1st quarter								
Profit for 1st quarter	-	-	-	-	870	870	303	1,173
Other comprehensive income	-	-	(739)	1,052	-	313	76	389
Total comprehensive income for 1st quarter	-	-	(739)	1,052	870	1,183	379	1,562
At 31 March 2014	88,032	(236)	768	(7,742)	47,917	128,739	10,457	139,196
Total comprehensive income for 2nd quarter								
Profit for 2nd quarter	-	-	-	-	372	372	331	703
Other comprehensive income	-	-	(5)	(899)	-	(904)	(86)	(990)
Total comprehensive income for 2nd quarter	-	-	(5)	(899)	372	(532)	245	(287)
Dividends paid to owners of the Company	-	-	-	-	(3,008)	(3,008)	-	(3,008)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(660)	(660)
At 30 June 2014	88,032	(236)	763	(8,641)	45,281	125,199	10,042	135,241
2015								
At 1 January 2015	88,032	(39)	3,702	(7,262)	36,148	120,581	11,221	131,802
Total comprehensive income for 1st quarter								
Profit for 1st quarter	-	-	-	-	315	315	314	629
Other comprehensive income	-	-	(63)	1,488	-	1,425	591	2,016
Total comprehensive income for 1st quarter	-	-	(63)	1,488	315	1,740	905	2,645
At 31 March 2015	88,032	(39)	3,639	(5,774)	36,463	122,321	12,126	134,447
Total comprehensive income for 2nd quarter								
(Loss)/profit for 2nd quarter	-	-	-	-	(474)	(474)	305	(169)
Other comprehensive income	-	-	3	(2,202)	-	(2,199)	(664)	(2,863)
Total comprehensive income for 2nd quarter	-	-	3	(2,202)	(474)	(2,673)	(359)	(3,032)
Dividends paid to owners of the Company	-	-	-	-	(2,256)	(2,256)	-	(2,256)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(753)	(753)
At 30 June 2015	88,032	(39)	3,642	(7,976)	33,733	117,392	11,014	128,406

1(d)(i) Statements of Changes in Equity (cont'd)

<u>Company</u>	Share capital \$'000	Fair value reserve S\$'000	Accumulated profits S\$'000	Total equity S\$'000
2014				
At 1 January 2014	88,032	1,485	22,445	111,962
Total comprehensive income for 1st quarter				
Profit for 1st quarter	-	-	393	393
Other comprehensive income	-	(749)	-	(749)
Total comprehensive income for 1st quarter	-	(749)	393	(356)
At 31 March 2014	88,032	736	22,838	111,606
Total comprehensive income for 2nd quarter				
Profit for 2nd quarter	-	-	72	72
Other comprehensive income	-	35	-	35
Total comprehensive income for 2nd quarter	-	35	72	107
Dividend paid	-	-	(3,008)	(3,008)
At 30 June 2014	88,032	771	19,902	108,705
2015				
At 1 January 2015	88,032	863	27,585	116,480
Total comprehensive income for 1st quarter				
Loss for 1st quarter	-	-	(1,221)	(1,221)
Other comprehensive income	-	25	-	25
Total comprehensive income for 1st quarter	-	25	(1,221)	(1,196)
At 31 March 2015	88,032	888	26,364	115,284
Total comprehensive income for 2nd quarter				
Profit for 2nd quarter	-	-	1,059	1,059
Other comprehensive income	-	104	-	104
Total comprehensive income for 2nd quarter	-	104	1,059	1,163
Dividend paid	-	-	(2,256)	(2,256)
At 30 June 2015	88,032	992	25,167	114,191

1(d)(ii) Changes in Company's Share Capital

Since 31 December 2014, there was no change in the issued share capital of the Company. The share capital of the Company as at 30 June 2015 was 150,387,866 ordinary shares.

There were no outstanding convertibles as at 30 June 2015 (30 June 2014: Nil).

1(d)(iii) Total Number of Issued Shares Excluding Treasury Shares

The total number of issued shares as at 30 June 2015 was 150,387,866 (31 December 2014: 150,387,866 issued shares). The Company does not hold any treasury shares as at 30 June 2015 (30 June 2014: Nil).

1(d)(iv) Sales, Transfers, Disposal, Cancellation and/or use of Treasury Shares

Not applicable.

2 Audit

The figures have not been audited or reviewed by the Company's auditors.

3 Auditors' Report

Not applicable.

4 Accounting Policies

Except as disclosed in paragraph 5, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as compared with those of the audited annual financial statements for the year ended 31 December 2014.

5 Changes in Accounting Policies

The financial statements are prepared in accordance with Singapore Financial Reporting Standards (FRSs).

For the current financial period, the Group adopted the new/revised FRSs that are effective for annual periods beginning on or after 1 January 2015. The following are the new or amended FRSs that are relevant to the Group:

- Amendments to FRS 19 Defined Benefit Plans: Employee Contributions
- Improvements to FRSs (January 2014)
- Improvements to FRSs (February 2014)

The adoption of the above amended FRS does not have any significant impact on the financial statements for the financial period under review.

6 Review of Group Performance

2nd Quarter 2015 (“2Q 2015”) versus 2nd Quarter 2014 (“2Q 2014”)

Group’s operating profit before allowances for 2Q 2015 of \$2.1 million was 34% lower compared to \$3.1 million for 2Q 2014 due to lower operating income, mitigated by lower operating expenses and net claims incurred. After taking into account the allowances for loan losses, the Group reported a net loss of \$169,000 compared to a net profit of \$0.7 million for 2Q 2014.

1st Half 2015 (“1H 2015”) versus 1st Half 2014 (“1H 2014”)

The Group’s operating income for 1H 2015 of \$17.1 million was 5% lower compared to 1H 2014 mainly due to lower non-interest income but helped by higher net interest income and net earned premium revenue. After taking into account a lower net claims incurred and marginal increase in operating expenses, the Group’s operating profit before allowances of \$5.6 million was 9% lower compared to \$6.2 million a year ago.

With higher allowances for loan losses, the Group reported a lower net profit of \$460,000 compared to \$1.9 million in 1H 2014. Net loss attributable to shareholders after non-controlling interests (“NCI”) was \$159,000.

The Group’s gross loan assets including factoring receivables outstanding were \$355.2 million as at 30 June 2015. This was an increase of 3% and 6% against the bases of \$345.5 million as at 31 December 2014 and \$336.2 million as at 30 June 2014 respectively due to higher factoring receivables and new loans drawdown.

For the regional operations, our Thailand subsidiary’s net profit after NCI was almost flat at \$1.7 million. Our Indonesia subsidiary posted a net loss of \$168,000 compared to a net profit of \$127,000 in 1H 2014, mainly impacted by higher allowances for loan losses. Our Malaysia subsidiary reported a lower net loss of \$145,000 compared to \$168,000 in 1H 2014 mainly on lower operating expenses.

Overall, regional operations recorded a 23% decrease in net profit after NCI of \$1.0 million compared to \$1.3 million in 1H 2014.

7 Variance from Prospect Statement

The current announced results are in line with the prospect statement as disclosed in the Group’s 1st Quarter 2015 results announcement dated 8 May 2015.

8 **Prospects**

The regional business environment remains challenging, with economic growth slowing and sharp currency depreciation.

Business volumes in Singapore continued to improve in the second quarter of 2015 as compared to same quarter last year with factoring and loan volumes growing by 7% and 18% respectively. Our pipeline deals indicate that growth will continue.

In Thailand, economic activity is likely to slow in the second half of the year, hurting business volumes. However, our subsidiary should remain profitable.

In Malaysia, business volumes have picked up and are expected to increase further, while losses are expected to narrow in the second half of the year.

For Indonesia, we continue to manage our existing portfolios and our focus is on credit risk management.

While ECICS' bonds and guarantee businesses have scaled down, the general insurance volumes continue to improve. ECICS will focus on full range of general insurance products through engagement of more agents or brokers as well as promotion campaigns.

9 **Dividend**

(a) Current financial period reported on

Nil.

(b) Corresponding period of the immediately preceding financial year

Nil.

(c) Dividend payment date

Not applicable.

(d) Book closure date

Not applicable.

10 **If no dividend has been declared (recommended), a statement to that effect**

No dividend is declared for the period ended 30 June 2015 (30 June 2014: Nil).

11 Interested Person Transactions Mandate

There is no general mandate obtained from shareholders on Interested Person Transactions.

By Order of the Board

Chionh Yi Chian
Company Secretary
12 August 2015



IFS Capital Limited

(Registration no: 198700827C)

Confirmation By The Board Pursuant to Rule 705(4) of the Listing Manual

On behalf of the Board of Directors of IFS Capital Limited ("the Company"), we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the second quarter and half-year ended 30 June 2015 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Lim Hua Min
Chairman

Lee Soon Kie
Group Chief Executive Officer/Director

Danny Heng
Group Chief Financial Officer

Singapore

12 August 2015