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**Third Quarter and Nine Months Unaudited Financial Statements and Dividend  
Announcement for the Period Ended 30 September 2019**


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**Third Quarter and Nine Months Unaudited Financial Statements and Dividend Announcement for the Period Ended 30 September 2019**

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Income Statement**

	3 months ended 30 September			9 months ended 30 September		
	3Q FY2019	3Q FY2018	+ / (-)	9M FY2019	9M FY2018	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income	8,361	7,366	13.5	24,685	19,653	25.6
Interest expense	(1,972)	(2,110)	(6.5)	(6,025)	(5,410)	11.4
<b>Net interest income</b>	<b>6,389</b>	<b>5,256</b>	21.6	<b>18,660</b>	<b>14,243</b>	31.0
Gross written premiums	1,543	1,798	(14.2)	4,136	5,902	(29.9)
Change in gross provision for unexpired risks	122	209	(41.6)	1,767	1,768	(0.1)
Gross earned premium revenue	1,665	2,007	(17.0)	5,903	7,670	(23.0)
Written premiums ceded to reinsurers	(220)	(353)	(37.7)	(619)	(1,508)	(59.0)
Reinsurers' share of change in provision for unexpired risks	-	(321)	NM	-	(415)	NM
Reinsurance premium expense	(220)	(674)	(67.4)	(619)	(1,923)	(67.8)
<b>Net earned premium revenue (i)</b>	<b>1,445</b>	<b>1,333</b>	8.4	<b>5,284</b>	<b>5,747</b>	(8.1)
Fee and commission income	2,013	2,151	(6.4)	6,139	6,287	(2.4)
Investment income	2,967	724	NM	4,445	2,048	117.0
Other income	248	60	NM	1,052	363	189.8
<b>Sub-total (ii)</b>	<b>5,228</b>	<b>2,935</b>	78.1	<b>11,636</b>	<b>8,698</b>	33.8
<b>Non-interest income (i) + (ii)</b>	<b>6,673</b>	<b>4,268</b>	56.3	<b>16,920</b>	<b>14,445</b>	17.1
<b>Income before operating expenses</b>	<b>13,062</b>	<b>9,524</b>	37.1	<b>35,580</b>	<b>28,688</b>	24.0
Business development expenses	(170)	(124)	37.1	(480)	(349)	37.5
Commission expenses	(354)	(497)	(28.8)	(1,173)	(1,432)	(18.1)
Staff costs	(3,531)	(3,426)	3.1	(10,911)	(10,057)	8.5
General and administrative expenses	(1,299)	(1,878)	(30.8)	(4,668)	(4,884)	(4.4)
<b>Operating expenses</b>	<b>(5,354)</b>	<b>(5,925)</b>	(9.6)	<b>(17,232)</b>	<b>(16,722)</b>	3.0
Change in provision for insurance claims	(1,346)	2,445	NM	86	(1,267)	NM
Reinsurers' share of change in provision for insurance claims	22	(1,038)	NM	(641)	969	NM
Gross claims paid	(1,305)	(4,385)	(70.2)	(5,333)	(7,500)	(28.9)
Reinsurers' share of claims paid	20	1,642	(98.8)	812	1,672	(51.4)
<b>Net claims incurred</b>	<b>(2,609)</b>	<b>(1,336)</b>	95.3	<b>(5,076)</b>	<b>(6,126)</b>	(17.1)
<b>Operating profit before allowances</b>	<b>5,099</b>	<b>2,263</b>	125.3	<b>13,272</b>	<b>5,840</b>	127.3
(Allowances for)/Reversal of loan losses and impairment of other assets	(214)	427	NM	535	(391)	NM
<b>Profit before tax</b>	<b>4,885</b>	<b>2,690</b>	81.6	<b>13,807</b>	<b>5,449</b>	153.4
Tax expense	(1,335)	(811)	64.6	(3,409)	(2,218)	53.7
<b>Profit for the period</b>	<b>3,550</b>	<b>1,879</b>	88.9	<b>10,398</b>	<b>3,231</b>	NM
<b>Profit attributable to:</b>						
Owners of the Company	3,030	1,339	126.3	8,310	1,806	NM
Non-controlling interests	520	540	(3.7)	2,088	1,425	46.5
<b>Profit for the period</b>	<b>3,550</b>	<b>1,879</b>	88.9	<b>10,398</b>	<b>3,231</b>	NM

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

- 1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Statement of Comprehensive Income**

Note	3 months ended 30 September			9 months ended 30 September		
	3Q FY2019 S\$'000	3Q FY2018 S\$'000	+/(-) %	9M FY2019 S\$'000	9M FY2018 S\$'000	+/(-) %
<b>Profit for the period</b>	<b>3,550</b>	<b>1,879</b>	88.9	<b>10,398</b>	<b>3,231</b>	NM
<b>Other comprehensive income</b>						
<b>Items that are or may be reclassified subsequently to profit or loss</b>						
Foreign currency translation differences of foreign operations (ii)	1,754	922	90.2	3,889	1,158	NM
	1,754	922	90.2	3,889	1,158	NM
<b>Other comprehensive income for the period, net of tax</b>	<b>1,754</b>	<b>922</b>	90.2	<b>3,889</b>	<b>1,158</b>	NM
<b>Total comprehensive income for the period</b>	<b>5,304</b>	<b>2,801</b>	89.4	<b>14,287</b>	<b>4,389</b>	NM
Attributable to:						
Owners of the Company	4,366	1,913	128.2	11,227	2,544	NM
Non-controlling interests	938	888	5.6	3,060	1,845	65.9
	5,304	2,801	89.4	14,287	4,389	NM

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

**Notes:**

- (i) Foreign currency translation differences of foreign operations arose mainly from the translation of financial statements of foreign operations whose functional currencies are Thai Baht, Malaysian Ringgit and Indonesian Rupiah.

The significant gain from foreign currency translation differences of foreign operations in 3Q FY2019 and 9M FY2019 was mainly due to the appreciation of Thai Bath against Singapore dollar since December 2018.

Exchange rates for the respective reporting period were as follows:

	30-Sep 2019	31-Dec 2018	30-Sep 2018	31-Dec 2017
THB against SGD	22.417	23.809	23.697	24.390
MYR against SGD	3.0285	3.0340	3.0276	3.0331
IDR against SGD	10,258	10,672	10,908	10,121

1(a)(ii)

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

	3 months ended 30 September			9 months ended 30 September		
	3Q FY2019 S\$'000	3Q FY2018 S\$'000	+/(-) %	9M FY2019 S\$'000	9M FY2018 S\$'000	+/(-) %
Investment income						
- dividend, fee and interest income	398	378	5.3	1,239	1,583	(21.7)
- gain/ (loss) on disposal of equity securities	(2)	(112)	(98.2)	(2)	(38)	(94.7)
- gain on partial redemption of convertible loan	-	338	NM	-	976	NM
- net change in fair value of financial assets at fair value through profit or loss	2,454	212	NM	3,217	(394)	NM
- amortisation of held-to-maturity debt securities	(17)	(8)	112.5	(46)	(31)	48.4
- exchange gain/(loss)	134	(84)	NM	37	(48)	NM
	<u>2,967</u>	<u>724</u>	<u>NM</u>	<u>4,445</u>	<u>2,048</u>	<u>117.0</u>
Gain on disposal of property, plant and equipment	-	2	NM	-	53	NM
Amortisation of intangible assets	(90)	(81)	11.1	(225)	(240)	(6.3)
Depreciation of property, plant and equipment	(161)	(294)	(45.2)	(476)	(869)	(45.2)
Depreciation of right-of-use assets	(141)	-	NM	(424)	-	NM
Foreign currency differences						
- exchange gain	257	(176)	NM	385	(160)	NM
- realised gain on foreign exchange contracts	-	-	NM	-	8	NM
- fair value loss on foreign exchange forward contracts	-	41	NM	-	-	NM
	<u>(135)</u>	<u>(508)</u>	<u>(73.4)</u>	<u>(740)</u>	<u>(1,208)</u>	<u>(38.8)</u>
Reversal of unexpired risks, net of reinsurers' share						
- change in gross provision for unexpired risks	122	209	(41.6)	1,767	1,768	(0.1)
- reinsurers' share of change in provision for unexpired risks	-	(321)	NM	-	(415)	NM
	<u>122</u>	<u>(112)</u>	<u>NM</u>	<u>1,767</u>	<u>1,353</u>	<u>30.6</u>

**1(a)(ii) The following items have been included in arriving at Group net profit/(loss) for the period (Continued)**

	<b>3 months ended 30 September</b>			<b>9 months ended 30 September</b>		
	<b>3Q FY2019</b>	<b>3Q FY2018</b>	<b>+ / (-)</b>	<b>9M FY2019</b>	<b>9M FY2018</b>	<b>+ / (-)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Claims incurred, net of reinsurers' share						
- net of change in provision for insurance claims	(1,324)	1,407	NM	(555)	(298)	86.2
- net claims paid	(1,285)	(2,743)	(53.2)	(4,521)	(5,828)	(22.4)
	<u>(2,609)</u>	<u>(1,336)</u>	95.3	<u>(5,076)</u>	<u>(6,126)</u>	(17.1)
(Allowance for)/reversal of loan losses and impairment of investments						
- stage 1 provision	49	(24)	NM	(5)	72	NM
- stage 2 provision	(18)	438	NM	(29)	230	NM
- stage 3 provision	(261)	240	NM	1,703	(388)	NM
- insurance and other receivables	9	(227)	NM	(90)	(305)	(70.5)
- investments	7	-	NM	(1,044)	-	NM
	<u>(214)</u>	<u>427</u>	NM	<u>535</u>	<u>(391)</u>	NM
Tax expenses						
- current tax expense	(1,338)	(528)	153.4	(2,513)	(1,461)	72.0
- deferred tax expense	3	(283)	NM	(896)	(695)	28.9
- under provision of prior years' tax	-	-	NM	-	(62)	NM
	<u>(1,335)</u>	<u>(811)</u>	64.6	<u>(3,409)</u>	<u>(2,218)</u>	53.7

1(b)(i) **A statement of financial position (for the group and issuer), together with a comparative statement as at the end of the immediately preceding financial year.**

	<b>Group</b>		<b>Company</b>	
	<b>30/9/2019</b>	<b>31/12/2018</b>	<b>30/9/2019</b>	<b>31/12/2018</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Non-current assets</b>				
Property, plant and equipment	2,169	3,319	188	202
Intangible assets	1,039	1,081	822	787
Investment properties	3,056	2,094	-	-
Subsidiaries	-	-	83,163	83,063
Other investments	24,324	39,235	73	6,424
Loans, advances, hire purchase and leasing receivables	58,339	79,523	45,720	53,423
Deferred tax assets	3,780	4,716	-	11
Right-of-use assets	2,350	-	2,158	-
	<b>95,057</b>	<b>129,968</b>	<b>132,124</b>	<b>143,910</b>
<b>Current assets</b>				
Reinsurers' share of insurance contract provisions	4,068	5,326	-	-
Insurance receivables	3,395	2,585	-	-
Loans, advances, hire purchase and leasing receivables	172,967	135,836	136,913	115,239
Trade and other receivables	156,103	166,209	49,132	51,641
Other investments	16,617	17,807	288	394
Cash and cash equivalents	50,134	48,724	17,126	18,773
	<b>403,284</b>	<b>376,487</b>	<b>203,459</b>	<b>186,047</b>
<b>Total assets</b>	<b>498,341</b>	<b>506,455</b>	<b>335,583</b>	<b>329,957</b>
<b>Equity</b>				
Share capital	137,302	137,302	137,302	137,302
Other reserves	4,101	1,184	-	-
Accumulated profits	36,963	30,719	41,341	36,923
<b>Equity attributable to owners of the Company</b>	<b>178,366</b>	<b>169,205</b>	<b>178,643</b>	<b>174,225</b>
Non-controlling interests	17,458	15,355	-	-
<b>Total equity</b>	<b>195,824</b>	<b>184,560</b>	<b>178,643</b>	<b>174,225</b>
<b>Non-current liabilities</b>				
Interest-bearing borrowings	3,121	13,864	-	10,000
Employee benefits	1,448	1,560	-	-
Deferred tax liabilities	365	515	143	-
Lease liabilities	2,336	-	2,130	-
	<b>7,270</b>	<b>15,939</b>	<b>2,273</b>	<b>10,000</b>
<b>Current liabilities</b>				
Trade and other payables	14,089	13,609	7,662	6,973
Insurance payables	3,466	3,078	-	-
Interest-bearing borrowings	255,747	265,478	146,071	138,743
Insurance contract provisions for				
- gross unexpired risks	7,038	9,425	-	-
- gross unexpired claims	13,359	13,446	-	-
Current tax payable	1,548	920	934	16
	<b>295,247</b>	<b>305,956</b>	<b>154,667</b>	<b>145,732</b>
<b>Total liabilities</b>	<b>302,517</b>	<b>321,895</b>	<b>156,940</b>	<b>155,732</b>
<b>Total equity and liabilities</b>	<b>498,341</b>	<b>506,455</b>	<b>335,583</b>	<b>329,957</b>

**1(b)(ii) Aggregate amount of the Group's borrowings and debt securities.**

	<b>Unsecured</b>	
	<b>As at 30-Sept-19</b>	<b>As at 31-Dec-18</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Amount repayable in one year or less, or on demand	255,747	265,478
Amount repayable after one year	3,121	13,864
	<b>258,868</b>	<b>279,342</b>

**Details of any collateral**

Nil

1(c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	3 months ended 30 September		9 months ended 30 September	
	3Q FY2019	3Q FY2018	9M FY2019	9M FY2018
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities</b>				
Profit for the period	3,550	1,879	10,398	3,231
Adjustments for:				
Amortisation of intangible assets and debt securities at amortised cost	107	89	271	271
Net foreign exchange loss	1,483	376	3,474	363
Depreciation of property, plant and equipment	161	294	476	869
Depreciation of right-of-use assets	142	-	424	-
Loss on disposal of equity securities	2	112	2	38
Gain on partial redemption of convertible loans	-	(338)	-	(976)
Gain on disposal of property, plant and equipment	-	(2)	-	(53)
Net change in fair value of financial assets at fair value through profit or loss	(2,454)	(212)	(3,217)	394
Allowance for impairment of investments	11	-	1,062	-
(Reversal of)/provision for, net of reinsurers' share				
- unexpired risks	(122)	112	(1,767)	(1,353)
- insurance claims	1,324	(1,407)	555	298
Interest income	(8,361)	(7,366)	(24,685)	(19,653)
Interest income from investments and fixed deposits	(307)	(269)	(882)	(846)
Dividend income from investments	(91)	(109)	(357)	(737)
Interest expense	1,972	2,110	6,025	5,410
Interest expense from lease liabilities	27	-	87	-
Tax expense	1,335	811	3,409	2,218
<b>Operating cash flows before changes in working capital</b>	<b>(1,220)</b>	<b>(3,907)</b>	<b>(4,724)</b>	<b>(10,513)</b>
<b>Changes in working capital</b>				
Factoring receivables	15,091	(6,577)	12,538	(9,036)
Factoring amounts due to clients	(2,571)	2,701	(2,762)	6,296
Loans, advances, hire purchase and lease receivables	(22,261)	(29,382)	(16,105)	(86,926)
Insurance and other receivables	39	(1)	(926)	(68)
Trade, other and insurance payables	303	3,554	487	1,182
<b>Cash used in operations</b>	<b>(10,619)</b>	<b>(33,612)</b>	<b>(11,492)</b>	<b>(99,065)</b>
Interest received	8,655	7,654	25,548	20,539
Interest paid	(1,754)	(1,836)	(5,844)	(4,963)
Taxes paid, net	(1,014)	(931)	(1,931)	(1,721)
<b>Net cash (used in)/generated from operating activities</b>	<b>(4,732)</b>	<b>(28,725)</b>	<b>6,281</b>	<b>(85,210)</b>



1(c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year. (Continued)**

	3 months ended 30 September		9 months ended 30 September	
	3Q FY2019	3Q FY2018	9M FY2019	9M FY2018
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from investing activities</b>				
Proceeds from sale of property, plant and equipment	-	3	1	54
Purchase of property, plant and equipment	(8)	(239)	(26)	(402)
Purchase of intangible assets	(15)	(134)	(178)	(457)
Purchase of investments	(2,000)	(5,594)	(7,165)	(14,080)
Proceeds from disposal of investments	14,773	7,861	25,403	23,540
Dividend received from investments	91	109	357	737
<b>Net cash generated from investing activities</b>	<b>12,841</b>	<b>2,006</b>	<b>18,392</b>	<b>9,392</b>
<b>Cash flows from financing activities</b>				
Dividends paid				
- by the Company	-	-	(2,067)	(1,128)
- by a subsidiary company to non-controlling interests	-	-	(956)	(849)
Proceeds from/(repayment of) interest-bearing borrowings	4,832	21,523	(20,474)	79,213
Repayment of lease liabilities	(147)	-	(437)	-
<b>Net cash generated from/(used in) financing activities</b>	<b>4,685</b>	<b>21,523</b>	<b>(23,934)</b>	<b>77,236</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>12,794</b>	<b>(5,196)</b>	<b>739</b>	<b>1,418</b>
Cash and cash equivalents at beginning of period	37,050	41,727	48,724	35,064
Effect of exchange rate fluctuations on cash held	290	239	671	288
<b>Cash and cash equivalents at end of period</b>	<b>50,134</b>	<b>36,770</b>	<b>50,134</b>	<b>36,770</b>
<b>Analysis of cash and cash equivalents</b>				
Fixed deposits	9,712	10,711	9,712	10,711
Cash at banks and on hand	40,422	26,059	40,422	26,059
<b>Cash and cash equivalents at end of period</b>	<b>50,134</b>	<b>36,770</b>	<b>50,134</b>	<b>36,770</b>

**1(d)(i) A statement (for the group and issuer) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Attributable to owners of the Company					Total	Non-controlling interests	Total equity
	Share capital	Capital reserve	Fair value reserve	Translation reserve	Accumulated profits			
<b>Group</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>2018</b>								
<b>At 31 December 2017, as previously stated</b>	137,302	108	3,458	(6,936)	18,359	152,291	14,024	166,315
Impact on the adoption of SFRS(I) 1	-	-	-	7,352	(7,352)	-	-	-
<b>At 31 December 2017, as restated</b>	137,302	108	3,458	416	11,007	152,291	14,024	166,315
Impact on the adoption of SFRS(I) 9	-	-	(3,458)	-	2,851	(607)	(50)	(657)
<b>Adjusted balance at 1 January 2018</b>	137,302	108	-	416	13,858	151,684	13,974	165,658
<b>Total comprehensive income for the period</b>								
Profit for the period	-	-	-	-	1,806	1,806	1,425	3,231
<i>Other comprehensive income</i>								
Foreign currency translation differences	-	-	-	738	-	738	420	1,158
<i>Total other comprehensive income</i>	-	-	-	738	-	738	420	1,158
<b>Total comprehensive income for the period</b>	-	-	-	738	1,806	2,544	1,845	4,389
<b>Transactions with owners, recognised directly in equity</b>								
<b>Contributions by and distributions to owners</b>								
Dividends paid to owners of the Company	-	-	-	-	(1,128)	(1,128)	-	(1,128)
<b>Total contributions by and distributions to owners</b>	-	-	-	-	(1,128)	(1,128)	-	(1,128)
<b>Changes in ownership interests in subsidiaries</b>								
Dividends paid by a subsidiary company to non-controlling interests	-	-	-	-	-	-	(849)	(849)
<b>Total changes in ownership interests in subsidiaries</b>	-	-	-	-	-	-	(849)	(849)
<b>Total transactions with owners</b>	-	-	-	-	(1,128)	(1,128)	(849)	(1,977)
<b>At 30 September 2018</b>	137,302	108	-	1,154	14,536	153,100	14,970	168,070

1(d)(i) A statement (for the group and issuer) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.  
(Continued)

<b>Group</b>	<b>Attributable to owners of the Company</b>				<b>Total</b>	<b>Non-controlling interests</b>	<b>Total equity</b>
	<b>Share capital</b>	<b>Capital reserve</b>	<b>Translation reserve</b>	<b>Accumulated profits</b>			
<b>2019</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>At 31 December 2018</b>	137,302	108	1,076	30,720	169,206	15,354	184,560
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	8,310	8,310	2,088	10,398
<i>Other comprehensive income</i>							
Foreign currency translation differences	-	-	2,917	-	2,917	972	3,889
<i>Total other comprehensive income</i>	-	-	2,917	-	2,917	972	3,889
<b>Total comprehensive income for the period</b>	-	-	2,917	8,310	11,227	3,060	14,287
<b>Transactions with owners, recognised directly in equity</b>							
<b>Contributions by and distributions to owners</b>							
Dividends paid to owners of the Company	-	-		(2,067)	(2,067)	-	(2,067)
<b>Total contributions by and distributions to owners</b>	-	-	-	(2,067)	(2,067)	-	(2,067)
<b>Changes in ownership interests in subsidiaries</b>							
Dividends paid by a subsidiary company to non-controlling interests	-	-	-	-	-	(956)	(956)
<b>Total changes in ownership interests in subsidiaries</b>	-	-	-	-	-	(956)	(956)
<b>Total transactions with owners</b>	-	-	-	(2,067)	(2,067)	(956)	(3,023)
<b>At 30 September 2019</b>	137,302	108	3,993	36,963	178,366	17,458	195,824

1(d)(i) A statement (for the group and issuer) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.  
(Continued)

<u>Company</u>	Share capital S\$'000	Fair value reserve S\$'000	Accumulated profits S\$'000	Total equity S\$'000
<b>2019</b>				
<b>At 31 December 2018</b>	137,302	-	36,923	174,225
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	4,418	4,418
<b>Total comprehensive income for the period</b>	-	-	4,418	4,418
<b>At 30 September 2019</b>	137,302	-	41,341	178,643
<b>2018</b>				
<b>At 31 December 2017</b>	137,302	379	24,696	162,377
Impact on the adoption of SFRS(I) 9	-	(379)	276	(103)
<b>At 1 January 2018</b>	137,302	-	24,972	162,274
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	604	604
<b>Total comprehensive income for the period</b>	-	-	604	604
<b>At 30 September 2018</b>	137,302	-	25,576	162,878

- 1(d)(ii) Details of any 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 any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	<b>Number of Ordinary Shares (excluding Treasury Shares)</b>	
	<b>As at 30 Sep 2019</b>	<b>As at 31 Dec 2018</b>
<b>Balance at beginning and end of the period</b>	<b>375,969,665</b>	<b>375,969,665</b>

There were no outstanding convertibles as at 30 September 2019 and 31 December 2018.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

As at 30 September 2019 and 31 December 2018, the issued and paid up share capital excluding treasury shares of the Company comprised of 375,969,665 ordinary shares.

The Company does not hold any treasury shares as at 30 September 2019 and 31 December 2018.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

During the current financial period reported on, there were no purchases, sales, transfers, disposal, cancellation and/or use of treasury shares.

- 1(d)(v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

During the current financial period reported on, there were no purchases, sales, transfers, disposal, cancellation and/or use of subsidiary holdings.

- 2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

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

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The accounting policies adopted and methods of computation in the preparation of the financial statements are consistent with those of the audited financial statements as at 31 December 2018 except in the current financial year, the Group has adopted all the new and revised standards and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning as of 1 January 2019. The adoption of SFRS(I) 16 and their impact on the financial position are detailed in the Paragraph 5.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

During the current financial period, the Group and the Company have adopted the SFRS(I) 16 – Leases on 1 January 2019; using the modified retrospective approach. The Group and the Company have elected the practical expedient of not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases.

As at 1 January 2019, the Group has recognised Right-Of-Use ("ROU") assets of \$2.8 million and leases liabilities of \$2.7 million. The Company has recognised Right-Of-Use ("ROU") assets of \$2.6 million and leases liabilities of \$2.5 million.

The adoption of SFRS(I) 16 has been assessed to have no material impact on the results of the Group for the year ending 31 December 2019.

**6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:—**

**(a) Based on the weighted average number of ordinary shares on issue; and**  
**(b) On a fully diluted basis (detailing any adjustments made to the earnings).**

Earnings Per Ordinary Share	3 months ended 30 September		9 months ended 30 September	
	3Q FY2019	3Q FY2018	9M FY2019	9M FY2018
- on weighted-average number of ordinary shares in issue	0.81 cents	0.36 cents	2.21 cents	0.48 cents
- on fully diluted basis	0.81 cents	0.36 cents	2.21 cents	0.48 cents
<b>Net profit/(loss) attributable to shareholders:</b>	<b>\$3,030,000</b>	<b>\$1,339,000</b>	<b>\$8,310,000</b>	<b>\$1,806,000</b>
<b>Number of shares in issue</b>				
- on weighted-average number of ordinary shares in issue	375,969,665	375,969,665	375,969,665	375,969,665
- on fully diluted basis	375,969,665	375,969,665	375,969,665	375,969,665

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

- 7 **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:—**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

	<b>Group</b>		<b>Company</b>	
	<b>30-Sep-19</b>	<b>31-Dec-18</b>	<b>30-Sep-19</b>	<b>31-Dec-18</b>
Net Asset Value (NAV) per ordinary share	47.4 cents	45.0 cents	47.5 cents	46.3 cents
NAV computed based on no. of ordinary shares issued	375,969,665	375,969,665	375,969,665	375,969,665

- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:—**  
**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**  
**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

### **Review of Group Performance**

#### **Net interest income**

Details for net interest income generated from activities are as follows:

	<b>3 months ended 30 September</b>			<b>9 months ended 30 September</b>		
	<b>3Q FY2019</b>	<b>3Q FY2018</b>	<b>+ / (-)</b>	<b>9M FY2019</b>	<b>9M FY2018</b>	<b>+ / (-)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Factoring	3,803	3,676	3.5	10,939	10,771	1.6
Loans, advances, hire purchase	4,558	3,690	23.5	13,746	8,882	54.8
<b>Interest income</b>	<b>8,361</b>	<b>7,366</b>	<b>13.5</b>	<b>24,685</b>	<b>19,653</b>	<b>25.6</b>
Interest expense	(1,972)	(2,110)	(6.5)	(6,025)	(5,410)	11.4
<b>Net interest income</b>	<b>6,389</b>	<b>5,256</b>	<b>21.6</b>	<b>18,660</b>	<b>14,243</b>	<b>31.0</b>

With a larger Assets-based lending portfolio, the Group managed to record higher interest income in third quarter 2019 ("**3Q FY2019**") and 9 months ended 30 September 2019 ("**9M FY2019**").

The continuous strong performance achieved in our Assets-based lending portfolio has led to the increase in interest income in third quarter 2019 ("**3Q FY2019**") and 9 months ended 30 September 2019 ("**9M FY2019**"). Our Asset-based loan books grew from \$193 million at the end of September 2018 to \$231 million as at 30 September 2019.

Coupled with the reduction in interest expense arising from lower bank borrowings, the Group achieved higher net interest income during the periods under review.

Consequently net Interest Margin ("NIM") improved from 6.48% in third quarter 2018 ("**3Q FY2018**") to 6.85% in Q3 FY2019, and from 6.54% in 9M FY2018 to 6.75% in 9M FY2019.

#### **Non-interest income**

Non-interest income comprises mainly of Net earned insurance premium, fees and commission and investment income. Non-interest income increased by 62% to \$6.7 million in 3Q FY2019 and 21% to \$16.9 million in 9M FY2019 mainly contributed by the fair value gain of unquoted equity securities. The Group disposed the investment and recorded a gain of \$2.9 million in the quarter under review.

## Operating expenses

Total operating expenses decreased by 10% to \$5.4 million when compared against 3Q FY2018 mainly due to unrealised foreign exchange differences arising from revaluation of monetary assets and liabilities.

On the other hand, total operating expenses for 9M FY2019 increased by 3% due to higher staff costs.

## Net claims incurred

The higher net claims incurred in 3Q FY2019 was contributed by higher reserving for claims.

With the restructuring of our Insurance business portfolio, the Group saw a decline in the net claims incurred of about \$1 million (17%) for the 9M FY2019.

## Allowances and Impairments

	3 months ended 30 September			9 months ended 30 September		
	3Q FY2019 S\$'000	3Q FY2018 S\$'000	+ / (-) %	9M FY2019 S\$'000	9M FY2018 S\$'000	+ / (-) %
Stage 1	(49)	24	NM	5	(72)	NM
Stage 2	18	(438)	NM	29	(230)	NM
Stage 3	261	(240)	NM	(1,703)	388	NM
Others	(16)	227	NM	1,134	305	NM
				-	-	
<b>Allowances and Impairments</b>	<b>214</b>	<b>(427)</b>	<b>NM</b>	<b>(535)</b>	<b>391</b>	<b>NM</b>

## Profit before tax

The higher net interest income, coupled with the fair value gain of unquoted equity securities and lower operating expenses, the Group managed to achieve an improvement of about \$2.2 million in pre-tax profits for 3Q FY2019.

For 9M FY2019, the Group attained an increase of \$8.4 million (153%) in pre-tax profits; arising from better performance from its core business, lower provision for impairment and net claims incurred, recovery from Non-Performing Loan accounts and fair value gain of unquoted equity securities.

For 9M FY2019, the Group recorded a profit attributable to shareholders of \$8.3 million; a significant improvement of \$6.5 million compared against 9M FY2018.

## Review of Financial Position as at 30 September 2019

Following the partial realisation of the investment portfolio during the first nine months of 2019, total amount of other investment decreased by \$14.9 million

Gross lending assets including factoring receivables outstanding were \$386 million, a slight increase of 2% when compared against the base of \$380 million as at 31 December 2018.

During the period under review, Group bank borrowings reduced by \$20.4 million.

With the improved results achieved in 9M FY2019 and lowered borrowings, the Group managed to achieve a current ratio of 1.37 times (31 December 2018: 1.23 times).



### Cash flows from operating activities

The Group recorded net cash outflows of \$4.7 million for 3Q FY2019 as a result of the increase in loan disbursements.

The Group recorded a net cash inflow of \$6.3 million for 9M FY2019 mainly due to repayment from factoring business customers.

### Cash flows from investing activities

The Group received a total of \$14.8 million and \$25.4 million for 3Q FY2019 and 9M FY2019 respectively following the realisation of our investment portfolio.

As a result, net cash generated from investing activities for 3Q FY2019 and 9M FY2019 was higher compared against the corresponding periods.

Details of purchase of investments and proceeds from redemption/disposal of investments for 3Q FY2019 and 9M FY2019 was as follows:

	Purchase of investments		Proceeds from redemption / disposal of investments	
	3Q FY2019 S\$'000	9M FY2019 S\$'000	3Q FY2019 S\$'000	9M FY2019 S\$'000
<u>ECICS Limited</u> *				
- Quoted equity securities	1,422	3,488	1,875	2,956
- Quoted debt securities	578	3,677	2,475	9,413
<u>IFS Group</u> (excluding ECICS Limited)	-	-	10,423	13,034
<b>Total</b>	<b>2,000</b>	<b>7,165</b>	<b>14,773</b>	<b>25,403</b>

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

### Cash flows from financing activities

The net cash generated from or used in financing activities arose from additional drawdown or repayment of the interest-bearing borrowings to meet the lending activities requirements.

**9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

The current announced results are in line with the prospect statement as disclosed in the Group's second quarter results announcement for the quarter ended 30 June 2019 dated 13 August 2019.

**10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The global economy could be unfavourable over the next 12 months. Economic growth is slowing in the major economies with knock-on effects on the countries we operate in. Thus, business activities continue to be sluggish. Nevertheless, there are pockets of opportunities available for the Group to take advantage of, in the SME businesses of our countries. In seizing these opportunities, we will be conscious of rising credit risks as a consequence of the difficult environment. Consequently, we intend to remain prudent in our lending.

Efforts to address weaknesses in our Insurance business have progressed. However, as we have indicated before, it will take time before a sustained turnaround in this segment materializes.

**11 Dividend**

**(a) Current Financial Period**

Nil

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Nil

**(c) Date Payable**

Not applicable.

**(d) Books closure date**

Not applicable

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

No interim dividend has been declared for the period ended 30 September 2019.

**13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group did not obtain a general mandate from shareholders for Interested Person Transactions.

**14 Confirmation that the issuer has procured undertakings from all its directors and executive officers.**

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

By Order of the Board

**Chionh Yi Chian/ Angeline Ng**  
**Company Secretary/ Assistant Company Secretary**  
8 November 2019



**IFS Capital Limited**

(Registration no: 198700827C)

**Confirmation By The Board Pursuant to Rule 705(5) of the Listing Manual**

On behalf of the Board of Directors of IFS Capital Limited ("the Company"), we 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 third quarter ended 30 September 2019 to be false or misleading in any material aspect.

On behalf of the Board of Directors

**Lim Hua Min**

**Chairman**

**Eugene Tan**

**Group Chief Executive Officer/Director**

**Ang Iris**

**Group Chief Financial Officer**

Singapore

8 November 2019