



**IFS Capital Limited**

(Registration no: 198700827C)

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**Third Quarter And Nine Months Unaudited Financial Statements and Dividend Announcement  
for the Period Ended 30 September 2015**

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**Third Quarter And Nine Months Unaudited Financial Statements and Dividend Announcement for the Period Ended 30 September 2015**

**1(a)(i) Consolidated Statement of Profit or Loss for the Third Quarter And Nine Months Ended 30 September**

	Note	3rd Quarter			9 months		
	1(a) (ii)	2015 S\$'000	2014 S\$'000	+ / (-) %	2015 S\$'000	2014 S\$'000	+ / (-) %
Interest income		6,452	6,216	3.8	19,163	18,274	4.9
Interest expense		(1,769)	(1,519)	16.5	(5,256)	(4,473)	17.5
<b>Net interest income</b>		<b>4,683</b>	<b>4,697</b>	<b>(0.3)</b>	<b>13,907</b>	<b>13,801</b>	<b>0.8</b>
Gross written premiums		2,309	1,589	45.3	5,993	5,942	0.9
Change in gross provision for unexpired risks		203	917	(77.9)	1,464	1,520	(3.7)
Gross earned premium revenue		2,512	2,506	0.2	7,457	7,462	(0.1)
Written premiums ceded to reinsurers		(1,014)	(1,022)	(0.8)	(2,823)	(3,313)	(14.8)
Reinsurers' share of change in provision for unexpired risks		(380)	(498)	(23.7)	(1,476)	(1,323)	11.6
Reinsured premium expense		(1,394)	(1,520)	(8.3)	(4,299)	(4,636)	(7.3)
<b>Net earned premium revenue</b>	(a)	<b>1,118</b>	<b>986</b>	<b>13.4</b>	<b>3,158</b>	<b>2,826</b>	<b>11.7</b>
Fee and commission income	(b)	1,462	1,897	(22.9)	5,215	6,686	(22.0)
Investment income	(c)	(1,250)	391	NM	644	2,324	(72.3)
Other income	(d)	45	60	(25.0)	202	387	(47.8)
<b>Non-interest income</b>		<b>257</b>	<b>2,348</b>	<b>(89.1)</b>	<b>6,061</b>	<b>9,397</b>	<b>(35.5)</b>
<b>Income before operating expenses</b>		<b>6,058</b>	<b>8,031</b>	<b>(24.6)</b>	<b>23,126</b>	<b>26,024</b>	<b>(11.1)</b>
Business development expenses		(155)	(203)	(23.6)	(525)	(574)	(8.5)
Commission expenses		(261)	(161)	62.1	(621)	(448)	38.6
Staff costs		(2,966)	(3,290)	(9.8)	(9,452)	(10,118)	(6.6)
General and administrative expenses		(1,872)	(1,707)	9.7	(5,569)	(5,045)	10.4
<b>Operating expenses</b>		<b>(5,254)</b>	<b>(5,361)</b>	<b>(2.0)</b>	<b>(16,167)</b>	<b>(16,185)</b>	<b>(0.1)</b>
Change in provision for insurance claims		1,891	524	NM	1,126	2,336	(51.8)
Reinsurers' share of change in provision for insurance claims		(1,758)	(479)	NM	(1,395)	(1,918)	(27.3)
Gross claims paid		(90)	(28)	NM	(178)	(4,415)	(96.0)
Reinsurers' share of claims paid/(recovered)		10	-	NM	(8)	3,057	NM
<b>Net claims reversal/(incurred)</b>	(e)	<b>53</b>	<b>17</b>	<b>NM</b>	<b>(455)</b>	<b>(940)</b>	<b>(51.6)</b>
<b>Operating profit before allowances</b>		<b>857</b>	<b>2,687</b>	<b>(68.1)</b>	<b>6,504</b>	<b>8,899</b>	<b>(26.9)</b>
Allowances for loan losses and impairment of investments	(f)	(3,262)	(2,802)	16.4	(8,143)	(6,567)	24.0
<b>(Loss)/profit before tax</b>		<b>(2,405)</b>	<b>(115)</b>	<b>NM</b>	<b>(1,639)</b>	<b>2,332</b>	<b>NM</b>
Tax credit/(expense)		189	9	NM	(117)	(562)	(79.2)
<b>(Loss)/profit for the period</b>		<b>(2,216)</b>	<b>(106)</b>	<b>NM</b>	<b>(1,756)</b>	<b>1,770</b>	<b>NM</b>
<b>(Loss)/profit attributable to:</b>							
Owners of the Company		(2,524)	(457)	NM	(2,683)	785	NM
Non-controlling interests		308	351	(12.3)	927	985	(5.9)
<b>(Loss)/profit for the period</b>		<b>(2,216)</b>	<b>(106)</b>	<b>NM</b>	<b>(1,756)</b>	<b>1,770</b>	<b>NM</b>

**Consolidated Statement of Comprehensive Income for the Third Quarter And Nine Months Ended 30 September**

	Note	3rd Quarter			9 months		
		2015 S\$'000	2014 S\$'000	+ / (-) %	2015 S\$'000	2014 S\$'000	+ / (-) %
<b>(Loss)/profit for the period</b>	1(a) (ii)	<b>(2,216)</b>	<b>(106)</b>	<b>NM</b>	<b>(1,756)</b>	<b>1,770</b>	<b>NM</b>
<b>Other comprehensive income</b>							
<b>Items that are or may be reclassified subsequently to profit or loss</b>							
Net change in fair value of available-for-sale financial assets	(g)	<b>40</b>	2,993	(98.7)	<b>715</b>	3,164	(77.4)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	(h)	-	-	-	<b>(747)</b>	(1,067)	(30.0)
Foreign currency translation differences of foreign operations	(i)	<b>(998)</b>	740	NM	<b>(1,785)</b>	883	NM
Tax on other comprehensive income		<b>(7)</b>	(508)	(98.6)	<b>5</b>	(356)	NM
<b>Other comprehensive income for the period, net of tax</b>		<b>(965)</b>	3,225	NM	<b>(1,812)</b>	2,624	NM
<b>Total comprehensive income for the period</b>		<b>(3,181)</b>	3,119	NM	<b>(3,568)</b>	4,394	NM
<b>Total comprehensive income attributable to:</b>							
<b>Owners of the Company</b>		<b>(3,305)</b>	2,552	NM	<b>(4,238)</b>	3,203	NM
<b>Non-controlling interests</b>		<b>124</b>	567	(78.1)	<b>670</b>	1,191	(43.7)
<b>Total comprehensive income for the period</b>		<b>(3,181)</b>	3,119	NM	<b>(3,568)</b>	4,394	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:

	3rd Quarter			9 months		
	2015 S\$'000	2014 S\$'000	+ / (-) %	2015 S\$'000	2014 S\$'000	+ / (-) %
Investment income						
- dividend, fee and interest income	491	483	1.7	1,542	1,257	22.7
- (loss)/gain on disposal of equity securities	(231)	237	NM	(143)	351	NM
- gain on partial redemption of convertible loan	-	-	-	747	1,067	(30.0)
- net change in fair value of financial assets at fair value through profit or loss	(1,551)	(333)	NM	(1,548)	(356)	NM
- amortisation of held-to-maturity debts securities	(17)	(7)	142.9	(59)	(6)	NM
- exchange gain	58	11	NM	105	11	NM
	(1,250)	391	NM	644	2,324	(72.3)
(Loss)/gain on disposal of property, plant and equipment	(1)	-	NM	15	6	150.0
Amortisation of intangible assets	(105)	(78)	34.6	(294)	(237)	24.1
Depreciation of property, plant and equipment	(293)	(250)	17.2	(822)	(737)	11.5
Foreign currency differences						
- exchange loss, net	(725)	(14)	NM	(849)	(63)	NM
- fair value gain on foreign exchange forward contracts	599	-	NM	600	-	NM
	(126)	(14)	NM	(249)	(63)	NM
(Provision for)/reversal of unexpired risks, net of reinsurers' share						
- change in gross provision for unexpired risks	203	917	(77.9)	1,464	1,520	(3.7)
- reinsurers' share of change in provision for unexpired risks	(380)	(498)	(23.7)	(1,476)	(1,323)	11.6
	(177)	419	NM	(12)	197	NM
Claims reversal/(incurred), net of reinsurers' share						
- net change in provision for insurance claims	133	45	195.6	(269)	418	NM
- net claims paid	(80)	(28)	185.7	(186)	(1,358)	(86.3)
	53	17	NM	(455)	(940)	(51.6)
Allowances for loan losses and impairment of investments						
- loans and receivables	(3,262)	(2,796)	16.7	(8,143)	(6,419)	26.9
- equity securities	-	(6)	NM	-	(148)	NM
	(3,262)	(2,802)	16.4	(8,143)	(6,567)	24.0
Tax credit/(expense)						
- current tax expense	(326)	(396)	(17.7)	(912)	(1,103)	(17.3)
- deferred tax credit	515	425	21.2	860	565	52.2
- underprovision of prior years' tax	-	(20)	NM	(65)	(24)	170.8
	189	9	NM	(117)	(562)	(79.2)

**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 growth in gross written premiums of the insurance subsidiary, ECICS Limited ("ECICS") for 3rd Quarter 2015 ("3Q 2015") and 9 months of 2015 ("9M 2015") was largely due to higher credit and general insurance businesses. Taking into account the change in gross provision for unexpired risks, gross earned premium revenue was comparable at \$2.5 million for 3Q 2015 and \$7.5 million for 9M 2015. However, with lower premium ceded to reinsurers, net earned premium revenue surged 13% to \$1.1 million for 3Q 2015 and 12% to \$3.2 million for 9M 2015.
- (b) The lower fee and commission income for 3Q 2015 and 9M 2015 was mainly due to lower reinsurance commission received, coupled with lower financing fee income.
- (c) The loss on investment income for 3Q 2015 and lower investment income for 9M 2015 was mainly due to fair value loss on quoted equity investments and loss on disposal of equity securities from a weak market sentiment. The gain on partial redemption of convertible loan for both 9M 2015 and 9 months of 2014 ("9M 2014") was reclassified from other comprehensive income.
- (d) The lower other income for both 3Q 2015 and 9M 2015 was mainly due to lower bad debts recoveries from factoring and loan accounts previously written off.
- (e) The lower net claims incurred for 9M 2015 was mainly due to lower bond calls.
- (f) The higher allowances for loan losses and impairment of investments for 9M 2015 were mainly due to higher specific impairment on loans and receivables, mainly from Singapore and Indonesia.
- (g) The decline in the net change in fair value of available-for-sale financial assets for 3Q 2015 and 9M 2015 was mainly due to lower mark-to-market gain on property-related projects.
- (h) For both 9M 2015 and 9M 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 3Q 2015 and 9M 2015 was mainly due to the weakening of Indonesian Rupiah and Thai Baht for translation against the Singapore Dollar as at 30 June 2015 and 31 December 2014 respectively.

**1(a)(iii) (Loss)/Earnings Per Ordinary Share**

	Group			
	3rd Quarter		9 months	
	2015	2014	2015	2014
(Loss)/earnings per ordinary share				
- on weighted average number of ordinary shares in issue (cents)	<b>(1.68)</b>	(0.30)	<b>(1.78)</b>	0.52
- on fully diluted basis (cents)	<b>(1.68)</b>	(0.30)	<b>(1.78)</b>	0.52

(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 September 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	30/09/2015 S\$'000	31/12/2014 S\$'000	30/09/2015 S\$'000	31/12/2014 S\$'000
<b>Non-current assets</b>					
Property, plant and equipment		17,846	17,231	14,645	15,111
Intangible assets		771	642	132	184
Investment property	(a)	1,277	-	-	-
Subsidiaries		-	-	75,845	75,845
Other investments	(b)	53,924	48,704	8,009	7,000
Loans, advances, hire purchase and leasing receivables	(c)	53,333	48,785	43,189	40,483
Deferred tax assets		7,118	6,832	557	230
		134,269	122,194	142,377	138,853
<b>Current assets</b>					
Reinsurers' share of insurance contract provisions		16,239	19,110	-	-
Insurance receivables		1,077	1,052	-	-
Trade and other receivables	(d)	204,111	212,745	120,033	107,246
Other investments	(e)	20,819	24,794	367	-
Derivative financial assets		10	190	10	190
Cash and cash equivalents		28,262	24,013	7,289	7,510
Assets held for sale		181	167	-	-
		270,699	282,071	127,699	114,946
<b>Total assets</b>		404,968	404,265	270,076	253,799
<b>Equity</b>					
Share capital		88,032	88,032	88,032	88,032
Other reserves		(5,154)	(3,599)	856	863
Accumulated profits		31,209	36,148	24,355	27,585
<b>Equity attributable to owners of the Company</b>		114,087	120,581	113,243	116,480
Non-controlling interests		11,138	11,221	-	-
<b>Total equity</b>		125,225	131,802	113,243	116,480
<b>Non-current liabilities</b>					
Interest-bearing borrowings	(f)	27,938	46,683	22,250	35,610
Employee benefits		1,035	931	-	-
		28,973	47,614	22,250	35,610
<b>Current liabilities</b>					
Trade and other payables		7,238	8,275	2,144	5,068
Insurance payables		2,854	2,418	-	-
Interest-bearing borrowings	(f)	211,888	182,419	131,983	96,173
Insurance contract provisions for					
- gross unexpired risks		12,048	13,512	-	-
- gross insurance claims		15,779	16,905	-	-
Current tax payable		963	1,320	456	468
		250,770	224,849	134,583	101,709
<b>Total liabilities</b>		279,743	272,463	156,833	137,319
<b>Total equity and liabilities</b>		404,968	404,265	270,076	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 is for leasing purpose.
- (b) The increase in other investments under non-current assets of the Group 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 Company was mainly due to higher factoring receivables and new loans drawdown, coupled with higher amount owing by IFS Capital Assets Private for new loans drawdown as explained in (c) above. The decrease at Group level was mainly due to loan repayments and lower factoring receivables recorded by overseas subsidiaries.
- (e) The decrease in other investments under current assets of the Group was mainly due to ECICS' lower portfolio of held-for-trading equity securities and maturity of 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 Company level.

The Group's overall interest-bearing borrowings increased from \$229.1 million as at 31 December 2014 to \$239.8 million as at 30 September 2015 mainly due to additional bank borrowings to fund factoring business and new loans drawdown.



**1(b)(ii) Group's Borrowings**

	<b>Unsecured</b>	
	<b>As at 30/09/2015</b>	<b>As at 31/12/2014</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Amount repayable in one year or less, or on demand	<b>211,888</b>	182,419
Amount repayable after one year	<b>27,938</b>	46,683
	<b>239,826</b>	229,102

**Details of any collateral**

Nil.

**1(b)(iii) Net Asset Value**

	<b>Group</b>		<b>Company</b>	
	<b>30/09/2015</b>	<b>31/12/2014</b>	<b>30/09/2015</b>	<b>31/12/2014</b>
Net asset value per ordinary share based on issued share capital at end of the financial period (cents)	<b>75.9</b>	80.2	<b>75.3</b>	77.5

**1(c) Consolidated Statement of Cash Flows for the Third Quarter And Nine Months Ended 30 September**

	3rd Quarter		9 months	
	2015	2014	2015	2014
Note	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities</b>				
(Loss)/profit for the period	(2,216)	(106)	(1,756)	1,770
Adjustments for:				
Amortisation of intangible assets and held-to-maturity debt securities	122	85	353	243
Net foreign exchange (gain)/loss	(243)	52	(355)	76
Depreciation of property, plant and equipment	293	250	822	737
Loss/(gain) on disposal of equity securities	231	(237)	143	(351)
Gain on partial redemption of convertible loans	-	-	(747)	(1,067)
Loss/(gain) on disposal of property, plant and equipment	1	-	(15)	(6)
Net change in fair value of financial assets at fair value through profit or loss	1,551	333	1,548	356
Allowance for impairment of investments	-	6	-	148
Provision for/(reversal of), net of reinsurers' share				
- unexpired risks	177	(419)	12	(197)
- insurance claims	(133)	(45)	269	(418)
Interest income	(6,452)	(6,216)	(19,163)	(18,274)
Interest income from investments and fixed deposits	(309)	(319)	(906)	(829)
Dividend income from investments	(182)	(164)	(636)	(428)
Interest expense	1,769	1,519	5,256	4,473
Fixed assets written off	1	2	1	20
Tax (credit)/expense	(189)	(9)	117	562
<b>Operating cashflows before changes in working capital</b>	<b>(5,579)</b>	<b>(5,268)</b>	<b>(15,057)</b>	<b>(13,185)</b>
<b>Changes in working capital:</b>				
Factoring receivables	8,372	1,977	4,268	12,419
Factoring amounts due to clients	(121)	(171)	(349)	(708)
Loans, advances, hire purchase and leasing receivables	4,700	(6,692)	(4,341)	(14,434)
Insurance and other receivables	683	2,044	(1,162)	1,110
Assets held for sale	(16)	-	(28)	-
Trade, other and insurance payables	(600)	786	(2,297)	(2,320)
<b>Cash generated from /(used in) operations</b>	<b>7,439</b>	<b>(7,324)</b>	<b>(18,966)</b>	<b>(17,118)</b>
Interest received	6,852	6,588	20,185	19,006
Interest paid	1,068	(1,475)	(2,384)	(4,488)
Taxes paid, net	(564)	(924)	(1,258)	(2,491)
<b>Net cash from/(used in) operating activities</b>	<b>14,795</b>	<b>(3,135)</b>	<b>(2,423)</b>	<b>(5,091)</b>

(a)

1(c) **Consolidated Statement of Cash Flows for the Third Quarter And Nine Months Ended 30 September (cont'd)**

		<b>3rd Quarter</b>		<b>9 months</b>	
		<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	Note	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from investing activities</b>					
Proceeds from sale of property, plant and equipment		-	-	15	6
Purchase of property, plant and equipment		(6)	(54)	(1,459)	(430)
Purchase of investment property		22	-	(1,306)	-
Purchase of intangible assets		(47)	(52)	(426)	(453)
Purchase of investments		(8,646)	(13,346)	(25,144)	(37,026)
Proceeds from redemption/disposal of investments		8,180	5,184	23,139	11,263
Dividend received from investments		182	164	636	428
<b>Net cash used in investing activities</b>	(b)	<b>(315)</b>	<b>(8,104)</b>	<b>(4,545)</b>	<b>(26,212)</b>
<b>Cash flows from financial activities</b>					
Dividends paid					
- by the Company		-	-	(2,256)	(3,008)
- by a subsidiary company to non-controlling interests		-	-	(753)	(660)
(Repayments of)/proceeds from interest-bearing borrowings		(9,692)	2,769	14,463	1,049
<b>Net cash (used in)/from financing activities</b>	(c)	<b>(9,692)</b>	<b>2,769</b>	<b>11,454</b>	<b>(2,619)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	(d)	<b>4,788</b>	<b>(8,470)</b>	<b>4,486</b>	<b>(33,922)</b>
Cash and cash equivalents at beginning of period		23,622	36,691	24,013	62,142
Effect of exchange rate fluctuations on cash held		(148)	245	(237)	246
<b>Cash and cash equivalents at end of period</b>		<b>28,262</b>	<b>28,466</b>	<b>28,262</b>	<b>28,466</b>
<b>Analysis of cash and cash equivalents</b>					
Fixed deposits		15,945	16,463	15,945	16,463
Cash at banks and on hand		12,317	12,003	12,317	12,003
<b>Cash and cash equivalents at end of period</b>		<b>28,262</b>	<b>28,466</b>	<b>28,262</b>	<b>28,466</b>

## **Explanatory Notes to Consolidated Statement of Cash Flows**

### (a) Net cash from/(used in) operating activities

The net cash from operating activities in 3Q 2015 was mainly due to higher repayment of factoring receivables; and loans, advances and hire purchase and leasing receivables as compared to 3rd quarter of 2014 ("3Q 2014"). The lower net cash used in operating activities in 9M 2015 was mainly due to lower drawdown of loans, advances, hire purchase and leasing receivables, partly offset by lower repayment of factoring receivables as compared to 9M 2014.

### (b) Net cash used in investing activities

The lower net cash used in investing activities in 3Q 2015 and 9M 2015 was mainly due to lower purchase of investments, partly offset by higher proceeds from redemption/disposal of investments as compared to 3Q 2014.

Details of the purchase of investments of \$8.6 million and proceeds from redemption/disposal of investments of \$8.2 million for 3Q 2015 were as follows:-

<u>Details</u>	<u>Purchase of investments</u> S\$'000	<u>Proceeds from redemption/ disposal of investments</u> S\$'000
<u>ECICS Limited *</u>		
- Quoted equity securities	3,646	6,180
- Quoted debt securities	-	2,000
<u>IFS Group (excluding ECICS Limited)</u>		
- Convertible loan	5,000	-
<b>Total</b>	<b>8,646</b>	<b>8,180</b>

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

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

The net cash used in financing activities in 3Q 2015 resulted mainly from utilization of surplus funds for repayments of interest-bearing borrowings. The net cash from financing activities in 9M 2015 was mainly due to higher proceeds from interest-bearing borrowings to fund new factoring and convertible loan clients, partly offset by lower dividend payments as compared to 9M 2014.

### (d) Net increase/(decrease) in cash and cash equivalents

Overall, the net increase in cash and cash equivalents for 3Q 2015 resulted mainly from higher repayment of factoring receivables; and loans, advances, hire purchases and leasing receivables, lower purchase of investments and higher proceeds from redemption/disposal of investments, partly offset by repayments of interest-bearing borrowings as compared to 3Q 2014. As for 9M 2015, the net increase resulted mainly from lower new loans drawdown, lower purchase of investments and higher proceeds from redemption/disposal of investments and higher proceeds from interest-bearing borrowings, partly offset by lower repayment of factoring receivables as compared to 9M 2014.

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

<b>Group</b>	Attributable to owners of the Company							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	Non-controlling interests S\$'000	
<b>2014</b>								
<b>At 1 January 2014</b>	88,032	(236)	1,507	(8,794)	47,047	127,556	10,078	137,634
<b>Total comprehensive income for 1st half</b>								
Profit for 1st half	-	-	-	-	1,242	1,242	634	1,876
Other comprehensive income	-	-	(744)	153	-	(591)	(10)	(601)
<b>Total comprehensive income for 1st half</b>	-	-	(744)	153	1,242	651	624	1,275
Dividends paid to owners of the Company	-	-	-	-	(3,008)	(3,008)	-	(3,008)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(660)	(660)
<b>At 30 June 2014</b>	88,032	(236)	763	(8,641)	45,281	125,199	10,042	135,241
<b>Total comprehensive income for 3rd quarter</b>								
(Loss)/profit for 3rd quarter	-	-	-	-	(457)	(457)	351	(106)
Other comprehensive income	-	-	2,485	524	-	3,009	216	3,225
<b>Total comprehensive income for 3rd quarter</b>	-	-	2,485	524	(457)	2,552	567	3,119
<b>At 30 September 2014</b>	88,032	(236)	3,248	(8,117)	44,824	127,751	10,609	138,360
<b>2015</b>								
<b>At 1 January 2015</b>	88,032	(39)	3,702	(7,262)	36,148	120,581	11,221	131,802
<b>Total comprehensive income for 1st half</b>								
(Loss)/profit for 1st half	-	-	-	-	(159)	(159)	619	460
Other comprehensive income	-	-	(60)	(714)	-	(774)	(73)	(847)
<b>Total comprehensive income for 1st half</b>	-	-	(60)	(714)	(159)	(933)	546	(387)
Dividends paid to owners of the Company	-	-	-	-	(2,256)	(2,256)	-	(2,256)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(753)	(753)
<b>At 30 June 2015</b>	88,032	(39)	3,642	(7,976)	33,733	117,392	11,014	128,406
<b>Total comprehensive income for 3rd quarter</b>								
(Loss)/profit for 3rd quarter	-	-	-	-	(2,524)	(2,524)	308	(2,216)
Other comprehensive income	-	-	33	(814)	-	(781)	(184)	(965)
<b>Total comprehensive income for 3rd quarter</b>	-	-	33	(814)	(2,524)	(3,305)	124	(3,181)
<b>At 30 September 2015</b>	88,032	(39)	3,675	(8,790)	31,209	114,087	11,138	125,225

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

<u>Company</u>	Share capital S\$'000	Fair value reserve S\$'000	Accumulated profits S\$'000	Total equity S\$'000
<b>2014</b>				
<b>At 1 January 2014</b>	88,032	1,485	22,445	111,962
<b>Total comprehensive income for 1st half</b>				
Profit for 1st half	-	-	465	465
Other comprehensive income	-	(714)	-	(714)
<b>Total comprehensive income for 1st half</b>	-	(714)	465	(249)
Dividend paid	-	-	(3,008)	(3,008)
<b>At 30 June 2014</b>	88,032	771	19,902	108,705
<b>Total comprehensive income for 3rd quarter</b>				
Profit for 3rd quarter	-	-	345	345
Other comprehensive income	-	35	-	35
<b>Total comprehensive income for 3rd quarter</b>	-	35	345	380
<b>At 30 September 2014</b>	88,032	806	20,247	109,085
<b>2015</b>				
<b>At 1 January 2015</b>	88,032	863	27,585	116,480
<b>Total comprehensive income for 1st half</b>				
Loss for 1st half	-	-	(162)	(162)
Other comprehensive income	-	129	-	129
<b>Total comprehensive income for 1st half</b>	-	129	(162)	(33)
Dividend paid	-	-	(2,256)	(2,256)
<b>At 30 June 2015</b>	88,032	992	25,167	114,191
<b>Total comprehensive income for 3rd quarter</b>				
Loss for 3rd quarter	-	-	(812)	(812)
Other comprehensive income	-	(136)	-	(136)
<b>Total comprehensive income for 3rd quarter</b>	-	(136)	(812)	(948)
<b>At 30 September 2015</b>	88,032	856	24,355	113,243

**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 September 2015 was 150,387,866 ordinary shares.

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

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

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

### **3rd Quarter 2015 (“3Q 2015”) versus 3rd Quarter 2014 (“3Q 2014”)**

Group’s operating profit before allowances for 3Q 2015 decreased by 68% to \$857,000 from \$2.7 million for 3Q 2014, due mainly to lower non-interest income. After taking into account the allowances for loan losses, the Group reported a higher net loss of \$2.2 million compared to \$106,000 for 3Q 2014.

### **9 months of 2015 (“9M 2015”) versus 9 months of 2014 (“9M 2014”)**

The Group’s operating income for 9M 2015 of \$23.1 million was 11% lower compared to \$26.0 million for 9M 2014 mainly affected by 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, the Group’s operating profit before allowances of \$6.5 million was 27% lower compared to \$8.9 million a year ago.

With higher allowances for loan losses, the Group reported a net loss of \$1.8 million compared to a net profit of \$1.8 million in 9M 2014. Net loss attributable to shareholders after non-controlling interests (“NCI”) was \$2.7 million.

The Group’s gross loan assets including factoring receivables outstanding were \$338.4 million as at 30 September 2015 (30 September 2014: \$334.9 million). This was a decrease of 2% against the base of \$345.5 million as at 31 December 2014 due to higher loan repayments and lower factoring receivables.

For the regional operations, our Thailand subsidiary reported a net profit after NCI of \$2.5 million, down 6% from \$2.7 million in 2014 mainly affected by higher allowances for loan losses. Our Indonesia subsidiary posted a net loss of \$941,000 compared to a net profit of \$181,000 in 2014, mainly impacted by higher allowances for loan losses. Our Malaysia subsidiary reported a lower net loss of \$256,000 compared to \$1.2 million in 2014 mainly on lower allowances for loan losses.

Overall, regional operations recorded a 27% decrease in net profit after NCI of \$829,000 compared to \$1.1 million in 9M 2014.

## **7 Variance from Prospect Statement**

The current announced results are in line with the profit guidance announcement released on 30 October 2015.



## 8 **Prospects**

The Group's near term prospect are clouded by downside risks. First, the global economic outlook is poor due to the slowdown in China's economy, the rising chance of US Federal Reserve interest rate hikes and regional currency depreciation.

Second, the Singapore economy is particularly weak, weighing on the Group's Singapore business which is expected to slow down in the last quarter of 2015.

Our Thailand subsidiary should continue to remain profitable despite the slow growth in the Thailand economy.

In Malaysia, business volumes are expected to increase marginally while losses are expected to narrow for full year 2015.

Indonesia will continue to focus on recoveries from its non-performing portfolios.

ECICS will continue to focus on full range of general insurance products through engagement of more agents or brokers as well as promotion campaigns. It has also launched its B2B and B2C online portals for motor insurance.

In view of the current challenging business environment and in line with the profit guidance issued on 30 October 2015, the Group expects a loss for full year 2015.

## 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 September 2015 (30 September 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**  
6 November 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 third quarter and nine months ended 30 September 2015 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**

**Danny Heng**  
**Group Chief Financial Officer**

Singapore

6 November 2015